

NATIONAL POWER CORPORATION, PETITIONER, VS. OMAR G. MARUHOM, ELIAS G. MARUHOM, BUCAY G. MARUHOM, MAMOD G. MARUHOM, FAROUK G. MARUHOM, HIDJARA G. MARUHOM, ROCANIA G. MARUHOM, POT...

G.R. No. 183297. December 23, 2009

Ponente: NACHURA, J.

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NACHURA, J.:

Petitioner National Power Corporation (NPC) filed this Petition for Review on Certiorari, seeking to nullify the May 30, 2008 Decision[1] of the Court of Appeals (CA) in CA-G.R. SP No. 02065-MIN, affirming the Order dated November 13, 2007 issued by Hon. Amer R. Ibrahim, which granted respondents' motion for issuance of a writ of execution.

The antecedents.

Lucman G. Ibrahim and his co-heirs Omar G. Maruhom, Elias G. Maruhom, Bucay G. Maruhom, Mamod G. Maruhom, Farouk G. Maruhom, Hidjara G. Maruhom, Rocania G. Maruhom, Potrisam G. Maruhom, Lumba G. Maruhom, Sinab G. Maruhom, Acmad G. Maruhom, Solayman G. Maruhom, Mohamad M. Ibrahim and Cairoronesa M. Ibrahim (respondents) are owners of a 70,000-square meter lot in Saduc, Marawi City. Sometime in 1978, NPC, without respondents' knowledge and consent, took possession of the subterranean area of the land and constructed therein underground tunnels. The tunnels were used by NPC in siphoning the water of Lake Lanao and in the operation of NPC's Agus II, III, IV, V, VI, and VII projects located in Saguiran, Lanao del Sur; Nangca and Balo-i in Lanao del Norte; and Ditucalan and Fuentes in Iligan City. Respondents only discovered the existence of the tunnels sometime in July 1992. Thus, on October 7, 1992, respondents demanded that NPC pay damages and vacate the subterranean portion of the land, but the demand was not heeded.

Hence, on November 23, 1994, respondents instituted an action for recovery of possession of land and damages against NPC with the Regional Trial Court (RTC) of Lanao del Sur, docketed as Civil Case No. 1298-94.

After trial, the RTC rendered a decision,[2] the decretal portion of which reads:

WHEREFORE, judgment is hereby rendered:

- Denying [respondents'] prayer for [NPC] to dismantle the underground tunnels constructed beneath the lands of [respondents] in Lots 1, 2, and 3 of Survey Plan FP (VII-5) 2278;
- Ordering [NPC] to pay to [respondents] the fair market value of said 70,000 square meters of land covering Lots 1, 2, and 3 as described in Survey Plan FP (VII-5) 2278 less the area of 21,995 square meters at P1,000.00 per square meter or a total of P48,005,000.00 for the remaining unpaid portion of 48,005 square meters; with 6% interest per annum from the filing of this case until paid;
- Ordering [NPC] to pay [respondents] a reasonable monthly rental of P0.68 per square meter of the total area

of 48,005 square meters effective from its occupancy of the foregoing area in 1978 or a total of P7,050,974.40.

- Ordering [NPC] to pay [respondents] the sum of P200,000.00 as moral damages; and
- Ordering [NPC] to pay the further sum of P200,000.00 as attorney's fees and the costs.

SO ORDERED.[3]

Respondents then filed an Urgent Motion for Execution of Judgment Pending Appeal. On the other hand, NPC filed a Notice of Appeal. Thereafter, it filed a vigorous opposition to the motion for execution of judgment pending appeal with a motion for reconsideration of the RTC decision.

On August 26, 1996, NPC withdrew its Notice of Appeal to give way to the hearing of its motion for reconsideration. On August 28, 1996, the RTC issued an Order granting execution pending appeal and denying NPC's motion for reconsideration. The Decision of the RTC was executed pending appeal and the funds of NPC were garnished by respondents.

On October 4, 1996, Lucman Ibrahim and respondents Omar G. Maruhom, Elias G. Maruhom, Bucay G. Maruhom, Mamod G. Maruhom, Farouk G. Maruhom, Hidjara G. Maruhom, Potrisam G. Maruhom and Lumba G. Maruhom filed a Petition for Relief from Judgment,[4] asserting as follows:

- They did not file a motion to reconsider or appeal the decision within the reglementary period of fifteen (15) days from receipt of judgment because they believed in good faith that the decision was for damages and rentals and attorney's fees only as prayed for in the complaint;
- It was only on August 26, 1996 that they learned that the amounts awarded to the respondents represented not only rentals, damages and attorney's fees but the greatest portion of which was payment of just compensation which, in effect, would make the petitioner NPC the owner of the parcels of land involved in the case;
- When they learned of the nature of the judgment, the period of appeal had already expired;
- They were prevented by fraud, mistake, accident, or excusable negligence from taking legal steps to protect and preserve their rights over their parcels of land insofar as the part of the decision decreeing just compensation for respondents' properties;
- They would never have agreed to the alienation of their property in favor of anybody, considering the fact that the parcels of land involved in this case were among the valuable properties they inherited from their dear father and they would rather see their land crumble to dust than sell it to anybody.[5]

After due proceedings, the RTC granted the petition and rendered a modified judgment dated September 8, 1997, thus:

WHEREFORE, a modified judgment is hereby rendered:

- Reducing the judgment award of [respondents] for the fair market value of P48,005,000.00 by [P]9,526,000.00 or for a difference [of] P38,479,000.00 and by the further sum of P33,603,500.00 subject of the execution pending appeal leaving a difference of [P]4,878,500.00 which may be the subject of execution upon the finality of this modified judgment with 6% interest per annum from the filing of the case until paid.
- Awarding the sum of P1,476,911.00 to herein [respondents] Omar G. Maruhom, Elias G. Maruhom, Bucay G. Maruhom, Mahmud G. Maruhom, Farouk G. Maruhom, Hidjara G. Maruhom, Portrisam G. Maruhom and Lumba G. Maruhom as reasonable rental deductible from the awarded sum of P7,050,974.40 pertaining to [respondents].
- Ordering [NPC] embodied in the August 7, 1996 decision to pay [respondents] the sum of P200,000.00 as

moral damages; and further sum of P200,000.00 as attorney's fees and costs.

SO ORDERED.[6]

Lucman Ibrahim and NPC then filed their separate appeals with the CA, docketed as CA-G.R. CV No. 57792. On June 8, 2005, the CA rendered a Decision,[7] setting aside the modified judgment and reinstating the original Decision, amending it further by deleting the award of moral damages and reducing the amount of rentals and attorney's fees, thus:

WHEREFORE, premises considered, herein Appeals are hereby partially GRANTED, the Modified Judgment is ordered SET ASIDE and rendered of no force and effect and the original Decision of the court a quo dated 7 August 1996 is hereby RESTORED with the MODIFICATION that the award of moral damages is DELETED and the amounts of rentals and attorney's fees are REDUCED to P6,887,757.40 and P50,000.00, respectively.

In this connection, the Clerk of Court of RTC Lanao del Sur is hereby directed to reassess and determine the additional filing fee that should be paid by Plaintiff-Appellant IBRAHIM taking into consideration the total amount of damages sought in the complaint vis-à-vis the actual amount of damages awarded by this Court. Such additional filing fee shall constitute as a lien on the judgment.

SO ORDERED[8]

The above decision was affirmed by this Court on June 29, 2007 in G.R. No. 168732, viz.:

WHEREFORE, the petition is DENIED and the Decision of the Court of Appeals in C.A.-G.R. CV No. 57792 dated June 8, 2005 is AFFIRMED.

No costs.

SO ORDERED.[9]

NPC moved for reconsideration of the Decision, but this Court denied it on August 29, 2007.

To satisfy the judgment, respondents filed with the RTC a motion for execution of its August 7, 1996 decision, as modified by the CA. On November 13, 2007, the RTC granted the motion, and issued the corresponding writ of execution. Subsequently, a notice of garnishment was issued upon NPC's depositary bank.

NPC then filed a Petition for Certiorari (with Urgent Prayer for the Immediate Issuance of a Temporary Restraining Order and/or Writ of Preliminary Injunction) with the CA, docketed as CA-G.R. SP No. 02065-MIN. It argued that the RTC gravely abused its discretion when it granted the motion for execution without ordering respondents to transfer their title in favor of NPC. By allowing the payment of just compensation for a parcel of land without the concomitant right of NPC to get title thereto, the RTC clearly varied the terms of the judgment in G.R. No. 168732, justifying the issuance of a writ of certiorari. NPC also prayed for the issuance of a temporary restraining order (TRO) to enjoin the implementation of the writ of execution and notice of garnishment. On November 29, 2007, the CA granted NPC's prayer and issued a TRO, enjoining the implementation of the writ of execution and the notice of garnishment.

On May 30, 2008, the CA rendered the now assailed Decision,[10] dismissing NPC's petition for certiorari. Rejecting NPC's argument, the CA declared that this Court's Decision in G.R. No. 168732 intended NPC to pay the full value of the property as compensation without ordering the transfer of respondents' title to the land. According to the CA, in a plethora of cases involving lands traversed by NPC's transmission lines, it had been consistently ruled that an easement is compensable by the full value of the property despite the fact that NPC was only after a right-of-way easement, if by such easement it perpetually or indefinitely deprives the land owner of his proprietary rights by imposing restrictions on the use of the property. The CA, therefore, ordered NPC to pay

its admitted obligation to respondents amounting to P36,219,887.20.[11]

NPC is now before us faulting the CA for dismissing the former's petition for certiorari. It also prayed for a TRO to enjoin respondents and all persons acting under their authority from implementing the May 30, 2008 Decision of the CA. In its July 9, 2008 Resolution,[12] this Court granted NPC's prayer, and issued a TRO enjoining the execution of the assailed CA Decision.

In the main, NPC insists that the payment of just compensation for the land carries with it the correlative right to obtain title or ownership of the land taken. It stresses that this Court's Decision in G.R. No. 168732 is replete with pronouncements that the just compensation awarded to respondents corresponds to compensation for the entire land and not just for an easement or a burden on the property, thereby necessitating a transfer of title and ownership to NPC upon satisfaction of judgment. NPC added that by granting respondents' motion for execution, and consequently issuing the writ of execution and notice of garnishment, the RTC and the CA allowed respondents to retain title to the property even after the payment of full compensation. This, according to NPC, was a clear case of unjust enrichment.

The petition lacks merit.

It is a fundamental legal axiom that a writ of execution must conform strictly to the dispositive portion of the decision sought to be executed. A writ of execution may not vary from, or go beyond, the terms of the judgment it seeks to enforce. When a writ of execution does not conform strictly to a decision's dispositive portion, it is null and void.[13]

Admittedly, the tenor of the dispositive portion of the August 7, 1996 RTC decision, as modified by the CA and affirmed by this Court, did not order the transfer of ownership upon payment of the adjudged compensation. Neither did such condition appear in the text of the RTC decision, and of this Court's Decision in G.R. No. 168732.

As aptly pointed out by the CA in its assailed Decision:

[NPC], by its selective quotations from the Decision in G.R. No. 168732, would have Us suppose that the High Court, in decreeing that [NPC] pay the full value of the property as just compensation, implied that [NPC] was entitled to the entire land, including the surface area and not just the subterranean portion. No such inference can be drawn from [the] reading of the entirety of the High Court's Decision. On the contrary, a perusal of the subject Decision yields to this Court the unmistakable sense that the High Court intended [NPC] to pay the full value of the subject property as just compensation without ordering the transfer of [f] respondents' title to the land. This is patent from the following language of the High Court as quoted by [NPC] itself:

In disregarding this procedure and failing to recognize respondents' ownership of the sub-terrain portion, petitioner took a risk and exposed itself to greater liability with the passage of time. It must be emphasized that the acquisition of the easement is not without expense. The underground tunnels impose limitations on respondents' use of the property for an indefinite period and deprive them of its ordinary use. Based upon the foregoing, respondents are clearly entitled to the payment of just compensation. Notwithstanding the fact that [NPC] only occupies the sub-terrain portion, it is liable to pay not merely an easement but rather the full compensation for land. This is so because in this case, the nature of the easement practically deprives the owners of its normal beneficial use. Respondents, as the owners of the property thus expropriated, are entitled to a just compensation which should be neither more nor less, whenever it is possible to make the assessment, than the money equivalent of said property.[14]

Clearly, the writ of execution issued by the RTC and affirmed by the CA does not vary, but is, in fact, consistent with the final decision in this case. The assailed writ is, therefore, valid.

Indeed, expropriation is not limited to the acquisition of real property with a corresponding transfer of title or possession. The right-of-way easement resulting in a restriction or limitation on property rights over the land traversed by transmission lines also falls within the ambit of the term expropriation.[15]

As we explained in *Camarines Norte Electric Cooperative, Inc. v. Court of Appeals*:[16]

The acquisition of an easement of a right-of-way falls within the purview of the power of eminent domain. Such conclusion finds support in easements of right-of-way where the Supreme Court sustained the award of just compensation for private property condemned for public use. The Supreme Court, in *Republic v. PLDT* thus held that:

"Normally, of course, the power of eminent domain results in the taking or appropriation of title to, and possession of, the expropriated property; but no cogent reason appears why said power may not be availed of to impose only a burden upon the owner of condemned property, without loss of title and possession. It is unquestionable that real property may, through expropriation, be subjected to an easement of right-of-way."

However, a simple right-of-way easement transmits no rights, except the easement. Vines Realty retains full ownership and it is not totally deprived of the use of the land. It can continue doing what it wants to do with the land, except those that would result in contact with the wires.

The acquisition of this easement, nevertheless, is not gratis. Considering the nature and effect of the installation power lines, the limitations on the use of the land for an indefinite period deprives private respondents of its ordinary use. For these reasons, Vines Realty is entitled to payment of just compensation, which must be neither more nor less than the money equivalent of the property.[17]

It is, therefore, clear that NPC's acquisition of an easement of right-of-way on the lands of respondents amounted to expropriation of the portions of the latter's property for which they are entitled to a reasonable and just compensation.

The term just compensation had been defined as the full and fair equivalent of the property taken from its owner by the expropriator. The measure is not the taker's gain, but the owner's loss. The word just is used to intensify the meaning of the word compensation and to convey thereby the idea that the equivalent to be rendered for the property to be taken shall be real, substantial, full, and ample.[18]

In *Camarines Norte Electric Cooperative, Inc. v. Court of Appeals*[19] and *National Power Corporation v. Manubay Agro-Industrial Development Corporation*,[20] this Court sustained the award of just compensation equivalent to the fair and full value of the property even if petitioners only sought the continuation of the exercise of their right-of-way easement and not the ownership over the land. There is simply no basis for NPC to claim that the payment of fair market value without the concomitant transfer of title constitutes an unjust enrichment.

In fine, the issuance by the RTC of a writ of execution and the notice of garnishment to satisfy the judgment in favor of respondents could not be considered grave abuse of discretion. The term grave abuse of discretion, in its juridical sense, connotes capricious, despotic, oppressive, or whimsical exercise of judgment as is equivalent to lack of jurisdiction. The abuse must be of such degree as to amount to an evasion of positive duty or a virtual refusal to perform a duty enjoined by law, as where the power is exercised in an arbitrary and capricious manner by reason of passion and hostility. The word capricious, usually used in tandem with the term arbitrary, conveys the notion of willful and unreasoning action. Thus, when seeking the corrective hand of certiorari, a clear showing of caprice and arbitrariness in the exercise of discretion is imperative.[21] In this case, NPC utterly failed to demonstrate caprice or arbitrariness on the part of the RTC in granting respondents' motion for execution. Accordingly, the CA committed no reversible error in dismissing NPC's petition for certiorari.

It is almost trite to say that execution is the fruit and the end of the suit and is the life of the law. A judgment, if

left unexecuted, would be nothing but an empty victory for the prevailing party. Litigation must end sometime and somewhere. An effective and efficient administration of justice requires that once a judgment has become final, the winning party be not deprived of the fruits of the verdict. Courts must, therefore, guard against any scheme calculated to bring about that result. Constituted as they are to put an end to controversies, courts should frown upon any attempt to prolong them.[22] We, therefore, write *finis* to this litigation.

WHEREFORE, the petition is DENIED. The assailed Decision of the Court of Appeals in CA-G.R. SP No. 02065-MIN is AFFIRMED. The temporary restraining order issued by this Court on July 9, 2008 is LIFTED.

SO ORDERED.

Corona, (Chairperson), Velasco, Jr., Peralta, and Del Castillo[**], JJ., concur.

[*] The present petition impleaded Hon. Amer Ibrahim, Presiding Judge of the Regional Trial Court of Lanao del Sur, Branch 9, Marawi City; Atty. Cairoding P. Maruhom, Clerk of Court VI; and Acmad C. Aliponto, Sheriff IV, RTC-Branch 9, Marawi City, Lanao del Sur. However, Section 4, Rule 45 of the Revised Rules of Court provides that the petition shall not implead the lower courts and judges thereof as petitioners or respondents. Hence, the deletion of Hon. Ibrahim, Atty. Maruhom and Aliponto from the title.

[**] Additional member per Special Order No. 805 dated December 4, 2009.

[1] Penned by Associate Justice Romulo V. Borja, with Associate Justices Mario N. Lopez and Elihu A. Ybañez, concurring; rollo, pp. 37-51.

[2] Rollo, pp. 89-99.

[3] *Id.* at 98-99.

[4] *Id.* at 182-186.

[5] *Id.* at 183-184.

[6] *Id.* at 124-125.

[7] Penned by Associate Justice Myrna Dimaranan-Vidal, with Associate Justices Teresita Dy-Liacco Flores and Edgardo A. Camello, concurring; *id.* at 100-119.

[8] *Id.* at 118-119.

[9] Rollo, p. 138.

[10] *Supra* note 1.

[11] Rollo, pp. 147, 151.

[12] *Id.* 53-54.

[13] *Development Bank of the Phils. v. Union Bank of the Phils.*, 464 Phil. 161 (2004).

[14] Rollo, pp. 47-48.

[15] *National Power Corporation v. San Pedro*, G.R. No. 170945, September 26, 2006, 503 SCRA 333, 353.

[16] G.R. No. 109338, November 20, 2000, 345 SCRA 85.

[17] Id. at 94-95.

[18] National Power Corporation v. Vda. de Capin, G.R. No. 175176, October 17, 2008, 569 SCRA 648, 667.

[19] Supra note 16.

[20] G.R. No. 150936, August 18, 2004, 437 SCRA 60, 67.

[21] Torres v. Abundo, Sr., G.R. No. 174263, January 24, 2007, 512 SCRA 556, 568-569.

[22] La Campana Development Corporation v. Development Bank of the Philippines, G.R. No. 146157, February 13, 2009.

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