THE HEIRS OF MATEO PIDACAN AND ROMANA BIGO, NAMELY: PACITA PIDACAN VDA. DE ZUBIRI AND ADELA PIDACAN VDA. DE ROBLES, PETITIONERS, VS. AIR TRANSPORTATION OFFICE, REPRESENTED BY IT...

G.R. No. 186192. August 25, 2010

Ponente: NACHURA, J.

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NACHURA, J.:

Before this Court is a Petition[1] for Review on Certiorari under Rule 45 of the Rules of Civil Procedure praying that the Orders[2] issued by the Regional Trial Court (RTC) of San Jose, Occidental Mindoro, Branch 46, dated June 23, 2008 and January 23, 2009, be set aside and that said RTC be directed to issue a Writ of Execution enforcing this Court's Decision in Heirs of Mateo Pidacan and Romana Eigo v. Air Transportation Office (ATO).[3]

The facts are summarized as follows:

In 1935, spouses Mateo Pidacan and Romana Bigo, predecessors-in-interest of petitioners-heirs namely, Pacita Pidacan Vda. de Zubiri and Adela Pidacan Vda. de Robles (petitioners), acquired a parcel of land with an area of about 22 hectares, situated in San Jose, Occidental Mindoro (the property). Thereafter, Original Certificate of Title (OCT) No. 2204 was issued in favor of said spouses.

However, in 1948, respondent Air Transportation Office (ATO)[4] used a portion of the property as an airport. In 1974, the ATO constructed a perimeter fence and a new terminal building on the property. The ATO also lengthened, widened, and cemented the airport's runway. Petitioners demanded from ATO the payment of the value of the property as well as the rentals for the use thereof but ATO refused. Eventually in 1988, OCT No. 2204 was cancelled and Transfer Certificate of Title No. T-7160 was issued in favor of petitioners. Despite this development, ATO still refused to pay petitioners.

Petitioners filed a complaint with the RTC against ATO for payment of the value of the property and rentals due thereon. In 1994, the RTC promulgated a decision, ordering ATO to pay rentals and the value of the land at P89.00 per square meter. ATO appealed to the Court of Appeals (CA) which remanded the case to the court a quo for further proceedings. The CA also held that just compensation should had been determined as of the time the property was taken for public use.

On remand, the RTC ruled again in favor of petitioners, ordering ATO, among others, to pay petitioners the amount of P304.00 per sq m for the area expropriated or a total of P65,584,048.00, imposing interest at the rate of 12% per annum from February 1, 2001 until full payment, and to pay monthly rentals for the use and occupation of the property from January 1, 1957 to January 31, 2001, for a total amount of P6,249,645.40, with interest at the rate of 12% per annum until the same is fully paid.

Undaunted, the ATO went to the CA, which again remanded the case to the court a quo for the determination of

just compensation on the basis of the market value prevailing in 1948. Petitioners moved for reconsideration, but the motion was denied. Aggrieved, petitioners filed a petition for review on certiorari before this Court.

On June 15, 2007, we ruled in favor of petitioners, holding that ATO's act of converting petitioners' private property into an airport came within the purview of eminent domain and as a consequence, petitioners were completely deprived of the beneficial use and enjoyment of their property. We declared that justice and fairness dictate that the appropriate reckoning point for the valuation of petitioners' property was when the RTC made its order of expropriation in 2001. However, we deleted the RTC's award of rental payments for lack of evidence. Thus, we disposed of the case in this wise:

> WHEREFORE, the petition is GRANTED. The assailed Decision dated August 20, 2003 and the Resolution dated March 17, 2004 of the Court of Appeals in CA-G.R. CV No. 72404 are SET ASIDE. The Decision dated February 1, 2001 of the Regional Trial Court of San Jose, Occidental Mindoro, Branch 46 in Civil Case No. R-800 is AFFIRMED with MODIFICATION, as follows:
>
> 1. The actual area occupied by respondent ATO covered by Transfer Certificate of Title No. T-7160, totaling 215,737 square meters[,] is declared expropriated in favor of the ATO.
>
> 2. The ATO is ordered to pay petitioners the amount of P304.39 per square meter for the area expropriated, or a total of P65,668,185.43 with interest at the rate of 6% per annum from February 1, 2001, until the same is fully paid.
>
> No pronouncement as to costs.
>
> SO ORDERED.[5]

On July 10, 2007, ATO filed a Motion for Partial Reconsideration which we denied with finality in our Resolution[6] dated September 12, 2007. On October 25, 2007, Entry of Judgment[7] was made. Thus, on February 20, 2008, petitioners filed a Motion for Execution[8] before the RTC. On February 27, 2008, the ATO, through the Office of the Solicitor General, filed an Opposition[9] to petitioners' Motion.

On June 23, 2008, the RTC issued an Order denying petitioners' Motion for Execution on the ground that the prosecution, enforcement, or satisfaction of State liability must be pursued in accordance with the rules and procedures laid down in Commonwealth Act No. 327,[10] as amended by Presidential Decree (P.D.) No. 1445.[11] The RTC also relied on this Court's Administrative Circular No. 10-2000, dated October 25, 2000, which enjoined all judges to observe utmost caution, prudence, and judiciousness in the issuance of writs of execution to satisfy money judgments against government agencies and local government units. Thus, the RTC disposed:

> WHEREFORE, foregoing premises considered, the Motion For the Issuance of a Writ of Execution filed by the plaintiffs is hereby DENIED. However, the plaintiffs are implored to file and pursue their monetary claims against the government with the Commission on Audit pursuant to paragraph 4, Section 6 of P.D. No. 1445 vis-a-vis Rule VIII of [the] 1997 COA Revised Rules of Procedure.
>
> SO ORDERED.[12]

Petitioners filed their Motion for Reconsideration[13]which the RTC, however, denied in its Order dated January 23, 2009.

Hence, this Petition raising the following issues:

> - W[H]ETHER OR NOT RESPONDENT AIR TRANSPORTATION OFFICE IS ALREADY IN LEGAL ESTOPPEL TO OPPOSE PETITIONERS' MOTION FOR EXECUTION BECAUSE IT HAS LITIGATED

> AND OPPOSED THE CLAIM OF THE PETITIONERS FROM THE RTC OF SAN JOSE, OCCIDENTAL MINDORO, THE COURT OF APPEALS, AND ALL THE WAY UP TO THIS HONORABLE COURT[;]
>
> - WHETHER OR NOT THE FINAL DECISION OF THIS HONORABLE COURT CANNOT BE EXECUTED BY THE TRIAL COURT IN THE LIGHT OF PARAGRAPH 4, SECTION 6 OF P.D. NO. 1445 VIS-A-VIS RULE VIII OF THE 1997 COA REVISED RULES OF PROCEDURE AND ADMINISTRATIVE CIRCULAR NO. 10-2000, DATED OCTOBER 25, 2000[; AND]
>
> - IN THE LIGHT OF THE FINAL DECISION OF THIS HONORABLE COURT[,] IS IT NOT THAT RESPONDENT AIR TRANSPORTATION OFFICE IS THE ONE WHO IS LEGALLY BOUND TO PURSUE AND GET THE MONETARY CLAIM OF THE PETITIONERS AS DECIDED BY THIS HONORABLE COURT FROM OTHER GOVERNMENT OFFICES[?][14]

Petitioners claim that ATO is now in estoppel because it did not invoke any doctrine which provides that any decision against ATO cannot be executed; that Administrative Circular No. 10-2000 is merely intended to prevent possible circumvention of Commission on Audit (COA) rules and regulations which cannot happen in this case as this Court already decided with finality on ATO's liability; that said circular only enjoins judges to observe utmost caution but does not per se prohibit the issuance of writs of execution for money claims against the government;[15] and that it is incumbent upon the RTC to direct ATO to look for the necessary funds in order to satisfy the decision of this Court. Moreover, petitioners manifest that, on March 3, 2009, Ruben F. Ciron, Director General of ATO, wrote petitioners' counsel,[16] the pertinent portions of which state:

> This is in connection with your claim for compensation over the portion of lot occupied by San Jose Airport subject of the case named Heirs of Mateo Pidacan, et. al. (Petitioners) v. Air Transportation Office (Respondent), docketed as G.R. No. 162779, covered by TCT No. 7160 affecting 215,737 square meters ordering the defendant to pay the plaintiffs just compensation with legal interest.
>
> In this regard, we are pleased to inform you that the funding for the initial payment for the acquisition of the above-described lot encroached by San Jose Airport was earmarked in the 2007 General Appropriation[s] Act for ATO-DOTC Infrastructure Program. However, its release was held by the Department of Budget and Management (DBM) with the advice to file the individual claims directly with the Commission for Adjudication by the Commission Proper, Commission on Audit, Commonwealth Avenue, Quezon City on a quantum meruit basis.[17]

In its Comment,[18] ATO, through the Office of the Government Corporate Counsel (OGCC), argues that the RTC faithfully complied with Administrative Circular No. 10-2000 by not indiscriminately issuing any writ of execution to enforce money claims against the government in accordance with existing jurisprudence and the provisions of P.D. No. 1445. Section 26[19] of P.D. No. 1445 provides that all money claims against the government or any of its subdivisions, agencies, and instrumentalities must be filed with the COA. The OGCC also submits that petitioners failed to properly observe the principle of the hierarchy of courts by directly filing their Petition before this Court without raising pure questions of law.

We grant the Petition.

Well-settled in this jurisdiction that the determination of just compensation is a judicial prerogative.[20] Thus, in Export Processing Zone Authority v. Judge Dulay,[21] we declared:

> The determination of "just compensation" in eminent domain cases is a judicial function. The executive department or the legislature may make the initial determinations but when a party claims a violation of the guarantee in the Bill of Rights that private property may not be taken for public use without just compensation, no statute, decree, or executive order can mandate that its own determination shall prevail over the court's findings. Much less can the courts be precluded from looking into the "just-ness" of the decreed compensation.

In view of this mandate, this Court has finally spoken in our Decision on June 15, 2007, declaring the property to be expropriated in favor of ATO and ordering the latter to pay petitioners just compensation. This ruling had already become final and executory. Our Decision is clear and unambiguous. Nothing is left to be done, save for its execution.

Moreover, it bears stressing that the Director General of ATO informed petitioners that the funding for the initial payment for the acquisition of the property was already earmarked in the 2007 General Appropriations Act for ATO-Department of Transportation and Communication Infrastructure Program. Under the circumstances, such earmarking may be considered as the appropriation required by law in order that petitioners may be paid just compensation long due them.

Our ruling in EPG Construction Co. v. Hon. Vigilar,[22] citing Amigable v. Cuenca, etc., et al.[23] and Ministerio, et al. v. CFI of Cebu, etc., et al.,[24] is instructive:

> To our mind, it would be the apex of injustice and highly inequitable for us to defeat petitioners-contractors' right to be duly compensated for actual work performed and services rendered, where both the government and the public have, for years, received and accepted benefits from said housing project and reaped the fruits of petitioners-contractors' honest toil and labor.
>
> Incidentally, respondent likewise argues that the State may not be sued in the instant case, invoking the constitutional doctrine of Non-suability of the State, otherwise known as the Royal Prerogative of Dishonesty.
>
> Respondent's argument is misplaced inasmuch as the Principle of State Immunity finds no application in the case before us.
>
> Under these circumstances, respondent may not validly invoke the Royal Prerogative of Dishonesty and conveniently hide under the State's cloak of invincibility against suit, considering that this principle yields to certain settled exceptions. True enough, the rule, in any case, is not absolute for it does not say that the state may not be sued under any circumstance.
>
> Thus, in Amigable v. Cuenca, this Court, in effect, shred the protective shroud which shields the State from suit, reiterating our decree in the landmark case of Ministerio v. CFI of Cebu that "the doctrine of governmental immunity from suit cannot serve as an instrument for perpetrating an injustice on a citizen." It is just as important, if not more so, that there be fidelity to legal norms on the part of officialdom if the rule of law were to be maintained.
>
> Although the Amigable and Ministerio cases generously tackled the issue of the State's immunity from suit vis-a-vis the payment of just compensation for expropriated property, this Court nonetheless finds the doctrine enunciated in the aforementioned cases applicable to the instant controversy, considering that the ends of justice would be subverted if we were to uphold, in this particular instance, the State's immunity from suit.
>
> To be sure, this Court -- as the staunch guardian of the citizens' rights and welfare -- cannot sanction an injustice so patent on its face, and allow itself to be an instrument in the perpetration thereof. Justice and equity sternly demand that the State's cloak of invincibility against suit be shred in this particular instance, and that petitioners-contractors be duly compensated -- on the basis of quantum meruit -- for construction done on the public works housing project.

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.[25] Petitioners have been deprived of the beneficial use and enjoyment of their property for a considerable length of time. Now that they prevailed before this Court, it would be highly unjust and inequitable under the particular circumstances that payment of just compensation be withheld from them. We, therefore, write finis to this litigation.

WHEREFORE, the instant Petition is GRANTED. The Orders issued by the Regional Trial Court of San Jose, Occidental Mindoro, Branch 46, dated June 23, 2008 and January 23, 2009, are hereby SET ASIDE. The said Regional Trial Court is hereby DIRECTED to issue a Writ of Execution enforcing this Court's Decision in Heirs of Mateo Pidacan and Romana Eigo v. Air Transportation Office (ATO)[26] dated June 15, 2007. No pronouncement as to costs.

SO ORDERED.

Carpio, (Chairperson), Peralta, Abad, and Mendoza, JJ., concur.

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[1] Rollo, pp. 9-21.

[2] Id. at 51-54 and 60-61.

[3] Penned by Senior Associate Justice Leonardo A. Quisumbing (retired), with Associate Justices Antonio T. Carpio, Dante O. Tinga (retired) and Presbitero J. Velasco, Jr., concurring; G.R. No. 162779, June 15, 2007, 524 SCRA 679.

[4] Now known as Civil Aviation Authority of the Philippines (CAAP).

[5] Heirs of Mateo Pidacan and Romana Eigo v. Air Transportation Office (ATO), supra note 3, at 688-689.

[6] Rollo, p. 35.

[7]Id. at 36-38.

[8] Id. at 39-41.

[9] Id. at 45-50.

[10] An Act Fixing the Time Within Which the Auditor General Shall Render His Decisions and Prescribing the Manner of Appeal Therefrom.

[11] The Government Auditing Code of the Philippines.

[12] Rollo, p. 54.

[13] Id. at 55-57.

[14] Supra note 1, at 13.

[15] Id.

[16] Reply; rollo, pp. 94-97.

[17] Annex "A" of Reply.

[18] Rollo, pp. 77-84.

[19] SECTION 26. General jurisdiction. – The authority and powers of the Commission shall extend to and

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comprehend all matters relating to auditing procedures, systems and controls, the keeping of the general accounts of the Government, the preservation of vouchers pertaining thereto for a period of ten years, the examination and inspection of the books, records, and papers relating to those accounts; and the audit and settlement of the accounts of all persons respecting funds or property received or held by them in an accountable capacity, as well as the examination, audit, and settlement of all debts and claims of any sort due from or owing to the Government or any of its subdivisions, agencies and instrumentalities. The said jurisdiction extends to all government-owned or controlled corporations, including their subsidiaries, and other self-governing boards, commissions, or agencies of the Government, and as herein prescribed, including non-governing boards, commissions, or agencies of the Government, and as herein prescribed, including non-governmental entities subsidized by the government, those funded by donations through the government, those required to pay levies or government share, and those for which the government has put up a counterpart fund or those partly funded by the government.

[20] Ortega v. City of Cebu, G.R. Nos. 181562-63 and 181583-84, October 2, 2009, 602 SCRA 601, 607-608; Land Bank of the Philippines v. Dumlao, G.R. No. 167809, November 27, 2008, 572 SCRA 108, 122; Land Bank of the Philippines v. Celada, G.R. No. 164876, January 23, 2006, 479 SCRA 495, 505.

[21] 233 Phil. 313, 326 (1987).

[22] 407 Phil. 53, 64-66 (2001).

[23] 150 Phil. 422 (1972).

[24] 148-B Phil. 474 (1971).

[25] National Power Corporation v. 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, Cairoronesa M. Ibrahim, and Lucman Ibrahim, represented by his heirs Adora B. Ibrahim, Nasser B. Ibrahim, Jamalodin B. Ibrahim, Rajid Nabbel B. Ibrahim, Ameer B. Ibrahim, and Sarah Aizah B. Ibrahim, G.R. No. 183297, December 23, 2009, citing La Campana Development Corporation v. Development Bank of the Philippines, G.R. No. 146157, February 13, 2009, 579 SCRA 137, 159.

[26] Supra note 3.

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