

MACTAN-CEBU INTERNATIONAL AIRPORT AUTHORITY, PETITIONER, VS. LAPU-LAPU CITY, RESPONDENT.

G.R. No. 252621, July 13, 2026

Ponente: HERNANDO, J.

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HERNANDO, J.:

This Petition for Review on Certiorari[1] under Rule 45 of the Rules of Court assails the Decision[2] and the Resolution[3] of the Court of Appeals (CA), which affirmed with modification the Resolution[4] of the Regional Trial Court (RTC) upholding respondent Lapu-Lapu City's ownership of a parcel of land in the city.

Antecedents

Spouses Marcos and Basilisa Seno were the registered owners of Lot No. 4726, later subdivided into Lot Nos. 4726-A and 4726-B. For this Petition, the only relevant lot is Lot No. 4726-A.[5]

In 1935, the spouses donated Lot No. 4726-A to Lapu-Lapu City, subject to the condition that the property "shall be used exclusively and forever for school purposes only." [6] Pursuant to the condition, Ibo Elementary School was constructed on the property. However, the school was later demolished and transferred to another location due to the increasing student population.[7]

In 1958, some of the heirs of the spouses Seno executed an Extrajudicial Settlement and Sale covering the entire Lot No. 4726, including Lot No. 4726-A, in favor of petitioner Mactan-Cebu International Airport Authority (MCIAA).[8]

Years later, the heirs instituted an action for recovery of Lot No. 4726, including Lot No. 4726-A. They claimed, among others, that the sale to MCIAA was void since the lot had already been donated to Lapu-Lapu City. Since Lapu-Lapu City did not comply with the condition to use the property for school purposes, ownership of the lot reverted back to them.[9]

MCIAA agreed that Lapu-Lapu City's failure to comply with the donor's condition triggered the reversion of the property to the heirs. It contended, however, that ownership of the lot had subsequently passed to it by virtue of the Extrajudicial Settlement and Sale. Accordingly, MCIAA asserted that it is the rightful owner of Lot No. 4726-A.[10]

For its part, Lapu-Lapu City maintained the validity and subsistence of the donation, pointing out that it continues to intend to use the property for educational purposes.[11]

Ruling of the Regional Trial Court

Initially, the RTC held that Lapu-Lapu City violated the condition imposed in the donation when it demolished the Ibo Elementary School and failed to use Lot No. 4726-A exclusively for school purposes.[12] However, upon reconsideration, it upheld the validity of the donation in favor of Lapu-Lapu City, ruling that the condition

attached to it was deemed non-existent. Accordingly, the RTC declared Lapu-Lapu City as the rightful owner of Lot No. 4726-A.[13]

The dispositive portion reads:

WHEREFORE, premises considered, judgment is modified and it is hereby rendered in favor of the defendant Lapu-Lapu City with respect to Lot No. 4726-A, and in favor of the plaintiffs-heirs with respect to four-ninths (4/9) of the Lot No. 4726-B.

As prayed for, the Motion for Reconsideration filed by defendant Lapu-Lapu City is granted, with categorical finding that the donation made by the Spouses Seno of Lot No. 4726-A to Lapu-Lapu City is valid and subsisting.

. . . .

SO ORDERED.[14]

Ruling of the Court of Appeals

On appeal, the CA sustained the RTC's ruling that Lapu-Lapu City remained the owner of Lot No. 4726-A. It held that the donation in favor of the City was valid and subsisting, and that the condition requiring the property to be used exclusively for school purposes remained effective despite the demolition and transfer of Ibo Elementary School to another site. The CA explained that the transfer was necessitated by the increase in the student population and did not constitute an abandonment of the property for educational purposes. It emphasized that Lapu-Lapu City continued to recognize and respect the donor's intention and merely needed reasonable time to comply with the condition by utilizing the property anew for school-related purposes. Thus, it ruled that there was no breach substantial enough to justify the revocation of the donation.[15]

The dispositive portion of the Decision reads:

Accordingly, plaintiffs-appellants' appeal is DENIED.

On the other hand, defendant-appellant MCIAA's appeal is PARTLY GRANTED. The [October 15, 2015] Resolution of the Regional Trial Court, 7th Judicial Region, Branch 27, Lapu-Lapu City, in Civil Case No. 5197-L, is AFFIRMED insofar as it sustained the validity of the donation of Lot No. 4726-A in favor of Lapu-Lapu City. The same Resolution is, however, MODIFIED in that MCIAA is adjudged as the absolute owner of Lot No. 4726-B.

SO ORDERED.[16] (Emphasis in the original)

The parties moved for reconsideration.[17] During the pendency of such motions, the heirs of spouses Seno elevated the matter to the Court via a Petition for Review on Certiorari under Rule 45, docketed as G.R. No. 242666.[18] In a Resolution,[19] the Court denied the heirs' petition, thus:

Acting on the petition for review on certiorari assailing the Decision dated September 28, 2018 of the Court of Appeals, Cebu, in CA-G.R. CEB No. 06062, the Court resolves to DENY the petition for failure to show any reversible error in the challenged decision as to warrant the exercise of the Court's discretionary appellate jurisdiction.[20] (Emphasis in the original)

An Entry of Judgment[21] followed, declaring the Resolution final and executory on December 26, 2019.[22] Thus, the issue of the heirs' entitlement to the subject properties was settled with finality.

Following the Court's Resolution, the CA declared as mooted the heirs' motion for reconsideration.[23] It likewise denied MCIAA's Motion for Partial Reconsideration for lack of merit, thus:

WHEREFORE, the following are NOTED:

....

Plaintiffs-Appellants' motion for reconsideration is rendered MOOT and ACADEMIC.

Defendant-Appellant Mactan-Cebu International Airport Authority's (MCIAA's) Motion for Partial Reconsideration (Of The September 28, 2018 Decision) is DENIED.

....

SO ORDERED.[24]

Aggrieved, MCIAA filed the present Petition for Review on Certiorari.[25]

Issue

Did the CA err in upholding Lapu-Lapu City's ownership of Lot No. 4726-A?

Our Ruling

The Petition is unmeritorious.

Petitioner maintains that the donation had become ineffective due to the City's failure to comply with the express condition that the property be used exclusively for school purposes. Petitioner points out that the Ibo Elementary School had been demolished as early as 1991 and was never rebuilt, thus warranting revocation of the donation and reversion of ownership.[26]

The argument fails.

To justify the revocation of a donation for breach of a condition, the noncompliance must be substantial and fundamental, not merely slight or casual, taking into account the purpose of the donation and the parties' intent.[27] The Court has held:

While Article 1191 applies to reciprocal obligations and donation essentially involves a unilateral act and there is an express revocation clause in the Deed of Donation, Article 1191 is nevertheless relevant in the determination of the nature of the breach or violation of the obligation that will justify its rescission. Also, it has been opined that Article 764 is a clear case not only of revocation but also resolution because under Article 1191, non-compliance of conditions can be considered a resolutory condition.

What, then, is the nature of the breach or violation which will entitle an injured party to rescind or resolve the obligation? As ruled by the Court in the early case of *Song Fo & Co. v. Hawaiian Philippine Co.*: The general rule is that rescission will not be permitted for a slight or casual breach of the contract, but only for such breaches as are so substantial and fundamental as to defeat the object of the parties in making the agreement.[28] (Emphasis supplied, citations omitted)

Measured against this standard, petitioner failed to establish a breach sufficient to warrant revocation of the donation.

The records do not show that respondent abandoned the property or repudiated the donor's intent that the land be devoted to educational purposes. On the contrary, respondent consistently maintained throughout the proceedings that Lot No. 4726-A remained intended for school use and that the demolition of the school building was prompted not by abandonment, but by the practical necessity of transferring the school to accommodate a growing student population.[29] Far from defeating the purpose of the donation, the transfer was itself motivated by the continuing educational needs of the community.

This continuing intention to comply with the condition is further confirmed by the August 24, 1998 letter of Dr. Caridad C. Labe, then Schools Division Superintendent, which expressly acknowledged the prior use of the property as the site of Ibo Elementary School and the plan to continue utilizing the property for school purposes. As quoted by the RTC:

On the subject lot (Lot No. 4726), may I inform your good office that it has been used as school site of Ibo Elementary School for many years. There was a school building that stood there. However, it was demolished. (Please see attached communication of this office to the City Engineer's Office.)

With the increase of pupil enrolment, there is a need to build additional classrooms, and Ibo Elementary School will be using the said school site for school purposes.[30] (Emphasis supplied)

Equally significant is the fact that respondent's present inability to utilize the property for school purposes appears attributable, at least in part, to petitioner's own occupation and use of the property.[31] As correctly observed by the CA:

While at present, there is no school building erected on the subject lot as it was earlier demolished, this does not detract from the fact that the donation remained valid and subsisting considering that Lapu-Lapu City aims to utilize the said lot for school purposes in the future. It bears to stress that the deed of donation did not provide for a specific time-frame for Lapu-Lapu City to build the school. Thus, Lapu-Lapu City should be afforded sufficient time to comply with the condition. This Court notes, however, that at present, Lapu-Lapu City cannot comply with the condition because the lot is now occupied by defendant-appellant MCIAA. Nonetheless, it is up to Lapu-Lapu City to institute the proper proceedings to take back possession over Lot No. 4726-A so that it can comply with the condition attached to the donation.[32] (Emphasis supplied)

Indeed, a party cannot invoke the nonfulfillment of a condition where such nonfulfillment was caused or materially contributed to by its own acts.[33] To rule otherwise would allow petitioner to profit from a circumstance that it itself helped create.

Without a valid revocation of the donation, no right of reversion accrued to the heirs. Consequently, petitioner could not derive any right from the Extrajudicial Settlement and Sale they executed. *Nemo dat quod non habet*—no one can give what one does not have.[34] The CA thus committed no reversible error in upholding the continued validity of the Deed of Donation and respondent's ownership over the property.

FOR THESE REASONS, the Petition is DENIED. The Decision dated September 28, 2018 and the Resolution dated January 24, 2020 of the Court of Appeals in CA-G.R. CEB CV No. 06062 are AFFIRMED. The Deed of Donation over Lot No. 4726-A in favor of respondent Lapu-Lapu City is declared VALID and SUBSISTING, there being no substantial breach of the condition. Accordingly, respondent Lapu-Lapu City is DECLARED the lawful owner of Lot No. 4726-A.

SO ORDERED.

Gesmundo C.J. (Chairperson), Zalameda, Rosario, and Marquez, JJ., concur.

[1] Rollo, pp. 47-68.

[2] Id. at 15-29. The September 28, 2018 Decision in CA-G.R. CEB CV No. 06062 was penned by Associate Justice Louis P. Acosta and concurred in by Associate Justices Pamela Ann Abella Maxino and Dorothy P. Montejo-Gonzaga of the Twentieth (20th) Division, Court of Appeals, Cebu City.

[3] Id. at 33-38. The January 24, 2020 Resolution in CA-G.R. [CEB] CV No. 06062 was penned by Associate

Justice Pamela Ann Abella Maxino and concurred in by Associate Justices Marilyn B. Lagura-Yap and Dorothy P. Montejo-Gonzaga of the Special Former Twentieth Division, Court of Appeals, Cebu City.

[4] Id. at 103-118. October 15, 2015 Resolution in Civil Case No. 5i97-L was penned by Judge Toribio S. Quiwag of Branch 27, Regional Trial Court, Lapu-Lapu City.

[5] Id. at 16.

[6] Id.

[7] Id.

[8] Id.

[9] Id. at 16-17.

[10] Id.

[11] Id. at 17.

[12] Id. at 102-104, 106. The September 27, 2013 Decision in Civil Case No. 5197-L was penned by Assisting Judge Eric F Menchavez of Branch 27, Regional Trial Court, Lapu-Lapu City. The dispositive portion reads:

WHEREFORE, premises considered, judgment is hereby rendered as follows:

a)

Revoking the Deed of Donation executed by the Spouses Marcos and Basilisa Seno in favor of the City of Lapu Lapu;

b)

Partially nullifying the Extrajudicial Settlement with Sale executed on April 28, 1958 insofar as Lot 4726-A with an area of 5,041 square meters...

c)

Declaring plaintiffs as the sole and absolute owners of Lot 4726-A and ordering the defendants City of Lapu-Lapu and MCIAA to reconvey the same to the plaintiffs, and further declaring Dometilia Seno, Segunda Seno Booe, Mamerta Seno Cuizon and Felipe Seno as co-owners of Lot 4726-B;

d)

Awarding to plaintiffs the proportionate rentals due under the lease contract between Petron Corporation and the MCIAA only insofar as the area of Lot 4726-A and portion of Lot 4726-B proportionate to the shares of the four heirs who did not sign the Extrajudicial Settlement with Sale is concerned.

SO ORDERED.

[13] Id. at 109-118.

[14] Id. at 117-118. The full dispositive portion reads:

WHEREFORE, premises considered, judgment is modified and it is hereby rendered in favor of the defendant Lapu-Lapu City with respect to Lot No. 4726-A, and in favor of the plaintiffs-heirs with respect to four-ninths (4/9) of the Lot No. 4726-B.

As prayed for, the Motion for Reconsideration filed by defendant Lapu-Lapu City is granted, with categorical

finding that the donation made by the Spouses Seno of Lot No. 4726-A to Lapu-Lapu City is valid and subsisting.

Portions of Lot No. 4726-B, specifically 3,422.67 square meters thereof, rightfully belongs [sic] to the four heirs who were excluded, namely: Dometila Seno, Segunda Seno Booc, Mamerta Seno Cuizon, and Felipe Seno.

The Extrajudicial Settlement with Sale executed on April 28, 1958 is therefore nullified with respect to Lot No. 4726-A with an area of 5,041 square meters, and a portion of Lot No. 4726-B covering the shares of the four children of the Spouses Marcos and Basilisa Seno who were not able to sign the Extrajudicial Settlement with Sale in the total area of 3,422.67 square meters.

The proportionate rentals due under the lease contract between Petron Corporation and MCIAA insofar as Lot No. 4726-A is concerned are awarded to Lapu-Lapu City; and the proportionate rentals made under a portion of Lot No. 4726-B, that is 3,422.67 square meters thereof, are awarded to the above-named four (4) excluded heirs.

SO ORDERED.

[15] Id. at 24-26.

[16] Id. at 29.

[17] See id. at 33-34.

[18] Id. at 34.

[19] CA rollo, p. 303. The February 14, 2019 Resolution in G.R. No. 242666 was signed by Misael Domingo C. Battung III, Deputy Division Clerk of Court, Third Division, Supreme Court, Manila.

[20] Id.

[21] Id. at 417.

[22] Id.

[23] Rollo, p. 36.

[24] Id. at 37-38.

[25] Id. at 47-68.

[26] Id. at 54-60.

[27] Camarines Sur Teachers and Employees Association, Inc. v. Province of Camarines Sur, 864 Phil. 344, 373-374 (2019) [Per J. Caguioa, Second Division]. (Citation omitted)

[28] Id.

[29] See rollo, p. 25.

[30] Id. at 112.

[31] See id. at 25.

[32] Id.

[33] See generally Catungal v. Rodriguez, 661 Phil. 484, 508 (2011) [Per J. Leonardo-De Castro, First Division].

[34] See generally *Alano v. Planter's Development Bank*, 667 Phil. 81, 82 (2011) [Per J. Del Castillo, First Division].

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