Republic of the Philippines
Supreme Court
Manila

SECOND DIVISION

REPUBLIC OF THE PHILIPPINES, *Petitioner,* - *versus* - **JORGE CASTILLO, SOFIA SOLIS-ACHACOSA, ALIPIO FERNANDEZ, SR., EMILIANA FERNANDEZ, CASIMERA FERNANDEZ, CONCEPCION FERNANDEZ, JUANA GALVAN, ESTELA CORPUZ FERNANDEZ, GERMANA SUAREZ, and BENJAMIN FERNANDEZ,** *Respondents.*	**G.R. No. 190453** Present: PERLAS-BERNABE, *J.* Chairperson REYES, A. JR., HERNANDO, INTING, and DELOS SANTOS, *JJ.* Promulgated: 26 FEB 2020

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D E C I S I O N

HERNANDO, *J.*:

Challenged in this Petition for Review on *Certiorari*[1] is the February 27, 2009 Decision[2] of the Court of Appeals (CA) in CA-G.R. CV No. 84618, which reversed and set aside the July 6, 2004 Decision[3] of the Regional Trial Court (RTC), Branch 44 of Dagupan City, in Civil Case No. D-5217, ordering the lower court to conduct a trial for the determination of just compensation with the aid of commissioners and further proceedings in accordance with Rule 67 of the Rules

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[1] *Rollo*, pp. 30-85.
[2] Id. at 88-104; penned by Associate Justice Pampio A. Abarintos and concurred in by Associate Justices Amelita G. Tolentino and Myrna Dimaranan Vidal.
[3] CA *rollo*, pp. 98-100; penned by Judge Crispin C. Laron.

of Court and applicable jurisprudence.

The Antecedents

On September 5, 1980, the Solicitor General, acting in behalf of petitioner Republic of the Philippines (RP), filed a Complaint for Expropriation,[4] which was docketed as Civil Case No. D-5217, before the Court of First Instance (now RTC) of Dagupan City against respondents Jorge Castillo (Jorge), Sofia Solis-Achacoso (Sofia), Alipio Fernandez, Sr. (Alipio), Emiliana Fernandez, Casimera Fernandez, Concepcion Fernandez, Benjamin Fernandez (Benjamin), Juana Galvan (Juana), Estela Corpuz Fernandez (Estela) and Germana Suarez, who are co-owners of the subject property located in Dagupan City with an area of 11,585 square meters (sqm).

On October 15, 1980, respondents Sofia and Alipio filed an Appearance and Manifestation[5] stating that Sofia's share in the subject property is Lot No. 4509 covered by Transfer Certificate of Title (TCT) No. 7989 with an area of 204.490 sqm while Alipio's share is likewise Lot No. 4509 covered by the same TCT with an area of 102.245 sqm. Both Sofia and Alipio opposed the valuation made by petitioner RP because it was based on the 1974 tax declaration and not on the current fair market value for the year 1980 when the Complaint for expropriation was filed.

On November 15, 1980, respondents Benjamin and Estela filed their Answer[6] conceding that petitioner RP has sovereign political power and authority to condemn private property for public use but denying that petitioner RP had possession of the subject property with the right to continue possession thereof. They further averred that under Presidential Decree (P.D.) No. 76, the basis for computing just compensation of private property shall be the current and fair market value declared by the owner.

Meanwhile, during the pendency of the case before the trial court, respondent Alipio died and was substituted by his spouse Fredesvinda F. Vda. De Fernandez and his eleven (11) children.

On March 31, 1981, Civil Case No. D-5217 was archived to give petitioner RP ample time to verify the identity of the heirs of the deceased respondent.[7]

On April 9, 1986, respondent Benjamin filed an *Ex Parte* Motion to Dismiss[8] claiming that for almost six years, petitioner RP had not taken any step to further prosecute the case and had not deposited the requisite amount representing the fair market value in accordance with P.D. Nos. 76 and 1533. Hence, on April 10, 1986, the case was ordered dismissed by the RTC for lack of

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[4]Records, pp. 1-5.
[5]Id. at 19-20.
[6]Id. at 24-26.
[7]Id. at 30.
[8]Id. at 31.

interest to prosecute pursuant to Section 3, Rule 17 of the Rules of Court.[9]

Thereafter, on August 27, 1987, petitioner RP filed a Motion to Revive and Set Case for Hearing[10] since it had already identified the heirs of respondents Jorge and Cornelia Caguioa, the Spouses Juana Galvan and Venancio Manaois. It prayed for the substitution by their heirs and the revival and setting of the case for hearing. Thus, on September 11, 1987, the RTC issued an Order[11] reinstating Civil Case No. D-5217.

On June 6, 1988, respondents Benjamin and Estela filed a Motion to Set Aside Order dated September 11, 1987[12] arguing that the RTC failed to consider that Civil Case No. D-5217 was already dismissed on April 10, 1986. However, petitioner RP opposed the said motion contending that it was not furnished with a copy of the said Order dated April 10, 1986 dismissing Civil Case No. D-5217.[13] Hence, on July 7, 1988, the RTC denied Benjamin and Estela's Motion to Set Aside Order dated September 11, 1987 for lack of merit.[14]

The parties were ordered to file their respective pre-trial briefs. However, only petitioner RP filed a pre-trial brief on January 18, 1989.[15] Also, on February 2, 1989, petitioner RP filed an Amended Complaint[16] alleging that the Dagupan City National High School (School) has been in continuous possession of the subject property since 1947 and that the market value of the said properties during that time was fifty (50) centavos per sqm.

Thereafter trial ensued. Petitioner RP presented Perla T. Cornel (Perla), principal of the School, Engineer Alfredo Tangco, and Primitivo Castillo, one of the heirs of Jorge, as witnesses. On the other hand, respondents did not present any witness.

On May 26, 1992, the RTC rendered its Decision[17] dismissing the Amended Complaint and ordering petitioner RP to restore the possession of the subject property with a total area of 2,000 sqm to the respondents.[18] Aggrieved, petitioner RP filed an appeal[19] with the CA which was docketed as CA-G.R. CV No. 39872.[20]

On January 27, 1999, the CA reversed and set aside the RTC Decision dated May 26, 1992.[21] The case was remanded to the RTC for further proceedings and to compute just compensation in accordance with Rule 67 of the Rules of

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[9]Id. at 32.
[10]Id. at 33-36.
[11]Id. at 41.
[12]Id. at 72.
[13]Id. at 72-81.
[14]Id. at 84.
[15]Id. at 95-98.
[16]Id. at 104-110.
[17]Id. at 241-247; penned by Judge Deodoro J. Sison.
[18]Id. at 233-239.
[19]Id. at 253.
[20]Id. at 242.
[21]Id. at 244-246.

Court and prevailing jurisprudence.[22]

Ruling of the RTC

On July 6, 2004, the RTC rendered its Decision[23] fixing the just compensation in the amount of ₱15,000 per sqm which was the current fair market value as of February 2, 1989, that is, the date of the filing of the Amended Complaint.[24] A Motion for Reconsideration was filed by petitioner RP, which was denied by the RTC in its Order dated November 8, 2004.[25]

Ruling of the CA

In its Decision dated February 27, 2009, the CA reversed and set aside the RTC's Decision dated July 6, 2004.[26] The CA remanded the case to the lower court and directed it to conduct a trial for the determination of just compensation with the aid of commissioners in accordance with Rule 67 of the Rules of Court. However, the CA agreed with the RTC that the just compensation shall be determined based on the value of the property on February 2, 1989, which is the date of the filing of the Amended Complaint and not on the date of taking in 1947 which had not been proven.

Hence, petitioner RP filed a Petition for Review on *Certiorari*[27] under Rule 45 of the Rules of Court before this Court.

Issues

1. What is the reckoning date of the computation of just compensation: (a) date of taking in 1947; (b) date of the filing of the original Complaint in 1980; or (c) date of filing of the Amended Complaint in 1989?

2. Whether or not the Solicitor General had the authority to file expropriation case in behalf of the RP.

Petitioner RP argues that "taking" occurs when the expropriator enters a private property not only for a momentary period but for a more permanent duration, or for the purpose of devoting the property to a public use in such a manner as to oust the owner and deprive him of all beneficial enjoyment thereof. It claims that it had actual possession of the subject property since 1947 as the School constructed a building and planted crops therein. Thus, contrary to

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[22]Id. at 244. See Entry of Judgment.
[23]CA *rollo*, pp. 98-101.
[24]Id. at 322-325.
[25]Id. at 381-384.
[26]*Rollo*, pp. 9-26
[27]Id. at 30-87.

respondents' claim that they were in possession of the subject property, petitioner RP actually had beneficial enjoyment thereof.

Moreover, petitioner RP avers that respondents failed to specifically deny in their Answer petitioner RP's material averment that it has been in possession of the subject property since 1947. Thus, respondents are deemed to have admitted that petitioner RP has indeed the possession of the subject property since 1947. Also, respondents waived their right to disprove and rebut the said material averment when they did not present any witness during the trial.

Furthermore, petitioner RP contends that even if the taking is not reckoned from its actual taking in 1947, the just compensation should be computed based on the filing of the original Complaint in 1980 and not from the date of the filing of the Amended Complaint in 1989. It avers that the Amended Complaint did not raise any new issue that would have warranted using the date of the filing of said Amended Complaint as the reckoning date in the determination of just compensation for the taking of the subject property.

On the other hand, respondent Benjamin, in his Comment, assails the authority of the Solicitor General to file the Complaint for expropriation in behalf of petitioner RP. He argues that the Solicitor General filed the instant Complaint for expropriation without presenting any law or authorization. In fact, during trial, the principal of the School, Perla, admitted that it was only upon her initiative that the Solicitor General filed the said complaint. Benjamin claims that the authority should emanate from either the national government or the Department of Education through an executive order or department order.

Moreover, respondent Benjamin opines that the determination of just compensation should be based on the date of filing of the Amended Complaint in 1989 because petitioner failed to prove that there was a "taking" of the subject property in 1947. He admits that the City of Dagupan already has a *pro-indiviso* share in Lot No. 4509 to the extent of 9,241 sqm by virtue of Deeds of Sale and/or Donation from the respondents. Eventually, the City of Dagupan donated to the national government its share when the School was nationalized in 1977. However, the remaining 2,163.845 sqm of Lot No. 4509 remained in the possession and ownership of the respondents. The testimony of Perla that the school already existed in 1950's prior to the filing of the Amended Complaint could have referred to that time when the City of Dagupan owned a share in Lot No. 4509 and not to the subject property with an area of 2,163.845 sqm. Also, petitioner RP's construction of a building and planting of crops in the subject property were merely tolerated by respondents.

Respondents heirs of Alipio and heirs of Juana likewise argue that the just compensation shall be reckoned from the date of filing of the Amended Complaint. They claim that the original Complaint was amended so that the taking of the property be made in 1989. The reckoning point from which the just compensation shall be determined is a principal issue in an expropriation case. With the introduction of this new cause of action or issue in the Amended Complaint, it is axiomatic that the basis for computing the just compensation shall

be the date of filing of the Amended Complaint.

Also, they aver that there is no evidence to prove that indeed petitioner RP took the subject property in 1947. Petitioner RP merely relied heavily on the testimony of Perla which, according to the appellate court was vague and unsupported.

The Court's Ruling

After a judicious perusal of the records, the Court finds the petition partly meritorious.

At the outset, we note that questions of fact are raised in this petition which are not proper under Rule 45 of the Rules of Court. A question of law arises when there is doubt as to what the law is on a certain set of facts, while a question of fact arises when there is doubt as to the truth or falsity of the alleged facts.[28] For a question to be one of law, it must not involve an examination of the probative value of the evidence presented by the litigants. The resolution of the issue must rest solely on what the law provides on the given set of facts and circumstances. Once it is clear that the issue invites a review of the evidence presented, the question is one of fact. Thus, the test of whether a question is one of law or of fact is not the appellation given to such question by the party raising the same; rather, it is whether the appellate court can determine the issue without examining or evaluating the evidence, in which case, it is a question of law; otherwise, it is a question of fact.[29]

In this case, petitioner RP alleges that there was taking of the subject property in 1947 as the School constructed a building and planted crops therein, which means that petitioner RP had actual beneficial enjoyment thereof. It argues that the courts *a quo* erred when it did not give weight to the testimony of the school principal, Perla, that the School had been occupying the subject property since 1947. Applying the test of whether the question is one of law or of fact, the foregoing is a question of fact because petitioner RP assails the appreciation of evidence by the CA and RTC. We have held in the case of *Angeles v. Pascual*[30] that —

> Whether certain items of evidence should be accorded probative value or weight, or should be rejected as feeble or spurious; or whether or not the proofs on one side or the other are clear and convincing and adequate to establish a proposition in issue; whether or not the body of proofs presented by a party, weighed and analyzed in relation to contrary evidence submitted by adverse party, may be said to be strong, clear and convincing; whether or not certain documents presented by one side should be accorded full faith and credit in the face of protests as to their spurious character by the other side; whether or not inconsistencies in the body of proofs of a party are of such gravity as to justify refusing to give said

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[28] *Heirs of Nicolas Cabigas v. Limbaco*, 670 Phil. 274, 285 (2011).
[29] *Republic of the Philippines v. Malabanan*, 646 Phil. 631, 638 (2010).
[30] 673 Phil. 499 (2011).

> proofs weight — all these are issues of fact. Questions like these are not reviewable by the Supreme Court whose review of cases decided by the CA is confined only to questions of law raised in the petition and therein distinctly set forth.[31]

As a general rule, this Court is not a trier of facts. Absent the recognized exceptions to this general rule, this Court will not review the findings of fact of the lower courts. In this case, petitioner RP failed to show that the exceptions to justify a review of the appreciation of facts by the CA and RTC are present.

Moreover, the findings of the CA and RTC are all supported by the evidence on record. In fact, other than the bare and general allegation that the CA did not consider the evidence presented, petitioner RP was not able to identify the CA's alleged error in the appreciation of facts. A reading of the assailed CA Decision shows that both the RTC and CA considered the evidence submitted by both parties in arriving at their respective decisions.

As correctly observed by the CA, other than the testimonial evidence of Perla, no other evidence was presented by the petitioner RP to establish that the taking of the subject property was in 1947. On the other hand, the evidence of the respondents, that is, the tax declaration, clearly shows that until the year 1990, they religiously paid the real property tax of the subject property which means that they were not dispossessed of the use thereof. Thus, we find no error in the appreciation of facts by the CA.

As between the filing of the original Complaint and Amended Complaint, we rule that the computation of just compensation should be reckoned from the time of the filing of the original Complaint, that is, on September 5, 1980. Evidently, there was no actual taking in this case prior to the filing of the Complaint, thus, the time of taking should be reckoned from the filing of the Complaint. Hence, the value of the property at the time of filing of the original Complaint on September 5, 1980, and not the filing of the Amended Complaint in 1989, should be considered in determining the just compensation due to the respondents.

Relevant herein is our ruling in *National Power Corporation (NPC) v. Tiangco,*[32] wherein NPC filed a complaint for expropriation on November 20, 1990 and then later on amended the said complaint in 1993. We ruled that the landowners should be paid the value of the property as of the time of the filing of the complaint which is deemed to be the time of taking of the property, to wit:

> The trial court fixed the value of the property at its 1984 value, while the CA, at its 1993 worth. Neither of the two determinations is correct. For purposes of just compensation, the respondents should be paid the value of the property as of the time of the filing of the complaint which is deemed to be the time of taking of the property.
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> It was certainly unfair for the trial court to have considered a property value several years behind its worth at the time the complaint in this case was filed on

[31] Id. at 505.
[32] 543 Phil. 637, 647-648 (2007).

> November 20, 1990. The landowners are necessarily shortchanged, considering that, as a rule, land values enjoy steady upward movement. It was likewise erroneous for the appellate court to have fixed the value of the property on the basis of a 1993 assessment. NPC would be paying too much. Petitioner corporation is correct in arguing that the respondents should not profit from an assessment made years after the taking.
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> The expropriation proceedings in this case having been initiated by NPC on November 20, 1990, property values on such month and year should lay the basis for the proper determination of just compensation. In *Association of Small Landowners in the Philippines, Inc. v. Secretary of Agrarian Reform*, the Court ruled that the equivalent to be rendered for the property to be taken shall be substantial, full, ample and, as must apply to this case, *real*. This must be taken to mean, among others, that the value as of the time of taking should be the price to be paid the property owner.
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> Since the expropriation proceedings in this case was initiated by petitioner RP on September 5, 1980, property values on such month and year should be the basis for the proper determination of just compensation. With the aforementioned principles in mind, the case is remanded to the lower court for the proper determination of just compensation, that is, the full and fair equivalent of the property taken from its owner by the expropriator which simply means the property's fair market value at the time of the filing of the complaint, or "that sum of money which a person desirous but not compelled to buy, and an owner willing but not compelled to sell, would agree on as a price to be given and received therefor."[33]

Lastly, as to the authority of the Solicitor General to file the complaint for expropriation, we hold that, at the time of the institution of this case in 1980, Section 1(a) of P.D. No. 478, otherwise known as *"Defining the Powers and Functions of the Office of the Solicitor General"* provides that the Solicitor General has the power to represent the government and its officers before this Court and the CA, and all other courts or tribunals in all civil actions and special proceedings in which the government or any officer thereof in his official capacity is a party. Moreover, Section 1(k) of P.D. No. 478 likewise provides that the Solicitor General can act and represent the RP and/or the people before any court, tribunal, body or commission in any matter, action or proceedings which, in his opinion, affects the welfare of the people as the ends of justice may require.

With the foregoing in mind, we rule that the Solicitor General has the authority to initiate the present expropriation case against the respondents. Contrary to the respondents' arguments, the Solicitor General's authority to file the instant complaint for expropriation on September 5, 1980 emanates from the authority provided under P.D. No. 478.

WHEREFORE, the Petition is **PARTLY GRANTED**. The case is hereby **REMANDED** to the court of origin: (a) to determine just compensation as per valuation of the subject property at the time of the filing of the original Complaint on September 5, 1980; and (b) to conduct a trial with the aid of commissioners and in accordance with Rule 67 of the Rules of Court and applicable jurisprudence.

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[33] *National Power Corporation v. Spouses Chiong*, 452 Phil. 644, 663-664 (2003).

SO ORDERED.

RAMON PAUL L. HERNANDO
Associate Justice

WE CONCUR:

ESTELA M. PERLAS-BERNABE
Senior Associate Justice
Chairperson

ANDRES B. REYES, JR.
Associate Justice

HENRI JEAN PAUL B. INTING
Associate Justice

EDGARDO L. DELOS SANTOS
Associate Justice

ATTESTATION

I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

ESTELA M. PERLAS-BERNABE
Senior Associate Justice
Chairperson

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the Division Chairperson's Attestation, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

DIOSDADO M. PERALTA
Chief Justice