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Republic of the Philippines
Supreme Court
Manila

EN BANC

**HEIRS OF JOSE MARIANO and
HELEN S. MARIANO, represented
by DANILO DAVID S. MARIANO,
MARY THERESE IRENE S.
MARIANO, MA. CATALINA SOPHIA
S. MARIANO, JOSE MARIO S.
MARIANO, MA. LENOR S.
MARIANO, MACARIO S. MARIANO
and HEIRS OF ERLINDA MARIANO-
VILLANUEVA, represented in this
act by IRENE LOURDES M.
VILLANUEVA through her
ATTORNEY-IN-FACT EDITHA S.
SANTUYO and BENJAMIN B.
SANTUYO,**

Petitioners,

- versus -

CITY OF NAGA,

Respondent.

G.R. No. 197743

Present:

GESMUNDO, C.J.,
LEONEN,
CAGUIOA,
HERNANDO,
LAZARO-JAVIER,
INTING,
ZALAMEDA,*
LOPEZ, M.,
GAERLAN,**
ROSARIO,
LOPEZ, J.,
DIMAAMPAO,
MARQUEZ,
KHO, JR., and
SINGH,** JJ.

Promulgated:

October 18, 2022

[Signature]

RESOLUTION

DIMAAMPAO, J.:

At the maelstrom of the instant Second Motion for Reconsideration¹ filed by the City of Naga (respondent) is the niggling controversy of who between respondent and the Heirs of Jose Mariano and Helen Mariano and the Heirs of Erlinda Mariano (petitioners) have a better right to possess the

* On Official Leave.
** On Official Business.
¹ Rollo, pp. 978-999.

disputatious five-hectare parcel of land covered by Transfer Certificate of Title No. 671 of the Registry of Deeds of Naga City.

A diegesis of the procedural antecedents follows.

In the Decision² dated March 12, 2018 (First Division Decision), the Court's First Division overturned the Amended Decision³ rendered by the Court of Appeals in CA-G.R. SP No. 90547 and reinstated, albeit with modifications, the Decision⁴ of Regional Trial Court, Naga City, Branch 26 (RTC). The RTC reversed and set aside the Decision⁵ of Municipal Trial Court, Naga City, Branch I, which dismissed petitioners' Complaint for Unlawful Detainer.

Au fond, the Court poked holes in the validity of the Deed of Donation purportedly executed by the registered owners of the subject realty, Macario Mariano (Mariano) and Jose A. Gimenez (Gimenez), in favor of respondent after discerning that: 1) the Deed contained a defective Acknowledgment as it was made neither by Mariano, Gimenez, their respective spouses, nor respondent through its then mayor, Monico Imperial (Mayor Imperial); and 2) Mayor Imperial's signature was affixed thereon on August 21, 1954, or four days after the Deed was notarized. Consequently, the instrument was stripped of public character and thus, a void contract.⁶

This Court likewise perceived respondent's passivity in failing to secure title over the contentious land despite the lapse of more than 50 years since the supposed execution of the Deed. Conversely, laches or prescription cannot be considered to have set in to effectively bar petitioners' claims given that: *one*, Mariano prodded respondent to act on Mayor Imperial's proposal to purchase the property; *two*, petitioners were entangled in a legal dispute to establish their right to inherit from Mariano and his spouse, Irene Mariano (Irene); and *three*, the disputed property was discovered only in 1997, when an administrator over Irene's estate was appointed, thereby prompting petitioners to demand respondent to vacate its premises.⁷

Respondent was ultimately adjudged to be in bad faith when it introduced improvements on the subject realty notwithstanding the failure to satisfy the condition inextricably attached to the donation, *i.e.*, that the construction of the City Hall be awarded to City Heights Subdivision. Thence,

² Id. at 694-725; penned by Associate Justice Noel Gimenez Tijam, with the concurrence of Associate Justices Teresita J. Leonardo-De Castro, Mariano C. Del Castillo and Francis H. Jardeleza.

³ Id. at 97-114; dated July 20, 2011 penned by Associate Justice Franchito N. Diamante, with the concurrence of Associate Justices Josefina Guevarra-Salonga and Mariflor F. Punzalan-Castillo.

⁴ Id. at 439-465; dated June 20, 2005, docketed as Civil Case No. RTC-2005-0030; penned by Judge Filomena B. Montenegro.

⁵ Id. at 434-438; dated February 14, 2005; penned by Presiding Judge Jose P. Nacional.

⁶ Id. at 707-708.

⁷ Id. at 697 and 708.

9

respondent and all government instrumentalities, agencies, and offices claiming right of possession through and under it were directed to peacefully surrender and deliver to petitioners the physical possession of the land covered by Transfer of Certificate Title No. 671, including all improvements and structures erected thereon. Therewithal, it was ordered to pay petitioners half of the monthly rental as determined by the trial court, which shall be reckoned from November 30, 2003 until respondent shall have actually vacated the subject property. Still and all, the award of attorney's fees in favor of petitioners was reduced to ₱75,000.00.⁸

Unfazed, respondent filed a motion for reconsideration with motion for new trial based on newly discovered evidence,⁹ proffering for the first time a certified true copy of the Deed of Donation dated August 16, 1954, which was unearthed only after a certain Alexander M. Cayetano volunteered to scour anew the records of the Office of the City Civil Registrar of Naga. In the same vein, respondent avouched that petitioners' action was barred by laches and insisted that it was not a builder in bad faith.¹⁰ A separate Motion for Reconsideration¹¹ was filed by respondent's collaborating counsel.

The Court's First Division denied respondent's Motions ratiocinating that the certified true copy of the Deed of Donation submitted by respondent in support of its motion for new trial only confirmed the conclusion that the donation was void as it did not bear the signatures of Mayor Imperial on the part of respondent-donee, and Gimenez, as donor, as well as that of his spouse. As such, there was neither a valid donation nor acceptance that effectively conveyed the subject property to respondent. Likewise, the certified true copy of the Deed of Donation contained the same defective acknowledgment evinced in the copy of the deed previously submitted by respondent.¹²

Respondent remained unperturbed and sought¹³ this Court's leave to file a Second Motion for Reconsideration,¹⁴ which, in point of fact, it subsequently filed. Through the present recourse, respondent intransigently maintains that due to the failure of the petitioners, through themselves and their predecessors-in-interest, to timely and vigorously pursue their rights over the land on which its seat of government is located, laches had already set in; they are barred from recovering the disputed property.

⁸ Id. at 700 and 724.

⁹ Id. at 742-768.

¹⁰ Id. at 750-766.

¹¹ Id. at 788-819.

¹² Id. at 832-838. The Resolution denying the motion for reconsideration is dated July 23, 2018.

¹³ Id. at 866-876.

¹⁴ Id. at 978-999.



At the interstice, respondent moved¹⁵ to refer the pending incident to the Court *En Banc* on the basis of the alleged failure of this Court's First Division to apply the case of *Department of Education, Division of Albay v. Oñate*,¹⁶ which, avowedly, is tantamount to a reversal of a doctrine laid down by a division of the Court. Respondent likewise brought to the fore the conceivable 'devastating' consequences of implementing the First Division Decision. The Court, sitting *En Banc*, accepted the instant case.¹⁷

Quite palpably, the problems cast in factual setting in respondent's Second Motion for Reconsideration are: 1) whether the principle of laches has set in so as to preclude petitioners from recovering the material possession of the subject land, and 2) whether or not higher interest of justice would be better served by granting respondent's second bid for reconsideration.

THE COURT'S RULING

Respondent's Second Motion for Reconsideration is partly meritorious.

Prefatorily, it bears to accentuate that Section 2,¹⁸ Rule 52 of the Rules of Court prohibits a second motion for reconsideration by the same party. This shopworn rule is ingeminated under Section 3, Rule 15 of the Internal Rules of Court, which succinctly provides:

Section 3. *Second motion for reconsideration.* — The Court shall not entertain a second motion for reconsideration, and any exception to this rule can only be granted in the higher interest of justice by the Court *en banc* upon a vote of at least two-thirds of its actual membership. There is reconsideration "in the higher interest of justice" when the assailed decision is not only legally erroneous, but is likewise patently unjust and potentially capable of causing unwarranted and irremediable injury or damage to the parties. A second motion for reconsideration can only be entertained before the ruling sought to be reconsidered becomes final by operation of law or by the Court's declaration.

In the Division, a vote of three Members shall be required to elevate a second motion for reconsideration to the Court *En Banc*.

Plain as day, a grant by the Court of a second motion for reconsideration must meet the 'higher interest of justice' threshold, which, in turn, is dependent upon the existence of two conditions: one, that the assailed decision is legally erroneous, and two, that it is patently unjust and potentially capable of causing unwarranted and irremediable injury or damage to parties.

¹⁵ Id. at 1131-1134.

¹⁶ 551 Phil. 633 (2007).

¹⁷ *Rollo*, p. 1153. See Resolution dated November 12, 2019.

¹⁸ **Section 2. *Second Motion for Reconsideration.*** — No second motion for reconsideration of a judgment or final resolution by the same party shall be entertained.

After a perustration of the hard evidence on record and a juxtaposition of respondent's disputations with prevailing laws and jurisprudence, the Court perceives persuasive reasons to revisit and modify the First Division Decision.

The first prong of the aforementioned threshold, *i.e.*, *that the assailed decision is legally erroneous*, obtains not because the First Division Decision incorrectly found *against* the applicability of laches to bar recovery of the disputatious property, but because it failed to consider the doctrinal rulings of the Court as to what constitutes the act of taking in relation to the State's eminent domain powers, as well as the remedies available to the landowner in instances where there is taking by the government of a private property for public purpose without first acquiring title thereto.

To be sure, petitioners' claim to recover possession over the disputed land is not barred by laches. The Court calls to mind the decisional rules laid down in the recent case of *Ebancuel v. Acierto*,¹⁹ where it was enunciated that as a general rule, laches shall not defeat the registered owner's right to recover his/her property. Moreover, the question of laches is not resolved by simply counting the years that passed before an action is instituted. Rather, any alleged delay must be proven to be unreasonable, and must lead to the conclusion that the claimant abandoned his/her right. As early as the case of *Supapo v. Spouses De Jesus*,²⁰ this Court had pronounced that the defense of laches is evidentiary in nature and cannot be established by mere allegations in the pleadings.²¹ In the case at bench, apart from the self-serving innuendos of respondent, it failed to adduce compelling evidence to substantiate its claim of laches.

On the other hand, petitioners were able to demonstrate with sufficient proof the historical underpinnings of the instant case — beginning from the staunch efforts employed by their late patriarch, Jose Mariano, to recover the subject land, to respondent's unfulfilled offer to purchase, until finally, to the legal scuffle which retarded petitioners-heirs' discovery of the property and early institution of an appropriate action to recover its material possession of the same.

All the same, the Court finds and so rules that the First Division Decision erringly reinstated the portion of the trial court which essentially directed respondent and all government instrumentalities, agencies, and offices claiming right of possession through and under it to peacefully surrender and deliver the physical possession of the subject realty to petitioners.

¹⁹ G.R. No. 214540, July 28, 2021. [Per J. Gaerlan, Second Division].

²⁰ 758 Phil. 444 (2015). [Per J. Brion, Second Division].

²¹ *Id.* at 463.

Concededly, recovery of possession is an appropriate recourse in case a governmental entity, in the exercise of its eminent domain powers, takes over the possession of a property without the benefit of expropriation proceeding.²² This jurisprudential precept finds its progenitor in the seminal case of *Manila Railroad Co. v. Paredes (Manila Railroad)*,²³ which was decided by the Court sitting *En Banc*, and which enjoys the distinction of being the ‘first case in this jurisdiction in which it has been attempted to compel a public service corporation endowed with the power of eminent domain to vacate property occupied by it without first acquiring title thereto by amicable purchase or expropriation proceedings’.²⁴ *Manila Railroad* annunciated that a public entity stands on an equal footing as other trespassers/intruders if it enters a private property *or constructs establishments thereon without the acquiescence or consent of the owner*. In such cases, it is considered a trespasser *ab initio*, and **stands vulnerable to the same actions available against any other intruder**.²⁵ However, subsequent cases appear to have provided a pivotal caveat to the propriety of the action for recovery of possession in such cases — *recovery may only be had if the return of the property is still feasible*.²⁶

Such limitation is wanting in the case at bench.

Considering that the physical return of the subject property on which respondent’s seat of government and offices of several other government agencies and instrumentalities are currently erected is no longer feasible, the second prong of the “*higher interest of justice*” threshold is likewise satisfied as the unwarranted and irremediable injury or damage of forfeiting the established structures in favor of petitioners and directing respondent to vacate the contentious land looms large on the horizon.

In *Sec. of the DPWH v. Spouses Tecson (Sec. of DPWH)*,²⁷ the Court edifyingly elucidated that:

x x x Laches is principally a doctrine of equity which is applied to avoid recognizing a right when to do so would result in a clearly inequitable situation or in an injustice. This doctrine finds no application in this case, since there is nothing inequitable in giving due course to respondents’ claim. Both equity and the law direct that a property owner should be compensated if his property is taken for public use. Neither shall prescription bar respondents’ claim following the long-standing rule “that where private property is taken by the Government for public use without first acquiring

²² See *Sec. of the DPWH v. Sps. Tecson*, 713 Phil. 55, 70 (2013). [Per J. Peralta, Third Division].

²³ 32 Phil. 534 (1915).

²⁴ *Id.* at 536.

²⁵ *Id.* at 537-539.

²⁶ *Sec. of the DPWH v. Sps. Tecson*, supra note 19.

²⁷ *Id.*

9

title thereto either through expropriation or negotiated sale, the owner's action to recover the land or the value thereof *does not prescribe*.

When a property is taken by the government for public use, jurisprudence clearly provides for the remedies available to a landowner. **The owner may recover his property if its return is feasible or, if it is not, the aggrieved owner may demand payment of just compensation for the land taken.** For failure of respondents to question the lack of expropriation proceedings for a long period of time, they are deemed to have waived and are estopped from assailing the power of the government to expropriate or the public use for which the power was exercised. What is left to respondents is the right of compensation. The trial and appellate courts found that respondents are entitled to compensation. The only issue left for determination is the propriety of the amount awarded to respondents.²⁸

The more recent case of *Republic v. Spouses Nocom (Spouses Nocom)*²⁹ echoed with approval the foregoing jurisprudential teaching, recognizing that the respondents therein “had no other remedy but to file a suit against petitioner for the *recovery of possession* of the property and for payment of reasonable compensation.”

There can be no quibbling that here, there was “taking” when respondent, endowed with the power of eminent domain, occupied petitioners' land in 1954, which it then used as a government center. *Sy. v. Local Gov't. of Quezon City*³⁰ ingeminated the jurisprudential precept that there is “taking” when the owner is actually deprived or dispossessed of his or her property; when there is a practical destruction or a material impairment of the value of his or her property or when he or she is deprived of the ordinary use thereof.³¹

On this score, the Court rules and so holds that the taking of the property took place on August 16, 1954, when respondent admitted having entered, possessed, and started improving the property after the purported execution of the contentious Deed of Donation. Upon this point, the pronouncements of the First Division Decision are illuminating—

According to the City, the City Mayor of Naga, Monico Imperial (Mayor Imperial), and the registered landowners, Macario and Gimenez, executed a Deed of Donation on August 16, 1954, whereby the latter donated five hectares of land (subject property), two hectares of which to be used as the City Hall site, another two hectares for the public plaza, and the remaining hectare for the public market. **By virtue of said Deed, the City entered the property and began construction of the government center.** It also declared the five-hectare property in its name for tax purposes. Thereafter, the Land Transportation Office (LTO), the

²⁸ Id. at 69-70. Emphasis supplied.

²⁹ G.R. No. 233988, November 15, 2021. [Per J. Leonen, Third Division].

³⁰ 710 Phil. 549 (2013). [Per J. Perlas-Bernabe, Second Division].

³¹ Id. at 560-561.

National Bureau of Investigation (NBI), the Department of Labor and Employment (DOLE), the Philippine Postal Corporation (PPC), the Fire Department and other government agencies and instrumentalities entered the same property and built their offices thereon.³²

Whence, in fealty to *Secretary of DPWH*,³³ the Court rules and so holds that respondent must pay petitioners just compensation as of the time of taking of the contested land on August 16, 1954, computed in accordance with the formula laid down in *Spouses Nocom*,³⁴ viz.:

In *Secretary of the Department of Public Works and Highways v. Spouses Tecson*, this Court laid down the remedies for an aggrieved private party when property is taken by the government for public use. It also enumerated cases illustrating an aggrieved party's remedy when deprived of their property without the benefit of just compensation.

x x x x

With this, the controlling doctrine is that when there is actual taking by the government without expropriation proceedings, the owner of the property is entitled to just compensation which is pegged at the value of the property at the time of taking.

x x x x

However, there are instances where this Court held that just compensation should not be reckoned from the time of taking of the properties, but from the time the property owners initiated inverse condemnation proceedings as a matter of justice and equity.

x x x x

Accordingly, it would result in great injustice if this Court grants the prayer of petitioner that the just compensation be pegged at the value of the subject properties in 1983, or the alleged time of taking of the government. To do so would reward petitioner for its disregard of procedural due process in its exercise of the power of eminent domain.

Notably, if petitioner promptly recompensed respondents for the use of their property, the latter would have the opportunity to gain profit from the amount received. The non-payment of compensation deprived respondents of the principal amount as well as its prospective fruits.

To address this dilemma, an Opinion in *Secretary of the Department of Public Works* is illuminating. There, the economic concept of present value was explained thus:

If the parties in an expropriation case would have perfect foresight, they would have known the amount of "fair

³² *Rollo*, p. 696. Emphasis supplied.

³³ *Supra* note 22.

³⁴ *Supra* note 29.

market value at the time of taking.” If this amount of money was deposited in a bank pending expropriation proceedings, by the time proceedings are over, the property owner would be able to withdraw the principal (fair market value at the time of taking) and the interest earnings it has accumulated over the time of the proceedings. Economists have devised a simple method to compute for the value of money in consideration of this future interest earnings.

For purposes of explaining this method, consider property owner AA who owns a piece of land. The government took his property at Year 0. Let us assume that his property had a fair market value of P100 at the time of taking. In our ideal situation, the government should have paid him P100 at Year 0. By then, AA could have put the money in the bank so it could earn interest. Let us peg the interest rate at 5% per annum (or in decimal form, 0.05).

If the expropriation proceedings took just one year (again, another ideal situation), AA could only be paid after that year. The value of the P100 would have appreciated already. We have to take into consideration the fact that in Year 1, AA could have earned an additional P5 in interest if he had been paid in Year 0.

In order to compute the present value of P100, we have to consider this formula:

Present Value in Year 1 = Value at the Time of Taking + (Interest Earned of the Value at the Time of Taking)

In formula terms, it will look like this:

$$PV_1 = V + (V * r)$$

$$PV_1 = V * (1 + r)$$

PV₁ = present value in Year 1

V = value at the time of taking

r = interest rate

So in the event that AA gets paid in Year 1, then:

$$PV_1 = V * (1 + r)$$

$$PV_1 = P100 (1 + 0.05)$$

$$PV_1 = P105$$

So if AA were to be paid in Year 1 instead of in Year 0, it is only just that he be paid P105 to take into account the interest earnings he has foregone due to the expropriation proceedings. If he were to be paid in Year 2, we should take into consideration not only the interest earned of the principal, but the fact that the interest earned in Year 1 will also be subject to interest earnings in Year 2. This concept is referred to as *compounding* interest rates. So our formula becomes:

f

Present Value in Year 2 = [Present Value in Year 1] + [Interest Earned of Present Value in Year 1].

In advocating the use of present value and compounding interest, this Court meets the middle ground between established doctrine and substantial justice. Moreover, the result would be more in keeping with the concept of just compensation. By using the present value method, this Court recognizes that the value of money is not static. The amount of P552.00 in 1983 does not carry the same monetary or buying power in 1995 or in 2021. Thus, the method takes into consideration the present economic value of the property taken by the government if just compensation at the time of taking was paid promptly. It compensates for the opportunity loss due to the non-payment of a sum of money that is due and demandable.

In using this method, the powers that be (sic) would have a stronger incentive to comply with duly constituted procedures regarding the power of eminent domain instead of continuing its practice of taking property without filing the proper expropriation proceedings. At the same time, it remains consistent with the doctrine that just compensation must be reckoned from the time of actual taking. It merely directs the courts, which have the judicial function to determine the amount of just compensation, to make use of the formula to ensure that the profit loss suffered by private owners are computed for as well.

The interest prescribed above must be distinguished from legal interest which penalizes the payor for its delay in payment. Thus, it is without question that petitioner's occupation of the Subject Lots, for more than two decades without the proper expropriation proceedings also entitles respondents with the payment of legal interest at the rate of six (6%) percent on the value of the land at the time of taking until full payment is made.³⁵

Without a nary of doubt, *Spouses Nocom* provides a more equitable and fair computation of just compensation forasmuch as it factors in various considerations affecting the value, not only of the property at the time of taking, but also of the money which could have accrued to the aggrieved landowner's benefit had the supposed expropriator followed the prescribed procedure therefor.

Withal, in order to scourge respondent's deplorable act of establishing the now-entrenched public offices on petitioners' property despite the irrefragable invalidity of the donation, the Court hereby orders the former to pay the latter ₱1,000,000.00 by way of exemplary damages. This award finds jurisprudential backing in *National Power Corporation vs. Manalastas*,³⁶ where this Court adjudicated thusly:

Lastly, in addition to the award for interests, Article 2229 of the Civil Code provides that "[e]xemplary or corrective damages are imposed by way of example or correction for the public good" and Article 2208 of the same

³⁵ Id.

³⁶ 779 Phil. 510 (2016). [Per J. Peralta, Third Division].

4

code states that attorney's fees may be awarded by the court in cases where such would be just and equitable. As held in the Resolution dated April 21, 2015 in *Secretary of the Department of Public Works and Highways, et al. v. Spouses Heracleo and Ramona Tecson*, **additional compensation in the form of exemplary damages and attorney's fees should likewise be awarded as a consequence of the government agency's illegal occupation of the owner's property for a very long time, resulting in pecuniary loss to the owner.** Indeed, government agencies should be admonished and made to realize that its negligence and inaction in failing to commence the proper expropriation proceedings before taking private property, as provided for by law, cannot be countenanced by the Court.³⁷

Meanwhile, the reduction of attorney's fees to ₱75,000.00 is sustained for the same reasons as embodied in the First Division Decision.

A final cadence. The Court is aware of the jurisdictional conundrum besetting the remand of the instant case to RTC for purposes of determining just compensation considering that the court of origin is, in point of fact, Branch I of the Municipal Trial Court of Naga City. This notwithstanding, compelling considerations of equity behoove this Court to overlook *pro hac vice* such procedural hurdle.

Very much so, this is not the first time that this Court is wielding its equity jurisdiction where there is a hiatus in the law and in the Rules of Court. Equity jurisdiction aims to do complete justice in cases where a court of law is unable to adapt its judgments to the special circumstances of a case because of the inflexibility of its statutory or legal jurisdiction. Equity is the principle by which substantial justice may be attained in cases where the prescribed or customary forms of ordinary law are inadequate. This is apposite to Article 9 of the Civil Code, which expressly mandates the courts to make a ruling despite the "silence, obscurity or insufficiency of the laws."³⁸

Pertinently, the silence of the Rules of Court anent the determination of feasibility of returning a property in an action to recover possession, such as in this case, is undeniably deafening. In a like manner, the Rules do not provide for a *definite and complete* procedural framework for inverse condemnation upon which the bench, the bar, and the public may anchor their legal steps when faced with a similar situation. Suffice it to say that the aggrieved landowners, whose properties were taken by the government without any benefit of expropriation, may not be left out to dry in the aperture, which this Court itself carved out.

Thusly, in the higher interest of substantial justice and in the exercise of this Court's equity jurisdiction, as well as for judicial economy, the case

³⁷ Id. at 519.

³⁸ See *Reyes vs. Lim*, 456 Phil. 1, 9-10 (2003). [Per J. Carpio, First Division].



must be ordered remanded to the trial court for purposes of determining just compensation in accordance with this Resolution.

THE FOREGOING DISQUISITIONS CONSIDERED, respondent City of Naga's Second Motion for Reconsideration is hereby **PARTLY GRANTED**. Accordingly, the Decision dated March 12, 2018 and the Resolution dated July 23, 2018 rendered by the First Division of this Court are **AFFIRMED** with **MODIFICATIONS** in that:

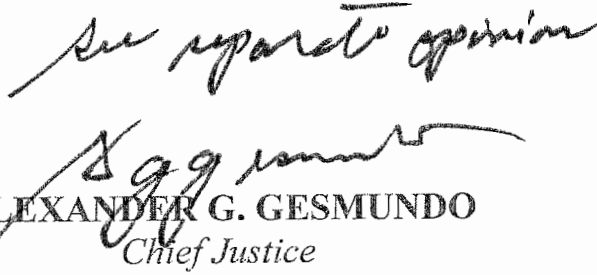
- 1) The order for respondent and all government instrumentalities, agencies, and offices claiming right of possession through and under it to peacefully surrender and deliver to petitioners the physical possession of the land covered by Transfer of Certificate Title No. 671, including all improvements and structures erected thereon, is hereby **DELETED**;
- 2) The award of monthly rental in favor of petitioners is likewise **DELETED**;
- 3) Respondent City of Naga is **ORDERED** to pay petitioners just compensation in accordance with this ruling, with legal interest of six percent (6%) *per annum* on the value of the property at the time of taking, *i.e.*, August 16, 1954, until full payment is made; and
- 4) Respondent City of Naga is **ORDERED** to pay petitioners exemplary damages in the amount of ₱1,000,000.00.

The case is **REMANDED** to Branch 26, Regional Trial Court of Naga City for the determination of just compensation. The said court is **DIRECTED** to resolve the instant case with dispatch.

SO ORDERED.

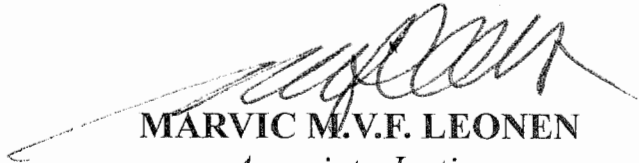

JAPAR B. DIMAAMPAO
Associate Justice

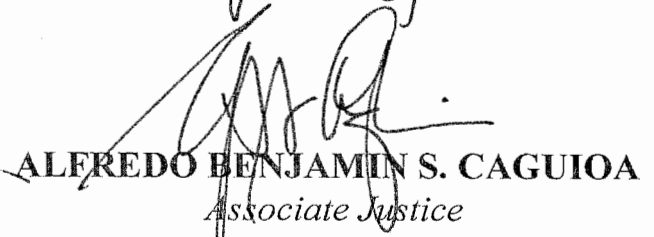
WE CONCUR:

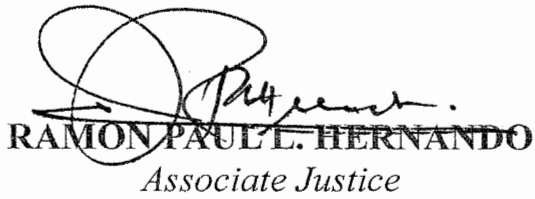

ALEXANDER G. GESMUNDO
Chief Justice

see separate opinion in

See separate Opns


MARVIC M.V.F. LEONEN
Associate Justice


ALFREDO BENJAMIN S. CAGUIOA
Associate Justice

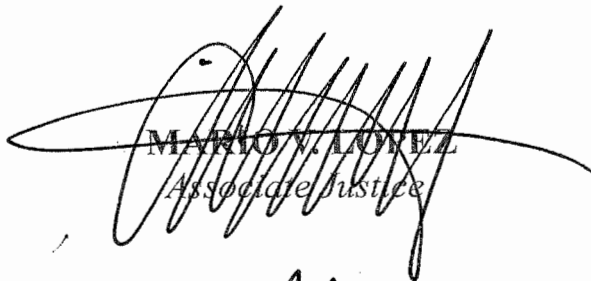

RAMON PAUL L. HERNANDO
Associate Justice

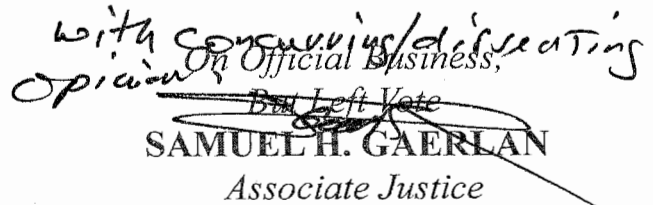
w/ concurrence, ad dissent

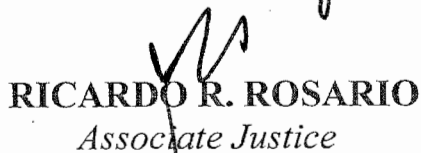
AMY C. LAZARO JAVIER
Associate Justice


HENRI JEAN PAUL B. INTING
Associate Justice

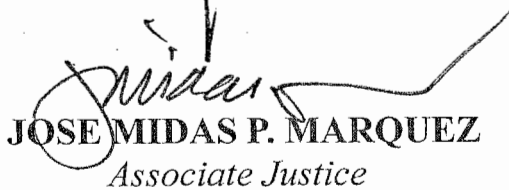
On Official Leave
RODIL V. ZALAMEDA
Associate Justice


MARIO V. LOPEZ
Associate Justice

*with concurring/dissenting
Opinion On Official Business,
But Left Vote*

SAMUEL H. GAERLAN
Associate Justice


RICARDO R. ROSARIO
Associate Justice


JHOSEP V. LOPEZ
Associate Justice


JOSE MIDAS P. MARQUEZ
Associate Justice

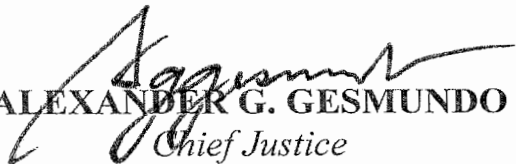

ANTONIO T. KHO, JR.
Associate Justice

On Official Business

MARIA FILOMENA D. SINGH
Associate Justice

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, I certify that the conclusions in the above Resolution had been reached in consultation before the case was assigned to the writer of the opinion of this Court.


ALEXANDER G. GESMUNDO
Chief Justice