



Republic of the Philippines
Supreme Court
Manila

THIRD DIVISION

**HEIRS OF RAISA DIMAO, NAMELY:
ELIAS D. COMAGUL, EDRES D.
COMAGUL, SAPIA D. COMAGUL,
RASMIA D. DIMACALING, SALEM
RASCAL, SAIDAMEN D. COMAGUL,
AND RAIHANI D. MANGADIRA,**
Petitioners,

- versus -

**NATIONAL GRID CORPORATION
OF THE PHILIPPINES,**
Respondent.

G.R. No. 254020

Present:

CAGUIOA, J.,
Chairperson,
INTING,
GAERLAN,
DIMAAMPAO, *and*
SINGH, JJ.

Promulgated:

March 1, 2023

Mis-DCB:ff

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DECISION

GAERLAN, J.:

This resolves the Petition for Review on *Certiorari*¹ filed by petitioners Heirs of Raisa Dimao, namely, Elias D. Comagul, Edres D. Comagul, Sapia D. Comagul, Rasmia D. Dimacaling, Salem Rascal, Saidamen D. Comagul, and Raihani D. Mangadira (collectively, petitioners) praying for the reversal of the July 26, 2019 Decision² and August 4, 2020 Resolution³ of the Court of Appeals (CA) in CA-G.R. CV No. 05180-MIN, affirming the right of the respondent National Grid Corporation of the Philippines to expropriate petitioners' property, but deleting the award of just compensation.

¹ *Rollo*, pp. 12-45.

² Id. at 51-74; penned by Associate Justice Walter S. Ong, with Associate Justices Edgardo A. Camello and Loida S. Posadas-Kahulugan, concurring.

³ Id. at 48-49; penned by Associate Justice Edgardo A. Camello, with Associate Justices Oscar V. Badelles and Loida S. Posadas-Kahulugan, concurring.

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Antecedents

Sometime in 1978, the National Power Corporation (NPC) constructed the Baloi-Agus 2 138kV Transmission Line (BATL).⁴

Pursuant to Republic Act (R.A.) No. 9136,⁵ or the “Electric Power Industry Reform Act of 2001,” the National Transmission Corporation (TRANSCO) assumed the electrical transmission functions, including the authority and responsibility for the planning, construction, operation and maintenance of the NPC’s high voltage transmission facilities, including grid interconnections and ancillary services.⁶

Meanwhile, on January 15, 2009, respondent assumed the management, operation, and maintenance of TRANSCO’s nationwide transmission business. To perform its mandate, respondent needed to clear and cut tall vegetation and other hazardous improvements underneath and within the transmission line right-of-way corridors of the lots.⁷

Accordingly, on August 15, 2014, respondent instituted expropriation proceedings⁸ involving 11,640 square meters on Lot No. 104, Gss-10-000286, located in Barangay Basagad, Baloi, Lanao del Norte, covered by *Katibayan ng Orihinal na Titulo* (KOT) Blg. P-19-080, registered in the name of the late Raisa A. Dimao (Subject Property). Respondent prayed among other things, for the issuance of a writ of possession in its favor, authorizing it to enter and take possession of the subject property for the maintenance of the BATL.⁹

Subsequently, respondent deposited with the Land Bank of the Philippines (LBP) the amount of ₱1,756,400.00, representing 100% of the Bureau of Internal Revenue (BIR) Zonal Value of the subject property.¹⁰

Consequently, on September 2, 2014, the Regional Trial Court (RTC) of Lanao Del Norte, Branch 4 issued a writ of possession. Thus, on September 25 and 26, 2014, respondent was placed in possession of the subject property.¹¹

⁴ Id. at 71 and 77.

⁵ AN ACT ORDAINING REFORMS IN THE ELECTRIC POWER INDUSTRY, AMENDING FOR THE PURPOSE CERTAIN LAWS AND FOR OTHER PURPOSES; approved on June 8, 2001.

⁶ *Rollo*, p. 53.

⁷ Id.

⁸ Id. at 76-84.

⁹ Id. at 81.

¹⁰ Id. at 54.

¹¹ Id. at 187.

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On October 1, 2014, petitioners filed an Answer¹² demanding the payment of just compensation of ₱113,552,000.00, with accrued interest and rentals from the time of the taking of the subject property.¹³

Unfortunately, the parties failed to reach a settlement. Thus, the RTC appointed a panel of commissioners to aid it in determining just compensation.¹⁴

Ruling of the RTC

On April 16, 2018, the RTC rendered a Decision¹⁵ granting the complaint for expropriation and awarding just compensation amounting to ₱49,622,050.00.

The dispositive portion of the RTC ruling reads:

WHEREFORE, premises considered, this Court hereby decides to declare and confirm that the [respondent] has the lawful right to take the property sought to be expropriated to the extent of eleven thousand four hundred sixty (11,460) square meters. Consequently, the [respondent] is now considered the lawful owner of that portion only of Lot No. 104, Gss-10-000286, which contained a total area of forty eight thousand four hundred seventy (48,470) square meters. Considering that the [respondent] deposited only One Million Seven Hundred Fifty Six Thousand Four Hundred (P1,756,400.00) Pesos, the [respondent] is hereby directed to deposit the deficiency in the amount of Forty Seven Million Eight Hundred Sixty [F]ive Thousand Six Hundred Fifty (P47,865,650.00) Pesos to the account of Rasmia D. Dimaciling as representative of the [petitioners].

The Registry of Deeds for the Province of Lanao del Norte is hereby directed to annotate this Decision on the *Katibayan ng Orihinal na Titulo* (KOT) Blg. P-19,080. Likewise, the Municipal Assessor of Balo-i, Lanao del Norte is directed to issue a Tax Declaration in the name of [respondent] over the portion only of the property subject of this case.

SO ORDERED.¹⁶

Aggrieved, respondent filed a motion for partial reconsideration, which the RTC denied in its August 9, 2018 Order.¹⁷

¹² Id. at 105-111.

¹³ Id. at 108.

¹⁴ Id. at 188.

¹⁵ Id. at 186-190; penned by Presiding Judge Ali Ombra R. Bacaraman.

¹⁶ Id. at 189-190.

¹⁷ Id. at 238.

Dissatisfied with the ruling, respondent filed before the CA an appeal under Rule 41 of the Rules of Court.

Ruling of the CA

On July 26, 2019, the CA rendered the assailed Decision¹⁸ affirming the RTC ruling with modification by deleting the additional award of ₱47,865,650.00 as just compensation.¹⁹

The CA noted that the area sought to be expropriated is only 30 meters in width, and since the petitioners' property originated from a free patent, it is subject to a 60-meter easement of right-of-way in favor of the government as provided in Section 112 of Commonwealth Act (C.A.) No. 141.²⁰ The CA explained that under the said provision, the owner of the affected property may only claim just compensation for the value of the improvements on the subject property. However, the CA recognized that the taking of the subject property occurred during the construction of the transmission lines in 1978, while petitioners' predecessor-in-interest only acquired title to the property in 2012.²¹ Accordingly, the CA opined that petitioners cannot claim an actual loss because the easement of right-of-way had already been established and the BATL had been standing on the land for more than three decades when their predecessor-in-interest acquired ownership thereto.²²

Moreover, the CA concluded that there is no evidentiary basis for the award of just compensation for the value of the improvements on the subject property. It elucidated that the parties failed to present evidence as to the improvements existing in 1978. It stated that the evidence on record only pertains to improvements planted during the filing of the Complaint.²³

The decretal portion of the CA ruling states:

The appeal is PARTIALLY GRANTED. The assailed *Decision* dated 16 April 2018 issued by Branch 4 of the Regional Trial Court of Lanao del Norte, 12th Judicial Region, Iligan City in Civil Case No. 7720 is hereby AFFIRMED with the MODIFICATION that the award of an additional Php47,865,650.00 in favor of [petitioners] is DELETED. The dispositive portion of the *Decision* dated 16 April 2018 shall now read, as follows:

¹⁸ Id. at 51-74.

¹⁹ Id. at 73.

²⁰ Id. at 69; C.A. No. 141 or AN ACT TO AMEND AND COMPILE THE LAWS RELATIVE TO LANDS OF THE PUBLIC DOMAIN; approved on November 7, 1936.

²¹ Id. at 71-72.

²² Id. at 72.

²³ Id. at 69.

WHEREFORE, premises considered, this Court hereby decides to declare and confirm that the [respondent] has the lawful right to take the property sought to be expropriated to the extent of eleven thousand four hundred sixty (11,460) square meters. Consequently, the [respondent] is now considered the lawful owner of that portion only of Lot No. 104, Gss-10-000286, which contained a total area of forty eight thousand four hundred seventy (48,470) square meters.

The Registry of Deeds for the Province of Lanao del Norte is hereby directed to annotate this Decision on the *Katibayan ng Orihinal na Titulo* (KOT) Blg. P-19,080. Likewise, the Municipal Assessor of Balo-i, Lanao del Norte is directed to issue a Tax Declaration in the name of [respondent] over the portion only of the property subject of this case.

SO ORDERED.

IT IS SO ORDERED.²⁴

Issues

The main issues raised for the Court's resolution are whether or not petitioners are entitled to just compensation and correspondingly, the reckoning point for its computation.

Seeking the reversal of the CA Decision, petitioners first assail the validity and applicability of Section 112 of C.A. No. 141. They argue that the easement of right-of-way provided under Section 112 of C.A. No. 141 applies only when the expropriator is a government entity. They likewise allege that Section 112 of C.A. No. 141, insofar as it allows the taking of private property by mere notice and without payment of just compensation, is oppressive, confiscatory and unconstitutional.²⁵ They further urge that Section 112 has been superseded by R.A. No. 8974²⁶ and later by R.A. No. 10752.²⁷ They point out that Section 2 of R.A. No. 10752²⁸ obligates the State to ensure that owners of real property acquired for national government infrastructure projects are

²⁴ Id. at 72-73.

²⁵ Id. at 22.

²⁶ AN ACT TO FACILITATE THE ACQUISITION OF RIGHT-OF-WAY, SITE OR LOCATION FOR NATIONAL GOVERNMENT INFRASTRUCTURE PROJECTS AND FOR OTHER PURPOSES; approved on November 7, 2000.

²⁷ AN ACT FACILITATING THE ACQUISITION OF RIGHT-OF-WAY SITE OR LOCATION FOR NATIONAL GOVERNMENT INFRASTRUCTURE PROJECTS; approved on March 7, 2016.

²⁸ REPUBLIC ACT NO. 10752, Section 2. *Declaration of Policy*. — Article III, Section 9 of the Constitution states that private property shall not be taken for public use without just compensation. Towards this end, the State shall ensure that owners of real property acquired for national government infrastructure projects are promptly paid just compensation for the expeditious acquisition of the required right-of-way for the projects.

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promptly paid just compensation for the expeditious acquisition of the required right-of-way for the projects.²⁹

Second, petitioners contend that the taking of the subject property occurred at the time of the filing of the Complaint in 2014.³⁰ They relate that NPC's entry in 1978 was without warrant or color of legal authority, since the latter never sought their predecessor's permission, entered into any contract with them, or instituted expropriation proceedings.³¹ They further assert that their predecessors were never deprived of the beneficial enjoyment of the subject property.³²

Third, petitioners stress that their occupation of the subject property preceded the NPC's entry by 23 years.³³ They claim that the issuance of the free patent in favor of their predecessor serves as proof that they have been in continuous, open, exclusive, and notorious possession of the subject property since July 5, 1955.³⁴

Lastly, petitioners maintain that respondent must abide by the valuation of the improvements determined through its own guidelines, and prepared and approved no less by its own officials, which amounted to ₱62,822,899.00, as stated in the Approved Unified Valuation of Crops, Plants and Trees.³⁵

On the other hand, respondent counters that Section 112 of C.A. No.141 applies to petitioners. It stresses that since petitioners' title stemmed from a free patent, then the property is subject to the 60-meter easement of right-of-way in favor of the government.³⁶ Respondent also avers that the validity of Section 112 cannot be collaterally attacked.³⁷ It further retorts that its status as a quasi-public entity does not prevent the application of Section 112, as said provision clearly applies to projects undertaken by quasi-public entities.³⁸

Additionally, respondent maintains that the taking of the subject property happened in 1978, and not in 2014. It asseverates that petitioners admitted this when they demanded the payment of legal interest and rents reckoned from the taking in 1978. Such fact was also substantiated in Commissioner Gary M. Salomon's (Commissioner Salomon) Report.³⁹

²⁹ *Rollo*, pp. 22-23.

³⁰ *Id.* at 34.

³¹ *Id.* at 35-36.

³² *Id.* at 36-37.

³³ *Id.* at 25.

³⁴ *Id.* at 24.

³⁵ *Id.* at 38.

³⁶ *Id.* at 295.

³⁷ *Id.* at 299.

³⁸ *Id.* at 297-298.

³⁹ *Id.* at 299.

Furthermore, respondent contends that petitioners' claim of ownership since 1955 is bereft of proof.⁴⁰ It avows that petitioners' predecessor's application of a free patent is an acknowledgment that the subject property is in fact part of the public domain.⁴¹

Finally, respondent accuses petitioners of maliciously planting trees on the subject property.⁴² It points to Commissioner Salomon's finding that the trees were intentionally planted so compactly or very close to each other underneath the transmission lines.⁴³ Respondent further insists that most of the trees were newly planted, or planted two to five years after it assumed the operation of the BATL.⁴⁴

Ruling of the Court

The petition is denied.

Respondent's Right to Expropriate Property

Eminent domain is the right or power of the State to appropriate private property within its territorial sovereignty for a public purpose. It is an indispensable attribute of sovereignty and a power grounded in the primary duty of government to serve the common need and advance the general welfare.⁴⁵

Albeit an inherent sovereign prerogative, the power of eminent domain is not exclusive to Congress. The latter may delegate the exercise of this awesome power to government agencies, public officials, and quasi-public entities.⁴⁶ What matters is that there is a law conferring the power of eminent domain to the delegate⁴⁷ and the delegate exercises the right strictly within the confines of the delegating law.⁴⁸

⁴⁰ Id. at 301.

⁴¹ Id. at 298.

⁴² Id. at 302.

⁴³ Id. at 302.

⁴⁴ Id. at 303.

⁴⁵ *National Transmission Corp. v. Oroville Development Corp.*, 815 Phil. 91, 103 (2017), citing *Heirs of Suguitan v. City of Mandaluyong*, 384 Phil. 677, 687 (2000).

⁴⁶ *PNOC Alternative Fuels Corp. v. National Grid Corporation of the Philippines*, G.R. No. 224936, September 4, 2019, citing *Metropolitan Cebu Water District v. J. King and Sons Co., Inc.*, 603 Phil. 471, 480 (2007).

⁴⁷ Id., citing *City of Manila v. Chinese Community of Manila*, 40 Phil. 349, 358 (1919).

⁴⁸ *Supra* note 45.

In line with this, on December 1, 2008, Congress passed Republic Act (R.A.) No. 9511⁴⁹ granting respondent a franchise to engage in the business of conveying or transmitting electricity through high voltage back bone system of interconnected transmission lines:

Section 1. Nature and Scope of Franchise. — Subject to the provisions of the Constitution and applicable laws, rules and regulations, and subject to the terms and conditions of the concession agreement and other documents executed with the National Transmission Corporation [TRANSCO] and the Power Sector Assets and Liabilities Management Corporation (PSALM) pursuant to Section 21 of Republic Act No. 9136, which are not inconsistent herewith, there is hereby granted to the National Grid Corporation of the Philippines, hereunder referred to as the Grantee, its successors or assigns, **a franchise to operate, manage and maintain, and in connection therewith, to engage in the business of conveying or transmitting electricity through high voltage back-bone system of interconnected transmission lines, substations and related facilities, systems operations, and other activities that are necessary to support the safe and reliable operation of a transmission system and to construct, install, finance, manage, improve, expand, operate, maintain, rehabilitate, repair and refurbish the present nationwide transmission system of the Republic of the Philippines.** The Grantee shall continue to operate and maintain the subtransmission systems which have not been disposed by TRANSCO. Likewise, **the Grantee is authorized to engage in ancillary business and any related business which maximizes utilization of its assets such as, but not limited to, telecommunications system, pursuant to Section 20 of Republic Act No. 9136.** The scope of the franchise shall be nationwide in accordance with the Transmission Development Plan, subject to amendments or modifications of the said Plan, as may be approved by the Department of Energy of the Republic of the Philippines. (Emphasis supplied)

For respondent to effectively perform its mandate, Section 4 of R.A. No. 9511 grants it the right to exercise the power of eminent domain:

Section 4. Right of Eminent Domain. — Subject to the limitations and procedures prescribed by law, the Grantee is authorized to exercise the right of eminent domain insofar as it may be reasonably necessary for the construction, expansion, and efficient maintenance and operation of the transmission system and grid and the efficient operation and maintenance of the subtransmission systems which have not yet been disposed by TRANSCO. The Grantee may acquire such private property as is actually necessary for the realization of the purposes for which this franchise is granted: *Provided*, That the applicable law on eminent domain shall be observed, particularly, the prerequisites of taking of possession and the determination and payment of just compensation.

⁴⁹ AN ACT GRANTING THE NATIONAL GRID CORPORATION OF THE PHILIPPINES A FRANCHISE TO ENGAGE IN THE BUSINESS OF CONVEYING OR TRANSMITTING ELECTRICITY THROUGH HIGH VOLTAGE BACK-BONE SYSTEM OF INTERCONNECTED TRANSMISSION LINES, SUBSTATIONS AND RELATED FACILITIES, AND FOR OTHER PURPOSES; approved on December 1, 2008.

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Verily, respondent, as a quasi-public entity, enjoys the right of eminent domain, circumscribed by the limitations and procedures provided by law, the necessity of the construction, expansion, and efficient maintenance and operation of the transmission system, compliance with the prerequisites of taking of possession, and the determination and payment of just compensation.

Interestingly, in this case, both parties agree on the necessity of the expropriation and the public purpose it serves. The only bone of contention lies on the issue of just compensation.

The reckoning point for the payment of just compensation is the date of taking, which in this case, was in 1978.

Just compensation is defined “as the full and fair equivalent of the property taken from its owner by the expropriator.” The qualifier “just” modifies the meaning of the word “compensation” to impress the idea that the equivalent to be given for the property to be taken shall be real, substantial, full and ample.⁵⁰ The true measure is not the taker’s gain but the owner’s loss.⁵¹

Notably, just compensation shall be determined as of the date of the filing of the complaint or the date of the actual taking, whichever transpired earlier.⁵² *Republic v. Vda. De Castellvi*,⁵³ provides an enlightening discourse on the requisites of taking:

First, The expropriator must enter a private property[;] x x x.

Second, the entrance into private property must be for more than a momentary period[;] x x x.

Third, the entry into the property should be under warrant or color of legal authority[;] x x x.

Fourth, the property must be devoted to a public use or otherwise informally appropriated or injuriously affected[;] x x x [and]

Fifth, the utilization of the property for public use must be in such a way as to oust the owner and deprive him of all beneficial enjoyment of the property. x x x.⁵⁴ (Italics supplied; citations omitted)

⁵⁰ *Evergreen Manufacturing Corp. v. Republic*, 817 Phil. 1048, 1058-1059 (2017), citing *Republic v. Mupas*, 785 Phil. 40 (2016), further citing *Apo Fruits Corp. v. Land Bank of the Philippines*, 647 Phil. 251 (2010).

⁵¹ *Id.*

⁵² *Republic, represented by the Department of Public Works and Highways v. Estate of Posadas III*, G.R. No. 214310, February 24, 2020.

⁵³ *Republic v. Vda. De Castellvi*, 157 Phil. 329 (1974).

⁵⁴ *Id.* at 345-346.

In the case at bar, the NPC entered into the subject property and constructed the powerlines in 1978. Relatedly, in *National Transmission Corporation v. Oroville Development Corporation*,⁵⁵ the Court reckoned the taking of property at the time of the construction of the powerlines therein:

The first and fourth requisites are present in this case. TransCo took possession of Oroville's property in order to construct transmission lines to be used in generating electricity for the benefit of the public.

The second requisite is likewise present as there can be no question that the construction of transmission lines meant an indefinite stay in the property of Oroville. Further, TransCo's exercise of eminent domain is pursuant to its authority granted under Section 8 of Republic Act (R.A.) No. 9136 or the Electric Power Industry Reform Act of 2001.

Finally, Oroville has been deprived of the beneficial enjoyment of its property. In several rulings, notably *National Power Corporation v. Spouses Zabala*, *Republic v. Spouses Libunao*, and *National Power Corporation v. Tuazon* this Court has already declared that "since the high-tension electric current passing through the transmission lines will perpetually deprive the property owners of the normal use of their land, it is only just and proper to require Napocor to recompense them for the full market value of their property."⁵⁶ (Citations omitted)

Similarly, in *National Power Corp. v. Vda. De Capin*,⁵⁷ the Court elucidated that the act of taking coincided with the installation of the powerlines, in view of the heavy burdens imposed on the property owners:

After petitioner's transmission lines were fully constructed on portions of respondents' lots, petitioner imposed restrictions thereon such as the prohibition against planting or building anything higher than three meters below the area traversed by said lines. In addition, respondent-Spouses Quimco, holders of a Small Scale Quarry Permit, Series of 1995, were also prohibited from continuing their quarry business near petitioner's transmission towers because of the great possibility that it could weaken the foundation thereof. Hence, the respondent-spouses Quimco suffered substantial loss of income. It is clear then that petitioner's acquisition of an easement of right of way on the lands of the respondents amounted to an expropriation of the portions of the latter's properties and perpetually deprived the respondents of their proprietary rights thereon and for which they are entitled to a reasonable and just compensation. x x x.⁵⁸ (Citation omitted)

⁵⁵ 815 Phil. 91 (2017).

⁵⁶ Id. at 104-105.

⁵⁷ *National Power Corp. v. Vda. de Capin*, 590 Phil. 665 (2008).

⁵⁸ Id. at 682.

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The same pronouncements were rendered in *National Power Corp. v. Manalastas*,⁵⁹ and *Republic, represented by National Power Corp. v. Heirs of Borbon*⁶⁰ (*Republic v. Heirs of Borbon*). Highlighting the Court's rumination in *Republic v. Heirs of Borbon*:

There is a sufficient showing that NAPOCOR entered into and took possession of the respondents' property as early as in March 1993 without the benefit of first filing a petition for eminent domain. For all intents and purposes, therefore, March 1993 is the reckoning point of NAPOCOR's taking of the property, instead of May 5, 1995, the time NAPOCOR filed the petition for expropriation. The reckoning conforms to the pronouncement in *Ansaldo v. Tantuico, Jr.*, to wit:

Normally, of course, where the institution of an expropriation action precedes the taking of the property subject thereof, the just compensation is fixed as of the time of the filing of the complaint. This is so provided by the Rules of Court, the assumption of possession by the expropriator ordinarily being conditioned on its deposits with the National or Provincial Treasurer of the value of the property as provisionally ascertained by the court having jurisdiction of the proceedings.

There are instances, however, where the expropriating agency takes over the property prior to the expropriation suit, as in this case although, to repeat, the case at bar is quite extraordinary in that possession was taken by the expropriator more than 40 years prior to suit. In these instances, this Court has ruled that the just compensation shall be determined as of the time of taking, not as of the time of filing of the action of eminent domain.

In the context of the State's inherent power of eminent domain, there is a "taking" when the owner is actually deprived or dispossessed of his property; when there is a practical destruction or a material impairment of the value of his property or when he is deprived of the ordinary use thereof. There is a "taking" in this sense when the expropriator enters private property not only for a momentary period but for a more permanent duration, 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. For ownership, after all, "is nothing without the inherent rights of possession, control and enjoyment. Where the owner is deprived of the ordinary and beneficial use of his property or of its value by its being diverted to public use, there is taking within the Constitutional sense. x x x."⁶¹ (Emphasis supplied; citations omitted)

⁵⁹ 779 Phil. 510 (2016).

⁶⁰ *Republic, represented by National Power Corp. v. Heirs of Borbon*, 750 Phil. 37 (2015).

⁶¹ *Id.* at 54-55.

Indubitably, the taking of the subject property occurred during the construction of the BATL in 1978. In fact, petitioners admitted this reckoning point when they demanded the payment of legal interest and rents from 1978. Also, the parties stipulated during the pre-trial conference that the transmission line existed on the subject property since 1978. Moreover, Commissioner Salomon's Report, which contains the Transmission Line Data and Information, as well as the RTC Decision, confirm the construction of the BATL in 1978.⁶²

Petitioners, not being the registered owners of the subject property during the construction of the BATL in 1978, are not entitled to just compensation.

A unique circumstance obtains in this case—the BATL was constructed in 1978, while Dimao, petitioners' predecessor-in-interest, obtained a free patent over the subject property only on October 2, 2012. Glaringly, at the time of the construction of the BATL, the government was still the owner of the subject property. Accordingly, petitioners are not entitled to just compensation.

The following circumstances further bar petitioners from claiming just compensation:

First, Dimao's application for a free patent evidences her acknowledgment of the public nature of the subject property.

Remarkably, in *Yabut v. Alcantara*,⁶³ the Court held that the filing of a free patent application constitutes an admission that the property is a public land, and thus, the applicant may not be regarded as the land's rightful owner. Additionally, the mere possession of a land for 30 years does not automatically divest the land of its public character.⁶⁴

On this score, petitioners may not argue that the issuance of the homestead patent in their favor bolsters their possession and ownership of the subject property since 1955.

Besides, petitioners failed to present an iota of proof of their ownership or even their possession prior to 1978. At any rate, even assuming that they have been in possession of the subject property since 1955, no law, rule or jurisprudence authorizes an award of just compensation to a mere possessor of the land.

⁶² *Rollo*, p. 299.

⁶³ 806 Phil. 745 (2017).

⁶⁴ *Id.* at 760.

Further, it is highly questionable that petitioners, who claim to have been in possession of the subject property prior to 1978, never questioned NPC's entry thereto; claimed damages for the destruction of their alleged property; or even instituted inverse expropriation proceedings. Their complete silence for many years foments doubt on their claim of possession.

Second, petitioners' title over the subject property stemmed from a homestead patent and is thus, subject to the 60 meter right-of-way in favor of the Government provided in Section 112 of C.A. No. 141, as amended by Presidential Decree No. 635.⁶⁵

Sec. 112. Said land shall further be subject to a right-of-way not exceeding sixty (60) meters in width for public highways, railroads, irrigation ditches, aqueducts, telegraph and telephone lines, airport runways, including sites necessary for terminal buildings and other government structures needed for full operation of the airport, as well as areas and sites for government buildings for Resident and/or Project Engineers needed in the prosecution of government-infrastructure projects, and similar works as the Government or any public or quasi-public service or enterprise, including mining or forest concessionaires, may reasonably require for carrying on their business, **with damages for the improvements only**.

Records reveal that the portion of the subject property traversed by the BATL is only 30 meters wide and is thus well-within the 60-meter width right-of-way.⁶⁶ The fact that the BATL is operated by respondent does not foreclose the application of Section 112, which clearly covers projects undertaken by quasi-public entities. At best, petitioners may only claim damages for the improvements in the subject property.⁶⁷

Petitioners may not escape the burden imposed by Section 112 of C.A. No. 141 by collaterally attacking its validity and constitutionality. Notably, collateral attacks on a presumably valid law are not allowed, and unless the law or rule is annulled in a direct proceeding, it shall be presumed valid.⁶⁸

In the same vein, R.A. No. 8974 and later, R.A. No. 10752 did not impliedly repeal Section 112 of C.A. No. 141. It is settled that repeals by implication are frowned upon in this jurisdiction. They are never favored, unless unambiguously demonstrated that the subject laws are clearly repugnant

⁶⁵ AMENDING SECTION ONE HUNDRED TWELVE OF COMMONWEALTH ACT NUMBERED ONE HUNDRED FORTY-ONE, AS AMENDED, OTHERWISE KNOWN AS THE PUBLIC LAND LAW; approved on January 7, 1975.

⁶⁶ *Rollo*, p. 297.

⁶⁷ *Id.* at 295 and 297.

⁶⁸ *Kilusang Mayo Uno v. Hon. Aquino III*, G.R. No. 210500, April 2, 2019, citing *Vivas v. Monetary Board of the Bangko Sentral ng Pilipinas*, 716 Phil. 132, 153 (2013), further citing *Dasmariñas Water District v. Monterey Foods Corp.*, 587 Phil. 403 (2008).

and patently inconsistent, and cannot co-exist.⁶⁹ “The rule is expressed in the maxim, *interpretare et concordare legibus est optimus interpretandi, i.e.*, every statute must be so interpreted and brought into accord with other laws as to form a uniform system of jurisprudence.”⁷⁰ Thus, all doubts must be resolved against any implied repeal, and all efforts should be exerted to harmonize and give effect to all laws on the subject.⁷¹

In fact, a perusal of Section 4 of R.A. No. 10752 confirms that it has taken into account Section 112 of C.A. No. 141:

SEC. 4. Modes of Acquiring Real Property. — The government may acquire real property needed as right-of-way site or location for any national government infrastructure project through donation, negotiated sale, expropriation, or any other mode of acquisition as provided by law.

In case of lands granted through Commonwealth Act No. 141, as amended, otherwise known as “The Public Land Act”, the implementing agency shall:

- (a) Follow the other modes of acquisition enumerated in this Act, if the landowner is not the original patent holder and any previous acquisition of said land is not through a gratuitous title; or
- (b) Follow the provisions under Commonwealth Act No. 141, as amended, regarding acquisition of right-of-way on patent lands, if the landowner is the original patent holder or the acquisition of the land from the original patent holder is through a gratuitous title.**
(Emphasis supplied)

x x x x

Clearly, R.A. No. 10752 recognizes the existence of Section 112 of C.A. No. 141 and even provides a mechanism for the acquisition of lands covered by the latter law, thereby proving that both laws harmoniously co-exist.

Third, just compensation is measured against the loss sustained by the owner of the expropriated property. When petitioners acquired ownership of the subject property in October 2012, the BATL had already been existing for 34 years. Technically, petitioners were never injuriously deprived of their property by the construction of the BATL. On the contrary, when they obtained

⁶⁹ *The United Harbor Pilots' Association of the Philippines, Inc. v. Association of International Shipping Lines, Inc.*, 440 Phil. 188, 199 (2002).

⁷⁰ *Magkalas v. National Housing Authority*, 587 Phil. 152, 166 (2008), citing *Hagad v. Gozo-Dadole*, 321 Phil. 604, 614 (1995).

⁷¹ *Id.* at 167.

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title to the subject property, they were well-aware of the existence and permanence of the BATL and the consequent inconvenience it may cause.

Fourth, the Court gives credence to the reports⁷² that most of the trees were built on the subject property within a span of four to nine years from August 8, 2014 and were compactly clustered on the right-of-way corridor. This reveals petitioners' malicious attempts at earning from the improvements.

Fifth, even if the Court disregards all the aforementioned laws and jurisprudential tenets, and award damages for improvements, it has no basis for doing so. The records are completely bereft of evidence confirming the existence of improvements in 1978.

Based on the foregoing, petitioners are not entitled to the payment of just compensation. Applying the principle of *solutio indebiti*, petitioners must return to respondent the amount of ₱1,756,400.00, which respondent deposited on the erroneous belief that expropriation was necessary for it to maintain the transmission lines.

The principle of *solutio indebiti* is enshrined in Article 2154 of the Civil Code, and ordains that “[i]f something is received when there is no right to demand it, and it was unduly delivered through mistake, the obligation to return it arises.”⁷³ This rule stems from the ancient principle that no one shall enrich himself unjustly at the expense of another.⁷⁴ *Solutio indebiti* applies when something was unduly delivered through mistake, and that something was received when there was no right to demand it.⁷⁵

As discussed above, respondent deposited ₱1,756,400.00, mistakenly believing that petitioners were entitled thereto. Meanwhile, petitioners had no right to said amount considering that they were not the registered owners of the subject property at the time of its taking, and that the subject property is bound by an easement in favor of the Government.

WHEREFORE, premises considered, the July 26, 2019 Decision and August 4, 2020 Resolution of the Court of Appeals in CA-G.R. CV No. 05180-MIN are **AFFIRMED with MODIFICATION**. Petitioners Heirs of Raisa Dimao are hereby **ORDERED to RETURN** to respondent National Grid Corporation of the Philippines the amount of ₱1,756,400.00.

⁷² Rollo, pp. 130-136.


⁷³ CIVIL CODE, Article 2154.

⁷⁴ *Domestic Petroleum Retailer Corp. v. Manila International Airport Authority*, G.R. No. 210641, March 27, 2019.

⁷⁵ *Metropolitan Bank & Trust Co. v. Absolute Management Corp.*, 701 Phil. 200, 213 (2013).

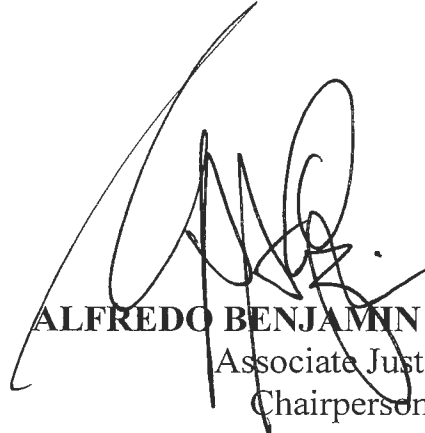
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SO ORDERED.




SAMUEL H. GAERLAN
Associate Justice


WE CONCUR:



ALFREDO BENJAMIN S. CAGUIOA
Associate Justice
Chairperson



HENRI JEAN PAUL B. INTING
Associate Justice



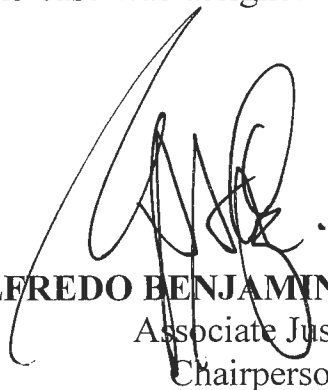
JAPAR BABAY DIMAAMPAO
Associate Justice



MARIA FILOMENA D. SINGH
Associate Justice

ATTESTATION

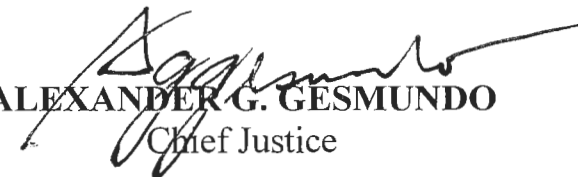
I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



ALFREDO BENJAMIN S. CAGUIOA
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.



ALEXANDER G. GESMUNDO
Chief Justice

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