

FIRST DIVISION

[G. R. No. 114348, September 20, 2000]

**NATIONAL IRRIGATION ADMINISTRATION, PETITIONER, VS.
COURT OF APPEALS AND DICK MANGLAPUS, RESPONDENTS.**

DECISION

PARDO, J.:

This case is an appeal^[1] from the decision of the Court of Appeals^[2] affirming *in toto* the decision of the Regional Trial Court, Branch 04, Tuguegarao, Cagayan^[3] ruling in favor of private respondent Dick Manglapus (hereinafter referred to as "Manglapus"), and ordering petitioner National Irrigation Administration (hereinafter referred to as "NIA") to pay Manglapus one hundred fifty thousand six hundred pesos (P150,600.00), and fifty thousand pesos (P50,000.00), as compensatory damages, five thousand pesos (P5,000.00), as attorney's fees, and two thousand pesos (P2,000.00), as litigation expenses and costs.

First, the relevant facts.

On June 28, 1963, a free patent over three (3) hectares of land, situated in barrio Baybayog, municipality of Alcala, province of Cagayan was issued in the name of respondent's predecessor-in-interest, Vicente Manglapus, and registered under Original Certificate of Title No. P-24814, in his name. The land was granted to Vicente Manglapus,^[4] subject to the following proviso expressly stated in the title:
^[5]

"TO HAVE AND TO HOLD the said tract of land, with the appurtenances thereunto of right belonging unto the said VICENTE MANGLAPUS and to his heirs and assigns forever, subject to the provisions of sections 113, 121, 122 and 124 of Commonwealth Act. No. 141, as amended which provide that except in favor of the Government or any of its branches, units, or institutions, the land hereby acquired shall be inalienable and shall not be subject to encumbrance for a period of five (5) years from the date of this patent, and shall not be liable for the satisfaction of any debt contracted prior to the expiration of that period; that it shall not be encumbered, alienated, or transferred to any person, corporation, association or partnership not qualified to acquire lands of the public domain under said Commonwealth Act No. 141, as amended; and that it shall not be subject to any encumbrance whatsoever in favor of any corporation, association or partnership except with the consent of the grantee and the approval of the Secretary of Agriculture and Natural Resources and solely for educational, religious or charitable purposes or for a right of way; and subject finally to all conditions and public easements and servitudes recognized and prescribed by law especially those mentioned in sections 109, 110, 111, 112, 113 and 114 of

Commonwealth Act No. 141 as amended, and the right of the Government to administer and protect the timber found thereon for a term of five (5) years from the date of this patent, provided, however, that the grantee or heirs may cut and utilize such timber for his or their personal use (*underscoring ours*)."

Subsequently, respondent Manglapus acquired the lot from Vicente Manglapus by absolute sale.

On July 18, 1974, the land was registered in Dick Manglapus' name under Transfer Certificate of Title No. T-26658 of the Register of Deeds for the Province of Cagayan.

[6] The land is particularly described as follows:[7]

"Lot No. 3559, Pls-497, with an area of 30,438 square meters, and covered by TRANSFER CERTIFICATE OF TITLE NO. T-26658, and Tax Declaration No. 11985."

Sometime in 1982, NIA entered into a contract with Villamar Development Construction. Under the contract, NIA was to construct canals in Amulung, Cagayan and Alcala, Cagayan. NIA then entered a portion of Manglapus' land and made diggings and fillings thereon.[8]

The portion of Manglapus' land entered into by NIA is described as follows:[9]

"In a sketch prepared by NIA's employee labeled as NIA canal "Lateral "D", with an area of 7,880 square meters, which is a portion of Lot 3559, Pls-497."

On March 14, 1991, Manglapus filed with the Regional Trial Court, Tuguegarao, Cagayan a complaint for damages against NIA.[10] Manglapus alleged that NIA's diggings and fillings destroyed the agricultural use of his land and that no reasonable compensation was paid for its taking.[11]

Despite service of notice of the pretrial conference,[12] NIA did not appear at the pre-trial conference.[13]

On December 3, 1991, the trial court declared NIA in default and received Manglapus' evidence *ex parte*. [14]

On December 23, 1991, the trial court rendered a decision in favor of Manglapus, thus:[15]

"WHEREFORE, and in consideration of the foregoing, the Court finds preponderance of evidence in favor of the plaintiff and against the defendant:

"1) Ordering the defendant to pay plaintiff the sum of One Hundred Fifty Thousand Six Hundred Pesos (P150,600.00) and Fifty Thousand (P50,000.00) Pesos as compensatory damages;

"2) Ordering the defendant to pay to plaintiff the sum of Five Thousand Pesos (P5,000.00) as attorney's fees and Two Thousand Pesos

(P2,000.00) as litigation expenses; and

"3) To pay the cost of the suit.

"SO ORDERED."

On January 27, 1992, NIA filed a motion to lift the order of default dated December 3, 1991, and to set aside the afore-quoted decision of December 23, 1991.^[16]

On June 3, 1992, the trial court issued a resolution denying the motion for lack of merit.^[17]

On July 17, 1992, NIA filed a notice of appeal to the Court of Appeals.^[18]

On July 27, 1992, the trial court gave due course to the appeal and ordered the transmission of the original records to the Court of Appeals.^[19]

On July 30, 1992, Manglapus filed a motion for execution of judgment with the trial court.^[20]

On August 7, 1992, the NIA through the Solicitor General filed an opposition to the motion for execution.^[21]

On August 17, 1992, the trial court declared that since the notice of appeal of NIA was given due course, the motion for execution was "moot and academic."^[22]

On March 8, 1994, the Court of Appeals promulgated its decision, the dispositive portion of which reads:^[23]

"WHEREFORE, PREMISES CONSIDERED, the decision appealed from is hereby AFFIRMED in toto and the appeal is hereby DISMISSED.

"SO ORDERED."

Hence, this appeal.^[24]

The sole issue is **whether the NIA should pay Manglapus just compensation for the taking of a portion of his property for use as easement of a right of way.**

We find that NIA is under no such obligation. We sustain the appeal.

We agree with NIA that the Transfer Certificate of Title^[25] and the Original Certificate of Title^[26] covering the subject parcel of land contained a reservation granting the government a right of way over the land covered therein.^[27]

The transfer certificate of title, on which both the trial court and Court of Appeals relied, contains such a reservation. It states that title to the land shall be:^[28]