

FIRST DIVISION

[G.R. No. 227432, June 30, 2020]

**FORFOM DEVELOPMENT CORPORATION, PETITIONER, VS.
PHILIPPINE NATIONAL RAILWAYS, RESPONDENT.**

D E C I S I O N

LAZARO-JAVIER, J.:

The Case

In G.R. No. 124795 entitled *Forfom Development Corporation v. Philippine National Railway*,^[1] the Court rendered its Decision dated December 10, 2008, among others, directing respondent Philippine National Railways (PNR) to institute the appropriate expropriation case on subject lots for the purpose of determining just compensation therefor, thus:

WHEREFORE, the instant petition is PARTIALLY DENIED insofar as it denies Forfom Development Corporation's prayer for recovery of possession (in whole or in part) of the subject land, unearned income, and rentals. The petition is PARTIALLY GRANTED in that attorney's fees and litigation expenses in the amounts of P100,000.00 and P50,000.00, respectively, are awarded. **The Philippine National Railways is DIRECTED to forthwith institute the appropriate expropriation action over the land in question, so that just compensation due to its owner may be determined in accordance with the Rules of Court, with interest at the legal rate of six (6%) percent per annum from the time of taking until full payment is made. As to the claim for the alleged damaged crops, evidence of the same, if any, may be presented before the expropriation court.** No costs.

SO ORDERED. (Emphasis supplied)

Following its finality, the PNR initiated the complaint for expropriation, entitled *Philippine National Railways v. Forfom Development Corporation*, and docketed as Civil Case No. SPL-1542-10. It sought to expropriate subject lots owned by Forfom Development Corporation for the PNR's San Pedro-Carmona Commuter Line Project.^[2]

The case was raffled to Regional Trial Court - Branch 93 San Pedro, Laguna.

On April 8, 2011, Forfom filed its Comment^[3] praying for the dismissal of the case.

Around the same time, Forfom filed with this Court a Motion to Show Cause dated March 29, 2011 in connection with G.R. No. 124795. Forfom asserted that the PNR should be cited for contempt for: (1) not disclosing to the Court that it (PNR) had already abandoned the railway system for which the supposed complaint for expropriation was sought to be filed; (2) delaying the filing the expropriation case; and (3) leasing out subject properties to private individuals ultra vires.^[4]

On May 18, 2011, Forfom also filed with the trial court its Answer with prayer for injunction^[5] seeking anew the dismissal of the case, with damages. On June 1, 2011, Forfom moved to set its affirmative defenses for hearing.^[6] The trial court denied the motion and set the case for preliminary conference and pre-trial in its Order dated December 12, 2011.

Prior to the preliminary conference, Forfom filed a motion for production or inspection^[7] of the following documents:

1. Plans for the use or rehabilitation of the railroad tracks involving the subject properties, including its funding requirements;
2. Demand letters from PNR to the squatters to remove their structures along the railroad tracks;
3. PNR rules and regulations prohibiting structures along the railroad tracks; and
4. Proof of posting 10% deposit to Forfom.

Again, the trial court denied the motion under Order dated February 27, 2012.

Meanwhile, the trial court issued Pre-Trial Order dated February 9, 2012^[8] which bore, among others, the issues, as stipulated by the parties, *viz.*:

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ISSUES

The amount of just compensation which in this case should be reckoned from January 1973 as ruled by the Supreme Court in the case of Forfom Development Corp. vs. Phil. National Railways, G.R. No. 124795;

How much should the herein defendant-landowner be compensated for the taking of the property way back in 1972;

May a petition for expropriation proceed or prosper without the requisite deposit of 10 percent of the value of the property seized;

May the land owner be compensated for the improvements, income from

the existing crops then growing on the property seized;

Is the PNR from the time of the filing of the present petition up to the present capable of rehabilitating the railroad tracks which it had installed and had already removed from the premises.

Is the presence of squatters along the railroad tracks a physical improbability to the alleged rehabilitation of the line between San Pedro and San Jose GMA.

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On April 18, 2012, Forfom again moved to dismiss^[9] the Complaint, this time, citing as ground the failure of the PNR and the Office of the Solicitor General (OSG) to appear during hearings scheduled on March and April, 2012. The OSG opposed the motion, asserting that said hearings were actually reset because of its intention to file a motion to modify the Pre-Trial Order.

The OSG then filed its Omnibus Motion dated April 22, 2012,^[10] asking to modify the Pre-Trial Order to conform with the Decision dated December 10, 2008 in G.R. No. 124795. The OSG asserted that the issues to be resolved in the case below should be limited to the determination of amount of just compensation as of the time of taking in 1973 and the amount of damages for the improvement that were destroyed. The OSG also prayed that the trial court issued the order of expropriation and appoint the members of the Board of Commissioners pursuant to Sections 4 and 5 of the Rules of Court.

From its end, Forfom filed its Omnibus Motion^[11] to (1) order PNR to desist from leasing out subject lots, (2) allow Forfom to file its supplemental answer with 3rd party complaint and (3) direct 3rd party defendants to show cause why they should not be cited for contempt for leasing out these lots.

Under Order dated June 11, 2012, the trial court denied the motion to dismiss for failure to prosecute.

In another Order dated March 18, 2013, the trial court denied Forfom's omnibus motion on ground that the issues raised therein were already passed upon with finality in G.R. No. 124795. On the other hand, the trial court granted OSG's motion to modify the pre-trial order pertaining to the limited issues to be resolved and to reckon the date of taking from January 1973. It further pronounced that the PNR is authorized to take the lots for public purpose upon payment of just compensation and that members of the Board of Commissioners will be appointed as soon as the parties shall have submitted their proposed names to the court.

Under Order dated June 24, 2013, Forfom's motion for reconsideration was denied for lack of merit.

Forfom went to the Court of Appeals via CA-G.R. SP. No. 131316 against the trial court's Orders dated December 12, 2011, February 27, 2012, June 11, 2012, March