

## SECOND DIVISION

[ G.R. No. 216569, June 03, 2019 ]

**PHILIPPINE NATIONAL CONSTRUCTION CORPORATION,  
PETITIONER, VS. SUPERLINES TRANSPORTATION CO., INC.,  
RESPONDENT.**

### DECISION

**REYES, J. JR., J.:**

Before us is a Petition for Review on *Certiorari*, which seeks to assail the Decision<sup>[1]</sup> dated May 30, 2014 and Resolution<sup>[2]</sup> dated January 13, 2015 of the Court of Appeals (CA) in CA-G.R. CV No. 95429 which affirmed with modification the ruling of the Regional Trial Court of Gumaca, Quezon, Branch 62 (RTC).

#### Relevant Antecedents

This case is an offshoot of the case of *Superlines Transportation Company, Inc. v. Philippines National Construction Company*.<sup>[3]</sup> A summary of the factual antecedents are as follows:

One of Superlines Transportation Co., Inc.'s (Superlines) buses crashed into the radio room of Philippine National Construction Corporation (PNCC), while traveling north and approaching the Alabang northbound exit lane. Manifestly, the radio room was damaged.<sup>[4]</sup>

Consequently, said bus was then turned over to the Alabang Traffic Bureau for the conduct of its investigation of the incident. As there was lack of adequate space, the bus was towed by the PNCC patrol to its compound, on request of traffic investigator Patrolman Cesar Lopera (Lopera).<sup>[5]</sup>

As the bus was stored inside the compound of PNCC, Superlines made several requests for PNCC to release the same, but its head of traffic control and security department Pedro Balubal (Balubal) denied the same. Balubal, instead, demanded the sum of P40,000.000 or a collateral with the same value, the estimated cost of the reconstruction of the damaged radio room.<sup>[6]</sup>

As a result, Superlines filed a complaint for replevin with damages against PNCC and Balubal with the RTC.<sup>[7]</sup>

In their Answer, PNCC and Balubal claimed that they merely towed the bus to the PNCC compound for safekeeping pursuant to an order from the police authorities. By way of Counterclaim, PNCC and Balubal prayed for actual and exemplary damages, attorney's fees, and litigation expenses.<sup>[8]</sup>

In a Decision dated December 9, 1997, the RTC dismissed Superlines' complaint. On PNCC's counterclaim, the RTC ordered Superlines to pay PNCC the amount of P40,320.00 representing actual damages to the radio room.<sup>[9]</sup>

Superlines filed an appeal before the CA, which held that the storage of the bus for safekeeping purposes partakes of the nature of a deposit; hence, custody or authority over it remained with Lopera who ordered the same. In the absence of any instruction from Lopera, PNCC may not release the bus. The CA concluded that the case should have been brought against the police authorities instead of PNCC.<sup>[10]</sup>

On appeal to this Court docketed as G.R. No. 169596, entitled *Superlines Transportation Company, Inc. v. Philippine National Construction Company*,<sup>[11]</sup> this Court ruled that Superlines' prayer for recovery of the bus is in order for there was a violation of its constitutional right against unreasonable seizure when PNCC, upon the request of Lopera, seized and impounded the subject bus without authority. Corollary, this Court deemed it proper to implead Lopera and other police officers as indispensable parties for the proper determination on Superlines' claim for damages. The case was thus ordered remanded to the court of origin for the inclusion of such parties should Superlines pursue said claim. The *fallo* thereof reads:

**WHEREFORE**, the assailed Court of Appeals Decision is **REVERSED** and **SET ASIDE**.

The prayer of petitioner, Superlines Transportation Company, Inc. for recovery of possession of personal property is **GRANTED**.

The records of the case are **REMANDED** to the court of origin, the Regional Trial Court, Branch 62, Gumaca, Quezon, which is **DIRECTED** to **REINSTATE** petitioner's complaint to its docket if petitioner is still interested to pursue its claim for damages and to act in accordance with the foregoing pronouncement of the Court.

**SO ORDERED.**<sup>[12]</sup>

Acting on said ruling, Superlines filed its amended complaint, reiterating its basic allegations in the original complaint with the amendment being limited to the inclusion of Lopera as additional defendant. In response, Lopera filed his Answer.<sup>[13]</sup>

Even before the filing of said amended complaint, Superlines moved for the execution of this Court's decision. However, the whereabouts of the bus was undetermined anent the conflicting claims of PNCC and Superlines. The former claimed that the bus was already turned over to Superlines but the latter denied such allegation. Hence, the writ was not successfully implemented.<sup>[14]</sup>

Meanwhile, in the case remanded to the RTC, Lopera was dropped as party-defendant.<sup>[15]</sup>

In a Decision<sup>[16]</sup> dated May 12, 2010, the RTC ruled that PNCC and Balubal are liable to pay the actual cost of the bus in view of their inability to deliver its possession and damages. The dispositive portion thereof reads:

**WHEREFORE**, judgment is rendered as follows:

**(a)** due to the inability of defendant PNCC to deliver possession of Bus No. 719 as directed by the Supreme Court in its G.R. No. 169596, because of lack of information as to Bus No. 719's whereabouts, **defendants PNCC and Pedro Balubal, jointly and severally are directed to pay plaintiff the amount of [P]2,036,500.00 representing the cost of acquiring a bus of similar kind or condition as Bus No. 719**, with interest of 6% per annum from May 11, 2007 when the decision of the Supreme Court in G.R. No. 169596 attained finality;

**(b) defendants PNCC and Pedro Balubal are directed to pay plaintiff, jointly and severally, the amount of [P]33,750,000.00 representing the lost/unearned income of Bus No. 719** for the period from 1991 to 2006, with 6% interest from March 1, 1991, the date of judicial demand;

**(c) directing defendants PNCC and Pedro Balubal to pay plaintiff, jointly and severally, the amount of [P]5,000,000.00 as exemplary damage;** and

**(d) the amount of [P]300,000.00 as and for attorney's fees** is awarded the plaintiff.

Costs against the defendants.

SO ORDERED.<sup>[17]</sup>

PNCC filed an appeal, essentially arguing that the RTC disregarded this Court's ruling in G.R. No. 169596 when it dropped Lopera as party-defendant.

In a Decision<sup>[18]</sup> dated May 30, 2014, the CA affirmed with modification the decision of the trial court as to the amount of exemplary damages awarded. The CA interpreted that the ruling of this Court, which states that Superlines or the trial court **may** implead Lopera and other police officers as indispensable parties, is not mandatory. Hence, the trial court cannot be faulted for not holding Lopera liable under the circumstances, thus:

**WHEREFORE**, in view of the foregoing premises, the appealed Decision rendered on 12 May 2010 by Branch 62 of the Regional Trial Court (RTC) in Gumaca, Quezon in Civil Case No. 2130-G is **AFFIRMED** with the **MODIFICATION** that the award of exemplary damages is reduced to One Million Pesos (P1,000,000.00). The appealed Decision is **AFFIRMED** in all other aspects.

**SO ORDERED.**<sup>[19]</sup>

A Motion for Reconsideration filed by PNCC was denied in a Resolution<sup>[20]</sup> dated January 13, 2015.

Undeterred, PNCC filed this instant petition.

### **The Issue**

Whether or not the dropping of Lopera as defendant in the case violates this Court's ruling in G.R. No. 169596.

### **This Court's Ruling**

To recall, this Court already made a definitive ruling in G.R. No. 169596 not only as to the propriety of the action for replevin, but also to the inclusion of Lopera as an indispensable party in the claim for damages.

The principle of the law of the case is thus significant. In the case of *Vios v. Pantangco*,<sup>[21]</sup> this Court had the occasion to explain the implication of this doctrine, to wit:

The *law of the case* doctrine applies in a situation where an appellate court has made a ruling on a question on appeal and thereafter remands the case to the lower court for further proceedings; the question settled by the appellate court becomes the *law of the case* at the lower court and in any subsequent appeal. It means that whatever is irrevocably established as the controlling legal rule or decision between the same parties in the same case continues to be the law of the case, *whether correct on general principles or not*, so long as the facts on which the legal rule or decision was predicated continue to be the facts of the case before the court.<sup>[22]</sup> (Citation omitted)

Therefore, what was established as the controlling decision in G.R. No. 169596 continues to be the *law of the case*, there being no supervening or additional facts presented in the case remanded before the RTC. Corollary, it is necessary to consider the disposition of this Court.

In G.R. No. 169596, this Court held:

The seizure and impounding of petitioners bus, on Lepera's request, were unquestionably violative of the "right to be let alone" by the authorities as guaranteed by the Constitution. (Citation omitted)

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As for petitioner's claim for damages, **the Court finds that it cannot pass upon the same without impleading Lopera and any other police officer responsible for ordering the seizure and distraint of the bus. The police authorities, through Lopera, having turned over the bus to respondents for safekeeping, a contract of deposit was perfected between them and respondents.** (Emphasis supplied; Citation omitted)

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For petitioner to pursue its claim for damages then, it or the trial court *motu proprio* **may** implead as defendants the indispensable parties - Lopera and any other