

## THIRD DIVISION

[ G.R. No. 137785, September 04, 2000 ]

**NATIONAL POWER CORPORATION, PETITIONER, VS. VINE DEVELOPMENT CORPORATION, REPRESENTED BY VICENTE C. PONCE; AND ROMONAFE CORPORATION, REPRESENTED BY OSCAR F. TIRONA, RESPONDENTS.**

### DECISION

**PANGANIBAN, J.:**

Although not authorized to handle cases pending in the Court of Appeals and the Supreme Court, lawyers of the National Power Corporation may nonetheless file notices of appeal of adverse decisions rendered by trial courts. They cannot, however, enter into compromise agreements without any specific authority to do so.

### The Case

Before us is a Petition for Review on Certiorari under Rule 45 of the Rules of Court, assailing the January 19, 1999 Resolution of the Court of Appeals (CA) in CA-GR CV No. 57710,<sup>[1]</sup> which is quoted here in full:

"At the hearing of this case on December 10, 1998, the Honorable Ricardo P. Galvez, Solicitor General, appeared personally and moved for the dismissal of the case on the ground that the authority of the lawyers of the National Power Corporation to appear as Special Attorneys of the Solicitor General is limited to cases before the lower courts (RTCs and MTCs). He also invokes the provisions of the Administrative Code (Section 35(1) Chapter 12, Title III, Book IV) that said lawyers have no authority to appear before this Court.

"WHEREFORE, without objection on the part of all the parties in this case, the instant appeal is DISMISSED."<sup>[2]</sup>

Also challenged by petitioner is the March 8, 1999 CA Resolution denying their Motion for Reconsideration, pertinent portions of which are quoted hereunder:

"xxx (W)hether or not the Solicitor General moved for the dismissal of the appeal, the foregoing copious notes show beyond cavil the courts' resolve to dismiss cases appealed to this Court by NAPOCOR's house lawyers without coursing the appeal to the Solicitor General.

"That the Solicitor General did not ask for the dismissal of the appeal is irrelevant; his belated Manifestation giving the NAPOCOR counsels putative authority to appeal to us cannot cure the basic legal defect which is a violation of the Administrative Code (Section 35(1), Chapter 12, Title III, Book IV). We have said so in all the many cases brought to

us by NAPOCOR's counsel. We iterate the same rulings.

"Motion DENIED."<sup>[3]</sup>

### **The Facts**

The undisputed facts of the case are summarized by the Office of the Solicitor General (OSG) as follows:

"1. On July 12, 1995, petitioner instituted a complaint for expropriation of several parcels of land located at San Agustin, Dasmariñas, Cavite, with an area of 96,963.38 and 48,103.12 square meters, respectively owned by respondents Vine Development Corporation (Vine hereafter) and Romonafe Corporation (Romonafe for brevity). The case was docketed as Civil Case No. 1140-95 and was raffled to Branch 21 of the Regional Trial Court in Imus, Cavite.

"2. On January 26, 1996, the trial court issued a writ of possession authorizing petitioner to enter and take possession of the property after a showing that it ha[d] deposited with the Philippine National Bank the amount of P4,616,223.37 representing the assessed value of the property for taxation purposes pursuant to the provisions of P.D. 42 and the Supreme Court ruling in National Power Corporation versus Jocson, 206 SCRA 520 (1992).

"3. By Order dated December 3, 1996, the trial court constituted a panel of commissioners for purposes of determining the just compensation of subject property. The panel conducted an ocular inspection of the property on January 10, 1997.

"4. In an undated Commissioner's Valuation Report, the panel recommended just compensation at the rate of P3,500.00 per square meter.

"5. Earlier, however, the Provincial Appraisal Committee (PAC) issued Resolution No. 08-95 dated October 25, 1995 placing the fair market value of Romonafe and Vine's subject property at P1,500.00 and P2,000.00 per square meter, respectively.

"6. One (1) year and eight (8) months later, the PAC amended its aforesaid resolution under PAC Resolution No. 07-97 dated June 25, 1997 by increasing the valuation of the Romonafe's property from P1,500.00 to P3,500.00 per square meter, or an increase of P2,000.00 per square meter. The amendment was made in response to the letter of reconsideration dated June 9, 1997 filed by Romonafe.

"7. While the case was pending, petitioner negotiated with Romonafe for the acquisition of an additional area of 27,293.88 square meters of its adjacent land.

"8. After due trial, the lower court rendered its Decision on September 5, 1997, the dispositive portion of which reads:

'WHEREFORE, judgment is hereby rendered declaring that the parcels of land of the defendants hereinabove described consisting of 146,066.5 square meters to have been lawfully expropriated and now belong to the plaintiff to be used for public purpose.

'The plaintiff is hereby ordered to pay to the defendants, through the Branch Clerk of Court, the fair market value of the property at P3,500.00 per square meter, that is, for defendant Vine Development Corporation, the total sum of P339,371,830.00 and for defendant Romonafe Corporation, the total sum of P168,360,920.00 plus legal rate of interest - i.e., 6% per annum - starting from the time the plaintiff took possession of the property up to the time the full amount shall have been paid.

. . . . .

'The Branch Clerk of Court of this Court is hereby ordered to have a certified copy of this decision be registered in the Office of the Registry of Deeds of Cavite.

. . . . .

'SO ORDERED.'

(Underscoring ours)

"9. Petitioner *directly* appealed the foregoing decision to the Court of Appeals on the ground that it is contrary to law, jurisprudence and evidence on record. The case was docketed as CA-G.R. CV No. 57710.

"10. During the pendency of the appeal, petitioner and Romonafe entered into a Compromise Agreement (copy attached as Annex B-1) under which petitioner would acquire seventy five thousand three hundred ninety seven (75,397) square meters of land comprising the 48,103.12 square meters subject of the appeal and 27,293.88 square meters at P3,500 per square meter. Romonafe would give petitioner a total discount of P6,542,810.40 so much so that the net principal amount representing the total purchase price of the land amounts to two hundred eighty million pesos (P280,000,000.00)"

"11. By Resolution dated June 2, 1998, the Court of Appeals gave the OSG a period of ten (10) days to comment on said compromise agreement.

"12. In its Comment dated August 18, 1998, the OSG prayed that the compromise agreement be disapproved and that the appeal be instead resolved on the merits. A copy of said comment is hereto attached as Annex C.

"13. On September 30, 1998, the OSG filed a motion to admit its

supplemental comment whereby it brought to the attention of the Court of Appeals the fact that the Compromise Agreement was signed by the deputized counsels of the petitioner in flagrant violation [of] the terms and conditions of their deputation. A copy of said supplemental comment is hereto attached as Annex D.

"14. By Resolution dated November 25, 1998, the Court of Appeals set the case for hearing/oral argument on December 10, 1998.

"15. During the December 10, 1998 hearing, the Solicitor General personally appeared and argued that subject compromise agreement suffers from two (2) fatal infirmities, namely: (1) it is grossly disadvantageous to the government; and (2) the deputized lawyers of the petitioner have no legal authority to bind the Solicitor General [to] the same agreement.

"16. The following day, or on December 11, 1998, the OSG filed a Manifestation dated December 11, 1998 (copy attached as Annex E), the full text of which reads:

'THE OFFICE OF THE SOLICITOR GENERAL (OSG), to this Honorable Court, respectfully manifests that the OSG[-]deputized counsel of the National Power Corporation (NAPOCOR) have the authority to file notices of appeal in cases being handled by them such as the subject case pursuant to their deputation letters. However, such authority does not extend to withdrawal of said appeal, execution of compromise agreements and filing of pleadings before the appellate courts without the review and approval of the Solicitor General.

"17. In a Resolution dated January 19, 1999, the Court of Appeals dismissed petitioner's appeal, thus:

x x x x x x x x

"18. Petitioner, through counsel, immediately filed its motion for reconsideration on February 5, 1999 (copy attached as Annex F) which the Court of Appeals denied in its Resolution dated March 8, 1999 x x x."

[4]

Hence, this Petition.[5]

### **The Issues**

Petitioner raises the following issues:

"A The Honorable Court of Appeals patently erred in declaring that the Solicitor General personally moved for the dismissal of the appeal during the hearing conducted on December 10, 1998.

"B The Honorable Court of Appeals erred in dismissing the appeal for lack of legal or factual basis."