

## FIRST DIVISION


**G.R. No. 211281 - LIGHT RAIL TRANSIT AUTHORITY (LRTA) v. JOYMART CONSOLIDATED INC.\* and ISETANN DEPARTMENT STORE, INC.**

**G.R. No. 212602 - JOYMART CONSOLIDATED INC. and ISETANN DEPARTMENT STORE, INC. v. LIGHT RAIL TRANSIT AUTHORITY and PHOENIX OMEGA DEVELOPMENT CORP.**

Promulgated:

FEB 15 2022

X-----X



### DISSENT

**LAZARO-JAVIER, J.:**

#### The Cases

In G.R. No. 211281, the Light Rail Transit Authority (LRTA) assails the Decision<sup>1</sup> dated February 6, 2014 of the Court of Appeals in CA-G.R. CV No. 100000 entitled *Joy Mart Consolidated, Inc. and Isetann Department Store, Inc. v. Light Rail Transit Authority and Phoenix Omega Development and Management Corporation*, upholding the right of first option of Joy Mart Consolidated Corporation (Joy Mart) and Isetann Department Store, Inc., (Isetann) to develop the consolidated block of the LRT Carriedo Station.

In G.R. No. 212602, Joy Mart and Isetann assail the same disposition of the Court of Appeals, as well as its Resolution<sup>2</sup> dated May 19, 2014 denying reconsideration, insofar as said rulings dismissed their claim for damages.

#### Antecedents

The factual antecedents of the cases until 1992 are also recited in *Joy Mart Consolidated Corporation v. Court of Appeals*,<sup>3</sup> docketed G.R. No. 88705.

In 1978-79, the government identified certain properties which it had to acquire in furtherance of its Light Rail Transit (LRT) system project. These properties included Joy Mart's property on Carriedo Street, Sta. Cruz, Manila

\* Also referred to as Joy Mart Consolidated Corp. in some parts of the *rollo*.

<sup>1</sup> Penned by Associate Justice Normandie B. Pizarro, concurred in by Associate Justices Andres B. Reyes, Jr. and Manuel M. Barrios, G.R. No. 211281, *rollo* pp. 32-52.

<sup>2</sup> G.R. No. 212602, *rollo*, pp. 45-48.

<sup>3</sup> *Joy Mart Consolidated Corporation v. Court of Appeals*, 285 Phil. 315-328 (1992). This is the Court decision reinstating the *writ* of preliminary injunction issued by the Regional Trial Court of Manila-Branch 32 against the construction and occupancy of Phoenix Omega Development Corporation of LRTA commercial stalls. The Court reinstated the *writ* and directed private respondents to deposit the rentals with the Regional Trial Court to await the final judgment in Civil Case No. 87-41731.



where the Isetann Department Store is located, and three (3) other adjoining parcels of land with a total area of 1,611 square meters under lease by Joy Mart. As a gesture of cooperation, Joy Mart consented to sell the property and give up its leasehold rights over the adjacent properties, provided, it would be given the first option to redevelop the entire area of the LRT Carriedo Station (the consolidated block) measuring 2,014.9 square meters.

On September 8, 1982, while negotiations were ongoing between Joy Mart and LRTA, the latter entered into a contract with the Philippine General Hospital Foundation, Inc. (PGHFI), granting PGHFI the right to develop the areas adjacent to LRT stations, and manage and operate the concessions to be established thereon.

Under Deed of Absolute Sale dated February 22, 1983, Joy Mart, in consideration of ₱44,000,000.00 plus the right of first option, conveyed its property and waived its leasehold rights on the adjacent lots in favor of the government through the LRTA. The deed pertinently read:

WHEREAS, the VENDEE, upon recommendation of the Special Panel created by the LRT Committee on Land and Property Acquisition agrees that **the owners of Isetann and as Lessee of the President Hotel – (Joy Mart Consolidated Corp.) should be given the first option in the redevelopment of the consolidated block, notwithstanding the compensation for their property.** (Emphases supplied)

x x x x

As partial compliance with the first option right of Joy Mart, PGHFI subleased to Joy Mart the consolidated block for purposes of constructing a multi-storey building. But when Joy Mart submitted its building plans to LRTA, the latter informed Joy Mart that the proposed building should occupy 1,141.20 square meters only as the rest would be used as a set-back area or open space for the commuting public. LRTA nevertheless assured Joy Mart that in the event any portion of the consolidated block would be released for redevelopment, the right of first option of Joy Mart would be respected.

On August 30, 1984, the sublease agreement between Joy Mart and PGHFI was amended to increase the leased area to 1,461.7 square meters, increase the monthly rental, and include an escalation clause. Joy Mart was also made to pay “goodwill” in the sum of ₱3,000,000.00. Thereafter, Joy Mart constructed an eight-storey building on the property. Joy Mart had to borrow ₱50,000,000.00 for the project, the viability of which was conditioned upon Joy Mart maintaining its right of first option to redevelop and occupy any available area in the consolidated block.

On April 8, 1986, LRTA notified Joy Mart of the cancellation of the sublease agreement and directed the latter to pay monthly rent to LRTA instead. Joy Mart, after initial protestation, complied with the directive.

As it was, however, on November 28, 1986, LRTA entered into a Commercial Stalls Concession Contract with Phoenix Omega Development and Management Corporation (Phoenix) for a period of twenty-five (25) years (renewable for the same period), awarding to Phoenix all the areas and commercial spaces within three (3) LRT terminals and fifteen (15) LRT stations, including LRT Carriedo Station. Joy Mart only learned of the contract between LRTA and Phoenix when construction activities commenced within the consolidated block in the third quarter of 1987. Joy Mart protested with the LRTA and reiterated its right of first option to redevelop the subject area. But its protestations fell on deaf ears.

Thus, by Complaint<sup>4</sup> dated August 20, 1987, Joy Mart (later joined by its assignee Isetann under an amended complaint)<sup>5</sup> sued the LRTA and Phoenix before the Regional Trial Court – Branch 32, Manila for specific performance, injunction, and damages, docketed as Civil Case No. 87-41731. They essentially claimed that LRTA violated Joy Mart's right of first option when LRTA awarded the commercial stalls contract to Phoenix. Joy Mart and Isetann, therefore, prayed that LRTA is directed to award to them, by sale or lease, the redevelopment of the consolidated block, and that LRTA and Phoenix be held liable to them for damages in the amount of ₱489,559,288.80 for opportunity losses.

In Answer,<sup>6</sup> LRTA admitted the existence and due execution of the Deed of Absolute Sale dated February 22, 1983, as well as the first option provision therein. But LRTA asserted that the provision was not a categorical commitment as it was only found in the whereas clause. At any rate, Joy Mart has waived its supposed right of first option when it entered into a sublease agreement with PGHFI. Too, Joy Mart's rights as sublessee cannot go beyond those of PGHFI. As it was, however, its (LRTA's) lease with PGHFI had already been cancelled.

As for Phoenix's construction and lease of commercial stalls within the consolidated block, Joy Mart and Isetann may no longer object thereto as these were validly subjected to public bidding where Joy Mart and Isetann did not participate. In any event, the concession contract is not a lease and could not have therefore violated Joy Mart's supposed right of first option. As Joy Mart and Isetann unduly dragged LRTA to court despite the utter baselessness of their claims, LRTA, by way of counterclaim, sought payment of ₱50,000.00 for attorney's fees and litigation expenses.

For its part, Phoenix<sup>7</sup> essentially echoed LRTA's defenses. It also sought actual damages of ₱250,000.00, loss of rentals at ₱336,900.00 per month, damages for stalls construction of ₱2,257,000.00, damages for loss of

<sup>4</sup> G.R. No. 211281, *rollo*, pp. 57-69.

<sup>5</sup> Memorandum of Plaintiff (Joy Mart and Isetann), On March 15, 1991, Joy Mart filed a "Motion to Withdraw Proposed Amended Complaint and To Substantiate the same with the Amended Complaint." In this motion, Joy Mart sought to include Isetann as plaintiff by virtue of a Deed of Assignment. The Amended Complaint was later on admitted by the Regional Trial Court, *id.* at 213.

<sup>6</sup> *Id.* at 140-150.

<sup>7</sup> *Id.* at 151-156.

1

credibility and business opportunities as may be proven in court, and attorney's fees of ₱75,000.00.

On September 25, 1987, the trial court issued a *writ* of preliminary injunction directing Phoenix to cease and desist from constructing on the consolidated block. On July 6, 1988, the trial court dissolved the *writ* of preliminary injunction. Joy Mart and Isetann assailed the dissolution of the *writ* before the Court of Appeals *via* CA-G.R. SP No. 115618.

The Court of Appeals initially issued a *writ* of injunction against Phoenix who, despite receipt, proceeded with its construction activities. But eventually, under Decision dated February 28, 1989, the Court of Appeals ruled in favor of LRTA and Phoenix.

Hence, Joy Mart and Isetann appealed further to the Court *via* G.R. No. 88705. By Decision dated June 11, 1992, the Court ruled in favor of Joy Mart and Isetann. By then, however, Phoenix had already finished its construction activities and allowed tenants to move in and occupy the commercial stalls in the consolidated block. Consequently, the Court directed that the rentals be deposited with the trial court until final judgment, thus:

**WHEREFORE**, the petition for review is **GRANTED**. The Court of Appeals' decision dated February 28, 1989 in CA-G.R. SP No. 115618, dismissing Joy Mart's petition for *certiorari* and upholding the dissolution by the Regional Trial Court of Manila, Branch 32, of the preliminary *writ* of injunction in Civil Case No. 87-41731, is hereby annulled and set aside and the preliminary *writ* of injunction issued by the trial court on September 23, 1987 in Civil Case No. 87-41731 is reinstated. However, if in the meantime the construction and occupancy of the private respondents' commercial stalls sought to be stopped by the injunction have been completed, the rentals received by the private respondents after the finality of this decision shall be deposited by them, or the lessees, in the Regional Trial Court to await the final judgment in Civil Case No. 87-41731. Costs against the private respondents.

The Court of Appeals, Ninth Division, is ordered to hear and decide Joy Mart's petition to declare Phoenix in contempt of court for having allegedly defied and disobeyed the Court's temporary restraining order of September 15, 1988 in CA-G.R. SP No. 115618.

SO ORDERED.

### **Decision of the Regional Trial Court**

By Decision<sup>8</sup> dated July 16, 2012, the trial court dismissed the complaint and counterclaims, *viz.*:

---

<sup>8</sup> Penned by Regional Trial Court Judge Thelma Bunyi-Medina, G.R. No. 211281, *id.* at 223-249.

//

**WHEREFORE**, judgment is hereby rendered dismissing the instant complaint for Specific Performance, Injunction[,] and Damages filed by the plaintiffs against the defendants. The preliminary injunction issued by the court is permanently dissolved.

Further, the counter-claims interposed by the defendants are likewise **dismissed**. (Emphasis supplied)

SO ORDERED.

The trial court held that the LRTA is a government entity and the subject matter, *i.e.*, the grant of right of first option, involves a public contract which required public bidding. At any rate, the purported right would have been observed had Joy Mart and Isetann participated in the public bidding for the commercial stalls contract as Phoenix did. Their failure to do so constituted a waiver of the so-called right of first option.

As for the alleged breach of the sublease agreement, Joy Mart and Isetann could not invoke the provisions of said agreement against LRTA and Phoenix as the latter were not privies thereto. The proper party, therefore, was PGHFI. More, the sublease agreement and its addendum had already been cancelled and rescinded upon LRTA's termination of its lease contract with PGHFI.

The trial court denied reconsideration by Order<sup>9</sup> dated November 20, 2012.

### **The Proceedings before the Court of Appeals**

On appeal, Joy Mart and Isetann faulted the trial court in ruling that their failure to participate in the public bidding was a waiver of the right of first option. Too, it was not necessary to implead PGHFI as party defendant in the proceedings below.

LRTA and Phoenix did not file their respective briefs. Consequently, the appeal was deemed submitted for decision.

### **Decision of the Court of Appeals**

By Decision<sup>10</sup> dated February 6, 2014 in CA-G.R. CV No. 100000, the Court of Appeals granted the appeal of Joy Mart and Isetann. It also awarded the rentals deposited with the trial court by virtue of our ruling in G.R. No. 88705 in their favor, *viz.*:

---

<sup>9</sup> *Id.* at 257.

<sup>10</sup> *Id.* at 32-52.

**WHEREFORE**, the appeal is **GRANTED**. The assailed Decision is **REVERSED** and **SET ASIDE**. The complaint in Civil Case No. 87-41731 is **GRANTED**. Accordingly, the Light Rail Transit Authority is ordered to comply with the parties' 1983 Deed of Sale by granting Joy Mart Consolidated Corporation and/or Isetann Department Store, Inc. the right to redevelop the entire area denominated as the consolidated block of the LRT Carriedo Station and to pay to the latter, by way of compensatory damages, the rentals thereon which are deposited, by way of consignment, with the Regional Trial Court, National Capital Judicial Region, Br. 32, Manila, in Civil Case No. 87-41731. With costs.

**SO ORDERED.**

*First.* Joy Mart and Isetann would not have parted with their properties were it not for the right of first option granted by the LRTA. It was not merely an interest on the consolidated block under the Deed of Absolute Sale dated February 22, 1983, but a vested right protected by law. In both law and jurisprudence, the right of first refusal is upheld in whose favor the right is granted, even those granted to private corporations concerning lots they are leasing from the government. Verily, the right of first option to Joy Mart must be respected.

*Second.* The award of contracts through public bidding is a requirement to promote good governance and transparency; bluntly stated, to prevent favoritism. There is no favoritism here because the "first option" was not an undue advantage to Joy Mart, but a price to pay to further the interest of the government -- the establishment of the LRT system. Hence, the "first option" was an integral, indivisible, and inseparable part of the Deed of Absolute Sale dated February 22, 1983. Consistent with such stipulation, LRTA should have offered the redevelopment first to Joy Mart and/or Isetann. Only after the latter's failure to exercise such right could LRTA lawfully put up the same for public bidding. To require competitive public bidding is to trample upon the vested contractual right of Joy Mart and Isetann.<sup>11</sup>

*Finally.* Phoenix and LRTA acted in bad faith. Despite receipt of the injunctive order from the Court of Appeals, Phoenix continued its construction of commercial stalls within the consolidated block and allowed tenants to occupy them. LRTA was no better. It allowed Phoenix to do its activities despite its assurances to Joy Mart that it would respect the latter's right of first option. Verily, the rentals derived by Phoenix and deposited in the Regional Trial Court should inure to the benefit of Joy Mart and Isetann as compensatory damages in accordance with Article 2199 of the Civil Code.<sup>12</sup>

<sup>11</sup> Article 1159, Civil Code. Obligations arising from contracts have the force of law between the contracting parties and should be complied with in good faith.

<sup>12</sup> Article 2199, Civil Code. Except as provided by law or by stipulation, one is entitled to an adequate compensation only for such pecuniary loss suffered by him as he has duly proved. Such compensation is referred to as actual or compensatory damages. (AN ACT TO ORDAIN AND INSTITUTE THE CIVIL CODE OF THE PHILIPPINES, REPUBLIC ACT NO. 386, APPROVED ON JUNE 18, 1949).

17

LRTA filed a Petition for Review<sup>13</sup> sans a motion for reconsideration before the Court via **G.R. No. 211281** entitled *LRTA v. Joymart Consolidated Inc. and Isetann Department Store, Inc.*.

Meanwhile, Joy Mart and Isetann moved for partial reconsideration, praying for damages in the amount of ₱489,559,288.80 as consequence of its failure to develop the consolidated block. Phoenix likewise filed a motion for reconsideration seeking a reversal of the decision. Both motions were denied under Resolution<sup>14</sup> dated May 19, 2014.

Thus, Joy Mart and Isetann filed with the Court a Petition for Review on *Certiorari*<sup>15</sup> entitled *Joy Mart Consolidated Corp. and Isetann Department Store, Inc. v. LRTA and Phoenix Omega Development and Management Corporation* docketed **G.R. No. 212602**.

Eventually, both petitions got consolidated.

### The Present Petitions

In G.R. No. 211281, LRTA maintains that Joy Mart and Isetann's so called right of "right of first option" should be struck down and rendered ineffective as it is repugnant to the policy of requiring public bidding for government contracts. There is nothing in the records which shows that LRTA is bound by the mere whereas clause in the Deed of Absolute Sale dated February 22, 1983. At any rate, an option contract, to be valid, must be a separate agreement and must contain a period. More, Joy Mart and Isetann are guilty of laches and/or estoppel because they did not participate in the public bidding for the concession of commercial stalls. Finally, Joy Mart and Isetann are not entitled to damages for the supposed breach of the sublease agreement for not only are LRTA and Phoenix non-parties thereto, said contract had already been cancelled in 1986.

In its Comment,<sup>16</sup> Joy Mart and Isetann defend the assailed decision. They argue that public bidding is inapplicable here and that LRTA already admitted the existence of their right of first option. Said right was even validated by the trial court, albeit they were allegedly guilty of estoppel. More, the right of first option was not contained in a separate agreement as the nature of the transaction precludes the execution of a separate option agreement -- it requires the transfer of the properties first before redevelopment. Too, mere execution of the sublease agreement with PGFHI and failure to participate in the bidding for the commercial stalls contract did not render them guilty of laches and/or estoppel. Besides, LRTA should have notified them of the project first if indeed it respected their right of first option.

<sup>13</sup> G.R. No. 211281, *rollo*, pp. 9-31.

<sup>14</sup> G.R. No. 212602, *rollo*, pp. 45-48.

<sup>15</sup> *Id.* at 7-20.

<sup>16</sup> G.R. No. 211281, *rollo*, pp. 330-338.

4

On the part of Phoenix,<sup>17</sup> it merely reiterates the arguments of LRTA and alleges that the award of damages awarded to Joy Mart and Isetann was based on unrealized, hypothetical, and illusory profits.

In G.R. No. 212602, Joy Mart and Isetann argue that the damages awarded to them were the same as those given to Joy Mart in G.R. No. 88705. Since then, Joy Mart has suffered additional damages in the amount of ₱489,559,288.80 for having been deprived of the opportunity to develop the consolidated block, an injury which the Court of Appeals failed to recognize.

LRTA<sup>18</sup> ripostes that the award of damages is baseless and an improper subject of review under Rule 45 of the Rules of Court<sup>19</sup> as it is a question of fact.

***Joy Mart and Isetann have the right of first option to develop the consolidated block***

Freedom of contract is both a constitutional and statutory right, and the contracting parties may establish such stipulations, clauses, terms and conditions as they may deem convenient, provided they are not contrary to law, morals, good customs, public order, or public policy.

Here, it is undisputed that the Deed of Absolute Sale dated February 22, 1983<sup>20</sup> was executed freely and willingly between LRTA and Joy Mart. Under this agreement, Joy Mart sold its property and transferred its leasehold rights to LRTA. In exchange, LRTA agreed to pay ₱44,000,000.00 and granted Joy Mart (and Isetann) the right of first option to redevelop the consolidated block measuring 2,014.9 square meters. To stress, the contract pertinently reads:

WHEREAS, the VENDEE, upon recommendation of the Special Panel created by the LRT Committee on Land and Property Acquisition agrees that **the owners of Isetann and as Lessee of the President Hotel – (Joy Mart Consolidated Corp.) should be given the first option in the redevelopment of the consolidated block, notwithstanding the compensation for their property.** (Emphases supplied)

x x x x

As keenly observed by the Court of Appeals, LRTA did not give the right of first option *ex gratia* but as **part of the consideration for Joy Mart's properties.** Indeed, **Joy Mart would not have parted with its property and leasehold rights were it not for the right of first option granted to it by LRTA.**

<sup>17</sup> *Id.* at 339-345.

<sup>18</sup> G.R. No. 212602, *rollo*, pp. 73-80.

<sup>19</sup> Appeal by *Certiorari* to the Supreme Court, Rule 45 of the Rules of Court.

<sup>20</sup> G.R. No. 211281, *rollo*, pp. 78-83.

4



The fact that the right of first option was embodied in the whereas clause instead of a separate agreement is of no moment. For it remains that LRTA was under obligation to offer the development project to Joy Mart **first** before offering it to anyone else. This is what good faith compliance with the Deed of Absolute Sale dated February 22, 1983 requires.

True, the Deed of Absolute Sale dated February 22, 1983, does not specify the period within which Joy Mart and Isetann's right of first option may be exercised. But this does not automatically render said right void or otherwise unenforceable; it merely places Joy Mart and Isetann's right within the concept of a "right of first refusal."

*Tuazon v. Del Rosario-Suarez*<sup>21</sup> differentiates an option contract from the right of first refusal, thus:

In *Beaumont v. Prieto*, the nature of an option contract is explained thus:

In his Law Dictionary, edition of 1897, Bouvier defines an option as a contract, in the following language:

'A contract by virtue of which A, in consideration of the payment of a certain sum to B, acquires the privilege of buying from, or selling to, B certain securities or properties within a limited time at a specified price. (*Story vs. Salamon*, 71 N. Y., 420.)'

From Vol. 6, page 5001, of the work "Words and Phrases," citing the case of *Ide vs. Leiser* (24 Pac., 695; 10 Mont., 5; 24 Am. St. Rep., 17) the following quotation has been taken:

'An agreement in writing to give a person the 'option' to purchase lands within a given time at a named price is neither a sale nor an agreement to sell. **It is simply a contract by which the owner of property agrees with another person that he shall have the right to buy his property at a fixed price within a certain time.** He does not sell his land; he does not then agree to sell it; but he does sell something; that is, the right or privilege to buy at the election or option of the other party. The second party gets *in praesenti*, not lands, nor an agreement that he shall have lands, but he does get something of value; that is, the right to call for and receive lands if he elects. The owner parts with his right to sell his lands, except to the second party, for a limited period. The second party receives this right, or rather, from his point of view, he receives the right to elect to buy.

But the two definitions above-cited refer to the contract of option, or, what amounts to the same thing, to the case where there was cause or consideration for the obligation x x x.

<sup>21</sup> 652 Phil. 274, 283 (2010).

1

On the other hand, in *Ang Yu Asuncion v. Court of Appeals*, an elucidation on the “right of first refusal” was made thus:

In the law on sales, the so-called ‘right of first refusal’ is an innovative juridical relation. Needless to point out, it cannot be deemed a perfected contract of sale under Article 1458 of the Civil Code. Neither can the right of first refusal, understood in its normal concept, *per se* be brought within the purview of an option under the second paragraph of Article 1479, aforequoted, or possibly of an offer under Article 1319 of the same Code. An option or an offer would require, among other things, a clear certainty on both the object and the cause or consideration of the envisioned contract. **In a right of first refusal, while the object might be made determinate, the exercise of the right, however, would be dependent not only on the grantor’s eventual intention to enter into a binding juridical relation with another but also on terms, including the price, that obviously are yet to be later firmed up.** Prior thereto, it can at best be so described as merely belonging to a class of preparatory juridical relations governed not by contracts (since the essential elements to establish the *vinculum juris* would still be indefinite and inconclusive) but by, among other laws of general application, the pertinent scattered provisions of the Civil Code on human conduct.

Even on the premise that such right of first refusal has been decreed under a final judgment, like here, its breach cannot justify correspondingly an issuance of a *writ* of execution under a judgment that merely recognizes its existence, nor would it sanction an action for specific performance without thereby negating the indispensable element of consensuality in the perfection of contracts. It is not to say, however, that the right of first refusal would be inconsequential for, such as already intimated above, an unjustified disregard thereof, given, for instance, the circumstances expressed in Article 19 of the Civil Code, can warrant a recovery for damages.

From the foregoing, it is thus clear that an option contract is entirely different and distinct from a right of first refusal in that in the former, **the option granted to the offeree is for a fixed period and at a determined price. Lacking these two essential requisites, what is involved is only a right of first refusal.** (Citations omitted, emphases and underscoring supplied)<sup>22</sup>

x x x x

Verily, “right of first option” is actually a misnomer in this case. For in the absence of a specific period to exercise such right, Joy Mart and Isetann’s right is actually one of first refusal. There is no fixed timeframe for them to exercise such right as it first required LRTA to offer them the redevelopment contract on specific terms.

<sup>22</sup> *Id.* at 283-284.

11

Though different from an option contract, contractual stipulations on the right of first refusal are just as valid and binding. Here, the LRTA bound itself to respect Joy Mart and Isetann's right of first refusal upon signing the Deed of Absolute Sale was executed on February 22, 1983. Whereupon, Joy Mart's "right of first option" became a vested right protected by law, viz.:

A vested right is defined as one which is absolute, complete[,] and unconditional, to the exercise of which no obstacle exists, and which is immediate and perfect in itself and not dependent upon a contingency. The term "vested right" expresses the concept of present fixed interest which, in right reason and natural justice, should be protected against arbitrary State action, or an innately just and imperative right which enlightened free society, sensitive to inherent and irrefragable individual rights, cannot deny.<sup>23</sup> x x x.

x x x x

Indeed, the LRTA, which freely signed the Deed of Absolute Sale dated February 22, 1983, cannot now be permitted to renege on its obligation under the contract simply because it has changed its mind. As Article 1308 of the Civil Code decrees: a contract is binding on both contracting parties; its validity or compliance cannot be left to the will of one of them.<sup>24</sup>

The right also subsists despite the cancellation of the lease between PGHFI and LRTA as well as the sublease agreement as its existence was not dependent thereon. In fact, the sublease agreement, as correctly found by the Court of Appeals, was executed in partial compliance with Joy Mart's right of first option and not the other way around.

***The LRTA and Phoenix acted in bad faith and are therefore estopped from denying Joy Mart and Isetann's right of first option***

The LRTA and Phoenix nevertheless assert that the grant of the right of first option to develop the consolidated block should have undergone public bidding. To do otherwise would run afoul the government policy of requiring public bidding for government contracts.

I do not agree.

***SM Land, Inc. (SMLI) v. Bases Conversion Development Authority (BCDA)***<sup>25</sup> is *apropos*. There, petitioner SMLI submitted an unsolicited proposal for the development of Bonifacio South Property located in Taguig City to BCDA. After a successful negotiation, BCDA undertook to subject SMLI's proposal to competitive challenge only to renege on its commitments

<sup>23</sup> *Heirs of Castro v. Lozada, et al.*, 693 Phil. 431, 442 (2012).

<sup>24</sup> AN ACT TO ORDAIN AND INSTITUTE THE CIVIL CODE OF THE PHILIPPINES, REPUBLIC ACT NO. 386, APPROVED ON JUNE 18, 1949.

<sup>25</sup> 756 Phil. 354, 373-374 (2015).

later on and eventually resort to public bidding. The Court ultimately ruled in favor of SMLI and directed BCDA to comply with its contractual obligations. As held, there must be a careful balance between what is best for the government and what is fair, thus:

Public bidding may generally be more preferred than a competitive challenge for reasons explained in the dissent. However, there must be a careful balance between what is best for the government and what is fair to the persons it deals with. Otherwise, any and all unsolicited proposal can be cancellable, despite its acceptance, by the mere allegation that straight bidding is what public interest so requires. Worse, the government can very well ignore, at will, its contractual obligations by invoking that familiar mantra – public interest.

x x x x

It is, thus, recognized that there are instances wherein the agreement stemming from faithful negotiations of the parties should be upheld, especially so when, as in this case, the alleged adverse effects on the remain government speculative at best. x x x

x x x x

Here, basic considerations of justice and fair play compel us to uphold the right of first option of Joy Mart and Isetann. For the actuations of LRTA clearly amounted to **bad faith**.<sup>26</sup> As such, it is **estopped** from denying Joy Mart's right of first option. *Republic v. Court of Appeals*<sup>27</sup> elucidates:

#### Estoppel Against the Government

The general rule is that the State cannot be put in estoppel by the mistakes or errors of its officials or agents. However, like all general rules, this is also subject to exception, viz.:

Estoppels against the public are little favored. They should not be invoked except in rare and unusual circumstances, and may not be invoked where they would operate to defeat the effective operation of a policy adopted to protect the public. They must be applied with circumspection and should be applied only in those special cases where the interests of justice clearly require it. Nevertheless, **the government must not be allowed to deal dishonorably or capriciously with its citizens, and must not play an ignoble part or do a shabby thing; and subject to limitations x x x, the doctrine of equitable estoppel may be invoked against public authorities as well as against private individuals.**

In *Republic v. Sandiganbayan*, the government, in its effort to recover ill-gotten wealth, tried to skirt the application of estoppel against it by invoking a specific constitutional provision. The Court countered:

<sup>26</sup> Article 1159 of the New Civil Code provides that obligations arising from contracts have the force of law between the contracting parties and should be complied with in good faith.

<sup>27</sup> 361 Phil. 319, 329-330 (1999).

We agree with the statement that the State is immune from estoppel, but this concept is understood to refer to acts and mistakes of its officials especially those which are irregular (*Sharp International Marketing vs. Court of Appeals*, 201 SCRA 299; 306 [1991]; *Republic v. Aquino*, 120 SCRA 186 [1983]), which peculiar circumstances are absent in this case at bar. Although the State's right of action to recover ill-gotten wealth is not vulnerable to estoppel[;] it is *non sequitur* to suggest that a contract, freely and in good faith executed between the parties thereto is susceptible to disturbance *ad infinitum*. A different interpretation will lead to the absurd scenario of permitting a party to unilaterally jettison a compromise agreement which is supposed to have the authority of *res judicata* (Article 2037, New Civil Code), and like any other contract, has the force of law between parties thereto (Article 1159, New Civil Code; *Hernaez vs. Kao*, 17 SCRA 296 [1996]; 6 Padilla, Civil Code Annotated, 7th ed., 1987, p. 711; 3 Aquino, Civil Code, 1990 ed., p. 463). x x x

x x x x

The Court further declared that "(t)he real office of the equitable norm of estoppel is limited to supply[ing] deficiency in the law, but it should not supplant positive law."<sup>28</sup> (Emphases and italics supplied)

x x x x

Further, we should reckon anew with *SMLI v. BCDA*, where the Court, applying the above-cited exception, ruled that BCDA was *estopped* from conducting public bidding:

*Clearly, estoppel against the government can be invoked in this case.* This is in view of the fact that *despite BCDA's repeated assurances that it would respect SMLI's rights as an original proponent*, and after putting the latter to considerable trouble and expense, *BCDA went back on its word to comply with its obligations under their agreement and instead ultimately cancelled the same.* BCDA's capriciousness becomes all the more evident in its conflicting statements as regards whether or not SMLI's proposal would be advantageous to the government. (Emphasis and italics supplied)<sup>29</sup>

x x x x

Here, LRTA accepted Joy Mart's offer to sell its prime properties and leasehold rights for ₱44,000,000.00 plus the right of first option to develop the consolidated block. In partial compliance, LRTA leased the consolidated block to PGHFI which, in turn, subleased a portion of it to Joy Mart. But when Joy Mart gave its proposal to LRTA, the latter sought to reduce the subleased area. Joy Mart agreed as LRTA guaranteed that it would respect Joy Mart's right of first option in the future. But instead of negotiating with Joy Mart first regarding the redevelopment contract, LRTA chipped away on Joy Mart's

<sup>28</sup> *Id.*

<sup>29</sup> *Supra* note 25 at 370-371.

right by cancelling the PGHFI lease agreement and conducting public bidding over the consolidated block. It proceeded with its Commercial Stalls Concession Contract with Phoenix and tolerated the latter's construction activities despite the issuance of a restraining order against such activities in CA G.R. SP No. 115618. As it was, LRTA and Phoenix showed no respect for the Court of Appeals' issuance of a Temporary Restraining Order. LRTA's bad faith became all the more evident when it acted as if Joy Mart (and Isetann) never gave anything in return for the right of first option.

Clearly, after Joy Mart cooperated with LRTA, negotiated the terms of the sale, parted with its properties and leasehold rights, LRTA arbitrarily chose to forget that it has a standing and valid obligation to offer to Joy Mart the development of the consolidated block first before offering the contract to anyone else. Thus, as the Court of Appeals aptly put it, **we will not allow the government to deal dishonorably or capriciously with its citizens. It must not play an ignoble part or do a shabby thing.**<sup>30</sup>

To repeat, LRTA was the one **in bad faith**. Its double-dealing actuations placed Joy Mart and Isetann in this predicament. Joy Mart (now Isetann) was the peaceful owner of properties and holder of leasehold rights. It cooperated and negotiated in good faith for the planned LRT System to come to fruition, only to be dishonorably treated this way. Too, LRTA tolerated the open defiance or blatant disobedience of Phoenix of the restraining order in CA-G.R. SP No. 115618.

**Phoenix was also in bad faith.** As found by the Court of Appeals, it continued the construction of stalls and allowed its tenants to occupy them despite the restraining order issued by the Court of Appeals. We even directed the Court of Appeals to hear and decide Joy Mart and Isetann's petition to declare Phoenix in contempt of court in view of its violation.

Hence, to rule in favor of LRTA and Phoenix now is to allow them to profit from their own misdeeds. As the Court invariably warned: **"Parties who do not come to court with clean hands cannot be allowed to profit from their own wrongdoing. The action (or inaction) of the party seeking equity must be "free from fault, and he must have done nothing to lull his adversary into repose, thereby obstructing and preventing vigilance on the part of the latter."**<sup>31</sup>

So must it be.

***Joy Mart and Isetann have not waived their right of first option, nor are they guilty of estoppel and/or laches***

<sup>30</sup> Court of Appeals Decision dated February 6, 2014, G.R. No. 211281, *rollo*, pp. 47-48, citing *National Housing Authority v. Baello, et al.*, 480 Phil. 502, 530 (2004), citing *Massaglia v. Commissioner of Internal Audit*, 286 Federal Reporter 2d 259 (1961).

<sup>31</sup> 681 Phil. 485, 489-490 (2012).

8

The LRTA and Phoenix push their narrative by claiming that Joy Mart and Isetann were guilty of estoppel and/or laches when, despite receiving notice of pre-qualification bidding for the LRT Commercial Stalls on July 21, 1986, Joy Mart and Isetann later failed to object against the conduct of such public bidding. Further, it took Joy Mart and Isetann four (4) years from the execution of the Deed of Absolute Sale in 1983 to file a complaint and enforce their so-called right of first option.

The argument does not persuade.

In *Republic v. Sundiam*,<sup>32</sup> the Court stated that laches is the failure or neglect, for an unreasonable and unexplained length of time, to do that which, by exercising due diligence, could or should have been done earlier. Stated differently, it is negligence or omission to assert a right within a reasonable time, warranting a presumption that the party entitled to assert it either has abandoned it or declined to assert it. The concept of estoppel, on the other hand, has already been explained above.

Here, Joy Mart and Isetann are guilty of neither laches nor estoppel.

Joy Mart and Isetann consistently guarded their right of first option under the Deed of Absolute Sale dated February 22, 1983, through the cases they filed and the injunctive relief they have invariably sought. This is an incontrovertible **fact** documented and set in stone in G.R. No. 88705.

At any rate, it is baffling why LRTA would fault Joy Mart and Isetann for filing the complaint in 1987 when the violation of their vested right only occurred in 1986 when LRTA failed to honor their right of first refusal before subjecting the consolidated block, along with its other terminals and stations, to public bidding under a commercial stall concessions contract. Surely, this one-year period it took Joy Mart and Isetann to file the complaint could hardly constitute as laches. More so, since Joy Mart and Isetann only discovered the breach in the third quarter of 1987 when Phoenix's construction activities commenced. Meantime, Joy Mart was busy constructing its own eight-storey building.

LRTA and Phoenix harp on the theory that their failure to participate in the public bidding for the commercial stalls constituted a waiver of the so-called "right of first option." But to recall, the right of first option only covered the consolidated block at LRT Carriedo Station. Joy Mart and Isetann were only prepared to develop that section as far as the Deed of Absolute Sale dated February 22, 1983 was concerned. On the other hand, the Commercial Stalls Concession Contract extended to three (3) LRT terminals and fifteen (15) LRT stations. Were Joy Mart and Isetann then supposed to bid for the entire project covering all terminals and stations just to protect their right of first option? **Certainly not.** For this reason, the Court should have ruled that Joy

---

<sup>32</sup> G.R. No. 236381, August 27, 2020.

Mart and Isetann are not estopped from exercising the right of first option under the contract with LRTA.

***Joy Mart and Isetann are entitled to the deposited rental income for 25 years, but not to additional compensatory damages***

For violation of Joy Mart and Isetann's right of first option, the Court of Appeals directed the LRTA to:

- 1) Comply with the parties' 1983 Deed of Sale by granting Joy Mart and/or Isetann the right to redevelop the entire area of the consolidated block; and
- 2) Pay to Joy Mart or Isetann, by way of compensatory damages, the rentals on the consolidated block which were deposited, by way of consignment, with the trial court.

I do not entirely agree with the Court of Appeals.

The characterization of Joy Mart and Isetann's right as one of first refusal is important in determining effects of its breach. On this score, ***Rosencor Development Corporation v. Inquiring***<sup>33</sup> elucidates:

In ***Guzman, Bocaling and Co., Inc. vs. Bonnevie***, the Court upheld the decision of a lower court ordering the rescission of a deed of sale which violated a right of first refusal granted to one of the parties therein. x x x

x x x x

Subsequently in ***Equatorial Realty and Development, Inc. vs. Mayfair Theater, Inc.***, the Court, *en banc*, with three justices dissenting, ordered the rescission of a contract entered into in violation of a right of first refusal. Using the ruling in ***Guzman Bocaling & Co., Inc. vs. Bonnevie*** as basis, the Court decreed that since respondent therein had a right of first refusal over the said property, it could only exercise the said right if the fraudulent sale is first set aside or rescinded. x x x

x x x x

In ***Parañaque Kings Enterprises, Inc. vs. Court of Appeals***, the Court held that the allegations in a complaint showing violation of a contractual right of "first option or priority to buy the properties subject of the lease" constitute a valid cause of action enforceable by an action for specific performance. Summarizing the rulings in the two previously cited cases, the Court affirmed the nature of and concomitant rights and obligations of parties under a right of first refusal. x x x

x x x x

---

<sup>33</sup> 406 Phil. 565, 579-589 (2001).



In the recent case of *Litonjua vs. L&R Corporation*, the Court, also citing the case of *Guzman, Bocaling & Co. vs. Bonnevie*, held that the sale made therein in violation of a right of first refusal embodied in a mortgage contract, was rescissible. x x x

x x x x

**Thus, the prevailing doctrine, as enunciated in the cited cases, is that a contract of sale entered into in violation of a right of first refusal of another person, while valid, is rescissible.**

There is, however, a circumstance which prevents the application of this doctrine in the case at bench. In the cases cited above, the Court ordered the rescission of sales made in violation of a right of first refusal precisely because the vendees therein could not have acted in good faith as they were aware or should have been aware of the right of first refusal granted to another person by the vendors therein. The rationale for this is found in the provisions of the New Civil Code on rescissible contracts. Under Article 1381 of the New Civil Code, paragraph 3, a contract validly agreed upon may be rescinded if it is "undertaken in fraud of creditors when the latter cannot in any manner collect the claim due them." Moreover, under Article 1385, rescission shall not take place "when the things which are the object of the contract are legally in the possession of third persons who did not act in bad faith."

x x x x

Considering that there is no showing of bad faith on the part of the petitioners, the Court of Appeals thus erred in ordering the rescission of the Deed of Absolute Sale dated September 4, 1990 between petitioner Rosencor and the heirs of the spouses Tiangco. The acquisition by Rosencor of the property subject of the right of first refusal is an obstacle to the action for its rescission where, as in this case, it was shown that Rosencor is in lawful possession of the subject of the contract and that it did not act in bad faith.

**This does not mean however that respondents are left without any remedy for the unjustified violation of their right of first refusal. Their remedy however is not an action for the rescission of the Deed of Absolute Sale but an action for damages against the heirs of the spouses Tiangco for the unjustified disregard of their right of first refusal.** (Citations omitted and emphases supplied)

x x x x

Verily, the rule is that a contract entered into between two parties in violation of the right of first refusal granted to a third person, is rescissible and must so be rescinded. Upon rescission, the contract would be offered to the holder of the right of first refusal under the same terms and conditions to give full effect to such right. There are circumstances, however, which may prevent rescission, in which case an action for specific performance to enforce the right of first refusal would no longer prosper. In such a case, the holder of the right would be entitled to damages instead.

1

Here, the Commercial Stalls Concession Contract between LRTA and Phoenix violated Joy Mart and Isetann's right of first refusal. Under normal circumstances, this would warrant the rescission of the concession contract since both LRTA and Phoenix acted in bad faith.

Yet, practical considerations preclude us from rescinding the contract. For the concession contract does not only involve the consolidated block over which Joy Mart and Isetann enjoy the right of first refusal, but extends to three (3) terminals and fourteen (14) other stations.

To recall, the purpose of the rescission is to offer the contract to the holder the right of first refusal under the same terms and conditions. But since Joy Mart and Isetann only enjoy the right insofar as the consolidated block is concerned, it would be too excessive to nullify the entire concession contract extending to three (3) terminals and fourteen (14) other stations just to protect their right over a single one.

CA

More, the concession contract was the subject of public bidding and, therefore, indivisible. Just as how Joy Mart would not have parted with its property were it not for the right of first option, Phoenix, too, may not have bid on the lot were the consolidated block excluded from the coverage of the bid. Thus, even a partial rescission of the concession contract cannot be had.

All told, there are practical obstacles against granting Joy Mart and Isetann's prayer for specific performance. **Otherwise stated, Joy Mart and Isetann's right of first refusal may no longer be enforced hereafter.** Consequently, damages should be awarded to Joy Mart and Isetann for the loss of its right.

Under Articles 2199<sup>34</sup> and 2200<sup>35</sup> of the Civil Code, actual or compensatory damages are those awarded in satisfaction of or in recompense for loss or injury sustained. They proceed from a sense of natural justice and are designed to repair the wrong that has been done.

There are two kinds of actual or compensatory damages: one is the loss of what a person already possesses, and the other is the **failure to receive as a benefit that which would have pertained to him/her**. In the latter instance, the familiar rule is that damages consisting of unrealized profits, frequently referred to as "*ganancias frustradas*" or "*lucrum cessans*," are not to be granted on the basis of mere speculation, conjecture, or surmise, but rather by

<sup>34</sup> Article 2199. Except as provided by law or by stipulation, one is entitled to an adequate compensation only for such pecuniary loss suffered by him as he has duly proved. Such compensation is referred to as actual or compensatory damages. (AN ACT TO ORDAIN AND INSTITUTE THE CIVIL CODE OF THE PHILIPPINES, REPUBLIC ACT NO. 386, APPROVED ON JUNE 18, 1949).

<sup>35</sup> Article 2200. Indemnification for damages shall comprehend not only the value of the loss suffered, but also that of the profits which the obligee failed to obtain. (AN ACT TO ORDAIN AND INSTITUTE THE CIVIL CODE OF THE PHILIPPINES, REPUBLIC ACT NO. 386, APPROVED ON JUNE 18, 1949).

reference to some reasonably definite standard such as market value, established experience, or direct inference from known circumstances.<sup>36</sup>

Here, the Court of Appeals awarded compensatory damages to Joy Mart and Isetann in the form of rentals deposited with the trial court pursuant to G.R. No. 88705 by Decision dated June 11, 1992, *viz.*:

**WHEREFORE**, the petition for review is **GRANTED**. The Court of Appeals' decision dated February 28, 1989 in CA G.R. SP No. 115618, dismissing Joy Mart's petition for *certiorari* and upholding the dissolution by the Regional Trial Court of Manila, Branch 32, of the preliminary writ of injunction in Civil Case No. 87-41731, is hereby annulled and set aside and the preliminary writ of injunction issued by the trial court on September 23, 1987 in Civil Case No. 87-41731 is reinstated. **However, if in the meantime the construction and occupancy of the private respondents' commercial stalls sought to be stopped by the injunction have been completed, the rentals received by the private respondents after the finality of this decision shall be deposited by them, or the lessees, in the Regional Trial Court to await the final judgment in Civil Case No. 87-41731. Costs against the private respondents.**

The Court of Appeals, Ninth Division, is ordered to hear and decide Joy Mart's petition to declare Phoenix in contempt of court for having allegedly defied and disobeyed the Court's temporary restraining order of September 15, 1988 in CA-G.R. SP No. 115618. (Emphases supplied)

**SO ORDERED.**

Notably, this decision is already final and executory. The award of the deposited rent was conditioned on the final determination of Civil Case No. 87-41731 which we now rule in Joy Mart and Isetann's favor. But we do not agree with Joy Mart and Isetann that this should be a separate award given to them. For this constitutes payment precisely for LRTA's breach of Joy Mart's right of first option.<sup>37</sup> These rentals provide the best approximation of the amount Joy Mart and Isetann would have received had they themselves developed the consolidated block upon exercising said right.

It must be specified though that Joy Mart and Isetann's right to collect rental payment is not perpetual. For hypothetically, even if Joy Mart and Isetann were able to exercise their right of first option and obtained the

<sup>36</sup> *Casiño v. Court of Appeals*, 507 Phil. 59, 73 (2005).

<sup>37</sup> *Joy Mart Consolidated Corporation v. Court of Appeals*, G.R. No. 88705, June 11, 1992, explained the propriety of compensatory damages, citing *Filipinas Synthetic Fiber Corp. v. De Los Santos, et al.*, 661 Phil. 99, 112-113 (2011), "Under Article 2199 of the New Civil Code, actual damages include all the natural and probable consequences of the act or omission complained of, classified as one for the loss of what a person already possesses (*daño emergente*) and the other, for the failure to receive, as a benefit, that which would have pertained to him (*lucro cesante*). As expostulated by the Court in *PNOC Shipping and Transport Corporation v. Court of Appeals*, 358 Phil. 38, 52-56 (1998). Under Article 2199 of the Civil Code, actual or compensatory damages are those awarded in satisfaction of, or in recompense for, loss or injury sustained. They proceed from a sense of natural justice and are designed to repair the wrong that has been done, to compensate for the injury inflicted and not to impose a penalty. In actions based on torts or quasi-delicts, actual damages include all the natural and probable consequences of the act or omission complained of. There are two kinds of actual or compensatory damages: one is the loss of what a person already possesses (*daño emergente*), and the other is the failure to receive as a benefit that which would have pertained to him (*lucro cesante*).

concession contract over the consolidated block, such contract would have been for a fixed period. As such, it would be more equitable to award rental income for a fixed period as compensatory damages. More so, since Joy Mart and Isetann did not spend a single centavo on the construction costs.

The Court may therefore wield its power to fix the period of Joy Mart and Isetann's collection<sup>38</sup> and equitably award Joy Mart and Isetann with rental payment for the period of twenty-five (25) years based on the Commercial Stalls Concession Contract between LRTA and Phoenix. It is only fitting to fix the period based on said contract as it hindered Joy Mart and Isetann from exercising the right of first option over the subject property.

Joy Mart and Isetann remain unsatisfied, however, and allege that the damages they sustained in this case are different from the damages in the form of rental payments. They, therefore, seek payment of an additional ₱489,559,288.80 for their opportunity loss.

The argument is utterly devoid of merit.

I agree with Phoenix's observation<sup>39</sup> that Joy Mart and Isetann's computation for its opportunity loss was highly speculative, based as it was on supposition that they could have earned more had they developed the consolidated property themselves since they would have built more ingress and egress. Though the argument is novel, this is hardly acceptable as there is no direct link between doors and revenues. As the trial court duly noted at the end of the cross-examination of Mr. Go Beng Huy, principal witness of Joy Mart and Isetann:

COURT: But it is not entirely the number of doors that will drive the consumers to go to a mall. It will also depend first of all, if there is a sale. No. 2, if the items are new and No. 3, if the place is cool. Plus there are so many other factors which are not in your jurisdiction because you are an accounting manager, you are not in sales or advertising. You have to consider many factors and not only the number of doors. There are so many variables, also for example, the prestige of that mall; second, whether the items are, of course, on sale or whether they are cheaper. There are stores for "*sosyal*" and also for the "*masa*."<sup>40</sup>

<sup>38</sup> Article 1197 of the Civil Code, provides - If the obligation does not fix a period, but from its nature and the circumstances it can be inferred that a period was intended, the courts may fix the duration thereof. The courts shall also fix the duration of the period when it depends upon the will of the debtor. In every case, the courts shall determine such period may under the circumstances have been probably contemplate by the parties. Once fixed by the courts, the period cannot be changed by them. (AN ACT TO ORDAIN AND INSTITUTE THE CIVIL CODE OF THE PHILIPPINES, REPUBLIC ACT NO. 386, APPROVED ON JUNE 18, 1949).

<sup>39</sup> G.R. No. 212602, *rollo*, pp. 58-63.

<sup>40</sup> TSN, April 12, 2002, p. 19.

Indeed, there is no reasonable connection between ingress and egress and revenue of a mall. There is a host of external factors which will drive the amount of traffic and sales into or away from a commercial institution. Thus, while the Court commiserates with the plight of Joy Mart and Isetann, we cannot simply grant additional damages based on speculation.

In any event, the deposited rental income for twenty-five (25) years which will inure to the benefit of Joy Mart and Isetann upon finality of this Decision constitutes an equitable substitute for LRTA's compliance with their contractual right under the Deed of Absolute Sale dated February 22, 1983, as well as penalty for LRTA and Phoenix for their utter bad faith. In the end, it would be as though Joy Mart and Isetann themselves had developed the consolidated block and earned income therefrom for about twenty-five (25) years without them having to spend a single centavo on construction costs.

As a result, Light Rail Transit Authority should be ordered to pay Joy Mart Consolidated Corporation and/or Isetann Department Store, Inc., by way of compensatory damages, the rentals equivalent to twenty-five (25) years consigned with the Regional Trial Court-Branch 32, Manila in Civil Case No. 87-41731 from finality of this Decision.

I therefore vote to deny both Petitions.

  
AMY C. LAZARO-JAVIER  
*Associate Justice*