



Republic of the Philippines
Supreme Court
Manila

FIRST DIVISION

NOTICE

Sirs/Mesdames:

Please take notice that the Court, First Division, issued a Resolution dated July 5, 2023, which reads as follows:

“G.R. No. 233765 (*C-E Construction Corporation v. C-P Equities Corporation**) and G.R. No. 234184 (*CP Equities Corporation** v. ASB Development Corporation and C-E Construction Corporation*). — This resolves the consolidated petitions for review on *certiorari* filed by C-E Construction Corporation (CECON)¹ and CP Equities Corporation (CP Equities),² challenging the Decision³ dated November 17, 2016 and the Resolution⁴ dated August 18, 2017 of the Court of Appeals (CA) in CA-G.R. CV No. 98394.

After a judicious review of the cases, the Court resolves to **DENY** the petition in G.R. No. 233765 and **PARTIALLY GRANT** the petition in G.R. No. 234184.

In *Nacar v. Gallery Frames (Nacar)*,⁵ the Court laid down the following guidelines on the imposition of legal interest:

II. With regard particularly to an award of interest in the concept of actual and compensatory damages, the rate of interest, as well as the accrual thereof, is imposed, as follows:

X X X X

* Also referred to as “CP Equities Corporation” in some parts of the *rollo*.

** Also referred to as “C-P Equities Corporation” in some parts of the *rollo*.

¹ *Rollo* (G.R. No. 233765), pp. 10-27.

² *Rollo* (G.R. No. 234184), pp. 38-66.

³ *Rollo* (G.R. No. 233765), pp. 28-46. Penned by Associate Justice Myra V. Garcia-Fernandez and concurred in by Associate Justices Elihu A. Ybañez and Ramon Paul L. Hernando (now a Member of this Court).

⁴ *Id.* at 47-48. Penned by Associate Justice Myra V. Garcia-Fernandez and concurred in by Associate Justices Elihu A. Ybañez and Ramon Paul L. Hernando (now a Member of this Court).

⁵ 716 Phil. 267 (2013).

2. When an obligation, not constituting a loan or forbearance of money, is breached, an interest on the amount of damages awarded may be imposed at the *discretion of the court* at the rate of 6% *per annum*. No interest, however, shall be adjudged on unliquidated claims or damages, except when or until the demand can be established with reasonable certainty. Accordingly, where the demand is established with reasonable certainty, the interest shall begin to run from the time the claim is made judicially or extrajudicially (Art. 1169, Civil Code), but when such certainty cannot be so reasonably established at the time the demand is made, the interest shall begin to run only from the date the judgment of the court is made (at which time the quantification of damages may be deemed to have been reasonably ascertained). The actual base for the computation of legal interest shall, in any case, be on the amount finally adjudged.

3. When the judgment of the court awarding a sum of money becomes final and executory, the rate of legal interest, whether the case falls under paragraph 1 or paragraph 2, above, shall be 6% *per annum* from such finality until its satisfaction, this interim period being deemed to be by then an equivalent to a forbearance of credit.⁶

Here, CP Equities sought compensation for the damage wrought on its property, the CPJ Building, during the construction of the adjacent BSA Suites by ASB Development Corporation (ASB) and its contractor, CECON. Undoubtedly, this case does not concern a loan or forbearance of money and falls squarely under paragraph II. (2) of the guidelines in *Nacar*. The CA is thus correct in imposing legal interest at the rate of 6% *per annum* on the monetary awards.

Nevertheless, We deem it proper to modify the reckoning point of the legal interest. For unliquidated claims, compensatory interest starts to run when the demand becomes “liquidated.”⁷ The CA ruled that legal interest should accrue from April 15, 1999, the date of extrajudicial demand. However, at that point, the demand was still uncertain and yet to be liquidated.

Hence, pursuant to *Nacar*, legal interest should be reckoned from April 18, 2010, the date of the Decision⁸ of the Regional Trial Court (RTC). Indeed, it is only at that point that the demand can be determined with reasonable certainty.

As to the actual damages for the repair of CPJ Building, the Court declines to review this issue. Petitions for review on *certiorari* may only raise purely legal questions. This Court, after all, is not a trier of facts. We will not examine anew the evidence that has already been carefully considered and calibrated by the lower courts.⁹

⁶ *Id.* at 282-283.

⁷ See *Philippine Commercial and International Bank v. William Golangco Construction Corporation*, 851 Phil. 497, 513 (2019).

⁸ *Rollo* (G.R. No. 233765), pp. 73-82. Penned by Judge Gina M. Bibat-Palamos.

⁹ See *Dohle Philman Manning Agency, Inc. v. Doble*, 819 Phil. 500, 508-509 (2017).

Whether CP Equities was able to prove actual damages arising from the impairment of its property is evidently a factual issue that is beyond the scope of a Rule 45 petition. What is more, the findings of the RTC and the CA on this point are uniform and consistent—that CP Equities failed to substantiate the cost of repair of CPJ Building.¹⁰ This factual conclusion is binding on the Court.¹¹

However, We agree with CP Equities that the CA erred in deleting actual damages for the cost of hiring additional security and in reducing the award of exemplary damages and attorney's fees.

The rule is that only errors specifically assigned and properly argued in the briefs will be considered, except jurisdictional and clerical errors.¹²

A plain reading of the Appellant's Brief¹³ of CECON and the assignment of errors of ASB¹⁴ shows that they did not assail the trial court's award of actual damages for the cost of hiring additional security nor did they challenge the reduction of exemplary damages and attorney's fees. As such, it was improper for the CA to review these matters when they were not assigned as errors or properly argued by CECON and ASB. For this reason, We reinstate the amounts awarded by the RTC.

The CA likewise erred in absolving ASB of liability. True, ASB did not exercise control over CECON's employees, and consequently, it cannot be held liable under Article 2180¹⁵ of the Civil Code. Nevertheless, ASB, as the owner of the adjacent lot, cannot make use of its property in such a manner as to injure the rights of a third person,¹⁶ such as CP Equities. As We explained in *Andamo v. Intermediate Appellate Court*:¹⁷

It must be stressed that the use of one's property is not without limitations. Article 431 of the Civil Code provides that "the owner of a thing cannot make use thereof in such a manner as to injure the rights of a third person." SIC UTERE TUO UT ALIENUM NON LAEDAS. Moreover, adjoining landowners have mutual and reciprocal duties which require that each must use his [or her] own land in a reasonable manner so as not to

¹⁰ *Rollo* (G.R. No. 233765), pp. 42-43; 80-81.

¹¹ See *Eterton Multi-Resources Corporation v. Filipino Pipe and Foundry Corporation*, 638 Phil. 143, 149 (2010).

¹² *Spouses Narvaez v. Spouses Alciso*, 611 Phil. 452, 465 (2009). See RULES OF COURT, Rule 51, Sec. 8.

¹³ *Rollo* (G.R. No. 233765), pp. 55-72.

¹⁴ *Id.* at 32.

¹⁵ CIVIL CODE, Art. 2180 provides:

Art. 2180. The obligation imposed by Article 2176 is demandable not only for one's own acts or omissions, but also for those of persons for whom one is responsible.

x x x x

Employers shall be liable for the damages caused by their employees and household helpers acting within the scope of their assigned tasks, even though the former are not engaged in any business or industry.

x x x x

The responsibility treated of in this article shall cease when the persons herein mentioned prove that they observed all the diligence of a good father of a family to prevent damage.

¹⁶ See CIVIL CODE, Art. 431.

¹⁷ 269 Phil. 200 (1990).

infringe upon the rights and interests of others. **Although we recognize the right of an owner to build structures on his [or her] land, such structures must be so constructed and maintained using all reasonable care so that they cannot be dangerous to adjoining landowners** and can withstand the usual and expected forces of nature. If the structures cause injury or damage to an adjoining landowner or a third person, the latter can claim indemnification for the injury or damage suffered.¹⁸ (Emphasis supplied)

Since ASB, as the owner of the adjoining lot, failed to exercise due diligence in the use of its property, causing injury to CP Equities, ASB should be held solidarily liable with CECON.

WHEREFORE, the petition in G.R. No. 233765 is **DENIED**, whereas the petition in G.R. No. 234184 is **PARTIALLY GRANTED**. The Decision dated November 17, 2016 and the Resolution dated August 18, 2017 of the Court of Appeals in CA-G.R. CV No. 98394 are **AFFIRMED WITH MODIFICATIONS** as follows:

1. ASB Development Corporation and C-E Construction Corporation are ordered to pay jointly and severally the following:
 - a. ₱950,000.00 as temperate damages for the cost of repair of the CPJ Building;
 - b. ₱886,117.51 as actual damages for the cost of hiring additional security;
 - c. ₱500,000.00 as exemplary damages;
 - d. ₱1,000,000.00 as attorney's fees; and
 - e. Cost of suit.
2. The total monetary award in paragraph 1 shall earn legal interest at the rate of 6% per *annum* from April 18, 2010 until finality of this Resolution.
3. The sum of the amounts in paragraphs 1 and 2 shall further earn legal interest at the rate of 6% per *annum* from finality of this Resolution until fully paid.

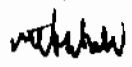
¹⁸ Id. at 207-208.

SO ORDERED.” *Gesmundo, C.J., on official leave; Hernando, J., no part due to prior participation in the proceeding before the Court of Appeals; Lopez, J., J., designated additional Member per Raffle dated September 13, 2022.*

By authority of the Court:

LIBRADA C. BUENA
Division Clerk of Court

by:



MARIA TERESA B. SIBULO
Deputy Division Clerk of Court

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