



Republic of the Philippines
 Supreme Court
 Manila

THIRD DIVISION

POLICE SR. SUPT. ROMEO UY, SPO1 FELMANDIE TATLONGHARI, SPO1 MICHAEL AYCARDO, SPO1 GERRY GENTALLAN* AND SPO1 ROMMEL FLORES AND JOHN DOES, *Petitioners,* G.R. No. 232814

Present:

LEONEN, J., *Chairperson,*
 HERNANDO,
 INTING,
 DELOS SANTOS, and
 LOPEZ, J., *JJ.*

- versus -

SERGIO JR. AND SALES V. JACALAN, *Respondents.*

Promulgated:

February 3, 2021

~~MISTOCBAH~~

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RESOLUTION

INTING, J.:

Before the Court is a Petition for Review on *Certiorari* under Rule 45¹ of the Rules of Court assailing the Decision² dated April 6, 2017 and the Resolution³ dated July 5, 2017 of the Court of Appeals (CA) in CA-G.R. CV No. 04444-MIN. The assailed Decision and Resolution affirmed the Judgment⁴ dated June 30, 2014 of Branch 17, Regional Trial Court (RTC), Misamis Oriental, Cagayan de Oro City docketed as Civil Case No. 2008-067 that found Police Senior Superintendent Romeo Uy (PS/Supt. Uy), Senior Police Officer I Felmandie Tatlonghari (SPO1 Tatlonghari), SPO1 Michael Aycardo (SPO1 Aycardo), SPO1 Gerry Gentallan (SPO1 Gentallan), SPO1 Rommel Flores (SPO1 Flores), and John Does (collectively, petitioners) solidarily liable for the payment of

* Referred to as Gentalian in some parts of the *rollo*.

¹ *Rollo*, pp. 4-20.

² *Id.* at 37-56; penned by Associate Justice Rafael Antonio M. Santes with Associate Justices Oscar V. Badelles and Ruben Reynaldo G. Roxas, concurring.

³ *Id.* at 69-71.

⁴ *Id.* at 22-33; penned by Presiding Judge Florencia D. Sealana-Abba.

the actual value of the seized vehicle with interest plus moral damages, attorney's fees, litigation expenses, and costs of the suit.

The Antecedents

The present controversy stemmed from a case for replevin filed by respondents wherein they sought to recover possession of a second hand Isuzu Wagon with Chassis No. PABT BR 54F32015320, Motor/Engine No. BD 9614, and Plate Number LMD 295 (subject vehicle).⁵

The subject vehicle was registered in the names of respondents after they acquired it from Ryan Gallego at Oro Cars, Bulua, Cagayan de Oro City for a sum of ₱475,000.00.⁶ In connection with the sale, PNP Motor Vehicle Clearance Certificate (MVCC) dated August 29, 2006 was issued by the Philippine National Police (PNP)–Traffic Management Group (TMG) which stated that as of date, the subject vehicle “is not in the list of wanted/stolen vehicles,” with a Macro-Etching Certificate that indicated that the engine and chassis numbers of the subject vehicle were found to be “Not Tampered”.⁷

Two years after the sale or on March 7, 2008, respondents' driver Manuel Tabornal Yana, Jr. was driving the subject vehicle when he was apprehended by SPO1 Tatlonghari, SPO1 Aycardo, SPO1 Gentallan, and SPO1 Flores for driving without a seat belt, and over the suspicion that the Official Receipt (OR) and Certificate of Registration (CR) of the subject vehicle were spurious. The subject vehicle was then issued an Impounding Receipt dated March 14, 2008.⁸

On account thereof, respondents inquired as to the reason for the impounding of the subject vehicle and demanded its release, but petitioners refused on the ground that the chassis and engine numbers of the subject vehicle were allegedly tampered.⁹

The petitioners' obstinate refusal to return the subject vehicle prompted respondents to file a complaint for replevin before the RTC.

⁵ *Id.* at 22, 38.

⁶ *Id.*

⁷ *Id.* at 38-39.

⁸ *Id.* at 39.

⁹ *Id.*

They sought the issuance of a writ of replevin for the return of the subject vehicle in their favor; or, if the physical delivery thereof can no longer be effected, the payment of its actual value plus interest, attorney's fees, moral damages, and cost of the suit. Pursuant to the service of the writ of replevin, a Sheriff's Return dated April 9, 2008 showed that the subject vehicle could not be seized on replevin as it was already transported to the TMG Head Office at Camp Crame, Quezon City for further clarification and verification of its chassis and engine numbers.¹⁰

In response, petitioners moved for the dismissal of the complaint for lack of cause of action, and the quashal of the writ of replevin. They countered that the subject vehicle was under *custodia legis* as a product of an administrative seizure by a government agency pursuant to its implementation of Republic Act No. (RA) 6539 or the Anti-Carnapping Act of 1972; hence, it could not be the subject of a writ of replevin. Petitioners averred that the subject vehicle was reported to have been stolen on April 19, 2004 while parked along Baconga St., San Juan 1, Lapasan, Cagayan de Oro City per validation from the Vehicular Information Management System (VIMS). Further, petitioners contended that based on their investigation, the subject vehicle belonged to Milamdec Foundation Inc./Fr. Emeterio Barcelon, SJ of Xavier University, who purchased it from Southern Motors Corporation located in Lapasan, Cagayan de Oro City.¹¹

As to the whereabouts of the subject vehicle, petitioners confirmed that after the PNP Crime Laboratory Office Region 10, Cagayan de Oro City refused to conduct macro-etching, they transported it to the PNP Crime Laboratory, Camp Crame, Quezon City pursuant to the verbal instruction of PS/Supt Uy in order to reexamine its chassis and engine numbers.¹²

Ruling of the RTC

On June 30, 2014, the RTC rendered a Judgment¹³ the dispositive portion of which is cited herein, to wit:

¹⁰ *Id.* at 39-40.

¹¹ *Id.* at 40-41.

¹² *Id.* at 40.

¹³ *Id.* at 22-33.

WHEREFORE, premises [*sic*] the court finds a case in favor of plaintiff[s] and against defendants. Defendants are hereby ordered to pay plaintiffs, jointly and severally, the following:

- (a) the actual value of the vehicle is P475,000 plus 6% interest from the date the complaint was filed;
- (b) attorney's fees of P45,000.00;
- (c) Moral damages of P50,000.00 for the humiliation and anxiety of the plaintiffs,
- (d) Litigation expenses of P10,999 plus payment of replevin bond [*sic*] 27,302.50,
- (e) Pay the cost of the suit.

SO ORDERED.¹⁴

According to the RTC, respondents were able to prove by preponderance of evidence that they are the legitimate owners of the subject vehicle having purchased it in good faith and for value.¹⁵ It ruled that the subject vehicle was cleared by the PNP Crime Laboratory Office Region 10, Cagayan de Oro City; thus, the latter refused to conduct another macro-etching examination upon petitioners' request.¹⁶ The RTC likewise ruled that a certification from the Cebu Southern Motors, Inc. to the effect that the subject vehicle was sold to Milandec Foundation Inc./Fr. Emeterio Barcelon, SJ as shown from its production number is not conclusive as there was also no evidence presented by petitioners to rebut the findings of the PNP Crime Laboratory Office Region 10, Cagayan de Oro City.¹⁷

Moreover, the RTC found that petitioners acted in bad faith and with malice when the subject vehicle was turned over to Prudential Insurance Company, instead of undergoing another macro-etching as what petitioners impressed upon respondents. For the RTC, there was also no proof that the chassis and engine numbers were tampered to establish that the subject vehicle was carnapped; thus, petitioners acted beyond the scope of their authority making them liable for damages.¹⁸

¹⁴ *Id.* at 33.

¹⁵ *Id.* at 31.

¹⁶ *Id.*

¹⁷ *Id.* at 31-32.

¹⁸ *Id.*

Petitioners elevated the case to the CA through a Notice of Appeal.¹⁹

Ruling of the CA

Petitioners argued that they acted within the parameters of their regular and official functions when they flagged down, apprehended, and impounded the subject motor vehicle which appeared to be stolen. They also justified their actions on the basis of the Certification, Invoice, Certificate of Sale, Production Number, Car Truck Invoice, and Delivery Receipt issued by Cebu Southern Motors, Inc., which supported the ownership of Milamdec Foundation Incorporated over the subject vehicle. This was in addition to the discrepancy in the CR of the seller from whom respondents acquired it.²⁰

On April 6, 2017, the CA rendered the assailed Decision²¹ denying the appeal for lack of merit. It upheld the findings of the RTC that respondents have proven their ownership over the subject vehicle by preponderance of evidence; that in the absence of controverting evidence to establish that the OR/CR were falsified or obtained illegally, there is a strong presumption of ownership in favor of one in whose name the CR was issued;²² and that the dismissal of the criminal action against respondents for carjacking for insufficiency of evidence is a strong indication that the subject vehicle was not stolen.²³ The CA furthermore noted that it cannot consider the Macro-Etching Examination conducted by the PNP Crime Laboratory, Camp Crame, Quezon City, which allegedly showed tampering of the chassis and engine numbers, considering that it was belatedly attached to petitioners' Appellants' Brief and not presented nor offered before the trial court; and assuming otherwise, it is still inconclusive and insufficient to prove tampering in the absence of proof of the original engine, chassis, and "alternate" numbers.²⁴

¹⁹ *Id.* at 34.

²⁰ *Id.* at 42-43.

²¹ *Id.* at 37-56.

²² *Id.* at 49.

²³ *Id.*

²⁴ *Id.* at 48.

The CA likewise observed that, again assuming that the subject vehicle was actually stolen, the immediate seizure of the subject vehicle without any warrant, or court order *four years* after it was reported to have been stolen runs counter to respondents' constitutionally guaranteed rights against unreasonable searches and seizure.²⁵ As admitted by petitioners, they only conducted an investigation which yielded that the subject vehicle was stolen *after* the subject vehicle was already impounded. In essence, its immediate seizure and impounding was without probable cause and merely grounded on the OR/CR which allegedly appeared suspicious without any personal knowledge of a report that it was indeed stolen.²⁶

Furthermore, the CA concluded that the subject vehicle was not in *custodia legis*. Its seizure and impounding was unlawful, invalid, and illegal. At the very least, it is not sanctioned under RA 8750²⁷ which provides for a penalty of a fine or suspension of a driver's license to be imposed on a driver apprehended for driving without using a seat belt.²⁸

With regard to petitioners' liability, the CA classified their acts as *ultra vires* which made them personally liable for ₱475,000.00, which is the actual value of the subject vehicle as appearing in the Deed of Sale for their failure to return it to respondents.²⁹

On July 5, 2017, the CA denied the subsequent motion for reconsideration filed thereto.³⁰ Aggrieved by the CA ruling, petitioners elevated the case to the Court *via* a petition for review on *certiorari*.

Issue

The main issue in this case is whether the CA committed reversible error in: (1) directing the return of the actual value of the seized vehicle to respondents; and (2) ordering the payment of moral damages.

²⁵ *Id.* at 50.

²⁶ *Id.*

²⁷ Seat Belts Use Act of 1999, approved on August 5, 1999.

²⁸ *Rollo*, pp. 51-52.

²⁹ *Id.* at 54-55.

³⁰ *Id.* at 69-71.

Our Ruling

The petition must fail.

Prefatorily, well-settled is the rule that factual findings of the trial court as affirmed by the CA are generally binding and conclusive on the parties and not reviewable by the Court, wanting the application of any of the exceptions to warrant a review thereof.³¹ The ownership by the respondents over the subject vehicle has been clearly set out in both decisions of the RTC and the CA. Thus, there is no compelling reason to disturb the factual findings which are firmly anchored on sufficient and competent evidence.

In a complaint for replevin, the claimant must convincingly show that he is either the owner, or clearly entitled to the possession of the object sought to be recovered and that the defendant, who is in actual or legal possession thereof, wrongfully detains it.³² In *BA Finance Corporation v. CA*,³³ the Supreme Court explained the nature of a replevin suit in this wise:

Replevin, broadly understood, is both a form of principal remedy and of a provisional relief. It may refer either to the action itself, i.e., to regain the possession of personal chattels being wrongfully detained from the plaintiff by another, or to the provisional remedy that would allow the plaintiff to retain the thing during the pendency of the action and hold it *pendente lite*. The action is primarily possessory in nature and generally determines nothing more than the right of possession. Replevin is so usually described as a mixed action, being partly *in rem* and partly *in personam-in rem* insofar as the recovery of specific property is concerned, and *in personam* as regards to damages involved. As an "action in rem," the gist of the replevin action is the right of the plaintiff to obtain possession of specific personal property by reason of his being the owner or of his having a special interest therein. x x x. Rule 60 of the Rules of Court allows an application for the immediate possession of the property but the plaintiff must show that he has a good legal basis, i.e., a clear title thereto, for seeking such *interim* possession.³⁴

³¹ *Samala v. Court of Appeals*, 467 Phil. 563, 568 (2004).

³² *Superlines Transportation Co., Inc. v. Philippine National Construction Company*, 548 Phil. 354, 364 (2007). citing *Distilleria Washington, Inc. v. Hon. CA*, 331 Phil. 622, 629-630 (1996) and *Twin Ace Holdings Corporation v. Rufina and Company*, 523 Phil. 766, 779 (2006).

³³ 327 Phil. 716, 726-727 (1996).

³⁴ *Id.* at 724-725.

Petitioners justified their act of impounding the subject vehicle in furtherance of their implementation of the Anti-Carnapping Act of 1972. After respondent's driver was apprehended for violation of the Seat Belts Use Act of 1999, petitioners demanded the subject vehicle's CR and OR. Petitioners, who were *bona fide* members of the PNP assigned at the Regional Traffic Management Office-10 and tasked with the implementation of the Anti-Carnapping Act of 1972 and other related laws, admitted that they impounded the subject vehicle because they found the CR and OR suspicious. Thus, it appears that the subject vehicle was placed under *custodia legis* for having a spurious OR and CR.

To be entitled to replevin, it must first be established that the plaintiff is clearly entitled to the possession of the object sought to be recovered. The Court agrees with the unanimous findings of the CA and the RTC as to the ownership of the subject vehicle by respondents:

In this case, the plaintiffs-appellees were able to prove by preponderance of evidence that they are the legitimate owners of the subject vehicle and that they are entitled to recover the possession thereof from the defendants-appellants who unlawfully or wrongfully impounded it. To support the claim of the plaintiffs-appellees, they presented the following: (1) Deed of Sale of Motor Vehicle showing that they legally acquired it from Ryan Gallego; (2) the PNP Motor Vehicle Clearance Certificate stating that the subject vehicle is not in the list of wanted/stolen vehicles; (3) Macro-Etching Certificate showing that the chassis and engine numbers of the subject vehicle are not tampered; and (4) the Official Receipt (OR) and the Certificate of Registration (CR) of the subject vehicle showing that it is indeed registered with the LTO-Cagayan de Oro City Field Office in their names. These pieces of evidence were presented by the plaintiffs-appellees to the defendants-appellants to prove [sic] their ownership thereof and the regularity of the procedure undertaken by them to have the subject vehicle registered in their names.³⁵

As petitioners admit, the identity and ownership of a motor vehicle can be ascertained through the CR issued by the Land Transportation Office (LTO) wherein the chassis and engine numbers, and plate number are stated.³⁶ A CR of a motor vehicle in one's name creates a strong presumption of ownership. For all practical purposes, the person in whose favor it has been issued is virtually the owner thereof unless proved otherwise. This presumption is rebuttable by

³⁵ *Rollo*, p. 47.

³⁶ *Id.* at 12.

competent proof.³⁷ In this case, respondents presented their CR on the subject vehicle and the OR of payment thereby lending credence to their claim that they are indeed the owners thereof. Their OR and CR enjoy the presumption of regularity in the absence of proof that their issuance was tainted with fraud or irregularity.

Furthermore, petitioners' assertion that the subject vehicle was carnapped was a mere afterthought considering their admission that they discovered that it was a stolen car only after it was already impounded. As cited by the RTC in its Decision in the recital of evidence for the defendants, petitioners discovered that the subject vehicle which they impounded was carnapped only after the conduct of an investigation:

Witness then told his Regional Chief about the result of the examination conducted by Cebu Southern Motors Corporation. His chief instructed their encoder to include in the carnapping list, the Vehicle Information Management System (VIMS) the information about the subject vehicle x x x.³⁸

Despite the subject vehicle's MVCC which showed no tampering of the chassis and engine numbers, petitioners still unjustifiably refused to release it and even transported it outside Mindanao without respondents' consent, or a court order. Undeniably, instead of showing that there was irregularity in the issuance of the MVCC, petitioners took it upon themselves to counter-verify the status of the subject vehicle on the basis of mere suspicion, without due regard to respondents' constitutionally enshrined rights against unreasonable searches and seizure.

More importantly, the lack of immediacy, or the lapse of time from when the subject vehicle was allegedly stolen until it was impounded, coupled with the absence of probable cause to justify its seizure without a warrant, made the impounding of the subject vehicle unlawful and unjustified. Thus, petitioners are not in *custodia legis* thereof. While petitioners' zealousness to enforce the Anti-Carnapping Act of 1972 is commendable, their actions should be guided and exercised within the bounds of the law in recognition of every person's basic rights and liberties in consonance with the legal adage that we are a government of law and not of men.

³⁷ *Chiao Liong Tan v. Court of Appeals*, 298-A Phil. 14, 20 (1993).

³⁸ *Rollo*, p. 27.

Indeed, it was persuasively shown that respondents had no knowledge that the car was an object of a fraud, or that it was stolen as petitioners rebut or contradict respondents' evidence of their valid acquisition thereof for valuable consideration, including its proper registration with the LTO. With respondents' registered ownership of the subject vehicle and its seizure having been found as unlawful, respondents are entitled to recover it from petitioners. Respondents are entitled to its possession and use until appropriate lawful proceedings would have been taken by petitioners to establish that the subject vehicle is a proper subject for impounding for having a fake OR and CR,³⁹ or that it is a stolen car. Absent the mentioned proceedings or evidence to support the foregoing, petitioners were correctly found liable for impounding the subject vehicle and its return is in order.

Under Section 9, Rule 60 of the Rules of Court, *[a]fter trial of the issues, the court shall determine who has the right of possession to and the value of the property and shall render judgment in the alternative for the delivery thereof to the party entitled to the same, or for its value in case delivery cannot be made, and also for such damages as either party may prove, with costs.* Petitioners cannot escape liability by invoking regularity in the performance of their duty when there is evidence that show otherwise. Respondents were able to prove that they are the registered and rightful owners of the subject vehicle and that petitioners unlawfully seized it without a legal or court order thereby depriving them of its possession.

As a general rule, public officials can be held personally accountable for acts claimed to have been performed in connection with official duties where they have acted *ultra vires* or where there is a showing of bad faith.⁴⁰ It is also paramount that tortious acts or crimes committed while discharging official functions are not covered by sovereign immunity.⁴¹ An action at law or suit in equity against a government official who violates or invades the personal and property rights of a plaintiff under an unconstitutional act or under an assumption

³⁹ Impoundable Violations DOTC – LTO (MC-89-105) (Updated April 10, 2017) provides that a motor vehicle shall be impounded if it has a fake Official Receipt and Certificate of Registration; <http://www.mmda.gov.ph/20-faq/284-impoundable-violations-dotc-lto-mc-89-105.html> <last accessed on October 23, 2020>.

⁴⁰ *Chavez v. Sandiganbayan (1st Div.)*, 271 Phil. 293, 300 (1991).

⁴¹ See Concurring Opinion of Associate Justice Marvic M.V.F. Leonen in the case of *Most Rev. Arigo, et al. v. Swift, et al.*, 743 Phil. 8, 128 (2014).

of authority which he does not have, with a claim to have acted for the State, is not a suit against the State.⁴² The actions of petitioners herein as government officials could not be considered as authorized by the State for the State authorizes only legal acts by its officers.

Indubitably, the impounding of the subject vehicle by petitioners without any valid ground or legal justification as shown by the evidence is unwarranted and absolutely beyond the scope of their authority. In the same manner, petitioners' misrepresentation as to the whereabouts of the subject vehicle which likewise remained unrebutted, was an *indicia* of bad faith or malice and in no possible way related to the official performance of their duties. Veritably, the Court conforms with the RTC and the CA that petitioners should be personally held accountable for their unauthorized impounding of the subject vehicle making them solidarily liable for the payment of its actual value, with interest.

The foregoing notwithstanding, the Court finds that the award of attorney's fees in favor of respondents is baseless as the RTC failed to state in the body of the decision its reason for the award, hence its unheralded appearance in the dispositive portion is not allowed.⁴³

WHEREFORE, the petition is **DENIED**. The Decision dated April 6, 2017 and the Resolution dated July 5, 2017 of the Court of Appeals in CA-G.R. CV No. 04444-MIN are **AFFIRMED** with **MODIFICATION** in that the award of attorney's fees is hereby **DELETED**.

SO ORDERED.


HENRI JEAN PAUL B. INTING
Associate Justice

⁴² *Director or Officer-in-Charge of the Bureau of Telecommunications, etc., et al. v. Hon. Aligaen, etc., et al.*, 144 Phil. 257, 257 (1970) as cited in *Most Rev. Arigo, et al. v. Swift, et al.*, *id.* at 47.

⁴³ *Alcatel Philippines, Inc. v. I.M. Bongar & Co., Inc., et al.*, 674 Phil. 529, 533 (2011), citing *Pagsibigan v. People, et al.*, 606 Phil. 233, 242 (2009).

WE CONCUR:



MARVIC M.V.F. LEONEN
Associate Justice
Chairperson



RAMON PAUL L. HERNANDO
Associate Justice



EDGARDO L. DELOS SANTOS
Associate Justice



JHOSEP Y. LOPEZ
Associate Justice

ATTESTATION

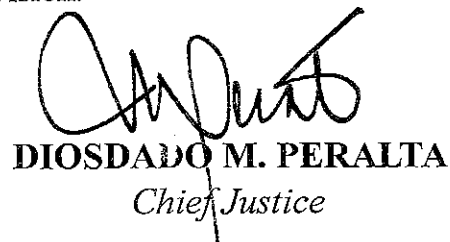
I attest that the conclusions in the above Resolution had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



MARVIC M.V.F. LEONEN
Associate Justice
Chairperson

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the Division Chairperson's Attestation, I certify that the conclusions in the above Resolution had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



DIOSDADO M. PERALTA
Chief Justice

