



Republic of the Philippines  
Supreme Court  
Manila

THIRD DIVISION

NOTICE

Sirs/Mesdames:

*Please take notice that the Court, Third Division, issued a Resolution dated November 18, 2020, which reads as follows:*

"G.R. No. 253541 (*Sps. Feliciano Corpuz and Pacita Corpuz v. BHF Family Plaza*). – Considering the allegations, issues, and arguments adduced in the Petition for Review<sup>1</sup> on *Certiorari* assailing the Decision<sup>2</sup> dated January 23, 2020 and Resolution<sup>3</sup> dated June 22, 2020 of the Court of Appeals, Manila (CA) in CA-G.R. CV No. 113260, the Court resolves to **DENY** the petition for failure to sufficiently show any reversible error in the assailed Decision<sup>4</sup> and Resolution<sup>5</sup> declaring BHF Family Plaza (respondent) as the rightful owner of the properties in question, more particularly, Transfer Certificate of Title No. (TCT) 026-2012001818 with an area of 451 square meters and TCT No. 026-2012001819 with an area of 373 square meters, more or less (subject properties); and ordering Spouses Feliciano and Pacita Corpuz (petitioners), and all persons claiming title under them, to vacate the subject properties and surrender possession thereof to respondent.

As aptly found by the CA, respondent was an innocent purchaser for value and a registrant in good faith. Because the subject properties bought by respondent from Almeda A. Banaga (Banaga) were registered under previous certificates of title, respondent could safely rely on the correctness of the certificates of title and was in no way obliged to go beyond these certificates of title to determine the condition of the properties.<sup>6</sup> On the other hand, petitioners were not builders in good faith. The concept of "builder in good faith" under Article 448<sup>7</sup> of the

<sup>1</sup> *Rollo*, pp. 6-24.

<sup>2</sup> *Id.* at 25-33; penned by Associate Justice Remedios A. Salazar-Fernando with Associate Justices Edwin D. Sorongon and Geraldine C. Fiel-Macaraig, concurring.

<sup>3</sup> *Id.* at 34-36.

<sup>4</sup> *Id.* at 25-33.

<sup>5</sup> *Id.* at 34-36.

<sup>6</sup> See *Loevin v. Hizon, et al.*, 743 Phil. 420, 429-430 (2014).

<sup>7</sup> Art. 448. The owner of the land on which anything has been built, sown or planted in good faith, shall have the right to appropriate as his own the works, sowing or planting, after payment of the indemnity

Civil Code applies only when the builder believes that he or she is the owner of the land or that by some title he has the right to build thereon, or that, at least, he has a claim of title thereto.<sup>8</sup> Petitioners cannot be deemed as builders in good faith *considering that* the agreement between them and Banaga was a contract to sell, which did not transfer the title of the subject properties to them.

Moreover, the petition has not strictly complied with the requirements specified in A.M. No. 10-3-7-SC known as the Rules on E-Filing as it lacks a verified declaration of electronic submission of the petition.

However, the Court finds no basis for the award of attorney's fees. As held in *Sps. Timado v. Rural Bank of San Jose, Inc.*:<sup>9</sup>

The general rule is that attorney's fees cannot be recovered as part of damages because of the policy that no premium should be placed on the right to litigate. They are not to be awarded every time a party wins a suit. *The power of the court to award attorney's fees under Article 2208 demands factual, legal, and equitable justification.* Even when a claimant is compelled to litigate with third persons or to incur expenses to protect his rights, still attorney's fees may not be awarded where no sufficient showing of bad faith could be reflected in a party's persistence in a case other than an erroneous conviction of the righteousness of his cause.<sup>10</sup> (Italics supplied)

Thus, it is necessary for the Court to make findings of fact and law that would bring the case within the ambit of the enumerated instances under Article 2208<sup>11</sup> of the Civil Code to justify the grant of such award, and in all cases it must be reasonable.

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provided for in Articles 546 and 548, or to oblige the one who built or planted to pay the price of the land, and the one who sowed, the proper rent. However, the builder or planter cannot be obliged to buy the land if its value is considerably more than that of the building or trees. In such case, he shall pay reasonable rent, if the owner of the land does not choose to appropriate the building or trees after proper indemnity. The parties shall agree upon the terms of the lease and in case of disagreement, the court shall fix the terms thereof.

<sup>8</sup> *Sps. Espinoza v. Sps. Mayandoc*, 812 Phil. 95, 103-104 (2017).

<sup>9</sup> 789 Phil. 453, (2016).

<sup>10</sup> *Id.* at 460.

<sup>11</sup> Art. 2208. In the absence of stipulation, attorney's fees and expenses of litigation, other than judicial costs, cannot be recovered, except:

- (1) When exemplary damages are awarded;
- (2) When the defendant's act or omission has compelled the plaintiff to litigate with third persons or to incur expenses to protect his interest;
- (3) In criminal cases of malicious prosecution against the plaintiff;
- (4) In case of a clearly unfounded civil action or proceeding against the plaintiff;
- (5) Where the defendant acted in gross and evident bad faith in refusing to satisfy the plaintiff's plainly valid, just and demandable claim;
- (6) In actions for legal support;
- (7) In actions for the recovery of wages of household helpers, laborers and skilled workers;
- (8) In actions for indemnity under workmen's compensation and employer's liability laws;
- (9) In a separate civil action to recover civil liability arising from a crime;
- (10) When at least double judicial costs are awarded;
- (11) In any other case where the court deems it just and equitable that attorney's fees and

From a perusal of the assailed CA Decision, the Court has not found any factual, legal, or equitable justification for the award of attorney's fees in favor of respondent. The CA simply affirmed the trial court's decision granting attorney's fees without elaboration on the basis of the award. There is therefore an absence of an independent finding of the CA on the factual circumstances and legal or equitable basis to justify the grant of attorney's fees. For this reason, the award of attorney's fees is not warranted.

**ACCORDINGLY**, the Decision dated January 23, 2020 and Resolution dated June 22, 2020 of the Court of Appeals, Manila in CA-G.R. CV No. 113260 are **AFFIRMED WITH MODIFICATION** in that the award of damages in the amount of ₱30,000.00 with legal interest at the rate of 6% per *annum* is **DELETED** for lack of factual, legal, and equitable justification.

Further, the excess payment of legal fees in the amount of ₱1,000.00 under O.R. No. 0282667 dated October 12, 2020 is **ORDERED** returned to petitioners Spouses Feliciano and Pacita Corpuz.

**SO ORDERED.**"

By authority of the Court:

*Misael Domingo C. Battung III*  
**MISAELO DOMINGO C. BATTUNG III**  
*Division Clerk of Court*  
SER.  
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expenses of litigation should be recovered.

In all cases, the attorney's fees and expenses of litigation must be reasonable.