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THIRD DIVISION

[G.R. No. 102976. October 25, 1995]

IRON AND STEEL AUTHORITY, *petitioner, vs.* THE COURT OF APPEALS and MARIA CRISTINA FERTILIZER CORPORATION, *respondents.*

SYLLABUS

1. **REMEDIAL LAW; CIVIL PROCEDURE; WHO MAY BE PARTIES TO A CIVIL ACTION.**— Rule 3, Section 1 of the Rules of Court specifies who may be parties to a civil action. Under this provision, it will be seen that those who can be parties to a civil action may be broadly categorized into two (2) groups: (a) those who are recognized as *persons* under the law whether natural, i.e., biological persons, on the one hand, or juridical persons such as corporations, on the other hand; and (b) *entities authorized by law* to institute actions.

2. **ID.; ID.; ID.; THE REPUBLIC AS A CORPORATE BODY IS VESTED WITH "LEGAL PERSONALITY."**— The Republic itself is a body corporate and juridical person vested with the full panoply of powers and attributes which are compendiously described as "legal personality."

3. **ID.; ID.; ID.; AN INCORPORATED AGENCY OR INSTRUMENTALITY OF THE GOVERNMENT IS VESTED WITH A DISTINCT JURIDICAL PERSONALITY.**— It is common knowledge that other agencies or instrumentalities of the Government of the Republic are cast in *corporate* form, that is to say, are *incorporated agencies* or *instrumentalities*, sometimes with and at other times without capital stock, and accordingly vested with a juridical personality distinct from the personality of the Republic.

Supreme Court E-Library

4. **POLITICAL LAW; GOVERNMENT AGENCIES OR INSTRUMENTALITIES; INCORPORATED OR NON-INCORPORATED; CONSEQUENCES OF THE EXPIRATION OF STATUTORY TERM.**— It is worth noting that the term "Authority" has been used to designate both incorporated and non-incorporated agencies or instrumentalities of the Government. When the statutory term of a *non-incorporated* agency expires, the powers, duties and functions as well as the assets and liabilities of that agency revert back to, and are re-assumed by, the Republic of the Philippines, in the absence of special provisions of law specifying some other disposition thereof such as, e.g., devolution or transmission of such powers, duties, functions, etc. to some other identified successor agency or instrumentality of the Republic of the Philippines. When the expiring agency is an *incorporated* one, the consequences of such expiry must be looked for, in the first instance, in the charter of that agency and, by way of supplementation, in the provisions of the Corporation Code. The procedural implications of the relationship between an agent or delegate of the Republic of the Philippines and the Republic itself are, at least in part, spelled out in the Rules of Court. The general rule is, of course, that an action must be prosecuted and defended in the name of the real party-in-interest. (Rule 3, Section 2) The Rules of Court at the same time expressly recognize the role of representative parties.

5. **CONSTITUTIONAL LAW; POWER OF EMINENT DOMAIN; VALID DELEGATION TO THE PRESIDENT IN THE CASE AT BAR.**— While the power of eminent domain is, in principle, vested primarily in the legislative department of the government, this Court believes and so holds that no new legislative act is necessary should the Republic decide, upon being substituted for ISA, in fact to continue to prosecute the expropriation proceedings. For the legislative authority, a long time ago, enacted a continuing or standing delegation of authority to the President of the Philippines to exercise, or cause the exercise of, the

Supreme Court E-Library

power of eminent domain on behalf of the Government of the Republic of the Philippines. In the present case, the President, exercising the power duly delegated under both the 1917 and 1987 Revised Administrative Codes in effect made a determination that it was necessary and advantageous to exercise the power of eminent domain in behalf of the Government of the Republic and accordingly directed the Solicitor General to proceed with the suit.

APPEARANCES OF COUNSEL

The Solicitor General for petitioner.

Angara, Abello, Concepcion, Regala & Cruz for private respondent.

DECISION

FELICIANO, *J.*:

Petitioner Iron and Steel Authority ("ISA") was created by Presidential Decree (P.D.) No. 272 dated 9 August 1973 in order, generally, to develop and promote the iron and steel industry in the Philippines. The objectives of the ISA are spelled out in the following terms:

"Sec. 2. *Objectives.* — The Authority shall have the following objectives:

(a) to strengthen the iron and steel industry of the Philippines and to expand the domestic and export markets for the products of the industry;

(b) to promote the consolidation, integration and rationalization of the industry in order to increase industry capability and viability to service the domestic market and to compete in international markets;

(c) to rationalize the marketing and distribution of steel products in order to achieve a balance between demand and supply of iron and steel products for the country and to ensure

Supreme Court E-Library

that industry prices and profits are at levels that provide a fair balance between the interests of investors, consumers, suppliers, and the public at large;

(d) to promote full utilization of the existing capacity of the industry, to discourage investment in excess capacity, and in coordination with appropriate government agencies to encourage capital investment in priority areas of the industry;

(e) to assist the industry in securing adequate and low-cost supplies of raw materials and to reduce the excessive dependence of the country on imports of iron and steel."

The list of powers and functions of the ISA included the following:

"Sec. 4. *Powers and Functions.* — The authority shall have the following powers and functions:

x x x x x x x x x

(j) *to initiate expropriation of land required for basic iron and steel facilities for subsequent resale and/or lease to the companies involved* if it is shown that such use of the State's power is necessary to implement the construction of capacity which is needed for the attainment of the objectives of the Authority;

x x x x x x x x x

(Italics supplied)

P.D. No. 272 initially created petitioner ISA for a term of five (5) years counting from 9 August 1973.[1] When ISA's original term expired on 10 October 1978, its term was extended for another ten (10) years by Executive Order No. 555 dated 31 August 1979.

The National Steel Corporation ("NSC") then a wholly owned subsidiary of the National Development Corporation which is itself an entity wholly owned by the National

[1] Second paragraph, Section 1, P.D. No. 272.

Supreme Court E-Library

Government, embarked on an expansion program embracing, among other things the construction of an integrated steel mill in Iligan City. The construction of such a steel mill was considered a priority and major industrial project of the Government. Pursuant to the expansion program of the NSC, Proclamation No. 2239 was issued by the President of the Philippines on 16 November 1982 withdrawing from sale or settlement a large tract of public land (totalling about 30.25 hectares in area) located in Iligan City, and reserving that land for the use and immediate occupancy of NSC.

Since certain portions of the public land subject matter of Proclamation No. 2239 were occupied by a non-operational chemical fertilizer plant and related facilities owned by private respondent Maria Cristina Fertilizer Corporation ("MCFC"), Letter of Instruction (LOI) No. 1277, also dated 16 November 1982, was issued directing the NSC to "negotiate with the owners of MCFC, *for and on behalf of the Government*, for the compensation of MCFC's present occupancy rights on the subject land." LOI No. 1277 also directed that should NSC and private respondent MCFC fail to reach an agreement within a period of sixty (60) days from the date of LOI No. 1277, petitioner ISA was to exercise its power of eminent domain under P.D. No. 272 and to initiate expropriation proceedings in respect of occupancy rights of private respondent MCFC relating to the subject public land as well as the plant itself and related facilities and to code the same to the NSC.[2]

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[2] The relevant terms of LOI No. 1277 read as follows:

"(2) In the event that NSC and MCFC fail to agree on the foregoing within sixty (60) days from the date hereof, the Iron and Steel Authority (ISA) shall exercise its authority under Presidential Decree (PD) No. 272, as amended, to initiate the expropriation of the aforementioned occupancy rights of MCFC on the subject lands as well as the plant, structures, equipment, machinery and related facilities, for and on behalf of NSC, and thereafter cede the same to NSC. During the

Supreme Court E-Library

Negotiations between NSC and private respondent MCFC did fail. Accordingly, on 18 August 1983, petitioner ISA commenced eminent domain proceedings against private respondent MCFC in the Regional Trial Court, Branch 1, of Iligan City, praying that it (ISA) be placed in possession of the property involved upon depositing in court the amount of P1,760,789.69 representing ten percent (10%) of the declared market values of that property. The Philippine National Bank, as mortgagee of the plant facilities and improvements involved in the expropriation proceedings, was also impleaded as party-defendant.

On 17 September 1983 a writ of possession was issued by the trial court in favor of ISA. ISA in turn placed NSC in possession and control of the land occupied by MCFC's fertilizer plant installation.

The case proceeded to trial. While the trial was on-going, however, the statutory existence of petitioner ISA expired on 11 August 1988. MCFC then filed a motion to dismiss, contending that no valid judgment could be rendered against ISA which had ceased to be a juridical person. Petitioner ISA filed its opposition to this motion.

In an Order dated 9 November 1988, the trial court granted MCFC's motion to dismiss and did dismiss the case. The dismissal was anchored on the provision of the Rules of Court stating that "only natural or juridical persons or entities authorized by law may be parties in a civil case."[3] The trial

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pendency of the expropriation proceedings, NSC shall take possession of the property, subject to bonding and other requirements of P.D. No. 1533.

x x x x x x x x x"

[3] Section 1, Rule 3.

Supreme Court E-Library

court also referred to non-compliance by petitioner ISA with the requirements of Section 16, Rule 3 of the Rules of Court.[4]

Petitioner ISA moved for reconsideration of the trial court's Order, contending that despite the expiration of its term, its juridical existence continued until the winding up of its affairs could be completed. In the alternative, petitioner ISA urged that the Republic of the Philippines, being the real party-in-interest, should be allowed to be substituted for petitioner ISA. In this connection, ISA referred to a letter from the Office of the President dated 28 September 1988 which especially directed the Solicitor General to continue the expropriation case.

The trial court denied the motion for reconsideration, stating, among other things that:

"The property to be expropriated is not for public use or benefit [__] but for the use and benefit [__] of NSC, a government controlled private corporation engaged in private business and for profit, specially now that the government, according to newspaper reports, is offering for sale to the public its [shares of stock] in the National Steel Corporation in line with the pronounced policy of the present administration to disengage the government from its private business ventures."[5] (Brackets supplied)

Petitioner went on appeal to the Court of Appeals. In a Decision dated 8 October 1991, the Court of Appeals affirmed the order of dismissal of the trial court. The Court of Appeals

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[4] Section 16, Rule 3 of the Rules of Court reads:

"Sec. 16. *Duty of attorney upon death, incapacity or incompetency of party.* — Whenever a party to a pending case dies, becomes incapacitated or incompetent, it shall be the duty of his attorney to inform the court promptly of such death, incapacity or incompetency, and to give the name and residence of his executor, administrator, guardian or other legal representative."

[5] RTC Order dated 22 March 1989, p. 2; CA *Rollo*, p. 24.

Supreme Court E-Library

held that petitioner ISA, "a government regulatory agency exercising sovereign functions," did not have the same rights as an ordinary corporation and that the ISA, unlike corporations organized under the Corporation Code, was not entitled to a period for winding up its affairs after expiration of its legally mandated term, with the result that upon expiration of its term on 11 August 1987, ISA was "abolished and [had] no more legal authority to perform governmental functions." The Court of Appeals went on to say that the action for expropriation could not prosper because the basis for the proceedings, the ISA's exercise of its delegated authority to expropriate, had become ineffective as a result of the delegate's dissolution, and could not be continued in the name of Republic of the Philippines, represented by the Solicitor General:

"It is our considered opinion that under the law, *the complaint cannot prosper,* and therefore, has to be dismissed *without prejudice to the refiling of a new complaint for expropriation* if the Congress sees it fit." (Italics supplied)

At the same time, however, the Court of Appeals held that it was premature for the trial court to have ruled that the expropriation suit was not for a public purpose, considering that the parties had not yet rested their respective cases.

In this Petition for Review, the Solicitor General argues that since ISA initiated and prosecuted the action for expropriation in its capacity as agent of the Republic of the Philippines, the Republic, as principal of ISA, is entitled to be substituted and to be made a party-plaintiff after the agent ISA's term had expired.

Private respondent MCFC, upon the other hand, argues that the failure of Congress to enact a law further extending the term of ISA after 11 August 1988 evinced a "clear legislative intent to terminate the juridical existence of ISA," and that the authorization issued by the Office of the President

Supreme Court E-Library

to the Solicitor General for continued prosecution of the expropriation suit could not prevail over such negative intent. It is also contended that the exercise of the eminent domain by ISA or the Republic is improper, since that power would be exercised "not on behalf of the National Government but for the benefit of NSC."

The principal issue which we must address in this case is whether or not the Republic of the Philippines is entitled to be substituted for ISA in view of the expiration of ISA's term. As will be made clear below, this is really the only issue which we must resolve at this time.

Rule 3, Section 1 of the Rules of Court, specifies who may be parties to a civil action:

"Section 1. *Who May Be Parties.* — Only natural or juridical persons or entities authorized by law may be parties in a civil action."

Under the above quoted provision, it will be seen that those who can be parties to a civil action may be broadly categorized into two (2) groups:

(a) those who are recognized as *persons* under the law whether natural, i.e., biological persons, on the one hand, or juridical persons such as corporations, on the other hand; and

(b) *entities authorized by law* to institute actions.

Examination of the statute which created petitioner ISA shows that ISA falls under category (b) above. P.D. No. 272, as already noted, contains express authorization to ISA to commence expropriation proceedings like those here involved:

"Section 4. *Powers and Functions.* — The Authority shall have the following powers and functions:

x x x x x x x x x

Supreme Court E-Library

(j) *to initiate expropriation of land required for basic iron and steel facilities* for subsequent resale and/or lease to the companies involved if it is shown that such use of the State's power is necessary to implement the construction of capacity which is needed for the attainment of the objectives of the Authority;

x x x x x x x x x"

(Italics supplied)

It should also be noted that the enabling statute of ISA expressly authorized it to enter into certain kinds of contracts "*for and in behalf of the Government*" in the following terms:

"x x x x x x x x x

(i) *to negotiate and when necessary, to enter into contracts for and in behalf of the government*, for the bulk purchase of materials, supplies or services for any sectors in the industry, and to maintain inventories of such materials in order to insure a continuous and adequate supply thereof and thereby reduce operating costs of such sector;

x x x x x x x x x"

(Italics supplied)

Clearly, ISA was vested with some of the powers or attributes normally associated with juridical personality. There is, however, no provision in P.D. No. 272 recognizing ISA as possessing general or comprehensive juridical personality separate and distinct from that of the Government. The ISA in fact appears to the Court to be a *non-incorporated agency or instrumentality* of the Republic of the Philippines, or more precisely of the Government of the Republic of the Philippines. It is common knowledge that other agencies or instrumentalities of the Government of the Republic are cast in *corporate* form, that is to say, are *incorporated agencies* or *instrumentalities*, sometimes with and at other times without capital stock, and accordingly vested with a juridical

Supreme Court E-Library

personality distinct from the personality of the Republic. Among such incorporated agencies or instrumentalities are: National Power Corporation;[6] Philippine Ports Authority;[7] National Housing Authority;[8] Philippine National Oil Company;[9] Philippine National Railways;[10] Public Estates Authority;[11] Philippine Virginia Tobacco Administration;[12] and so forth. It is worth noting that the term "Authority" has been used to designate both incorporated and non-incorporated agencies or instrumentalities of the Government.

We consider that the ISA is properly regarded as an agent or delegate of the Republic of the Philippines. The Republic itself is a body corporate and juridical person vested with the full panoply of powers and attributes which are compendiously described as "legal personality." The relevant definitions are found in the Administrative Code of 1987:

"Sec. 2. *General Terms Defined.* — Unless the specific words of the text, or the context as a whole, or a particular statute, require a different meaning:

(1) *Government of the Republic of the Philippines* refers to the *corporate governmental entity* through which the functions of government are exercised throughout the Philippines, including, save as the contrary appears from the context, the various arms through which political authority is made effective in the Philippines, whether pertaining to the autonomous regions, the provincial, city, municipal or barangay subdivisions or other forms of local government.

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[6] Section 2, Republic Act No. 6395, 10 September 1971.

[7] Section 4, Presidential Decree No. 857, 23 December 1975.

[8] Section 2, Presidential Decree No. 757, 31 July 1975.

[9] Section 3, Presidential Decree No. 334, 9 November 1973.

[10] Section 1, Republic Act No. 4156, 20 June 1964.

[11] Sections 3 and 5, Presidential Decree No. 1084, 4 February 1977.

[12] Sections 3 and 4(k), Republic Act No. 2265, 19 June 1959.

Supreme Court E-Library

x x x x x x x x x

(4) *Agency of the Government* refers to *any of the various units of the Government*, including a department, bureau, *office* instrumentality, or government-owned or controlled *corporation*, or a local government or a distinct unit therein.

x x x x x x x x x

(10) *Instrumentality* refers to any agency of the National Government, not integrated within the department framework, vested with special functions or jurisdiction by law, *endowed with some if not all corporate powers*, administering special funds, and enjoying operational autonomy, usually through a charter. This term includes regulatory agencies, chartered institutions and government-owned or controlled corporations.

x x x x x x x x x"

(Italics supplied)

When the statutory term of a *non-incorporated* agency expires, the powers, duties and functions as well as the assets and liabilities of that agency revert back to, and are re-assumed by, the Republic of the Philippines, in the absence of special provisions of law specifying some other disposition thereof such as, e.g., devolution or transmission of such powers, duties, functions, etc. to some other identified successor agency or instrumentality of the Republic of the Philippines. When the expiring agency is an *incorporated* one, the consequences of such expiry must be looked for, in the first instance, in the charter of that agency and, by way of supplementation, in the provisions of the Corporation Code. Since, in the instant case, ISA is a non-incorporated agency or instrumentality of the Republic, its powers, duties, functions, assets and liabilities are properly regarded as folded back into the Government of the Republic of the Philippines and hence assumed once again by the Republic, no special statutory provision having been shown to have mandated succession thereto by some other entity or agency of the Republic.

Supreme Court E-Library

The procedural implications of the relationship between an agent or delegate of the Republic of the Philippines and the Republic itself are, at least in part, spelled out in the Rules of Court. The general rule is, of course, that an action must be prosecuted and defended in the name of the real party in interest. (Rule 3, Section 2) Petitioner ISA was, at the commencement of the expropriation proceedings, a real party in interest, having been explicitly authorized by its enabling statute to institute expropriation proceedings. The Rules of Court at the same time expressly recognize the role of representative parties:

"Section 3. *Representative Parties.* — A trustee of an expressed trust, a guardian, an executor or administrator, or *a party authorized by statute may sue or be sued without joining the party for whose benefit the action is presented* or defended; but the court may, at any stage of the proceedings, order such beneficiary to be made a party. x x x." (Italics supplied)

In the instant case, ISA instituted the expropriation proceedings in its capacity as an agent or delegate or representative of the Republic of the Philippines pursuant to its authority under P.D. No. 272. The present expropriation suit was brought on behalf of and for the benefit of the Republic as the principal of ISA. Paragraph 7 of the complaint stated:

"7. *The Government, thru the plaintiff ISA,* urgently needs the subject parcels of land for the construction and installation of iron and steel manufacturing facilities that are indispensable to the integration of the iron and steel making industry which is vital to the promotion of public interest and welfare." (Italics supplied)

The principal or the real party in interest is thus the Republic of the Philippines and not the National Steel Corporation, even though the latter may be an ultimate user of the properties involved should the condemnation suit be eventually successful.

Supreme Court E-Library

From the foregoing premises, it follows that the Republic of the Philippines is entitled to be substituted in the expropriation proceedings as party-plaintiff in lieu of ISA, the statutory term of ISA having expired. Put a little differently, the expiration of ISA's statutory term did not by itself require or justify the dismissal of the eminent domain proceedings.

It is also relevant to note that the non-joinder of the Republic which occurred upon the expiration of ISA's statutory term, was not a ground for dismissal of such proceedings since a party may be dropped or added by order of the court, *on motion of any party* or *on the court's own initiative at any stage of the action* and on such terms as are just.[13] In the instant case, the Republic has precisely moved to take over the proceedings as party-plaintiff.

In *E.B. Marcha Transport Company. Inc. v. Intermediate Appellate Court*,[14] the Court recognized that the Republic may initiate or participate in actions involving its agents. There the Republic of the Philippines was held to be a proper party to sue for recovery of possession of property although the "real" or registered owner of the property was the Philippine Ports Authority, a government agency vested with a separate juridical personality. The Court said:

"*It can be said that in suing for the recovery of the rentals, the Republic of the Philippines acted as principal of the Philippine Ports Authority, directly exercising the commission it had earlier conferred on latter as its agent.* x x x"[15] (Italics supplied)

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[13] Rule 3, Section 11, Rules of Court. See, in this connection, St. Anne Medical Center *v.* Parel (176 SCRA 755 [1989]), where the petition had been filed in the name of "St. Anne Medical Center" which was not a juridical person and where this Court invoked Rule 3, Section 11 and impleaded the real party-in-interest.

[14] 147 SCRA 276 (1987).

[15] 147 SCRA at 279.

Supreme Court E-Library

In *E.B. Marcha*, the Court also stressed that to require the Republic to commence all over again another proceeding, as the trial court and Court of Appeals had required, was to generate unwarranted delay and create needless repetition of proceedings:

"More importantly, as we see it, *dismissing the complaint on the ground that the Republic of the Philippines is not the proper party would result in needless delay in the settlement of this matter* and also *in derogation of the policy against multiplicity of suits*. Such a decision would require the Philippine Ports Authority to refile the very same complaint already proved by the Republic of the Philippines and bring back as it were to square one."[16] (Italics supplied)

As noted earlier, the Court of Appeals declined to permit the substitution of the Republic of the Philippines for the ISA upon the ground that the action for expropriation could not prosper because the basis for the proceedings, the ISA's exercise of its delegated authority to expropriate, had become legally ineffective by reason of the expiration of the statutory term of the agent or delegated i.e., ISA. Since, as we have held above, the powers and functions of ISA have reverted to the Republic of the Philippines upon the termination of the statutory term of ISA, the question should be addressed whether fresh legislative authority is necessary before the Republic of the Philippines may continue the expropriation proceedings initiated by its own delegate or agent.

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[16] 146 SCRA at 279. In Lagazon *v.* Reyes (166 SCRA 386 [1988]), the Court said that

"the aim of [Rule 3, Section 11] is that all persons materially interested, legally or beneficially, in the subject matter of the suit should be made parties to it in order that the whole matter in dispute may be determined once and for all in one litigation, thus avoiding multiplicity of suits x x x." (166 SCRA at 392)

Supreme Court E-Library

While the power of eminent domain is, in principle, vested primarily in the legislative department of the government, we believe and so hold that no new legislative act is necessary should the Republic decide, upon being substituted for ISA, in fact to continue to prosecute the expropriation proceedings. For the legislative authority, a long time ago, enacted a continuing or standing delegation of authority to the president of the Philippines to exercise, or cause the exercise of, the power of eminent domain on behalf of the Government of the Republic of the Philippines. The 1917 Revised Administrative Code, which was in effect at the time of the commencement of the present expropriation proceedings before the Iligan Regional Trial Court, provided that:

"*Section 64. Particular powers and duties of the President of the Philippines.* — In addition to his general supervisory authority, the President of the Philippines shall have such other specific powers and duties as are expressly conferred or imposed on him by law, and also, in particular, the powers and duties set forth in this Chapter.

Among such special powers and duties shall be:

x x x x x x x x x

(h) To determine when it is necessary or advantageous to exercise the right of eminent domain in behalf of the Government of the Philippines; *and to direct the Secretary of Justice, where such act is deemed advisable, to cause the condemnation proceedings to be begun in the court having proper jurisdiction.*" (Italics supplied)

The Revised Administrative Code of 1987 currently in force has substantially reproduced the foregoing provision in the following terms:

"Sec. 12. *Power of eminent domain.* — The *President shall* determine when it is necessary or advantageous to exercise the power of eminent domain in behalf of the National Government,

Supreme Court E-Library

and *direct the Solicitor General, whenever he deems the action advisable, to institute expropriation proceedings in the proper court.*" (Italics supplied)

In the present case, the President, exercising the power duly delegated under both the 1917 and 1987 Revised Administrative Codes in effect made a determination that it was necessary and advantageous to exercise the power of eminent domain in behalf of the Government of the Republic and accordingly directed the Solicitor General to proceed with the suit.[17]

It is argued by private respondent MCFC that, because Congress after becoming once more the depository of primary legislative power, had not enacted a statute extending the term of ISA, such non-enactment must be deemed a manifestation of a legislative design to discontinue or abort the present expropriation suit. We find this argument much too speculative; it rests too much upon simple silence on the part of Congress and casually disregards the existence of Section 12 of the 1987 Administrative Code already quoted above.

Other contentions are made by private respondent MCFC, such as, that the constitutional requirement of "public use" or "public purpose" is not present in the instant case, and that the indispensable element of just compensation is also absent. We agree with the Court of Appeals in this connection that these contentions, which were adopted and set out by the Regional Trial Court in its order of dismissal, are premature and are appropriately addressed in the proceedings before the trial court. Those proceedings have yet to produce a decision on the merits, since trial was still on going at the time the Regional Trial Court precipitously dismissed the expropriation proceedings. Moreover, as a pragmatic matter,

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[17] Letter of 28 September 1988; Records, p. 1297.

Supreme Court E-Library

the Republic is, by such substitution as party-plaintiff, accorded an opportunity to determine whether or not, or to what extent, the proceedings should be continued in view of all the subsequent developments in the iron and steel sector of the country including, though not limited to, the partial privatization of the NSC.

WHEREFORE, for all the foregoing, the Decision of the Court of Appeals dated 8 October 1991 to the extent that it affirmed the trial court's order dismissing the expropriation proceedings, is hereby REVERSED and SET ASIDE and the case is REMANDED to the court *a quo* which shall allow the substitution of the Republic of the Philippines for petitioner Iron and Steel Authority and for further proceedings consistent with this Decision. No pronouncement as to costs.

SO ORDERED.

Romero, Melo, Vitug, and *Panganiban, JJ.*, concur.

SECOND DIVISION

[G.R. Nos. 110815-16. October 25, 1995]

PEOPLE OF THE PHILIPPINES, *respondent-appellee, vs.* JOHNNY SINATAO, *accused-appellant.*

SYLLABUS

1. **REMEDIAL LAW; EVIDENCE; SETTLED PRINCIPLES APPLICABLE IN REVIEWING EVIDENCE FOR RAPE.**— Rape is truly an abominable crime, nevertheless, there must be moral certainty of its having been, in fact,