

Title: Atlas Fertilizer Corporation, et al. vs. The Honorable Secretary of the Department of Agrarian Reform

Facts: The petitioners, Atlas Fertilizer Corporation, Philippine Federation of Fishfarm Producers, Inc., together with petitioner-in-intervention Archie's Fishpond, Inc., and Arsenio Al. Acuna, engaged in the aquaculture industry, contested certain provisions of Republic Act No. 6657, the Comprehensive Agrarian Reform Law (CARL), on the grounds that these provisions were unconstitutional. They argued that Sections 3(b), 11, 13, 16(d), 17, and 32 unjustifiably extended the agrarian reform coverage to include aquaculture lands, such as fishponds and prawn farms, despite the Philippine Constitution's limitation of agrarian reforms to agricultural lands. They also claimed violations of the equal protection clause, distorted employment benefits, and deprivation of investments.

Issues: The primary legal issue involved the constitutionality of CARL provisions including fishponds and prawn farms in its coverage and whether these provisions violated the constitutional guarantee of equal protection and infringed upon petitioners' rights to property and enterprise. However, Congress passed Republic Act No. 7881, amending CARL, specifically excluding fishponds and prawn farms from its coverage, thus potentially rendering the petitions moot and academic.

Court's Decision: The Supreme Court dismissed the petition, finding that the issue had been rendered moot and academic by the enactment of Republic Act No. 7881, which amended CARL. This new law clearly stipulated that fishponds and prawn farms were exempt from the coverage of CARL. Therefore, the Court declined to pronounce on the constitutionality of the provisions since the amendment had effectively settled the matter legislatively.

Doctrine: When an act or law is challenged as being unconstitutional and subsequent legislation is passed which effectively amends or alters the circumstances, thereby removing the grounds for the dispute, courts may declare the case moot and academic.

Class Notes:

- The "moot and academic" principle applies when circumstances change during the pendency of a case, eliminating the need for a court to resolve the underlying conflict.
- Section 3(b) of Republic Act No. 7881 provides a definition of "Agriculture, Agricultural Enterprise or Agricultural Activity," which excludes fishponds and prawn farms.
- Section 10 of Republic Act No. 7881 exempts private lands "actually, directly and exclusively used for prawn farms and fishponds" from coverage by CARL.

- Section 32-A introduces an incentive plan for fishpond or prawn farm workers.
- Courts respect the roles of the Legislative and Executive branches in amending laws and resolve cases based on the legal landscape as it stands at the time of their decision.

Historical Background:

The Comprehensive Agrarian Reform Law (CARL) was enacted in 1988 with the intention of distributing agricultural land to farmers and farmworkers as part of the Philippine government's efforts toward social justice. Aquaculture was initially included within the scope of CARL's definition of agricultural land, leading to challenges from industry entities concerned about the potential implications for their businesses. The case of Atlas Fertilizer Corporation et al. vs. The Honorable Secretary of the Department of Agrarian Reform was situated against this backdrop, where the sectors involved in aquaculture assessed the consistency of CARL with their constitutional rights. The subsequent enactment of Republic Act No. 7881 amended CARL to categorically exclude fishponds and prawn farms from its coverage, reflecting the Legislature's responsiveness to the concerns raised by the stakeholders in the aquaculture industry.