

****Title:**** Lausan Ayog et al. vs. Judge Vicente N. Cusi, Jr. et al.: The Retroactivity of Constitutional Prohibitions on Land Purchases by Corporations

****Facts:****

On January 21, 1953, Biñan Development Co., Inc. was awarded Cadastral Lot No. 281 by the Director of Lands through a bidding process. Subsequent protests by some occupants were dismissed by the Director of Lands on August 30, 1957, branding the protesters as squatters. Without an appeal from this decision and despite a writ of execution, the occupants refused to vacate. As a response, an ejectment suit (Civil Case No. 3711) was filed on February 27, 1961 against forty identified defendants.

Despite the ongoing litigation, the purchase price was fully paid by the corporation on July 18, 1961. The sales patent, however, took time and was only issued much later on August 14, 1975, after the corporation satisfied the Public Land Law's requirements, but notably after the 1973 Constitution was in effect, which included a prohibition against private corporations acquiring public land.

The ejectment suit proceeded, and the trial court ruled in favor of the corporation, a decision later affirmed by the Court of Appeals on December 5, 1975. A petition for review was denied by the Supreme Court on May 17, 1976. Motion for execution followed, but was met with opposition from the defendants, citing the 1973 Constitution's prohibition as a supervening event nullifying the court's judgment. This led to the filing of the instant prohibition action on August 24, 1977.

****Issues:****

1. Whether the 1973 Constitution's prohibition against corporate acquisition of public lands applies retroactively to invalidate Biñan Development Co., Inc.'s already vested rights to the land awarded in 1953.
2. Whether the judgment in the ejectment suit can be enforced against occupants who were not defendants in the original action.

****Court's Decision:****

1. The Supreme Court ruled that the constitutional prohibition has no retroactive effect on Biñan Development Co., Inc.'s vested rights acquired prior to the 1973 Constitution. The corporation had fulfilled its obligations under the Public Land Law well before the new constitutional provision took effect.
2. The Court also clarified that the judgment from the ejectment suit cannot be enforced

against parties who were not named defendants in the original lawsuit and did not derive their right of possession from those defendants, upholding principles of due process and fairness.

****Doctrine:****

- The decision established a clear doctrine that constitutional provisions, particularly those involving property rights and prohibitions against corporate ownership of public lands, do not apply retroactively to disturb vested rights acquired under prior laws.
- The principle of vested rights under constitutional law, which emphasizes that rights which have been legally acknowledged and built upon by parties cannot be revoked by subsequent changes in law, including constitutional amendments, without due process.

****Class Notes:****

- Vested Rights: Rights that have been formally recognized by law and can be protected from retroactive changes.
- Constitutional Retroactivity: Constitutional amendments or new provisions typically do not have retroactive effect, especially when it would impair vested rights.
- Due Process: The legal requirement that ensures fair treatment through the judicial system, including the principle that laws and regulations must not be applied retroactively to the detriment of established rights.

****Historical Background:****

This case is situated against the backdrop of the 1973 Constitution, notably its provision against corporate ownership of public agricultural lands—a reflection of the broader agrarian reform movement aiming to distribute land more equitably among Filipino citizens. The prohibition aimed to dismantle large landholdings by corporations and promote agrarian reform policies focusing on land distribution and support for individual tenant-farmers, but this case illustrates the complexity of applying new laws and constitutional provisions to pre-existing rights and agreements.