

Title:

Department of Agrarian Reform vs. Apex Investment and Financing Corporation (Now SM Investment Corporation)

Facts:

This case involves the Department of Agrarian Reform (DAR) and Apex Investment and Financing Corporation (now SM Investments Corporation) concerning the compulsory acquisition of several lots owned by Apex located in Barangay Paliparan, Dasmariñas, Cavite. The Municipal Agrarian Reform Office (MARO) initiated acquisition proceedings under Republic Act No. 6657 (Comprehensive Agrarian Reform Law of 1988) on August 24, 1994. Notices sent to Apex's old office address were not received, leading to their learning about the proceedings from a December 11, 1997 newspaper issue.

Apex filed a Protest on January 12, 1998, challenging the acquisition, asserting that its lands were residential and hence exempt from R.A. No. 6657. It later filed a Supplemental Protest with supporting certifications about the land's non-agricultural status. The DAR's delayed response and action led Apex to discover the cancellation of its title and issuance of new titles to a farmer-beneficiary and subsequently filed a petition for certiorari and prohibition with the Court of Appeals to void the acquisition process and restore its title.

The Court of Appeals granted Apex's petition, declaring the acquisition null and void and restoring Apex's land title. DAR's appeal to this decision was rooted in claims of Apex's failure to exhaust administrative remedies, deprivation of due process, and the miscategorization of the land as residential.

Issues:

1. Whether Apex Investment and Financing Corporation was required to exhaust all administrative remedies before seeking judicial intervention.
2. Whether Apex was deprived of its constitutional right to due process in the compulsory acquisition proceedings.
3. Whether the parcels of land are indeed residential and thus not covered by the Comprehensive Agrarian Reform Law (R.A. No. 6657).

Court's Decision:

The Supreme Court affirmed the Court of Appeals' decision with modifications, stressing the uniqueness of the circumstances that justify bypassing the doctrine of exhaustion of administrative remedies. Apex was seen not to have received proper notice of the

acquisition proceedings, violating their right to due process. However, the Court did not definitively conclude on the residential status of the land but allowed DAR to conduct further proceedings to determine its classification.

Doctrine:

The decision reiterates that the doctrine of exhaustion of administrative remedies is flexible and may be bypassed under circumstances indicating the urgency of judicial intervention or when the administrative action is patently illegal amounting to lack or excess of jurisdiction. It also upholds that procedural due process must be observed in compulsory acquisition proceedings under the Comprehensive Agrarian Reform Law.

Class Notes:

- **Doctrine of Exhaustion of Administrative Remedies**: This case exemplifies an exception to the doctrine, highlighting the Court's flexibility in considering the peculiar circumstances of each case.
- **Procedural Due Process in Compulsory Acquisition**: Emphasizes the requirement for personal delivery or registered mail of notices to landowners, underscoring the importance of informed participation in the proceedings.
- **Classification of Land under R.A. No. 6657**: The case presents an unresolved issue on whether certain parcels of land classified as residential prior to the law's effectivity are exempt from its coverage, pending further determination by DAR.

Historical Background:

The context of this legal battle focuses on the complexities and challenges surrounding the implementation of the Comprehensive Agrarian Reform Program (CARP) in the Philippines, particularly issues on land classification and the procedural aspects of acquiring private lands for agrarian reform purposes.