

****Title:** Apo Fruits Corporation and Hijo Plantation, Inc. vs. Land Bank of the Philippines:
A Landmark Case on Just Compensation and Agrarian Reform in the Philippines**

****Facts:****

This case originated from individual complaints for determination of just compensation filed by Apo Fruits Corporation (AFC) and Hijo Plantation, Inc. (HPI) after their lands were taken by the government for its Comprehensive Agrarian Reform Program (CARP). The Land Bank of the Philippines (LBP) initially determined the compensation, which the petitioners found grossly inadequate, prompting them to appeal to the Department of Agrarian Reform Adjudication Board (DARAB). Due to inaction, the petitioners escalated the matter to the Regional Trial Court (RTC) of Tagum City, which awarded them a significantly higher valuation and 12% interest per annum for delay in payment.

Despite the RTC's ruling, the original decision and the imposed interest underwent several reconsiderations and rulings by the Supreme Court's Third Division, which ultimately led to the legal battle reaching the Supreme Court en banc. After numerous legal proceedings that spanned several years, including motions for reconsideration, the denial of motions due to technicalities, and interventions by various state instrumentalities, the Supreme Court en banc issued a resolution granting the petitioners' motion for reconsideration, significantly recognizing the right to just compensation, including the imposition of 12% interest per annum for delayed payment.

****Issues:****

1. Whether the doctrine of immutability of judgment prevents the reconsideration of a final and executory decision.
2. Whether the case involves a matter of transcendental importance that justifies the recall of a final ruling.
3. Proper computation of just compensation for expropriated lands under CARP, including the applicable interest rate for delayed payment.
4. The procedural question of whether the Court en banc could entertain a second motion for reconsideration based on its internal rules and the constitutional requirement for the concurrence of a majority of its members.

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

The Supreme Court en banc rejected LBP's second motion for reconsideration and solidified its previous stance granting the 12% interest per year for delayed payment of just compensation to the petitioners. The Court clarified that:

- The principle of the immutability of judgments does not absolutely bar the Court from recalling its final rulings if there's a compelling reason rooted in the higher interest of justice, such as correcting patently unjust outcomes due to delayed compensation in expropriation cases.
- In determining the just compensation, the RTC's higher valuation based on comprehensive evidence was supported, reinforcing that just compensation must be prompt and should reflect the property's real value.
- The Court's procedural rules, including those on entertaining second motions for reconsideration, are subordinate to its mandate to ensure justice based on the merits of each case. The majority of the members' participation in deciding on the merits effectively complied with constitutional and internal procedural requirements.

****Doctrine:****

The case affirmed the principle that the State's obligation to pay just compensation when exercising the power of eminent domain is not merely a matter of statutory compliance but a constitutional guarantee that must be promptly and fairly satisfied. It emphasized that delays in the payment of just compensation can warrant the imposition of interest as a form of relief for the property owner.

****Class Notes:****

1. Immutability of Judgments vs. Higher Interest of Justice: The Supreme Court may revisit final and executory decisions if dictated by the higher interest of justice, particularly in ensuring the constitutional right to just compensation.
2. Just Compensation: It encompasses not only the fair market value of the property but also timely payment. Failure to promptly pay can lead to the imposition of interest as a form of equitable relief.
3. Procedural Flexibility for Justice: The Court's procedural rules, including those on motions for reconsideration, should not obstruct substantive justice but must be interpreted and applied flexibly to achieve fair outcomes.

****Historical Background:****

This case exemplified the tensions between procedural finality and substantive justice in the context of agrarian reform in the Philippines. It showcased the evolving jurisprudence on the interpretation of just compensation, emphasizing the balance between social justice objectives and protecting property rights under the Constitution. Through this legal battle, the Supreme Court demonstrated its willingness to exercise judicial flexibility to correct or prevent unjust outcomes, particularly in cases involving significant public interest and

constitutional guarantees.