

### Title:

Lianga Bay Logging Co., Inc. vs. Hon. Manuel Lopez Enage and Ago Timber Corporation

### Facts:

The dispute between Lianga Bay Logging Company (petitioner) and Ago Timber Corporation (respondent) pertains to the correct boundary line of their adjacent licensed timber areas in the Philippines. Petitioner's concession was described in its Timber License Agreement No. 49, covering 110,406 hectares in Surigao, while respondent's concession under Ordinary Timber License No. 1323-60 covered approximately 4,000 hectares in Agusan, a portion of a larger area originally licensed to Narciso Lansang.

Conflicts over encroachment led the Director of Forestry to order a survey to establish the common boundary. The survey's findings, favoring the petitioner's interpretation of the boundary, were protested by the respondent. Despite various levels of administrative review, including the Secretary of Agriculture and Natural Resources and the Office of the President, conflicting decisions were rendered. Eventually, the Office of the President, through Assistant Executive Secretary Gilberto Duavit, affirmed the Director of Forestry's decision favoring petitioner.

Unsatisfied, the respondent sought judicial review by filing a case in the Court of First Instance of Agusan, which granted a temporary restraining order and later, a writ of preliminary injunction against the officials' decision. The petitioner then moved for the dismissal on the ground that the court lacked jurisdiction and that the administrative decision was final and binding. The court denied this motion and issued the injunction, leading to the petitioner's appeal to the Supreme Court.

### Issues:

1. Whether the Court of First Instance had jurisdiction to review the administrative decision concerning the boundary dispute between the two logging companies.
2. Whether the administrative officials' decision should be considered final and binding.
3. Whether the issuance of the preliminary injunction by the Court of First Instance was appropriate.

### Court's Decision:

The Supreme Court granted the petition, affirming that the respondent judge lacked the authority to review anew the administrative decision that had carefully determined the boundary dispute. The Court underlined the principle that findings of administrative bodies

are generally accepted as final and binding unless there is evidence of grave abuse of discretion or lack of jurisdiction. It was noted that the Director of Forestry and subsequent reviewing officials had clear jurisdiction over the matter, supported by substantive evidence. The Court further reiterated that courts should not substitute their judgment for that of administrative agencies that have specialized expertise in specific fields. Finally, the Court emphasized that the writ of injunction was erroneously issued by the Court of First Instance as it went beyond its jurisdictional authority, leading to its annulment and the dismissal of the case filed by Ago Timber Corporation.

### ### Doctrine:

This case reiterates the doctrine that administrative decisions made by bodies or officials, following careful review and hearings, are generally regarded as final and binding by the courts, except in instances of jurisdictional overreach, grave abuse of discretion, or arbitrary action. It underscores the principle that courts will not substitute their judgment for that of administrative boards or officials who have been granted authority over specific matters due to their specialized experience and knowledge.

### ### Class Notes:

- **Administrative Decision Acceptance:** Courts typically uphold the decisions of administrative boards or officials unless there's evidence of grave abuse of discretion or jurisdictional errors.
- **Boundary Disputes in Forest Concessions:** Resolved primarily by the Director of Forestry and reviewable by higher administrative authorities, not by regular courts, unless administrative remedies have been exhausted.
- **Jurisdiction of Administrative Decisions:** The authority of Forest Management and related bodies in resolving concession boundaries is recognised and upheld, sidelining regular courts unless a clear jurisdictional violation is evident.
- **Injunction against Administrative Actions:** Courts of First Instance have limited scope in issuing injunctions against administrative decisions, especially when such acts fall outside their geographical jurisdiction or expertise.

### ### Historical Background:

The case illustrates the complex interaction between administrative decision-making and judicial review within the context of forestry management and concession rights. It highlights the Philippines' legal framework for resolving disputes related to natural resource management, affirming the specialized role of administrative bodies in such matters. This decision is rooted in the broader policy goal of ensuring efficient and expert

resolution of environmental and resource-based conflicts, reflecting an acknowledgment of the specialized nature of forest management and its significance to national interests.