

### Title: Mustang Lumber, Inc. vs. Hon. Court of Appeals, Hon. Fulgencio S. Factoran, Jr., et al.

#### Facts:

This consolidated case stemmed from disputed seizures of lumber by the Department of Environment and Natural Resources (DENR) from Mustang Lumber, Inc.'s lumberyard in Valenzuela, Metro Manila. The sequence began on 1 April 1990 when a team, responding to information about illegal lumber stockpiles, seized a truck leaving Mustang Lumber's yard without the necessary documents. Subsequently, on 3 April 1990, with a search warrant, the team confiscated four truckloads of various lumber species. Further administrative seizure took place on 4 April 1990 due to Mustang Lumber's failure to produce the requisite documentation for their lumber stockpile.

Multiple legal actions ensued. Mustang Lumber initiated two civil cases challenging the seizures and the suspension of its permit. Meanwhile, the DENR, through Atty. Robles, filed a criminal charge against Ri Chuy Po, Mustang Lumber's General Manager, for illegal possession of approximately 200,000 board feet of lumber, the case was eventually quashed by the Regional Trial Court (RTC) for not ostensibly constituting a crime under the relevant forestry laws. Appeals followed the decisions on these cases, ultimately leading the Supreme Court to consolidate and review them due to their interrelatedness.

#### Issues:

1. Whether possession of lumber without the necessary legal documents constitutes an offense under Section 68 of Presidential Decree No. 705, as amended by Executive Order No. 277.
2. Whether the seizures conducted by the DENR team were legal and pursuant to the laws and regulations governing forestry products.
3. Whether the suspension and subsequent actions against Mustang Lumber, Inc.'s permit were procedurally and substantively valid.
4. Whether the DENR's and the Court of Appeals' interpretations extending the coverage of "forest products" to include "lumber" under PD 705 were correct.

#### Court's Decision:

1. The Supreme Court held that possession of lumber without the legal documents is indeed punishable under Section 68 of PD No. 705, as amended, countering the ruling of the RTC. The Court clarified that "timber" encompasses both raw and processed forms, thus including "lumber".

2. The Court justified the warrantless seizures of lumber and the truck, applying exceptions to the requirement for a search warrant because the seizures involved moving vehicles and were conducted under a validly issued search warrant.

3. The Supreme Court found the DENR's suspension of Mustang Lumber's permit and subsequent confiscation of lumber as legally and procedurally correct based on existing laws and regulations.

4. It affirmed the applicability of PD No. 705 to the possession of lumber, overriding the trial court's interpretations that excluded lumber from the provision's coverage.

#### #### Doctrine:

The Supreme Court reinforced the principle that "lumber" falls within the scope of "timber" or "forest products" under Section 68 of PD No. 705, as amended, thus subjecting possession thereof without the necessary legal documentation to criminal penalties. It emphasized broad interpretation towards the comprehensive protection of forest resources against unlawful exploitation.

#### ### Class Notes:

##### - \*\*Essential Concepts\*\*:

- Timber includes both unprocessed and processed forms such as lumber.
- Warrantless searches and seizures can be valid under certain exceptions, including the search of moving vehicles and seizures in view of a law enforcement officer.
- Administrative sanctions, including permit suspension and confiscation, can be imposed for violations of forestry laws without the necessity of prior judicial action when supported by sufficient evidence and legal authority.

- \*\*Relevant Statutory Provisions\*\*: Section 68 of PD No. 705 as amended by Executive Order No. 277 subjects anyone possessing timber or other forest products without legal documents to penalties.

- \*\*Applications\*\*: The possession of lumber, when lacking appropriate legal documentation, constitutes a violation subject to criminal prosecution and administrative sanctions, underscoring strict adherence to forestry laws and regulations.

#### #### Historical Background:

The case encapsulates the broader legal and environmental context in the Philippines concerning the conservation and management of forest resources. Amidst the background of increasing environmental awareness and the necessity to curb illegal logging practices, this decision reflects the judiciary's role in enforcing environmental laws and regulations. It anchors on the interpretation of legal provisions to safeguard natural resources against

exploitation, within the ambit of established legal and administrative frameworks.