

****Title: Spouses Gonzales vs. Marmaine Realty Corporation****

****Facts:****

The case originated from a Complaint for Recognition as Tenant with Damages and Temporary Restraining Order filed by the Spouses Ramon and Ligaya Gonzales against Marmaine Realty Corporation before the Department of Agrarian Reform Adjudication Board (DARAB) on October 30, 1997. Marmaine filed a Motion to Dismiss, which was later followed by an Answer with Counterclaim. The Provincial Agrarian Reform Adjudicator (PARAD) favored the Gonzales with a writ of preliminary injunction on January 6, 1998, leading them to file a Notice of Lis Pendens.

The PARAD dismissed the Gonzales' complaint on June 27, 2002, for lack of merit, a decision which was upheld by DARAB on October 17, 2008, and became final and executory on May 7, 2009. Marmaine subsequently motioned for the cancellation of the Notice of Lis Pendens, which was initially denied by PARAD citing a pending civil case, but was later granted upon reconsideration.

The Gonzales directly sought relief from the Court of Appeals (CA) through a petition under Rule 43, bypassing the DARAB. However, the CA dismissed their petition for failing to exhaust administrative remedies and denied their motion for reconsideration.

****Issues:****

1. Did the CA err in dismissing the petition due to non-exhaustion of administrative remedies?
2. Was the PARAD's order to cancel the Notice of Lis Pendens against Marmaine's properties correct?

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

The Supreme Court highlighted the doctrine of exhaustion of administrative remedies but recognized exceptions, particularly when the issue involved is purely legal. The Court found that the question of the propriety of the cancellation of the Notice of Lis Pendens was a legal one, not requiring administrative intervention. It ruled that the CA erred in dismissing the petition on grounds of non-exhaustion.

For the cancellation of the Notice of Lis Pendens, the Court ruled that given the Tenancy Case had been resolved against the Gonzales with finality, the PARAD correctly ordered its cancellation. This action pertained solely to the resolved Tenancy Case and not to any other ongoing disputes involving the same parties.

****Doctrine:****

- ****Exhaustion of Administrative Remedies:**** Court interventions are permissible without exhausting administrative remedies when the issue presented is purely legal.
- ****Lis Pendens:**** A notice of Lis Pendens may be cancelled upon the resolution of the underlying case for which it was filed, especially when the decision is rendered against the party who caused its annotation.

****Class Notes:****

- ****Legal Issues vs. Administrative Matters:**** Distinguishing between matters that can be resolved administratively and issues that are inherently legal is crucial in determining the correct procedural steps, including when court intervention is appropriate.
- ****Doctrine of Exhaustion of Administrative Remedies:**** This principle requires litigants to use all available administrative remedies before seeking judicial intervention, with key exceptions such as purely legal questions.
- ****Lis Pendens:**** Understand the purpose, effects, and conditions for cancellation of a Notice of Lis Pendens, particularly in the context of ongoing real property litigation.

****Historical Background:****

The case reflects the intersection of agrarian reform issues and property rights in the Philippines, highlighting the procedural intricacies when agricultural tenancy issues evolve into legal disputes involving real property rights. It underscores the balance between administrative adjudication in specialized areas such as agrarian reform and the judiciary's role in resolving questions of law.