

**AMADO LACUESTA, PETITIONER, VS. A. MELENCIO HERRERA IN
HER CAPACITY AS PRESIDING JUDGE OF BRANCH XVII OF THE
COURT OF FIRST INSTANCE OF MANILA, AND HEIRS OF ROBERTO
DOROMAL REPR...***G.R. No. L-33646. January 28, 1975*

Ponente: TEEHANKEE, J.

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The Court grants the petition for certiorari and sets aside the challenged preliminary injunction issued by respondent court restraining the enforcement of the administrative decision rendered by the Secretary of Agriculture and Natural Resources awarding one-half of the disputed fishpond area to petitioner and sustained on appeal by the Office of the President. It is established doctrine that where as in the case at bar there is no showing of fraud, collusion, arbitrariness, illegality, imposition or mistake on the part of the executive and administrative officials in rendering their questioned decision or of a total lack of evidence to support the same, such administrative decisions are entitled to great weight and respect and will not be interfered with by the courts.

By final and executory judgment of September 3, 1963 of the Davao court of first instance, in an action[1] for specific performance, partition and accounting of a 125.5-hectare fishpond area,[2] the said court found that herein petitioner as plaintiff therein was indeed a partner with defendants therein (the spouses Roberto Doromal and Florita Lacuesta Doromal, brother-in-law and sister of petitioner and subsequently substituted after Doromal's death by respondents heirs of Roberto Doromal, represented by Florita Doromal) in the said fishpond, having contributed money, property and effort thereto in pursuance of their partnership agreement. It accordingly rendered judgment in favor of petitioner, as follows:

"WHEREFORE, judgment is hereby entered sentencing the defendants to pay the plaintiffs the sum of P14,945.10 representing plaintiffs' contribution in the development of the fishpond in litigation; and additional sum of P8,889.87 representing the share of the plaintiffs in the income from the fishpond from 1951 to 1959, and that defendants shall further render an accounting of the income from the fishpond from 1960 up to the date when this decision becomes final and pay to the plaintiffs one-half (&\$189) of the amount of the total income for the said period as plaintiffs' share in the income."

As the fishpond formed part of the public lands, however, the Davao court declared itself without authority over the complaint's prayer for partition, holding that "(T)he only difficulty in the case is whether that portion of the agreement wherein the parties should divide the fishpond after its development may be carried out. A fishpond does not become the property of the applicant after approval of the permit. The title is still in government. Since it is the government that grants the permit, the plaintiffs may not compel the defendants to have the fishpond divided between them for before the plaintiffs may operate what might pertain to them, it is necessary that they should secure a permit from the government."

Armed with the explicit findings of the said court as to his right as a partner to one-half of the fishpond in

question, petitioner instituted with the Philippine Fisheries Commission on April 1, 1965[3] the administrative protest against Doromal's fishpond permit over the whole area and filed his application over one-half of the area and asked for the partition thereof with accounting.

The Commissioner of Fisheries denied petitioner's protest and application. On timely appeal, however, then Secretary of Agriculture and Natural Resources Fernando Lopez rendered his decision of November 21, 1968 in favor of petitioner.

The Secretary cited in his decision the Davao court's findings which "conclusively proved that a partnership was established between the parties" and noted that "this fact is also admitted by appellees [Doromals] in their reply memorandum." He then made his own factual findings supporting his conclusion that "indispensable aid both material or otherwise (was) extended by spouses appellants [petitioner and his spouse] in securing (Doromal's) permit" pursuant to their oral partnership agreement.[4]

The Secretary in his decision further ruled that "this office cannot just simply ignore the equitable rights of [petitioner] over one-half of the fishpond in question" as judicially determined by the Davao court and rejected respondents Doromals' contention that petitioner should be deemed as having abandoned the partnership and barred from claiming any further interest in the fishpond as a result of the judgment obtained by them in the Davao court, holding that

"... Suffice it to say that the amount of money ordered by the court to be paid by appellees to appellants represent the latter's contribution and share in the development of and income from the fishpond in question. This cannot be taken to mean that appellants have abandoned the partnership or that they are barred from claiming interest in the fishpond. Precisely Civil Case No. 3107 was brought to court for specific performance, partition and accounting in view of the breach of contract by the appellees. Specifically, the Court resolved only specific performance and accounting, leaving the issue on partition to this Office for resolution. This being the case, and considering the foregoing findings of facts and the law applicable herein, we cannot see our way clear why the whole area of 125.5 hectares of the disputed fishpond should be held solely by the appellees on lease."

The Secretary therefore ordered in his decision that

"IN VIEW OF ALL THE FOREGOING CONSIDERATIONS, the letter-order of the Fisheries Commissioner dated January 4, 1968 is hereby declared without force and effect; that the area of 125.5 hectares covered by FP No. F-1250-F in the name of Roberto Doromal should be divided into two equal parts in such a manner that the parties should share equally both the developed and the undeveloped portions including the portions leased to third parties which leases are hereby also declared without force and effect. Appellees are hereby directed to render an accounting of rentals paid by them and of all expenses incurred as fees, surcharges and the like and in the development or improvement of and all income received from the fishpond from the date the last accounting per the decision in Civil Case No. 3107 was complied with up to the date when the partition herein ordered shall be actually effected and all such rentals, expenses and income shall be divided and/or shared equally by both parties. The District Fisheries Officer concerned is hereby directed to effect the partition if the parties herein cannot come to an agreement as to the manner thereof."

Not content therewith, respondents Doromals appealed the Secretary's adverse decision to the Office of the President. Under date of February 27, 1970, said Office thru Honorable Ponciano G.A. Mathay as Acting Assistant Executive Secretary and acting by authority of the President, rendered its decision which "dismiss(ed) the instant appeal and affirm(ed) the decision appealed from." [5]

The Office of the President once again rejected as "untenable" and "deserving of scant consideration" respondents' repetitious contention of abandonment and loss by petitioner of his partnership rights to the fishpond as a result of

the Davao court judgment, as follows:

"In support of their appeal, the Heirs of Roberto Doromal contend that the Secretary of Agriculture and Natural Resources erred in ordering partition and accounting, since the court's decision in Civil Case No. 3107 had settled and put to finality the rights of the parties over the fishpond area. This contention is untenable. It appears that what the court ordered was merely the specific performance and accounting of profits because of the breach of partnership agreement between Amado Lacuesta and Roberto Doromal over the fishpond area. However, it did not touch on, and in fact disclaimed jurisdiction over, the issue of partition of the fishpond area, the reason therefor being that the same is still government land.

"Indeed, jurisdiction over public lands, including subject fishpond area, is vested in the Secretary of Agriculture and Natural Resources under the Public Land Act and the Fisheries Act (Director of Lands vs. Abordo, 74 Phil. 44; Francisco vs. Rodriguez, 99 Phil. 1033), and over such lands the courts of justice have no jurisdiction (Francisco vs. Verdadero, CA-G.R. No. 16421-R, May 30, 1959). It is axiomatic that the court must have jurisdiction over the subject matter or parties in order that its decision may operate as a valid adjudication of the controversy (2 Moran 321, citing Gotamco vs. Chan Seng, 46 Phil. 523)."

"x x x x x x x x x"

"Finally, appellants maintain that the appealed decision would honor and still recognize the partnership agreement which was terminated by the decision of the court in Civil Case No. 3107. In other words, they allege that with the return, as ordered by the court, to the Lacuesta couple of the amount contributed by them in the partnership, the latter have no more right over the fishpond area and the former, by virtue of their fishpond permit, are the only ones entitled thereto. This proposition deserves scant consideration. The court, it is noted, recognized the validity and enforceability of the partnership agreement between Amado Lacuesta and Roberto Doromal in fact, it decided the issues on specific performance and accounting but left that on partition of the fishpond area to the Department of Agriculture and Natural Resources for resolution because the same was still a part of the public domain. The appealed decision of the Secretary of Agriculture and Natural Resources is a logical consequence of the court decision that, while partition of the fishpond area is a proper relief for Amado Lacuesta, only land authorities can grant such relief. Hence, there is really no merit in the contention of the Heirs of Roberto Doromal that the Secretary of Agriculture and Natural Resources exceeded his jurisdiction or abused his discretion in rendering the appealed decision."[6]

Undaunted, respondents (as petitioners below) then filed on December 8, 1970 a petition for certiorari and injunction docketed as Civil Case No. 81623 of respondent judge's court[7] wherein they prayed that the decisions of the Office of the President and of the Secretary of Agriculture and Natural Resources in favor of petitioner be annulled "for having been rendered without and/or in excess of jurisdiction and/or with grave abuse of discretion and contrarily to law and public policy and vitiated by mistake" and for a writ of preliminary injunction against enforcement of said decisions.

Respondent court required petitioner to answer respondents' petition and after a summary hearing and receiving the parties' memoranda issued on March 7, and March 29, 1971 its order and writ of preliminary injunctions[8] against the enforcement of the administrative decisions rendered in favor of petitioner, by virtue of its inclination to respondents' oft-repeated view that the Davao court judgment adjudicated the partnership as terminated and petitioner thereby lost all right to claim his half of the fishpond area.

Hence, the petition at bar for certiorari and prohibition. The Court per its resolution of June 22, 1971 required respondents to answer the petition and ordered the issuance of a preliminary injunction against respondent court's questioned preliminary injunction order and writ upon a P5,000-bond.

Petitioner filed his memorandum in lieu of oral argument and the case was deemed submitted for decision on February 11, 1972, after respondents without explanation of any sort failed to file their memorandum

notwithstanding seven extensions requested by their counsel and granted by the Court.

The Court finds the petition to be meritorious. A mere reading of the facts and findings of record which are undisputed by respondent and of the legal basis of the Secretary's action and decision in dividing the fishpond area into two equal parts (both developed and undeveloped portions) and awarding one-half thereof to petitioner as a recognized partner entitled thereto in the exercise of his jurisdiction over lands of the public domain,[9] as sustained on appeal by the Office of the President which expressly found no abuse of discretion on the Secretary's part in rendering the decision, *supra*, [10] suffices to show that respondent court exceeded its authority and acted with grave abuse of discretion in issuing the questioned injunction in derogation of the administrative authority legitimately exercised by said officials.

As stressed in *Deluao vs. Casteel*, [11] "(I)n this jurisdiction, the Secretary of Agriculture and Natural Resources possesses executive and administrative powers with regard to the survey, classification, lease, sale or any other form of concession or disposition and management of the lands of the public domain, and, more specifically, with regard to the grant or withholding of licenses, permits, leases and contracts over portions of the public domain to be utilized as fishponds. Thus, we held in *Pajo, et al. vs. Ago, et al.* (L-15414, June 30, 1960), and reiterated in *Ganitanao vs. Secretary of Agriculture and Natural Resources, et al* (L-21167, March 31, 1966), that

'x x x (T)he powers granted to the Secretary of Agriculture and Commerce (Natural Resources) by law regarding the disposition of public lands such as granting of licenses, permits, leases, and contracts, or approving, rejecting, reinstating, or cancelling applications, or deciding conflicting applications, are all executive and administrative in nature. It is a well-recognized principle that purely administrative and discretionary functions may not be interfered with by the courts (*Coloso vs. Board of Accountancy*, G.R. No. L-5750, April 20, 1953). In general, courts have no supervising power over the proceedings and actions of the administrative departments of the government. This is generally true with respect to acts involving the exercise of judgment or discretion, and findings of fact. (54 Am. Jur. 558-559). Findings of fact by an administrative board or official, following a hearing, are binding upon the courts and will not be disturbed except where the board or official has gone beyond his statutory authority, exercised unconstitutional powers or clearly acted arbitrarily and without regard to his duty or with grave abuse of discretion x x x '"

The main prop of respondents' contention before respondent court that the Davao court judgment adjudicated the partnership between the principal parties as terminated and petitioner has no more right to the fishpond area was succinctly correctly disposed of by the Office of the President when it pointed out that "the court . . . recognized the validity and enforceability of the partnership agreement between Amado Lacuesta and Roberto Doromal in fact, it decided the issues on specific performance and accounting but left that on partition of the fishpond area to the Department of Agriculture and Natural Resources for resolution because the same was still a part of the public domain."

Even assuming *arguendo* that the Davao court's judgment terminated the partnership between the parties, the DANR Secretary administratively acted within the legitimate exercise of his authority over public lands in considering in effect that Doromal's original fishpond permit application, although obtained solely in his name contrary to his agreement with petitioner, was in fairness and equity deemed to be held in trust for both of them, and in consequently granting petitioner's protest and awarding him one-half of the fishpond area.

The petition must therefore be granted on the strength of the established doctrine that where as in the case at bar there is no showing that there was fraud, collusion, arbitrariness, illegality, imposition or mistake on the part of the Office of the President or a department head, (such as the Secretary of Agriculture and Natural Resources in the present case), in rendering their questioned decisions or of a total lack of substantial evidence to support the same, such administrative decisions are entitled to great weight and respect and will not be interfered with by the

courts.[12]

With the disposition of the case on this decisive issue, the Court deems it unnecessary to pass upon the other issue raised by petitioner questioning the jurisdiction of respondent court to issue the injunction writ to be enforced against acts to be performed outside its territorial boundaries.[13]

ACCORDINGLY, the petition for a writ of certiorari is granted and the questioned injunction order and writ of respondent court dated March 7, 1971 and March 29, 1971, respectively, are hereby annulled and set aside; and respondent court is directed to dispose of the case below in accordance with the settled doctrine of non-interference by the courts with decisions of executive and administrative officials as stated in the Court's opinion. With costs against private respondents.

Castro, (Chairman), Makasiar, Esguerra, and Muñoz Palma, JJ., concur.

[1] In Civil Case No. 3107 thereof, entitled "Amado Lacuesta vs. Roberto Doromal and Florita L. Doromal".

[2] Covered by FPA No. 1989, Permit No. F-1250-F, and situated at Kedalapong, Lacaran, Malita in Davao (now Davao del Sur).

[3] Rollo, p. 37.

[4] Annex B, petition, Rollo, pages 32-33; italics supplied.

[5] Annex C, petition, Rollo, page 40.

[6] Idem, at pp. 37-39; italics supplied.

[7] Entitled "Heirs of Roberto Doromal, represented by Florita L. Doromal, petitioners vs. Ponciano G.A. Mathay, in his capacity as Acting Assistant Executive Secretary, Fernando Lopez, in his capacity as Secretary of Agriculture and Natural Resources, Commissioner of Fisheries, and Amado Lacuesta, respondents;" Annex D, petition.

[8] Annexes G and H, petition.

[9] Under Secs. 3 and 4 of the Public Lands Act (GA. No. 141) and secs. 3 and 4 of the Fisheries Act (Public Act No. 4003).

[10] At pages 4-6.

[11] 26 SCRA 475 (Dec. 24, 1968), per Castro, J. See also the Court's extended resolution of August 29, 1969 in this case, wherein in denying reconsideration the Court took note of the Secretary's decision in DANR Case 3270 in favor of petitioner Lacuesta (the very decision challenged by respondents herein) and observed that "In the face of the foregoing facts, the DANR Secretary could not simply ignore the equitable rights of the appellants [Lacuesta] over one-half of the fishpond in question," reported in 29 SCRA 350.

[12] See *Svquio Sta. Maria*, 55 SCRA 736 (Feb. 28, 1974) and *Nera vs. Titong, Jr.* 56 SCRA 40 (March 21, 1974) and the host of cases therein cited.

[13] Invoking the ruling in the case of *Acosta vs. Alvendia*, 109 Phil. 1017 and subsequent cases.

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