

**ROSALINDA E. MERIS, ASSISTED BY HER HUSBAND JOSE C. MERIS,
PETITIONERS-APPELLANTS, VS. DOMINGO CUESTA, THE
HONORABLE EXECUTIVE SECRETARY, THE HONORABLE
SECRETARY OF AGRICULTURE ...**

G.R. No. L-28780. February 18, 1970

Ponente: CONCEPCION, C.J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/3999d59991fc/>

CONCEPCION, C.J.:

Appeal, taken by petitioners Rosalinda E. Meris and her husband Jose C. Meris, from a decision of the Court of First Instance of the City of Baguio dismissing Civil Case No. 1766 thereof.

Petitioners herein having filed Townsite Sales Application No. V-1603 for the purchase of a parcel of public land, of about 619 square meters, situated in the City of Baguio and appraised at P5.40 per square meter, on June 18, 1962, the Director of Lands caused to be published a notice to the effect that said land would be sold by his office, through oral bidding, on September 6, 1962, at 10:00 A.M., at Baguio City. After describing the land in question, the notice said:

"No bid shall be accepted that does not equal at least two-thirds (2/3) of the appraised value of the land. In order that a person may be entitled to participate in the bidding, he must, before the commencement thereof, make a deposit of at least ten per centum (10%) of his bid. A person bidding in representation of another may do so under a duly executed power of attorney. During the bidding the bidder has to make an additional deposit every time his bid is raised to complete the 10% of his raised bid, otherwise such bid as raised shall not be accepted. The right is reserved to reject any or all bids. Only deposit in cash, money order, certified check, cashier's check and manager's check can be accepted.

"The successful bidder if other than the owner of the improvements must reimburse the latter of the value thereof and must also deposit the sum of P340.00 to defray the expenses for the publication of the notice of auction (P190.00) and the survey of the land (P150.00)."

Only petitioners herein and private respondent Domingo Cuesta, both acting through their respective representatives, participated in the bidding, which was conducted by the District Land Officer of Baguio. The latter declared Cuesta, who had offered P10.00 per square meter, as against petitioner's final bid of P9.05 a square meter, as the highest and successful bidder. Thereupon, Cuesta paid the sum of P619.00, as cash deposit equivalent to 10% of his final bid. He, likewise, filled up the bidding form BL Form No. 28-26, and enclosed therewith the official receipt evidencing said cash deposit, as well as offered to reimburse the value of all the improvements introduced by the petitioners on the land in question. Petitioners, in turn, accomplished a similar form and made a cash deposit of P560.19, representing 10% of their final bid.

Subsequently, petitioners brought the matter to the Director of Lands, and asked him to annul the bidding, upon the ground that it had been conducted irregularly, the bidders not having deposited 10% of their initial bids before the start of the bidding, and the same not having been held in an open and public place. On October 23, 1962, the

Director of Lands issued an order annulling the aforementioned bidding, on account of the absence of said deposit of 10% before the commencement of the bidding. He did not make a ruling on whether the bidding had been conducted publicly, this question being one of fact which could not be determined without prior investigation. Cuesta filed a motion for reconsideration, which was denied, in view of which, he appealed to the Secretary of Agriculture and Natural Resources.

In due course, the latter rendered his decision setting aside the appealed order of the Director of Lands and upholding the validity of the bidding held on September 6, 1962, as well as adjudging Cuesta the highest and successful bidder. A reconsideration, sought by herein petitioners, having been denied, they appealed to the President who, acting through the Executive Secretary, concurred in the findings and conclusions of the Secretary of Agriculture and Natural Resources. The office of the President having refused to reconsider its stand, petitioners commenced, in the Court of First Instance of Baguio, the present action for certiorari and prohibition, with preliminary injunction, against Cuesta, the Executive Secretary, the Secretary of Agriculture and Natural Resources, the Director of Lands and the District Land Officer of Baguio City, to set aside the decision of the Secretary of Agriculture and Natural Resources and the ruling of the Executive Secretary, and revive the aforementioned order of the Director of Lands. After appropriate proceedings, said court of first instance rendered its appealed decision dismissing the petition herein, without special pronouncement as to costs. Hence, this appeal taken by the petitioners.

The latter maintain that the Secretary of Agriculture and Natural Resources and the Executive Secretary have committed a grave abuse of discretion in setting aside the order of the Director of Lands annulling the award in favor of Cuesta, (1) because the provision of the notice of sale requiring a cash deposit of 10% of the initial bid of each party, before the bidding took place, had not been complied with; and (2) because the right "to reject any and all bids" had been "reserved" by the Director of Lands in said notice of sale. Petitioners' claim is devoid of merit.

As regards the first argument, it is conceded that, when the bidding was about to commence, the two (2) bidders were required by the District Land Officer to put their money on the table where the bidding was about to be held; that, thereupon, petitioners and Cuesta placed the sums of P565.00 and P2,000.00, respectively, on said table; and that this sum of P2,000.00 of respondent Cuesta is far in excess of the amount of deposit required in the notice of sale. Under the circumstances, respondent public officers did not abuse their discretion, much less gravely, in considering that said requirement in the notice of sale had thereby been substantially complied with. In-deed, referring to the deposit required in connection with the sale of public lands, this Court, in the very case of *Panlilio v. David*[1] cited by petitioners herein, expressed itself as follows:

"x x x Its purpose is evidently to prevent the presentation of frivolous bids and to avoid difficulties in the collection of the amount of an accepted bid. x x x.

"But, while the Director of Lands had the right to reject the bids, it does not necessarily follow that, if he accepted one of them, a merely formal defect in the accepted bid would vitiate the award. Regulations as well as statutes must be given a reasonable construction and it seems clear that the provision here in question is merely directory and not mandatory. x x x"

Hence, in his decision setting aside the order of the Director of Lands, dated October 23, 1962, the Secretary of Agriculture and Natural Resources said:

"x x x even assuming, arguendo, that the formalities called for in the notice of bidding were not literally and strictly observed, the same should not be considered enough to nullify the bid of Cuesta, or even that of Meris. It is the opinion of this Office that only for every weighty consideration should the bid of a person, who had substantially complied with the requirements of the bidding and had evinced a sincere desire to meet the other

requirements pre-paratory to an award of the land subject of the sale, be nullified. It must be remembered that Cuesta was willing to pay, and as a matter of fact he offered the amount, for the value of the unauthorized improvements introduced on the disputed area by Meris. But despite this and the paramount effort of the District Land Officer concerned to solve the dispute between the two bidders, Meris refused to abide by the result of the bidding."

Furthermore, the Secretary of Agriculture and Natural Resources and the Executive Secretary have correctly held that petitioners must be deemed to have waived, insofar as they are concerned, the requirement of a previous deposit, as well as to be in estoppel to invoke such requirement, because they had, not only acquiesced in the procedure followed by the District Land Officer and respondent Cuesta, but, also, induced them to proceed with the bidding, (1) by placing their (petitioners') money, amounting to P565.00, on the table, when the bidding was about to commence, in the same way that Cuesta had put the sum of P2,000.00 on said table; (2) by participating in the bidding, and making an initial bid of P3.60 a square meter, and gradually increasing the same, as Cuesta made higher bids, until they (petitioners) made a final bid of P9.05 a square meter, which was raised by Cuesta to P10.00 a square meter; and (3) by filling, after Cuesta had been declared the highest and winning bidder, the bidding form BL Form No. 28-26 and depositing P560.19, which is 10% of their final bid, just like Cuesta, who had deposited P 619.00, representing 10% of his final bid, and filled and submitted said form.[2]

It is true that the Director of Lands had, pursuant to the notice of sale aforementioned, the right to reject any and all bids, but it is no less true that decisions and other acts of said officer are appealable to[3] and subject to the control of the Secretary of Agriculture, and that this power of control entails the right to review and, hence, to affirm, modify or reverse the decisions and other determinations of the Director of Lands, and even to substitute him in the exercise of his judgment and discretion.[4]

It may not be amiss to point out that the order of the Director of Lands, dated October 23, 1962, annulling the bidding held on September 6, 1962, was rendered without giving Cuesta an opportunity to be heard, in violation of the elementary principles of due process.

WHEREFORE, the decision appealed from is hereby affirmed, with costs against herein petitioners-appellants, Rosalinda E. Meris and Jose C. Meris.

IT IS SO ORDERED.

Reyes, J.B.L., Dizon, Makalintal, Zaldivar, Sanchez, Ruiz Castro, Fernando, Teehankee, Barredo, and Villamor, JJ., concur.

[1] 50 Phil. 105, 108-109.

[2] *Castrillo v. Court of Appeals*, L-18046, March 31, 1964; *Mirasol v. Municipality of Tabaco*, 43 Phil. 610; *Llacer v. Muñoz*, 12 Phil. 328.

[3] Sections 79(c) and 84, Revised Administrative Code; *Miguel v. Vda. de Reyes*, 93 Phil. 542; *Geukeko v. Araneta*, 102 Phil. 706.

[4] *Mondano v. Silvosa*, 97 Phil. 143, 148; *Hebron v. Reyes*, 104 Phil. 174; *Hamoy v. Sec. of Agriculture*, L-13456, Jan. 30, 1960; *Pajo v. Ago*, L-15414, June 30, 1960; *Yutivo Sons v. CTA*, L-13203, Jan. 28, 1961; *Suarez v. Reyes*, L-19828, Feb. 28, 1963; *Uichangco v. Sec. of Agriculture*, L-17328, March 30, 1963; *Ganitano v. Sec. of Agriculture*, L-21167, March 31, 1966; *Castro v. Hechanova*, L-23635, Aug. 31, 1966; *Arocha v. Vivo*, L-24844 & L-24853, Oct. 26, 1967.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.