

LUCIANO PESTANAS, ANGEL PESTANAS, JOSE PESTANAS, ELISEO PESTANAS, EXEQUIEL PAGADORA, LUCIANA TORRES, SOLOMON TENA, AND FELIX ATENTAR, PLAINTIFFS-APPELLANTS, VS. JOSEFA DYOGI, JO...*G.R. No. L-25786. February 27, 1978*

Ponente: SANTOS, J.

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This is an appeal, filed on December 7, 1965, from an order of the Court of First Instance of Quezon, dismissing the plaintiffs-appellants complaint in Civil Case No. 508 on the ground of non-exhaustion of administrative remedies.

It appears that in 1929, Severo Ungriano took possession of a parcel of land consisting of thirty (30) hectares located at Barrio Libo, Panukulan, Quezon. He cleared and cultivated the holding and introduced improvements thereon. Subsequently, he filed Homestead Application No. 145134 (E-86406) for a 24-hectare parcel embraced within said 30-hectare property, which application was approved by the Director of Lands.[1]

In 1942 and on various dates subsequent thereto, Ungriano transferred his right to possess the aforementioned parcel of land to the herein plaintiffs-appellants. These transferees continued to clear and cultivate the land and to introduce improvements over the portions respectively occupied by them. The holding, however, was forest land, being part of Timberland Block B. LC Project No. 19-C Polillo, Quezon, per BF Map LC 2066.[2] Therefore, to perfect their titles over the land, plaintiffs-appellants made representations with the authorities for the release of the same from the Forest Zone. One of the persons they approached was then President of the Senate, Eulogio Rodriguez Sr., who, upon learning of the situation, wrote the then Director of the Bureau of Forestry, Felipe Amos, and requested the latter "to find ways and means for the immediate release of this land so that the present occupants thereof could perfect their titles over the said land." [3]

The land was finally released from the Forest Zone sometime in May, 1958.[4] On October 5, 1959 plaintiffs-appellants were advised by the Director of Lands, to file appropriate public land applications and to have the land surveyed so that their claims thereto may be perfected.[5]

Meanwhile, and prior to its release from the Forest Zone, the land in controversy was part of a timber concession held by defendant-appellee Josefa Dyogi by virtue of an Ordinary Timber License (O.T. Lic. No. 84-'55) granted to her in 1950.[6] At the instance of defendant-appellee Josefa Dyogi, a criminal information was filed on May 29, 1958 against three of the herein appellants -- namely, Exequiel Pagadora, Luciano and Angel Pestanas -- for unlawful possession and destruction of public forest before the Justice of the Peace Court of Polillo, Quezon. On November 29, 1958, the three accused appellants were convicted and sentenced to suffer one (1) month imprisonment, but on appeal to the Court of First Instance, all the cases against them were dismissed.[7] Josefa Dyogi nevertheless did not cease in her attempt to have the ownership of the 24-hectare lot in controversy declared in her name. She filed with the Bureau of Lands Free Patent Application No. 8-2103 covering the

portions occupied by the appellants. The Director of Lands approved said free patent application on the strength of the report submitted by public lands inspector Joaquin Lacorte, one of the defendants, to the effect that the land was free from claims and conflicts, and that there was no person occupying or claiming the land other than Josefa Dyogi.[8] On March 20, 1961, free Patent No. V-166123 was issued to Josefa Dyogi by the Secretary of Agriculture and Natural Resources.[9]

On September 13, 1961, plaintiffs-appellants filed with the Bureau of Lands a petition for cancellation of free patent No. V-166123 issued to Josefa Dyogi.

On March 17, 1962, or six months thereafter, while the foregoing petition for cancellation was pending investigation by the Bureau of Lands[10] they filed a complaint in the Court of First Instance of Quezon, to have the identical free patent No. V-166123 declared null and void and prayed that they be declared the owners of the portions of land possessed by them and/or that they be declared as having the preferential right to acquire the said land. The complaint alleged, among other things:

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"11. - That defendant Josefa Dyogi filed with the Bureau of Lands Free Patent Application No. 8-2103 covering the portions of land occupied and possessed by plaintiffs, but in filing the said free patent application, the said Josefa Dyogi acted in bad faith and committed fraud, deceit and misrepresentations by alleging that she is a Filipino citizen, when in truth and in fact, she is a Chinese citizen who is disqualified to own public agricultural lands and by further alleging that the land is not claimed and occupied by any other person.

12. - That defendant Joaquin Lacorte, a public lands inspector with official station at Lucena City, in connivance with his co-defendant Josefa Dyogi, submitted a false report of investigation making it appear in said report that he conducted an ocular investigation of the land; that the land was free from claims and conflicts; that there was no person occupying or claiming the land other than the applicant-defendant Josefa Dyogi and that defendant Josefa Dyogi has complied with all the requirements of the law regarding residence and cultivation of the land, which facts are absolutely false and untrue."

Defendants, now appellees, moved to dismiss the complaint on the following grounds: (1) that the complaint states no cause of action, and (2) that the filing thereof was premature, because of the pendency of the administrative case for cancellation of free patent No. V-166123.[11]

Plaintiffs-appellants answered that their complaint states sufficient cause of action and that exhaustion of administrative remedies is not necessary "(S)ince the Department of Agriculture and Natural Resources has not acted on the Petition of the plaintiffs for cancellation of the said Free Patent Title, notwithstanding the lapse of a period of more than one year from the date it was filed . . ."[12]

Defendant-appellee Dyogi filed a Rejoinder wherein she reiterated the need to exhaust all administrative remedies in this case.[13]

The lower court sustained the defendants' contentions. By an order dated June 21, 1963, it dismissed the complaint as to Lacorte on the ground that he "has no personality in this case and that there is no cause of action against him." [14] After hearing defendant Dyogi's motion to dismiss,[15] the lower court granted it and by an order dated March 29, 1965, dismissed plaintiff's complaint. Said order reads in part:

"A careful perusal of the record of the case and basing on the arguments of the parties during the oral argument it has been satisfactorily proved and established that the plaintiff, as stated above has filed with the Director of Lands, a petition for the cancellation of the free patent issued in favor of the defendant Josefa A. Dyogi over the land in question and that the case is still pending before the Director of Lands. This being so, the plaintiffs have to wait for the outcome of said case and should the decision be adverse to the plaintiffs, they still have the right to appeal to the Secretary of Agriculture and Natural Resources and to the President of the Philippines. Until these administrative remedies shall have been exhausted by the plaintiffs, the filing of the instant case with the court is rather premature because there can be no cause of action for filing the complaint unless the administrative remedies provided for by law shall have been exhausted." [16]

On April 30, 1965, the plaintiffs-appellants filed a motion for reconsideration [17] which was denied by the lower court by an order dated September 9, 1965 because said motion was "without merits." [18]

Hence this appeal, on the following assignment of errors:

- THAT THE COURT ERRED IN DISMISSING PLAINTIFFS' COMPLAINT.
- THAT THE TRIAL COURT ERRED IN DECLARING THAT PLAINTIFFS HAVE TO WAIT FOR THE OUTCOME OF PETITION THEY FILED WITH THE BUREAU OF LANDS FOR CANCELLATION OF THE CERTIFICATE OF TITLE NO. V-166123 BEFORE TAKING THIS CASE TO COURT.
- THAT THE TRIAL COURT ERRED IN DECLARING THAT PLAINTIFFS HAVE NO CAUSE OF ACTION UNTIL THEY EXHAUSTED THE ADMINISTRATIVE REMEDIES IN THE INSTANT CASE. [19]

The three errors assigned actually raise one issue only, i.e. whether or not the lower court properly applied the doctrine of exhaustion of administrative remedies. As aptly put by the appellee, the "sole issue in this case involves a purely legal question which may be stated briefly as follows: Whether or not a party, aggrieved by a decision of the Director of Lands, may file an action in court for the cancellation of a free patent granted under the provisions of the Public Land Law (Commonwealth Act No. 141) without waiting for the outcome of a petition previously filed with the Director of Lands praying for the same relief." [20]

This appeal is clearly without merit. The order of dismissal - on the grounds of lack of cause of action and non-exhaustion of administrative remedy, and the order denying the motion for reconsideration thereof, are in order. It is now well-settled that where a party seeks for the cancellation of a free patent with the Bureau of Lands, he must pursue his action in the proper Department and a review by the Courts will not be permitted unless the administrative remedies are first exhausted. [21] Thus We held that:

"... plaintiff has not exhausted the administrative remedies available to him. Indeed, he seeks, in effect, a review of the decision of the Director of Lands in causing a patent to be issued to defendant Avila. Yet, plaintiff does not appear to have asked the Director of Lands to reconsider said decision, or to have appealed therefrom to the Secretary of Agriculture and Natural Resources, who controls said official and is the 'officer charged with carrying out the provisions' of our revised public land law (CA 141, Sec. 3). It is well settled that, before the decisions or administrative bodies can be brought to courts for review, all administrative remedies must first be exhausted, especially in dispute concerning public lands, where the findings of said administrative bodies as to questions of fact, are declared by statute to be 'conclusive'." [22]

"The doctrine of exhaustion of administrative remedies applicable to judicial review of decisions of the Director of Lands and the Secretary of Agriculture and Natural Resources is too well known and need not be restated. [23]

The doctrine of exhaustion of administrative remedies applies with greater force in this case since the Bureau of

Lands has not yet - as of the time of this appeal - even rendered a decision on the matter.

There is merit also in the lower court's finding that the plaintiffs-appellants have no cause of action. For it is also a settled rule in this jurisdiction that there can be no cause of action for filing a complaint in court unless the administrative remedies provided for by law shall have been exhausted.[24]

WHEREFORE, the order of the lower court dismissing the plaintiffs-appellants' complaint is hereby AFFIRMED, with costs against the appellants.

SO ORDERED.

Fernando, (Chairman), Barredo, Antonio, Aquino, and Concepcion, Jr., JJ., concur.

[1] Record on Appeal (R.A.), Complaint, pars. 2 and 3, pp. 2-3; Answer filed by the Director of Lands, par. 3, p. 16.

[2] Id., Answer to Motion to Dismiss, Annex "C", pp. 57-58.

[3] Id., Annex "B", pp. 55-57.

[4] Id., Annex "C".

[5] Id., Annex "D", pp. 59-60.

[6] Id., Complaint par. 10, p. 6; Appellees Brief, p. 2.

[7] Id., Motion to Dismiss, Annex "B", pp. 35-36.

[8] Id., Complaint, par. 12, pp. 7-8, Answer to Director of Lands, par. 7, pp. 17-18.

[9] Id., pp. 8 and 17.

[10] Id., Motion to Dismiss, Annex "A", pp. 33-34.

[11] Id., Motion to Dismiss filed by Lacorte, p. 11; Answer filed by the Director of Lands, p. 15; Motion to Dismiss filed by Josefa Dyogi, p. 20; Answer filed by the Secretary of Agriculture and Natural Resources, p. 42.

[12] Id., Answer to Motion to Dismiss, p. 46.

[13] Id., p. 60.

[14] Id., p. 75.

[15] This motion to dismiss was at first denied, but on Dyogi's motion for reconsideration was reset for hearing. See R.A. pp. 67-76.

[16] Id., p. 75.

[17] Id., pp. 80-90.

[18] Id., pp. 100-101.

[19] Appellants' Brief, pp. 1-2.

[20] Appellee's Brief, p. 3.

[21] Miguel vs. Reyes, 93 Phil. 542; Cortes vs. Avila, 101 Phil. 205; Heirs of Lachica vs. Ducusin, 102 Phil. 551;

Nebrada vs. Heirs of Alivio, 104 Phil 126; Ham vs. Bachrach Motor Co., 109 Phil. 949.

[22] Cortes vs. Avila, supra.

[23] See Ham vs. Bachrach Motor Co., Inc. supra, citing Lamb vs. Phipps, 22 Phil., 456; Arnedo vs. Aldanese, 63 Phil., 768; Ang Tuan Kay and Co. vs. Import Control Commission, 91 Phil. 143; Miguel vs. Reyes, 93 Phil., 542; Azajar vs. Ardales, 97 Phil., 851; 51 Off. Gaz., 5640; dela Paz vs. Alcaraz, 99 Phil., 130; 52 Off. Gaz., 3037; Lopez vs. Court of Tax Appeals, 53 Off. Gaz., 3065; Cortez vs. Avila, 101 Phil., 205; 54 Off. Gaz., 2177; Peralta vs. Salcado, 101 Phil., 451; Montes vs. Civil Service Board of Appeals, 54 Off. Gaz., 2174; Lubugan vs. Castrillo, G.R. No. L-10521, 29 Max 1957; Cabanes vs. Rodriguez, G.R. No. L-9799, 31 Max 1957; Cabo Kho vs. Rodriguez, G.R. No. L-9032, 28 September 1957; Heirs of Lachica vs. Ducusin, 102 Phil., 551; Geukeko vs. Araneta, 102 Phil., 706; 54 Off. Gaz., 4494; Sampaguita Shoe and Slipper Factory vs. Commissioner of Customs, 102 Phil., 850; 56 Off. Gaz. 4032; Villanueva vs. Ortiz, 103 Phil., 875; 56 Off. Gaz. 276; Nebrada vs. Heirs of Alivio, 104 Phil., 126; 55 Off. Gaz., 4238.

[24] See C.N. Hodges vs. Municipal Board of Iloilo City, G.R. No. L-18276, January 12, 1967; 19 SCRA 28; see also cases cited in "Annotation" Exhaustion of (Administrative) Remedies, at p. 38.

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