

ELENO A. KABANLIT, JR., TEODORO NAYBE, PHILIPPINE VETERANS BANK, PETITIONERS, VS. LAZARO CRUZ AND FRANCISCO CRUZ, RESPONDENTS.

Ponente: ASUNCION-VICENTE, J.

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ASUNCION-VICENTE, J.:

Before Us is a petition for review assailing the decision dated February 5, 2004 rendered by the Department of Agrarian Reform Adjudication Board (DARAB) Appeals Board, which dismissed the appeal of petitioners and affirmed in toto the decision dated March 12, 1997 of the Provincial Agrarian Reform Adjudicator in DARAB Case No. 5998 (Reg. Case No. 1113-Bul '95), and the resolution dated September 20, 2004 which denied their motion for reconsideration.

The Facts

Culled from the record are the following factual antecedents:

On September 28, 1995, Lazaro Cruz and Francisco Cruz (hereinafter, respondents) filed a complaint[1] for maintenance of physical possession[2] against Eleno A. Kabanlit, Jr., Teodoro Naybe and Philippine Veterans Bank (hereinafter, petitioners) before the DARAB Region III.

Respondents alleged that they are the lawful owners-cultivators of three (3) parcels of agricultural land (subject lots) situated in Barangay Caniogan, Calumpit, Bulacan which were granted to them by the Department of Agrarian Reform (DAR) pursuant to the Operation Land Transfer Program wherein lands are acquired by the government for distribution to farmer-beneficiaries as evidenced by Certificate of Land Ownership Awards (CLOA) Nos. 00243955, 00243956 and 00243957; that the subject lots were formerly owned by the Philippine Veterans Bank (hereinafter, PVB); that PVB, through its division manager Eleno A. Kabanlit, Jr., Teodoro Naybe and other armed men entered the subject lots and fenced the same with barbed wires preventing respondents from entering the same; that respondents filed a complaint with the Barangay Agrarian Chairman of Caniogan, Calumpit, Bulacan who conducted an ocular inspection and verified that the subject lots are guarded by armed men led by Teodoro Naybe; and that accordingly, a report confirming the truth of the complaint was filed with the Municipal Agrarian Reform Office (MARO) of Calumpit.

In their Answer with Counterclaim,[3] petitioners admitted having fenced the subject lots with barbed wires. However, they alleged that PVB merely exercised its right as owner of the subject lots pursuant to Articles 429 and 430 of the Civil Code, which provides:

“ARTICLE 429. The owner or lawful possessor of a thing has the right to exclude any person from the enjoyment and disposal thereof. For this purpose, he may use such force as may be reasonably necessary to repel or prevent an actual or threatened unlawful physical invasion or usurpation of his property.

ARTICLE 430. Every owner may enclose or fence his land or tenements by means of walls, ditches, live or dead hedges, or by any other means without detriment to servitudes constituted thereon.”

In their position paper[4] filed on September 6, 1996, petitioners further alleged that the subject lots were previously mortgaged by the spouses Ramon and Gloria Tantoco and Ms. Trinidad Estonina; that PVB foreclosed the mortgage when the mortgagors failed to pay their loan; that PVB acquired the subject lots as the highest bidder and titles thereto were consolidated and registered in the name of PVB in 1984 under Transfer Certificates of Title Nos. 226773, 226774 and 283864; that from 1985 to 1992, PVB was placed under rehabilitation by the Central Bank, which leased the subject lots to respondent Lazaro Cruz; that the lease contracts were terminated due to respondent Lazaro Cruz's failure to pay the rental fee; that in September 1995, PVB under the supervision of Eleno A. Kabanlit, Jr. and Teodoro Naybe fenced the subject lots with barbed wires to prevent illegal intrusions into the subject lots; that PVB was not informed that the subject lots were placed under the coverage of the Comprehensive Agrarian Reform Program (CARP) and that the subject lots were awarded in favor of respondents; and that PVB came to know of the CLOAS issued in favor of respondents only after it received a copy of the complaint filed by the latter.

On March 12, 1997, the Provincial Adjudicator of DARAB Region III rendered a decision,[5] the dispositive portion of which reads:

“WHEREFORE, in view of the foregoing, judgment is hereby rendered in favor of the plaintiffs (respondents) and against the defendants (petitioners PVB, Teodoro Naybe and Eleno Kabanlit) and order is hereby issued:

- Declaring the Certificates of Land Ownership Award issued to the plaintiffs Lazaro N. Cruz and Francisco T. Cruz valid and binding;
- Ordering defendants and all other persons acting in their behalves (sic) to cease and desist from molesting, interfering, harassing the plaintiffs in their peaceful possession over the subject parcels of lands;
- Ordering the defendants to pay the plaintiffs the sum of P50,000.00 as exemplary damages and another P30,000.00 as moral damages.
- No pronouncement as to costs.

SO ORDERED.”[6]

Petitioners appealed to the DARAB Appeals Board, which rendered a decision dated February 5, 2004 affirming in toto the decision of the Provincial Agrarian Reform Adjudicator.[7]

Petitioners filed a Motion for Reconsideration[8] of the DARAB Appeals Board's decision but the motion was, however, denied in a Resolution dated September 20, 2004.[9]

The Issues

Aggrieved, petitioners filed the instant petition for review raising the following issues:

“I. THE DARAB GRAVELY ABUSED ITS DISCRETION WHEN IT AFFIRMED THE ORDER OF THE PROVINCIAL ADJUDICATOR DIRECTING THE PETITIONERS TO CEASE AND DESIST FROM MOLESTING, INTERFERING, HARASSING THE RESPONDENTS IN THEIR PEACEFUL POSSESSION OVER THE SUBJECT PROPERTIES.

II. THE DARAB GRAVELY ABUSED ITS DISCRETION WHEN IT AFFIRMED THE ORDER OF THE PROVINCIAL ADJUDICATOR FOR THE PETITIONERS TO PAY RESPONDENTS THE SUM OF P50,000.00 AS EXEMPLARY DAMAGES AND P30,000.00 AS MORAL DAMAGES.”[10]

The pivotal issue to be resolved, as We see it, is whether or not respondents, on the strength of their CLOAS, are entitled to the peaceful possession of the subject lots.

The Court's Ruling

The petition is devoid of merit. We affirm the assailed DARAB decision.

Petitioners allege that respondents failed to prove that they committed acts of molestation and harassment against the latter; that as the titles over the subject lots are still registered under the name of PVB, it can exercise acts of ownership, which include fencing or enclosing the subject lots; that PVB employed security guards for the protection of petitioners Naybe and Cabanlit and denied employing “goons”; that respondents who were former lessees of PVB became usurpers on the subject lots when the lease expired and they ceased paying rentals; and that the CLOAs issued in favor of respondents are doubtful and are presently the subject of an action for annulment.

Petitioners arguments do not persuade.

The record shows that the subject lots were legally acquired by the government and distributed to beneficiaries of its land transfer program pursuant to Chapter V, Section 16 of Republic Act No. 6657, otherwise known as “An Act Instituting A Comprehensive Agrarian Reform Program To Promote Social Justice And Industrialization, Providing The Mechanism For Its Implementation, And For Other Purposes” (CARL), which provides: “SECTION 16. Procedure for Acquisition of Private Lands. — For purposes of acquisition of private lands, the following procedures shall be followed:

- (a) After having identified the land, the landowners and the beneficiaries, the DAR shall send its notice to acquire the land to the owners thereof, by personal delivery or registered mail, and post the same in a conspicuous place in the municipal building and barangay hall of the place where the property is located. Said notice shall contain the offer of the DAR to pay a corresponding value in accordance with the valuation set forth in Sections 17, 18, and other pertinent provisions hereof.
- (b) Within thirty (30) days from the date of receipt of written notice by personal delivery or registered mail, the landowner, his administrator or representative shall inform the DAR of his acceptance or rejection of the offer.
- (c) If the landowner accepts the offer of the DAR, the Land Bank of the Philippines (LBP) shall pay the landowner the purchase price of the land within thirty (30) days after he executes and delivers a deed of transfer in favor of the government and surrenders the Certificate of Title and other muniments of title.
- (d) In case of rejection or failure to reply, the DAR shall conduct summary administrative proceedings to determine the compensation for the land requiring the landowner, the LBP and other interested parties to submit evidence as to the just compensation for the land, within fifteen (15) days from the receipt of the notice. After the expiration of the above period, the matter is deemed submitted for decision. The DAR shall decide the case within thirty (30) days after it is submitted for decision.
- (e) Upon receipt by the landowner of the corresponding payment or, in case of rejection or no response from the landowner, upon the deposit with an accessible bank designated by the DAR of the compensation in cash or in LBP bonds in accordance with this Act, the DAR shall take immediate possession of the land and shall request the proper Register of Deeds to issue a Transfer Certificate of Title (TCT) in the name of the Republic of the Philippines. The DAR shall thereafter proceed with the redistribution of the land to the qualified beneficiaries.
- (f) Any party who disagrees with the decision may bring the matter to the court of proper jurisdiction for final determination of just compensation.”

It appears that PVB was duly notified of every action taken by the DAR with respect to the acquisition of the subject lots as shown by the copies of the three (3) Notices of Acquisition[11] dated August 6, 1993 from the DAR and two (2) Notices of Land Valuation and Acquisition[12] dated October 10, 1994. Notably, the Notices of

Land Valuation and Acquisition explicitly instructed PVB to inform DAR in writing whether it accepts or rejects the amount offered for the subject lots. Moreover, the document[13] dated December 20, 1994 issued by the Land Bank of the Philippines (LandBank) shows that the compensation for the subject lots had already been deposited with the LandBank, which PVB could claim upon submission of certain required documents. It is thus clear that the DAR faithfully complied with the procedure under Chapter V, Section 16 of Republic Act No. 6657.

In any event, DAR shall take immediate possession of the subject lots upon PVB's receipt of payment or upon deposit of the above-offered compensation.[14] It is worthy to stress that there is nothing in the record before Us to show that PVB objected to the government's acquisition of the subject lots and to the amount offered as compensation for the said lots. Even if true, as alleged by petitioners, that they filed oppositions to the acquisition and valuation of subject lots, We agree with the DARAB that unless there is an order exempting or excluding the subject properties from the coverage of CARP, petitioners should not perform any act which will hamper the full implementation of the said Program.

Furthermore, the record shows that respondents were issued their respective Certificate of Land Ownership Award (CLOA) and that DAR has already taken steps to transfer the title in the name of the Republic of the Philippines. As held in *Roxas & Co., Inc. vs. Court of Appeals*:[15]

"A Certificate of Land Ownership Award (CLOA) is evidence of ownership of land by a beneficiary under R.A. 6657, the Comprehensive Agrarian Reform Law of 1988. Before this may be awarded to a farmer beneficiary, the land must first be acquired by the State from the landowner and ownership transferred to the former. The transfer of possession and ownership of the land to the government are conditioned upon the receipt by the landowner of the corresponding payment or deposit by the DAR of the compensation with an accessible bank."

As discussed above, it was sufficiently shown that the subject lots were legally acquired by the government and awarded to respondents. PVB, with full knowledge of said acquisition by the government, has no right to fence the subject lots and prevent the respondents from entering the same. Pursuant to Section 24[16] of the CARL, the rights and responsibilities of the beneficiary shall commence from the time the DAR makes an award to him. Hence, PVB's acts of fencing the subject lots constitute unlawful intrusion into, and possession of, the subject lots which have effectively prevented respondents, the lawful beneficiaries thereof, from entering and enjoying the peaceful possession of the same. Hence, the DARAB, in affirming the assailed Decision of the Provincial Adjudicator, correctly ordered petitioners from further committing acts of dispossession against respondents.

WHEREFORE, in view of the foregoing, the instant petition for review is hereby **DISMISSED** for lack of merit. The appealed DARAB decision is hereby **AFFIRMED**.

SO ORDERED.

Sabio, Jr., (Chairman) and Bato, Jr., JJ., concur.

[1] Record, pp. 15-12

[2] Record, p. 293

[3] Record, pp. 75-69

[4] Record, pp. 194-179

[5] Record, pp. 293-283

[6] Record, p. 283

[7] Record, pp. 375-366

[8] Record, pp. 385-379

[9] Record, pp. 388-387

[10] Rollo, p. 8

[11] Record, pp. 156, 158 and 160

[12] Record, pp. 154-152

[13] Record, pp. 149-150

[14] Record, p. 152

[15] 321 SCRA 106

[16] SECTION 24. Award to Beneficiaries. - The rights and responsibilities of the beneficiary shall commence from the time the DAR makes an award of the land to him, which award shall be completed within one hundred eighty (180) days from the time the DAR takes actual possession of the land. Ownership of the beneficiary shall be evidenced by a Certificate of Land Ownership Award (CLOA), which shall contain the restrictions and conditions provided for in this Act, and shall be recorded in the Register of Deeds concerned and annotated on the Certificate of Title.

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