

POLO PLANTATION, INC., PLAINTIFFS-APPELLANT, VS. STEPHEN M. LEONIDAS, IN HIS CAPACITY AS THE PROVINCIAL AGRARIAN REFORM OFFICER, ROY M. BAUTISTA, IN HIS CAPACITY AS THE MUNICIPA...

Ponente: LOPEZ, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/b9c94c01cc14/>

LOPEZ, J.:

Before the Court is the Appeal[1] assailing the Order[2] dated October 6, 2008 of Branch 43, Regional Trial Court of Tanjay, Negros Oriental (hereafter, the “court a quo”) in Civil Case No. 244, which dismissed the Complaint for Annulment of Transfer Certificate of Title, Damages, and Injunction for lack of jurisdiction.

The facts of the case as culled from the Order are as follows:

The complaint seeks to cancel the above-mentioned certificates of land ownership (CLOA) issued by the Department of Agrarian Reform pursuant to the implementation of the Comprehensive Agrarian Reform Program of the government under R.A. 6657 on the ground that the parcels of land involved are dedicated to raising cattle, culture of fish such as bangus and the rest as coconut plantation since its acquisition by plaintiff in 1970 up to the present; that the City of Tanjay on November 3, 1999, which (when it was) still a municipality adopted a resolution No. 344 reclassifying 625 hectares of parcels of land belonging to plaintiff into mix (sic) uses, commercial, industrial and residential, subject however to tenurial rights, if any, as well as indorsing the petition of plaintiff to set up Ecocity Special Economic Zone, having been recommended by the Philippine Economic Zone Authority (PEZA); that the Philippine Economic Zone Authority approved the application of plaintiff for the declaration of its 280 hectare properties in Barangay Polo as Special Economic Zone subject to Presidential Proclamation to be known as Polo Ecocity; that on January 18, 2000, the Sangguniang Bayan of Tanjay, adopted Resolution No. 16 which approved its Comprehensive Land Use Plan and Zoning Ordinance which reclassified the properties of plaintiff into mix (sic) uses, commercial residential and industrial, in conformity with the Resolution No. 344 previously adopted; that on July 12, 2001 the Sangguniang Panlalawigan of Negros Oriental adopted Resolution No. 312 whereby it approved Resolution No. 16 of the then municipality of Tanjay; that despite the nature of the parcels of land of the plaintiff covered by Transfer Certificate of Title No. T-1187(.) defendant Stephen M. Leonidas and Roy Bautista, without knowledge of the plaintiff or its principal officers, initiated the coverage of the said parcels of land under the provisions of the Comprehensive Agrarian Reform Program; that it was only on November 27, 2000 that plaintiff was informed, through its officers, of the filing of a notice of land valuation and acquisition dated 16 September 1991; that it was only in the month of July 2001 when the plaintiff received a letter from Stephen Leonidas dated July 4, 2001 giving notice to the land valuation of 40.1124 has. out of the 57.7767 has. of land of the plaintiff covered by T.C.T. T-1187 in the amount of P1,186,368.04 which offer was subject to adjustment to conform with the actual area covered as determined by the survey with a warning that plaintiff must either accept or reject the offer and in case of the latter, there shall be summary administrative proceeding to determine just compensation; that in any event the notice added that the Department of Agrarian Reform shall take immediate possession of the parcels of land upon deposit of the compensation with an accessible Bank; that dependant (sic) Stephen N. Leonidas filed a summary administrative proceeding against the plaintiff for the determination of the just compensation with the PARAD, Dumaguete City; that against the notice of

coverage, plaintiff wrote a letter to defendant Leonidas stating that the land is not agricultural, and therefore outside the coverage of the Comprehensive Agrarian Reform Program under R.A. 6657; that the PARAD in the case of DARAB VII-194-140-1 proceeded to determine the amount of just compensation despite motion for resetting of the hearing for the 40.1124 has. of land covered by TCT No. T-1187 in the amount of 1,186,368.04; that on August 14, 2002, defendant Leonidas gave notice to plaintiff which corrected the area sought to be acquired from 40.1124 hectares to 17.9432 and the amount from 1,186,368.04 to P525,410.31 to which plaintiff rejected the offer; that the PARAD ruled against the opposition of plaintiff covering the land under the Comprehensive Agrarian Reform Program; that on May 5, 2003, another notice of coverage dated September 16, 1991 which included property known as Lot 3478-D covered by T.C.T. No. 2304 with an area of 431.055 has; that plaintiff demanded cancellation of alleged Torrens title issued to farmer beneficiaries and opposed its installation but defendant did not comply (with) said demand; that the protest of plaintiff was dismissed by the Regional Director Region VII of the Agrarian Reform; that the cancellation of T.C.T. No. T-1174 and issuance of T-701 in the names of the defendants-farmer beneficiaries was illegal and null and void and of no legal effect; that the farmer-beneficiaries are not tenants nor regular farm workers or seasonal workers of the plaintiff as plaintiff has been hiring regular workers on its farm.

Plaintiff further alleges that the parcels of land now covered by T.C.T. No. T-701 has been reclassified as mix use commercial, industrial and residential by virtue of the resolution No. 344 of the Sangguniang Bayan of then municipality of Tanjay adopted on November 3, 1999 and reiterated in the Land Use Plan and Zoning Ordinance of Tanjay City under Resolution No. 16 approved of (sic) January 18, 2000 and approved by the Sangguniang Panlalawigan of Negros Oriental under Resolution No. 312 dated July 12, 2001; that the valuation of P525,410.31 for 17.9942 has. has not undergone judicial proceeding but merely arrived at (by) summary administrative proceedings which is contrary to established jurisprudence and therefore has resulted to the deprivation of property without due process of law; that the lot (sic) is patently illegal and there is a need for judicial intervention as the despondents (sic) have attempted several times to occupy the property of the plaintiff with gross disregard of due process and consequently petitioner will suffer grave and irreparable damage and that there are no causes of fact but are all pure question of law and that this court has jurisdiction to entertain this action, the principle of exhaustion of administrative remedies not applicable in this case.

Defendants filed an answer with the affirmative defenses of lack of jurisdiction.

On October 6, 2008, the court a quo rendered the assailed Order,[3] which dismissed the Complaint for lack of jurisdiction. Moreover, the court a quo found that no reclassification clearance or authority was issued by the DAR for the reclassification of the subject land as under PEZA.

Unfazed, plaintiff-appellant filed a Notice of Appeal,[4] which was given due course on December 11, 2008.[5]

Hence, this Appeal[6] with the following assignment of errors:

I

THE TRIAL COURT ERRED IN NOT RULING THAT THE CAUSE OF ACTION OF PLAINTIFF IS PREDICATED ON A CONSTITUTIONAL VIOLATION WHEN CERTIFICATES OF TITLE WERE ISSUED TO BENEFICIARIES WHO ARE NOT FARMERS OR TENANTS ACTUALLY TILLING THE SUBJECT LAND IN GROSS VIOLATION OF THE CONSTITUTION AND APPLICABLE LAWS

II

THE TRIAL COURT ERRED IN NOT FINDING THAT THE ADJUDICATORY MACHINERY OF DAR FAILED TO AFFORD PROMPT, ADEQUATE AND FAIR RELIEF TO PLAINTIFF WHEN IT DISREGARDED FACTS INDISPUTABLY SHOWING THAT THE SUBJECT LAND IS OUTSIDE THE COVERAGE OF CARP, RESULTING TO THE ISSUANCE OF TORRENS CERTIFICATES OF TITLE TO BENEFICIARIES NOT CONTEMPLATED BY LAW IN VIOLATION OF PLAINTIFF'S RIGHT TO DUE PROCESS AND NECESSITATING INTERVENTION OF THE REGULAR COURTS.

Plaintiff-appellant argues that the complaint should not be dismissed because its cause of action is the unceremonious deprivation of its land when DAR, acting thru PARO Leonidas and MARO Bautista, initiated the coverage of plaintiff's land under the CARL without prompt and adequate notice to it. Plaintiff-appellant asserts that the proceedings before the DAR are patent nullities because the beneficiaries are not the persons contemplated by law and there was merely an administrative hearing instead of a judicial proceeding in determining just compensation. Plaintiff-appellant maintains that the regular courts can lawfully take cognizance of cases where the land was erroneously placed under CARP. Plaintiff-appellant contends that the lack of jurisdiction of the DAR was seasonably raised in the proceedings therein. Lastly, it is posited that *res judicata* cannot apply as the proceedings before the DAR are null and void.

The Defendants-appellees, on the other hand, claim that the cases on cancellation of CLOAs are within the jurisdiction of the DAR Secretary. Moreover, they assert that the plaintiff-appellant failed to exhaust administrative remedy. Defendants-appellees allege that the beneficiaries of the subject land were qualified persons.

The Ruling of the Court

We deny the appeal. Regular courts have no jurisdiction over cases involving cancellation of certificate of land ownership award (CLOA).

Republic Act No. 9700 (Comprehensive Agrarian Reform Program Extension with Reforms),[7] which took effect on July 1, 2009, states:

Section 9. Section 24 of Republic Act No. 6657, as amended, is further amended to read as follows:

xxx

All cases involving the cancellation of registered emancipation patents, certificates of land ownership award, and other titles issued under any agrarian reform program are within the exclusive and original jurisdiction of the Secretary of the DAR.

Besides, Section 1, Rule II of the 1994 DARAB Rules of Procedure clearly provides that “matters involving strictly the administrative implementation of R.A. No. 6657, and other agrarian reform laws and pertinent rules, shall be the exclusive prerogative of and cognizable by the DAR Secretary.”

Apparently, the regular courts are bereft of jurisdiction to hear the instant controversy. Jurisdiction lies with the Office of the DAR Secretary to resolve the issues of propriety of cancellation of CLOA. The decision of the Office of DAR Secretary may then be appealed to the Office of the President.[8]

Even assuming in *arguendo* that the regular courts have jurisdiction to hear the instant case, still, the Complaint should be dismissed.

Plaintiff-appellant asserts that the CLOA should be canceled as the defendant beneficiaries are not actual farmers or tenants of the subject land.

We reject its paltry contention.

A similar case involving plaintiff-appellant's adjacent land consisting of 393 hectares has already reached the Supreme Court entitled, “Department of Agrarian Reform v. Polo Coconut Plantation Co., Inc. et al”, and docketed as G.R. No. 168787 and 169271. In the said case, herein plaintiff-appellant contended that its 393 hectares should be exempted from CARP coverage with its conversion into an ecozone, and also because the farmer-beneficiaries were not qualified beneficiaries. The Supreme Court therein ruled in favor of the DAR and the farmer beneficiaries. With respect to the issue regarding qualification of the farmers-beneficiaries, the

Supreme Court, ruled that qualified beneficiaries are not limited to tenants of the landowners, viz:

Qualification Of CARP Beneficiaries

Section 22 of the CARL provides:

Section 22. Qualified Beneficiaries. – The lands covered by the CARP shall be distributed as much as possible to landless residents of the same baranggay, or in the absence thereof, landless residents of the same municipality in the following order of priority:

- (a) agricultural lessees and share tenants;
- (b) regular farmworkers;
- (c) seasonal farmworkers;
- (d) other farmworkers;
- (e) actual tillers or occupants of public lands;
- (f) collectives or cooperatives of the abovementioned beneficiaries and
- (g) others directly working on the land.

x x x x x x x x

A basic qualification of a beneficiary is his willingness, aptitude and ability to cultivate and make the land as productive as possible. The DAR shall adopt a system of monitoring the record or performance of each beneficiary, so that any beneficiary guilty of negligence or misuse of the land or any support extended to him shall forfeit his right to continue as such beneficiary. The DAR shall submit periodic reports on the performance of the beneficiaries to the [Presidential Agrarian Reform Council].

x x x x x x x x

This provision enumerates who are qualified beneficiaries of the CARP. Determining whether or not one is eligible to receive land involves the administrative implementation of the program. For this reason, only the DAR Secretary can identify and select CARP beneficiaries. Thus, courts cannot substitute their judgment unless there is a clear showing of grave abuse of discretion.

Section 22 of the CARL does not limit qualified beneficiaries to tenants of the landowners. Thus, the DAR cannot be deemed to have committed grave abuse of discretion simply because its chosen beneficiaries were not tenants of PCPCI.(emphasis supplied).

“Agricultural lessees and share tenants” comprise only one class of qualified beneficiaries. Hence, even those who do not enjoy a tenancy relationship with the landowner can become qualified beneficiaries.[9] Besides, it appears that the farmer-beneficiaries were identified by the DAR as under the category of “other farmworkers or others directly working on the land”.[10]

WHEREFORE, the Order of Branch 43, Regional Trial Court of Tanjay, Negros Oriental dated October 6, 2008 is AFFIRMED.

SO ORDERED.

Delos Santos, Chairperson, and Lagura-Yap, JJ., concur.

[1] Rollo, p. 50.

[2] Records, p. 182.

[3] Ibid.

[4] Ibid, p. 188.

[5] Ibid., p. 194 (Order dated December 11, 2008).

[6] Rollo, p. 50.

[7] An Act Strengthening the Comprehensive Agrarian Reform Program (CARP), Extending the Acquisition and Distribution of All Agricultural Lands, Instituting Necessary Reforms, Amending for the Purpose Certain Provisions of Republic Act No. 6657, Otherwise Known as the “Comprehensive Agrarian Reform Law of 1988, As Amended, and Appropriating Funds Therefor.”

[8] DAR Administrative Order 03, Series of 2003. 2003 Rules for Agrarian Law Implementation Cases.

Section 24. Motion for Reconsideration of the decision or order of the Secretary- In cases where the Secretary exercises exclusive original jurisdiction, a party may file only one (1) motion for reconsideration of the decision of the Secretary, and may do so only within a non-extendible period of fifteen (15) calendar days from receipt of the decision, furnishing a copy of the motion to all other parties. The filing of the motion interrupts the running of the reglementary period within which to appeal.

24.1 If the motion for reconsideration is denied, the movant may perfect an appeal before the Office of the President within only the remainder of said non-extendible period of fifteen (15) calendar days but not less than five (5) calendar days.

24.2 If the motion for reconsideration is granted, resulting in the reversal of the original decision, the losing party may perfect an appeal before the Office of the President within a full but non-extendible period of fifteen (15) calendar days from receipt of the new decision.

[9] See Philippine Overseas Telecommunications Corp v. Gutierrez, et al, G.R. NO. 149764, November 22, 2006.

[10] Rollo, p. 76 (Appellees' Brief, par.4).

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.