

**GOVERNMENT SERVICE INSURANCE SYSTEM (GSIS), PETITIONER,
VS. APOLINARIO TEODORO, EMETERIO ENRIQUEZ, HEIRS OF
LUCENA ANGELES, REPRESENTED BY GREGORIO ROQUE, ISIDRA
ROQUE, FRANCISC...**

Ponente: CASTILLO, M., J.

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CASTILLO, M., J.:

This is a petition for review seeking to reverse and set aside the 07 February 2013 Decision[1] and 27 June 2013 Resolution,[2] both of the Department of Agrarian Reform and Adjudication Board (DARAB), in DARAB Case No. 13559 (Reg. Case No. R-03-02-2056'00), granting respondents' appeal from the 10 February 2004 Decision of Provincial Adjudicator Joseph Noel C. Longboan,[3] and denying petitioner's motion for reconsideration, respectively.

The antecedents of this petition, as culled from the record before Us, are:

During their lifetime, spouses Isberto Crisostomo and Elena Aldaba acquired a large tract of land in Malolos, Bulacan. When they passed away on 11 November 1948 and 18 May 1970, respectively, they left an aggregate landholding of 91.96145 hectares to their children, namely, Consorcia Crisostomo, Purificacion Crisostomo-Reyes (now deceased), Corazon Crisostomo, Leticia Crisostomo-Castillo, Narciso Crisostomo, Fe Floria Crisostomo and Benjamin Crisostomo (also deceased). 80.1676 hectares of the said 91.96145 hectares are ricelands, with 12.1842 hectares thereof tenanted by the herein respondents and is now the subject of the instant case.

The subject ricelands consisting of 12.1842 hectares were covered by Operation Land Transfer (OLT) pursuant to Presidential Decree No. 27. On 15 May 1988, 25 August 1993 and 06 March 1995, the children of the late spouses Crisostomo and Elena Aldaba transferred 40.1769 hectares of the 91.96145 hectares landholding they inherited to Maunlad Homes, Inc. (MHI). The conveyances included the 12.1842 hectares of ricelands subject of this case.

Prior to the transfers made to MHI, the children of the late spouses Isberto Crisostomo and Elena Aldaba through Benjamin Crisostomo filed an application for retention. Said application was not acted upon for about twenty (20) years which prompted Leticia Crisostomo-Castillo to file another application for retention in 1994.

In an Order dated 16 March 1995, then Regional Director Eugenio Bernardo granted 44.8659 hectares retention area to the children of the late spouses Isberto Crisostomo and Elena Aldaba.

Meanwhile, MHI secured a loan on 16 June 1995 from herein petitioner GSIS using as collateral the 24.268 hectares of land it acquired from the children of the late spouses Isberto Crisostomo and Elena Aldaba including the 12.1842 subject ricelands. Said loan was annotated on the title of MHI.

On appeal, then DAR Secretary Horacio R. Morales, Jr. reversed the finding of Regional Director Eugenio Bernardo in an Order dated 16 November 1998, declaring therein that the heirs of Isberto Crisostomo were not

qualified to retain.[4]

As a consequence of the 16 November 1998 Order of DAR Secretary Horacio R. Morales, Jr., Emancipation Patents were registered in the names of herein respondents on 15 April 1999. Inscribed at the back of the EP titles was the mortgage executed by MHI in favor of herein petitioner GSIS which were carried over from MHI's title to the subject ricelands.

The children/heirs of the late Isberto Crisostomo and Elena Aldaba moved for a reconsideration of the 16 November 1998 Order.

Pending resolution of their motion, respondents herein filed, on 15 November 2000, a complaint for Annulment of Mortgage and Cancellation of the Annotation of the Mortgage at the back of the Titles with Damages against petitioner GSIS and its co-defendants therein, Maunlad Homes, Inc. (HMI) and the Register of Deeds of Bulacan before the Office of the Provincial Agrarian Reform Adjudicator (OPARA), seeking the cancellation of the mortgage between HMI and GSIS annotated at the back of the EP titles issued to them over the subject ricelands.

GSIS moved to dismiss the complaint of respondents on the ground that the DARAB supposedly had no jurisdiction over the subject matter since no agrarian reform matter or dispute was involved in the case.[5] It averred that respondents should have instituted its action before the regular courts.[6]

MHI similarly maintained, among other things, that the DARAB had no jurisdiction over the case in its answer to the complaint.

Upon the filing of the parties' respective position paper and supporting documents, the Provincial Adjudicator, in a Decision dated 10 February 2004, dismissed respondents' complaint for lack of jurisdiction.[7]

Respondents appealed the 10 February 2004 Decision of the Provincial Adjudicator to the DARAB.

In the meantime, on 31 August 2006, the DAR OIC-Secretary Nasser C. Pangandaman issued an Order granting the motion for reconsideration of the children/heirs of the late spouses Isberto Crisostomo and Elena Aldaba. The dispositive portion of the said Order reads:[8]

WHEREFORE, premises considered, an Order is hereby issued:

1. GRANTING the applicants-appellees forty-nine (49) hectares right of retention to be taken from:

a) the 40.1769 hectares previously conveyed to Maunland Homes, Incorporated (which includes T-266933 with an area of 12.1842 hectares, also applied for retention); and

b) 8.8231 hectares shall be taken from the applied area.

2. LIFTING the OLT coverage over TCT T-266933 with an area of 12.1842 hectares. The tenants therein shall have the option to be leaseholders over the retained area or be beneficiaries on other agricultural landholdings; and

3. DIRECTING the Municipal Agrarian Reform Officer and Provincial Agrarian Reform Officer concerned to cover the remaining 31.1676 hectares ricelands under CARP.

SO ORDERED.

Said 31 August 2006 of DAR OIC-Secretary Nasser C. Pangandaman was affirmed on appeal to the Office of the President.[9] Further, the petition for review assailing the Decision of the Office of the President was dismissed by this Court in CA-G.R. SP No. 100041[10] which similarly denied the subsequent motion for

reconsideration.[11] An Entry of Judgment was thereafter issued by this Court.[12]

Back to respondents' appeal, the DARAB in its assailed Decision overturned the Provincial Adjudicator's dismissal of the case for lack of jurisdiction, holding:[13]

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Going to the merits of this case, records reveal that the subject parcels of land are agricultural areas and formerly tenanted by complainants-appellants with corresponding EPs. Same areas are the subject matter of [the] Application for Retention filed by then landowners, heirs of the late Spouses Isberto Crisostomo and Elena Aldaba. Note that in an Order dated March 16, 1995, the DAR Region III Director favored the retention area of Crisostomo. Complainants-appellants and their farmers' organization appealed the Order xxx. On Nov. 26, 1998, DAR Secretary Horacio R. Morales, Jr. reversed the ruling of the DAR Regional Director and issued an Order granting the appeal by ruling that the Heirs of Isberto Crisostomo are not qualified to retain the disputed lands xxx. Curiously, in the said Order, the Heirs of Crisostomo are represented by Nemesio Pulumbarit, an official of respondent-appellee MHI and one of the signatories in the Loan and Mortgage Agreement.

Apparently, the issues in the application for retention and its parties are interconnected with this case. Contrary to the ruling of the Adjudicator a quo, the Board has jurisdiction over this case. Even if this is a cancellation of mortgage annotated in the titles of complainants-appellants, the case is intertwined with that of [the] petition for retention of the Crisostomos who are the predecessors-in-interest of respondent-appellee MHI.

As held by the Supreme Court in a recent case of Spouses Carpio v. Sebastian, et. al., G.R. No. 166108, promulgated on June 16, 2010, it was oft-settled that "(w)hen a case is merely an incident involving the implementation of the Comprehensive Agrarian Reform Program x x x then jurisdiction remains with the DARAB and not with the regular courts. Jurisdiction is determined by considering not only the status or relationship of the parties involved but also the nature of the issues or questions that is the subject matter of the controversy which may be intertwined with the resolution of the an issue within the exclusive jurisdiction of the DARAB. Specifically, xxx (1) the annulment or cancellation of lease contracts or deeds of sale or their amendments involving lands under the administration of the DAR or LBP; (2) those involving the sale, alienation, mortgage, foreclosure and redemption of agricultural lands under the coverage of CARP or other agrarian laws; and those involving the issuance, correction and cancellation of emancipation patents registered with the Land Registration Authority" (Section 1, Rule II, 1994 DARAB Rules of Procedure, which is the applicable rule in this case.)

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The DARAB further declared the conveyances of the subject ricelands from the children/heirs of Isberto Crisostomo and Elena Aldaba to MHI as null and void, having been made in violation of Section 6 of Republic Act No. 6657 which prohibits the lease or sale of agricultural lands except to the government, the tenants or lessees. It also ratiocinated that since the sale was invalid, the subsequent mortgage of the ricelands in suit by MHI in favor of petitioner GSIS did not, in any way, affect the respondents' ownership of their individual area. The DARAB then decided respondents' appeal in this wise:[14]

WHEREFORE, the appeal is GRANTED and the appealed Decision dated February 10, 2004 is hereby REVERSED AND SET ASIDE. A NEW ONE is entered as follows:

- DECLARING the mortgage of subject land areas without force and effect with respect to the ownership

thereof by complainants-appellants;

- ORDERING the Register of Deeds of Bulacan to cancel the mortgage in favor of respondent-appellee GSIS which had been annotated in the EP titles of complainants-appellants;
- DIRECTING respondent-appellee Maunlad Homes, Inc. to pay complainants-appellants the sum of P100,000.00 for moral damages; and
- DISMISSING the other claims for insufficiency of evidence.

SO ORDERED.

Petitioner GSIS moved for a reconsideration of the assailed Decision of the DARAB, maintaining among other things that the instant case had been mooted by the 31 August 2006 Order of the DAR OIC-Secretary which had already attained finality.[15]

Said motion was denied by the DARAB in its assailed Resolution.

Hence, this petition.

Upon the filing of respondents' Comment on the petition for review and petitioner's Reply thereto, the case was submitted for decision.

Still arguing mainly that the instant case has been rendered moot and academic by the 31 August 2006 Order of DAR OIC-Secretary Nasser C. Pangandaman, GSIS asserts that the DARAB erred in issuing its assailed Decision and Resolution.

A case or issue is considered moot and academic when it ceases to present a justiciable controversy by virtue of supervening events, so that an adjudication of the case or a declaration on the issue would be of no practical value or use. In such instance, there is no actual substantial relief which a petitioner would be entitled to, and which would be negated by the dismissal of the petition. Courts generally decline jurisdiction over such case or dismiss it on the ground of mootness, save when, among others, a compelling constitutional issue raised requires the formulation of controlling principles to guide the bench, the bar and the public; or when the case is capable of repetition yet evading judicial review.[16]

Applying the foregoing as guidepost, We agree with the GSIS that the appeal before the DARAB was mooted by the 31 August 2006 Order of DAR OIC-Secretary Nasser C. Pangandaman. The resolution of the said appeal is of no practical value or use to the respondents. Respondents are not entitled to any actual substantial relief from the said appeal.

For easy reference, the dispositive portion of the 31 August 2006 Order of DAR OIC-Secretary Nasser C. Pangandaman, reads:[17]

WHEREFORE, premises considered, an Order is hereby issued:

1. GRANTING the applicants-appellees forty-nine (49) hectares right of retention to be taken from:

- a) the 40.1769 hectares previously conveyed to Maunland Homes, Incorporated (which includes T-266933 with an area of 12.1842 hectares, also applied for retention); and
- b) 8.8231 hectares shall be taken from the applied area.

2. LIFTING the OLT coverage over TCT T-266933 with an area of 12.1842 hectares. The tenants therein shall have the option to be leaseholders over the retained area or be beneficiaries on other agricultural landholdings; and

3. DIRECTING the Municipal Agrarian Reform Officer and Provincial Agrarian Reform Officer concerned to cover the remaining 31.1676 hectares ricelands under CARP.

SO ORDERED.

It must be noted that the above-cited 31 August 2006 Order was affirmed on appeal to the Office of the President and also affirmed by this Court. In fact, an Entry of Judgment was issued by this Court.[18]

The necessary consequence of allowing the children/heirs of Isberto Crisostomo and Elena Aldaba to retain the subject ricelands upon the lifting of the OLT coverage over the same is the cancellation/nullification of the EP titles issued to and registered in the names of the respondents. As a result, respondents no longer have any personality or cause of action to maintain their case against the petitioner as well as the other defendant below, MHI.

Significantly, respondents, in their complaint before the PARAD, based their cause of action against GSIS and MHI on their averred ownership of the ricelands as evidenced by the EP titles in their names covering the same. Thus, in their complaint, respondents averred, among other things:[19]

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3. Herein plaintiffs are the tenants and occupants of parcels of land situated in Sumapang Bata, Malolos, Bulacan;

4. However, herein plaintiffs are now the registered owners of parcels of agricultural land located in Sumapang Bata, Malolos, Bulacan, their titles thereto being evidenced by transfer certificates of title issued by the Department of Agrarian Reform sometime in 1989 pursuant to Emancipation Patents issued in their names xxx;

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Thus, respondents based their complaint on their Emancipation Patents which no longer exist by virtue of a final judgment awarding the questioned lots to the children/heirs of Isberto Crisostomo and Elena Aldaba as part of their retained land.

Accordingly, We find that the DARAB did commit a reversible error in granting respondents' appeal.

Having decided the case in the foregoing manner, the Court finds no need to resolve the other issues raised by the parties.

WHEREFORE, the instant petition for review is GRANTED. The assailed Decision and Resolution of the Department of Agrarian Reform and Adjudication Board (DARAB) are REVERSED and SET ASIDE. Judgment is hereby rendered DISMISSING respondents' appeal for MOOTNESS.

SO ORDERED.

Lazaro-Javier and Galapate-Laguilles, JJ., concur.

[1] Rollo, pp. 36 - 47

[2] Rollo, pp. 50 - 55

[3] Rollo, pp. 123 - 131

- [4] Rollo, pp. 105 - 112
- [5] Manifestation with Motion to Dismiss dated 06 December 2000, Rollo, pp. 63 - 66
- [6] Ibid
- [7] Rollo, pp. 123 - 131
- [8] Rollo, p.
- [9] Decision of the Office of the President dated 20 February 2007, Rollo, pp.
- [10] Resolution dated 15 October 2007, Rollo, p. 140 - 141
- [11] Resolution dated 21 February 2008 of this Court, Rollo, pp. 143 - 145
- [12] Rollo, p. 147
- [13] Assailed Decision of the DARAB, Rollo, pp. 142 - 143
- [14] Rollo, p. 46
- [15] GSIS' motion for reconsideration, Rollo, pp. 148 - 166
- [16] Macario Diaz Carpio v. Court of Appeals, et. al., G.R. No. 183102, February 27, 2013, citing Osmena III v. Social Security System of the Philippines, G.R. No. 165272, 13 September 2007, 533 SCRA 313, citing Province of Batangas v. Romulo, G.R. No. 152774, 27 May 2004, 429 SCRA 736, 754; Olanolan v. Comelec, 494 Phil. 749,759 (2005); Paloma v. CA, 461 Phil. 269, 276-277 (2003).
- [17] Rollo, p. 136
- [18] Rollo, p. 147
- [19] Rollo, pp. 57 - 58

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