

LIANGA BAY LOGGING CO., INC. AND HON. OTILLO G. ABAYA, IN HIS CAPACITY AS JUDGE, CFI OF SURIGAO DEL SUR, BRANCH II, PETITIONERS, VS. THE HONORABLE COURT OF APPEALS AND DELILA A....*G.R. No. L-37783. January 28, 1988*

Ponente: TEEHANKEE, C.J.

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The Court affirms with modification the appealed decision of the Court of Appeals which not only set aside the questioned preliminary injunction issued by the trial court but resolved the case on the merits on the basis of the voluminous records and evidence of the case which show private respondent to be clearly entitled to the payment of the logs wrongfully cut by petitioner from respondent's titled properties in the amount of P11,000.00, as duly found and held by the administrative authorities (Bureau of Lands and Bureau of Forest Development) which collections petitioner had sought to enjoin in the trial court. The Court reaffirms the fundamental principle laid down by it that where the determinative facts and evidence have been submitted to it by the parties so that it is in a position to finally resolve the dispute, it will in pursuance of the ends of justice and the expeditious administration of justice so resolve the case on the merits, instead of remanding the case to the trial court and having the parties start all over again in needless and protracted proceedings.

Petitioner Lianga Bay Logging Co., Inc. (hereinafter referred to as Lianga) was licensed under Timber Agreement No. 49, to cut, collect and remove timber from its concession area located in the municipalities of Lianga, San Agustin, Marihatag, Taga, Cagwait and San Miguel, Province of Surigao (now Surigao del Sur), comprising a total area of approximately 110,406 hectares, as technically described in the said agreement. The agreement was later amended on March 10, 1960 by reducing the area to 93,876 hectares. Concomitant with its license to cut, collect and remove timber from its concession area, petitioner was also engaged in the manufacture of veneer and in log and veneer exportation.

Respondent Delila A. Muyco (hereinafter referred to as Muyco) owned five parcels of land acquired through purchase from previous registered owners, all lots situated at Bo. Castillo, San Miguel, Surigao del Sur, which adjoined the concession area of petitioners and identified as Lot Nos. 504, 474, 494, 265 and 506 of PLS-11 of the same municipality.

Sometime on March 6, 1973, respondent Muyco, accompanied by several forestry officials entered the log pond of petitioner to confiscate about 5,400 cubic meters of logs, under authority of a telegraphic order dated March 12, 1973 of the Officer-in- Charge, Bureau of Forest Development, Quezon City “to exclude from the shipments of Lianga Bay Logging Co. logs they have cut from the titled properties of Mrs. Delila Muyco as verified and established by Forest Guard Cabulao and party and turnover same to the rightful owners Mrs. Delila Muyco xxx.”

Petitioner, as plaintiff, thereupon filed a complaint dated March 13, 1973 for “Damages and Injunction with Writ

of Preliminary Injunction" with the then Court of First Instance of Surigao del Sur against District Forester Justiniano Cabiles and Asst. District Forester Ernesto M. Tremor, Jr. of the Bureau of Forest Development, Tandag, Surigao del Sur, Foresters Antonio Arellano and Francisco Tamolang, Jr. and Delila A. Muyco, as defendants, docketed thereat as Civil Case No. L-94, alleging inter alia, "(T)hat on March 6, 1973 and on subsequent dates, defendants, their men or persons acting under instruction or authority, over and above the objections of plaintiff and in violation of its right to have peaceful possession and enjoyment of its logs in its aforesaid log dump and log pond and of its exclusive right to cut, collect and remove timber from its concession area, illegally began segregating, impounding and/or confiscating 5,400 cubic meters of its logs in said log dump and log pond, without proper investigation and observance of the rudiments of due process of law but only for the undue benefit and advantage of defendant Delila A. Muyco, resulting to the damage and prejudice of plaintiff in the amount of not less than ELEVEN THOUSAND PESOS (P11,000)"[1] and praying for the issuance of a writ of preliminary injunction.

As prayed for, the lower court issued its writs of preliminary injunction on March 21 and 22, 1973 enjoining on a bond of P5,000 the defendants therein (headed by herein respondent Muyco) from segregating, impounding or confiscating the alleged logs of herein petitioner.[2] On March 23, 1973, it issued an order denying the motion to dismiss the complaint.[3]

Muyco then filed with the Court of Appeals a petition for prohibition and certiorari with preliminary injunction docketed as CA-G.R.No. 01956 contesting the aforesaid writ of preliminary injunction issued by the then Court of First Instance of Surigao del Sur. Respondent appellate court set the petition for hearing, and issued a temporary restraining order enjoining the enforcement of the lower court's injunction orders of March 21, and 22, 1973 and from further proceeding with the trial of Civil Case L-94 below. After Muyco had filed a reply to Lianga's answer and memorandum in lieu of oral argument and Lianga's rejoinder thereto, the appellate court considered the case submitted for resolution on the merits of the case.

In a decision dated September 26, 1973, and amended on January 18, 1974 the Court of Appeals ruled that Muyco was entitled to the delivery of the logs in question, finding that the trial court committed grave abuse of discretion and acted without jurisdiction in issuing the writ of preliminary injunction of March 21, and 22, 1973.

Both parties filed motions for reconsideration which were both denied. Lianga came to this court by way of appeal praying for the setting aside of the appealed decision, and to declare: (1) that respondent court erred in holding that Lianga judicially admitted having logged in Muyco's properties; (2) that respondent court acted without or in excess of jurisdiction and with grave abuse of discretion in holding that Lianga logged in Muyco's properties even before trial on the merits of the case in the court below; (3), that respondent court erred in giving weight to the investigation reports of the forestry officials that Lianga logged in Muyco's properties; (4) that the five lots where Lianga allegedly logged are not owned by Muyco; (5) that the Certificates of Titles to said five lots are null and void; (6) that respondent court's decision is premature inasmuch as the question of whether or not Lianga logged in Muyco's properties is still being investigated by the Bureau of Forest Development; and (7) that the letter of the officer-in-charge of the Bureau of Forest Development, dated February 24, 1973 and his telegraphic instructions to the District Forester of Tandag, Surigao del Sur, dated February 24, 1973, directing the seizure of the 5,400 cubic meters logs from Lianga's pond are null and void.

In sum, the issue in this case is whether or not Lianga wrongfully logged within the properties of Muyco, which respondent court resolved against Lianga, holding that "(I)n the instant case there is no question that the respondent company in violation of its license and agreement had cut timber from the five titled properties in question without the permission or consent of the owner thereof." Respondent Court of Appeals in its findings weighed the evidence of both parties, as follows:

“The evidence for the petitioner [Muyco] show that as a result of the complaint of the petitioner to the Bureau of Forest Development an investigation was conducted by a joint team of the Bureau of Lands and of the Bureau of Forest Development consisting of the verification and ocular investigation of the premises, particularly the timber cut therein, and relocating the parcels of land claimed by the petitioner on the basis of which a report of February 8, 1973 was submitted to the District Land Officer and another report of February 9, 1973, to the District Forester (Annexes D and E) to the effect that the respondent company [Liang] has encroached on the titled properties, namely lots 265, 474, 494, 504 and 506 from which it has cut a total volume of 5,480.94 cubic meters and that the said lots are outside the forest zone line and are well within the alienable and disposable areas (Annex M to the reply to answer). On the other hand, the respondent company avers that the five (5) lots in question are within the forest zone line and the concession area of the respondent company as shown by a relocation survey that was conducted by Geodetic Engineer Pergentino Lloren, licensed surveyor of respondent company (Annex P). The petitioner questions this survey of the respondent company's surveyor because the same was tied to a proposed and unapproved forest zone line, BFFR corner B-414 which petitioner contends cannot prevail over the relocation survey of a disinterested representative of the Bureau of Lands which was tied to BLXM No. 1 and 2 of the PLS-11 subdivision survey.

However, whether or not the five titled properties in question are within or outside the licensed concession area of the respondent is of no moment because both parties are in agreement that the respondent company logged within the said five (5) lots being claimed by the petitioner. So that assuming that these titled areas are within the concession of the respondent company, the next question that arises is as to whether the respondent company is obligated to pay for the timber cut from these titled lands. The answer to this is found in lines 9 to 19, page 32 of the Timber Management Plan (FY 1969-74) entered into by the respondent company as approved by the Secretary of Agriculture and Natural Resources on July 16, 1969, wherein is found the following undertaking:

‘The basic plan of operation in the alienable or disposable areas is clear cutting. All merchantable volume available will be harvested before the landowner destroys the trees in the process of clearing for developing their respective lots. Most of the alienable or disposable lands embraced by the concession were already titled. The company intends to purchase the timber cut from duly titled lands. In order to insure that no timber cut in the permanent forest is invoiced or originating from titled lands, sustained checking of the operation will be undertaken by Concession Guards.’

In the Timber License Agreement No. 49 (Annex B, answer), it is also provided as follows as provision No. XXV:

‘That the holdings or claims of any person or entity which may be found within the area claimed shall be respected until the legal status of the area shall have been decided by proper authorities.’

From the foregoing provisions of the license and the agreement entered into by the respondent company, the said company is bound to purchase any timber cut from duly titled lands and holdings or claims of any person or entity within the area must be respected until the legal status shall have been decided by proper authorities. In the instant case there is no question that the respondent company in violation of its license and agreement has cut timber from the five titled properties in question without the permission or consent of the owner thereof.

However, the respondent company claims that the petitioner is not the owner of the properties in question as none of them is titled in the name of the petitioner. Respondents point out that Lot No. 474 is registered under Original Certificate of Title No. (458) 183 in the Office of the Register of Deeds for the province of Surigao del Sur in the name of Abraham Salinas (Annexes F-F, answer), Lot No. 494 is registered in the name of Rafael Paquillo under O.C.T. No. 395 in the same office (Annex D-D, answer), Lot No. 504 is registered in the name of Florencia Tumbaga under O.C.T. No. (461) 186 of the same office (Annex C-C, answer), Lot No. 506 is registered in the name of Delia A. Muyco, not in the name of petitioner Delila A. Muyco, under TCT No. 59 of the same office

(Annex E-E, answer), and Lot No. 265 is registered in the name of the Development Bank of the Philippines, Butuan City under TCT No. 25 of the same office (Annex G-G, answer). Petitioner, however, contends that the said properties were sold to her as shown by deeds of absolute sale marked as Exhibits 23, 24, 25 and 26 (Annexes A, B, C, D, to the reply). Petitioner also submitted a certification of the register of deeds (Annex E to reply) showing that TCT No. 59 is registered in the name of Delila A. Muyco, married to Abelardo B. Muyco, Sr., to show it belongs to the petitioner. Respondent however counters that assuming that the petitioner purchased the lots in question from their titled owners, under Section 50 of the Land Registration Act as amended, the act of registration of the deed of sale of a parcel of land is the operative act to convey and affect the land so that it may not bind the respondent company who is a third party thereto since the deeds were unregistered. Petitioner answers that the registration and transfer cannot be made until after the approval of the Secretary of Agriculture and Natural Resources has been obtained in accordance with the provisions of the Homestead Law, and unless the Department of Agrarian Reform certifies that the land sought to be transferred does not come within the purview of existing presidential decrees on the matter.

Be that as it may, since the respondent company has no other claim over the area covered by these properties except that it falls within its concession and since there is no doubt that these properties are titled in the names of other parties, one of which is in the name of the petitioner and the other titled owners above-mentioned sold the said properties to the petitioner, it necessarily follows that the petitioner has a better right over the property in question and steps into the shoes of titled owners of Lots No. 474, 504, 494 and 265, by virtue of her purchase thereof and as the titled owner of Lot No. 506, as against respondent company. (*Gulanza v. Nuesa*, G.R. No. L-6628, Aug. 31, 1954). The respondent company should have purchased the timber to be taken from the aforesaid lots from the petitioner or in the least should have secured the petitioner's permission and consent.

The next question that is posed is as to whether the Officer-in-Charge of the Bureau of Forest Development on the basis of an investigation report by the joint team of the Bureau of Lands and his bureau can order the replacement by the respondent company of the logs cut by them from the area of the petitioner, as shown by the telegraphic instruction of February 26, 1973, and the letter to respondent company of February 24, 1973 (Annexes H and I, petition). The respondent company assails the investigation that was undertaken as a denial of due process claiming they were not notified nor duly represented. We are satisfied from the records of this case especially the report, Annex E, that the respondent company was duly notified and was given all the opportunity to be present and represented in the investigation and verification of the area. If they ever failed to have a representative present during all the proceedings, inspite of several notices, this is, and may be considered, a waiver of their right to be so represented."

The Court finds no merit in the petition seeking reversal of the appellate court's judgment.

The question of whether Lianga's evidence and testimony are more credible does not present a question of law, and hence, the findings of respondent court are deemed conclusive and will not be reviewed by the Court.[4] The Court's appellate jurisdiction is limited only to review of errors of law.[5] It is not the function of the Supreme Court to analyze or weigh such evidence all over again, its jurisdiction being limited to reviewing errors of law that might have been committed in the appealed judgment.[6] More so, when such factual findings are based on the administrative investigation duly conducted by the proper authorities consisting of the joint team of the Bureau of Lands and the Bureau of Forest Development, who are presumed to possess the required technical competence in such matters falling within their own special fields, in enforcing, the terms and conditions of Lianga's timber license.[6a]

On the argument of Lianga that the Officer-in-Charge of the Bureau of Forest Development had no authority to order the seizure of the logs in question, the Court holds that respondent correctly ruled that "(T)he jurisdiction

and authority of the Bureau of Forestry over the demarcation, protection, management, reproduction, reforestation, occupancy, and use of all public forests and forest reserves and over the granting of license thereof as provided for in the aforesaid provision of law covers the protection or prohibition against logging in areas beyond public forest and forest reserves and the enforcement of the provisions of the license or agreement issued to a licensee, like the respondent company. In this particular case respondent company is bound by the terms of the agreement and license that it will not log within titled properties without the consent and/or without purchasing the timber from such owners or holders thereof. Necessarily, it is within the power of the Officer-in-Charge of the Bureau of Forest Development to order the return or the replacement of the logs so illegally cut by the respondent company. Indeed under Condition No. xxx of Timber License Agreement No. 49, it is the obligation of the respondent company to comply with existing laws and regulations and the right of the Bureau of Forest Development to enforce compliance to the same and should the respondent company commit any violation, the said Bureau may impose the appropriate penalty for such a violation.”

Considering the extensive pleadings (4 volumes and 1,295 pages) and that all evidence of both parties were already submitted to the lower court,[7] respondent appellate court’s act of resolving the case not only on the questioned issuance of a writ of preliminary injunction but also on the merits of the case after Muyco’s memorandum in lieu of oral argument and Lianga’s rejoinder thereto, is proper. In proceeding with the resolution of the case on the merits, respondent court was “guided by the voluminous records of this case including the annexes, which annexes appear to be among the evidence that was adduced by the parties before the respondent judge at the hearing for preliminary injunction thereat.”[8] When the trial court has already before it all the evidence of both parties (submitted by them in connection with the propriety of the preliminary injunction) and consequently, the appellate court is in a position to pass upon said evidence and decide the case on the merits, there is no necessity for remanding the case to the trial court for further proceedings.[9]

As the Court stressed in *Lucas v. Mariano*,[10] which is fully applicable *mutatis mutandis*, where petitioner has “already had full opportunity to adduce (its) arguments in the court below [and in the Court of Appeals] as well as in this Court in support of (its) legal position, in its various motions for reconsideration, oppositions, the herein petition and subsequent comments, and since, anyway, the material and decisive facts are hardly disputable, it will not serve any useful purpose to hold any trial for the presentation of evidence [4 volumes have been submitted, with 1,295 pages and 112 annexes in the case at bar]; nor can it be expected that the legal conclusions of the [appellate] court which are apparently in accordance with law, will be modified substantially to warrant a different result.”

In *Francisco v. City of Davao*,[11] the Davao trial court had granted the taxpayer-plaintiffs complaint for refund of the protested realty tax payment, which defendant city appealed to this Court. This Court noted that the case should have been properly filed with the City Board of Assessment Appeals and/ or with the Court of Tax Appeals; the defendant city had filed a motion to dismiss the complaint but the trial court denied it and decided the case on the merits. This Court proceeded to resolve the appeal and set aside the appealed decision, holding through the late Chief Justice Roberto Concepcion that “(T.)he ends of justice would not be served, if we now dismiss the case — over nine (9) years after it had been initiated — and bade the plaintiffs to start all over again, following the procedure that the defendants had asked the lower court, but which the latter refused, to require. At any rate, since the legal question raised in the pleadings has reached this Court, and the assessment complained of is manifestly violative of the clear and express provision of the law, it is best that we decide said question, instead of further deferring its resolution.”

This case, involving the recovery from Lianga of logs pertaining to Muyco in the amount of P11,000.00 has already taken up too much of the time and attention of the courts to the prejudice of other cases in the court

dockets.

Remand of case to the lower court for further reception of evidence is not necessary where the court is in a position to resolve the dispute based on the records before it.[12] On many occasions, the Court, in the public interest and the expeditious administration of justice, has resolved actions on the merits instead of remanding them to the trial court for further proceedings, such as where the ends of justice would not be subserved by the remand of the case[13] or when public interest demands an early disposition of the case[14] or where the trial court had already received all the evidence of the parties.[15]

The Court, therefore, sustains respondent court's adjudication on the merits that the trial court "committed a grave abuse of discretion and acted in excess of the jurisdiction when in the light of the foregoing evidence and facts before it, it issued the writ of preliminary injunction of March 21, 1973 and the ancillary writ of March 22, 1973"; and in its conclusion that Muyco "is entitled to the delivery of the logs in question."

The Court, however, sets aside respondent court's order for Muyco to reimburse Lianga for the cost of production, forest charges and other fees and to return "the records of this case to the court a quo for further proceedings for the purpose of determining the cost of production, forest charges and other legal fees, as prescribed in the Forestry Law, Rules and Regulations, incurred by respondent company for the 5,480.96 cubic meters of logs taken from the properties of the petitioner" and "(A)fter deducting this actual cost from the total value of the said logs, the balance of the aforestated 5,480.96 cubic meters of logs should be segregated and delivered to the petitioner xxx."

The records amply show that Lianga has been in bad faith in indiscriminately cutting trees even outside its concession area in violation of the proprietary rights of others. Also, it has been violating forestry rules and regulations. In a 1st Indorsement dated February 12, 1973, the District Forester of Tandag, Surigao del Sur reported that "(T)he Lianga Bay Logging Co., Inc. has been continuously encroaching on concession areas and titled lands within San Miguel and it is high time that action be taken to stop these illegal activities which (are) causing such headaches and troubles to this Office and the people of San Miguel, Surigao del Sur." On October 5, 1973, then Director Jose Viado and then ASAC Chairman Lt. Gen. Pelagio Cruz, issued an Order of Suspension of Timber License Agreement No. 49 of Lianga acting on official reports that it "has violated forestry rules and regulations and the terms and conditions of its Timber License Agreement No. 49" and that it "is conducting an operational scheme entirely destructive and inimical to the establishment policies on the protection and conservation of the public forest." In a letter dated December 13, 1973 to the Secretary of Agriculture and Natural Resources submitted by an Investigation and Prosecution Committee, headed by Col. Andres A. Franco, then Director of the Operations Division of the ASAC, the Committee confirmed reports of violations of forest laws, rules and regulations committed by Lianga. These reports of the administrative officials and law enforcement authorities command respect by the courts. As indicated hereinabove, "(T)hat the facts found by administrative agencies are ordinarily considered well-nigh conclusive in the courts is to be conceded." [16]

The law expressly frees the offended licensee from any claims (which should include the cost of production) when forest products which have been unlawfully gathered from his licensed area are seized and delivered to him.[17] Section 1837 of the Revised Administrative Code provides that "(W)here a license is issued for the taking of forest products and a person other than the licensee unlawfully enters or operates without license in the territory covered thereby and cuts, gathers, or removes any forest products contrary to the terms of said license, or attempts to remove any products so cut or gathered, the same may be seized and delivered to the proper licensee, upon the payment or the regular charges thereon, free from any claim on the part of the offending persons xxx." Although herself not a concessionaire, this provision should in fairness equally apply to Muyco, considering that Lianga encroached upon her properties, which adjoin petitioner's concession area and cut logs therefrom without

her permission.

WHEREFORE, the appealed decision is hereby affirmed with the modification that petitioner Lianga is hereby sentenced to pay to the respondent Muyco the amount of P11,000.00 representing the value of logs cut from said respondent's properties, as submitted by petitioner company itself. The case in the court a quo, Civil Case No. L-94 of the Court of First Instance, now Regional Trial Court, is ordered dismissed, with costs in all instances against petitioner company. This decision is immediately executory and no extension to file a motion for its reconsideration shall be granted.

SO ORDERED.

Narvasa, Cruz, and Paras, JJ., concur.

Gancayco, J., took no part being the ponente in the CA.

[1] p. 466, Rollo.

[2] p. 287. Rollo.

[3] p. 289. Rollo,

[4] See *Addenbrook v. People*, 20 SCRA 494. *People v. Caragao*, 30 SCRA 993. *Tolentino v. CA*, 106 SCRA 513.

[5] *Alimagno v. People*. 120 SCRA 699; *Magpantay v. CA*, 116 SCRA 236; *Saligumba v. Commission on Audit, et al.*, 117 SCRA 669; *Hidalgo v. CA*, 130 SCRA 652; *Tongoy v. CA*, 123 SCRA 99.

[6] *Corona v. CA*, 121 SCRA 865.

[6a] See *Abejo v. de la Cruz*, 149 SCRA 654, 669.

[7] The petition alone consists of 167 pages with 26 annexes. A total of 112 annexes was submitted by the parties.

[8] p. 11, Decision of the Court of Appeals.

[9] *Samal v. CA*, 99 Phil. 230; see also *Republic v. Central Surety and Insurance Co.*, 25 SCRA 641.

[10] 44 SCRA 501, notes in brackets supplied.

[11] 12 SCRA 628.

[12] *Quisumbing v. CA*, 112 SCRA 703.

[13] *Francisco, et al v. The City of Davao, et at., supra*.

[14] *Republic v. Security Credit A Acceptance Corp.. et al.*, 19 SCRA 58.

[15] *Samai v, CA, supra*; *Republic v. Central Surety & Insurance Co.*, 25 SCRA 641.

[16] *Liongson v. Court of Appeals*, 49 SCRA 212.

[17] *Cotabato Timberland Co., Inc. v. Plaridel Lumber Co., Inc.*. 14 SCRA 380.

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