

**MEDINA BROTHERS & COMPANY, PETITIONER AND APPELLEE,  
VS. THE SECRETARY OF AGRICULTURE AND NATURAL RESOURCES,  
ET AL., RESPONDENTS AND APPELLANTS.***G. R. No. L-12793. December 29, 1959*

Ponente: BAUTISTA ANGELO, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/fac15741d48a/>**BAUTISTA ANGELO, J.:**

On August 11, 1949, Medina Brothers & Company, a registered partnership, filed an application for sales patent over a portion of public land containing an approximate area of 377.5000 hectares situated in Ilagan, Isabela, stating therein that the land applied for has fixed boundary limits and are marked with live trees as indicated on a sketch made on the back of the application. After the requisite publication, the property was sold at public auction and was awarded to the applicant as the highest bidder in an order of award issued on December 7, 1951.

On November 14, 1949, the company caused the tract of land subject of the sales application to be surveyed by a private surveyor who later submitted his report to the Director of Lands, the same having been approved by this official on June 7, 1950. As the new survey showed that the land applied for had an area of 439.8925 hectares, or a difference of 62.3925 hectares from the portion originally applied for, the company requested the Bureau of Lands to issue an amended order of award, which request was granted, and on December 7, 1951 the Director of Lands modified its previous order stating therein that the "dispositions contained therein shall refer to the same area of 439.8925 hectares." The partnership has begun paying the installments contained in the award and is not in arrears in the payment of its obligation to said Bureau.

On July 14, 1951, Cayetano Agcaoili and Blas Agcaoili filed each an application for homestead patent over two portions of public land situated in the same municipality of Ilagan, Isabela, which adjoined the land applied for by the company on the northeastern part. The portions applied for by the Agcaoili brothers were investigated by a surveyor of the Bureau of Lands who reported that both brothers are in actual possession of certain portions of the land applied for by them indicating therein the relative position of the portions occupied. It so happened, however, that the portions occupied by the Agcaoili brothers are embraced within the sales application filed by Medina Brothers & Company. Consequently, the company filed its protest with the office of the district land officer of Isabela complaining of the encroachment of its land on the part of the Agcaoili brothers and in view of this conflict, the Director of Lands ordered that it be investigated by a local district land officer.

The investigation having been conducted, the district land officer submitted his report recommending that the homestead applications of the Agcaoilis be cancelled and the sales application of the company given due course. The Agcaoilis filed several motions for reconsiderations, and when the same were denied, they appealed to the Department of Agriculture and Natural Resources. On April 20, 1955, the Undersecretary of Agriculture and Natural Resources, Hon. Jaime N. Ferrer, rendered decision setting aside the decision of the district land officer as affirmed by the Director of Lands and ordering that the homestead applications of the Agcaoilis be reinstated and given due course and that the sales application of the company be amended by excluding therefrom the portions

covered by the homestead applications of the Agcaoilis. When its motion for reconsideration was denied, the company filed the present petition for certiorari before the Court of First Instance of Isabela seeking to set aside the decision of the Secretary of Agriculture and Natural Resources alleging that said official has committed a grave abuse of discretion.

On June 18, 1957, the trial court rendered decision finding that the Secretary of Agriculture and Natural Resources has committed a grave abuse of discretion in reversing or setting aside the decision of the Director of Lands and, forthwith, ordered that the sales application of petitioning company be given due course and the homestead applications of the Agcaoili brothers be cancelled.

The Agcaoili brothers took the present appeal.

The main question for determination hinges on whether the conflict between the sales application of the company and the homestead applications of the Agcaoili brothers should be resolved in favor of the former as decided by the trial court or in favor of the latter as decided by the Secretary of Agriculture and Natural Resources. In deciding this conflict in favor of the company, the trial court took into account certain material facts which in its opinion are determinative of the controversy such as the date of the filing of the applications of the parties, the date of the award, the area applied for by them, and their compliance with the pertinent provisions of the Public Land Law and the rules and regulations promulgated thereunder.

Thus, in holding that the sales application of the company should be given preference over that of the homestead patent applications of the Agcaoili brothers, the trial court made the following pertinent observation:

"The evidence of record shows that the sales application of the petitioners, Medina Brothers and Company was filed on August 11, 1949 (Exh. '1'); whereas the respective homestead applications of the respondents Bias Agcaoili and Cayetano Agcaoili were filed on July 14, 1951 (Exhs. '18' & '19'). So it is clear that the sales application of the petitioners was filed about two years ahead of that of the homestead applications of the respondents Blas Agcaoili and Cayetano Agcaoili. The order of award of the sales application of the petitioners was issued on December 7, 1951 (Exh. '2') and payment of the first installment was effected by them on October 15, 1951 (Exh. 'B-5'); whereas the respective homestead applications of the respondents Bias Agcaoili and Cayetano Agcaoili were approved on January 2, 1953. So it is also clear that the sales application of the petitioners was awarded a little over one year ahead of the approval of the homestead applications of the respondents homesteaders. With respect to area, it appears that the survey of the sales application of the petitioners was made on November 14, and 16, 1949 and January 13 and 14, 1950 and approved by the Director of Lands on June 7, 1950 as shown by the plan MSA-V1744-D of the sales application of the petitioners, Exh. 'A', and the respective occupancy of the respondent homesteaders do not appear therein because the homestead applications in question were not yet filed then. It is obvious, therefore, that when the land applied for by the petitioners was surveyed in 1950, the approved plan indicates clearly that the true and exact area of the land embraced in their sales application is 439.8925 hectares which is 62.8925 hectares in excess of that stated in their sales application. But the Director of Lands, acting within the scope of his authority, after the determination of the true and/or correct area of the land in a proper and officially approved survey, had, on May 4, 1953, modified the order dated December 7, 1951 and held therein in no uncertain terms that the 'disposition (meaning award) refers to the same land with an area of 439.8925 hectares.' In fine the disposition or award of the 439.8925 hectares by the government retroacts as of December 7, 1951—when no homestead application was yet filed on any portion thereof—and naturally the sales application of the petitioners was deemed or impliedly amended with respect to area since said date. Consequently the order of the Director of Lands dated March 25, 1954 giving due course to the sales application of the petitioners and ordering the cancellation of the homestead applications of the respondents Agcaoilis is in accordance with law because it gave preference right to the petitioners due to their having acquired a vested right not only over the 377.5000 hectares but also over the disputed area, much ahead of the approval of the homestead applications of

the respondents homesteaders."

We find, however, that in reaching the foregoing conclusion the trial court overlooked certain facts which in our opinion may tip the scale in favor of the opinion of the Secretary of Agriculture and Natural Resources giving priority to the application of the Agcaoili brothers. Thus, we find that the application filed by the company on August 11, 1949 for a portion of public land only contains an estimated area of 377.5000 hectares; said application was published in accordance with law and the auction sale thereof carried out on the basis of the area appearing therein; and when the award was made on December 7, 1951, the same was made also on the basis of the same area of 377.5000 hectares. Then a survey was made of the land upon the request of the company and the result was an increase in area to 439.8925 hectares, or an excess of 62.3925 hectares from the area originally applied for. The survey was made in 1949 and 1950. The Agcaoili brothers filed their homestead applications on July 14, 1951, and on May 4, 1953, upon the request of the company, the order of award was amended stating therein that "the dispositions contained therein shall refer to the same land with an area of 439.8925 hectares."

It therefore appears clear that what was bought at public auction sale by the company and which was later awarded to it on December 7, 1951 was only a parcel of land containing an area of 377.5000 hectares, and that the amended order of award was made only after the Agcaoili brothers had submitted their homestead applications. Considering that the portions applied by these brothers were included in the excess portion containing an area of 62 hectares which was not covered by the land originally awarded to the company, we are of the opinion that the company cannot claim preference over the excess because that is what was applied for by the Agcaoili brothers.

It is true that when the official survey of the land was made with the approval of the Director of Lands the survey showed a discrepancy of about 62 hectares from the land originally applied for, but such discrepancy cannot merely be due to a technical error or lack of accuracy in surveying as stated by the district land officer in his report in connection with the conflicting claims of the parties, because it appears that the new survey made by the private surveyor did not follow the boundaries stated in the original area applied for by the company which are fixed and composed of live trees on the northeastern portion which deviation has resulted in the survey covering more area than what was included in the application.

It should be noted that these fixed natural boundaries appear in the sketch drawn on the back of its sales application such that the same cannot be ignored or mistaken. It should also be stated that the trial court, in order to satisfy itself of what is the real situation of the portions disputed by the parties, designated a public land surveyor to make a new survey of the land subject of the complaint in the presence of both parties, or their representatives, and the result of the survey he made substantially corroborated the claim that the original survey made did not faithfully follow the fixed boundaries of the land. The pertinent portion of the report of Public Land Surveyor Villapando follows:

"The figures in black and red lines are shown in their true relative positions. The figure in blue lines, which is the area as it appears in the application of the Medinas (Exh. 'I-A'), is shown in its PROBABLE position relative to the figure in black lines (Plan No. MSA1744-D marked Exh. 'A') and the figure in red lines (Actual occupation of the Agcaoilis). In other words its position in the sketch plan is only approximate. This is so because its geographic position is undefined. As such it is subject to Shift. For example it is possible to shift the said figure (in blue lines) such that points A, B and C, shall approximately fall on, and coincide with points a, b and c, respectively, while, at the same time, points W, X, Y and Z shall approximately coincide with points 18, 19, 20 and 22, respectively, thus, in effect pushing the area in controversy (in red) OUTSIDE the area as APPLIED for by the Medina Bros, and Company. The area in dispute, however, will always remain inside the area as SURVEYED for the Medinas, no matter how the figure in blue lines is shifted."

In deciding the complaint in favor of the Agcaoili brothers, the Secretary of Agriculture and Natural Resources made the following important observation:

"In the decision of this Office herein sought to be reconsidered, all the points raised in this instant motion for reconsideration have been fully discussed. The record is clear that the area applied for by the appellee was for 377.5000 hectares; that the order of award was also for the same area; that the survey which was made in 1949-1950 increased the area to 439.8925 hectares; that in the said survey the boundaries stated in the original area applied for by the appellee was not faithfully followed by the surveyor; that the corners of the boundaries of the area applied for by the appellee were fixed and composed of live trees in the northeastern portion thereon; that said boundaries were sketched on the back of the sales application and the order of award; and that, on the other hand, the appellants filed their application on July 14, 1951, before the order of award was made.

"The record is clear that the homestead application of the appellants were approved and that they had cultivated and introduced improvements thereon. On the other hand, the appellee have not even touched those areas in conflict.

"This Office in promulgating its decision of April 26, 1955, took into consideration the respective standing of the parties. It cannot be denied that the appellants have no other sources of income but their homesteads, and that they are poor farmers living by the produce of the land. On the otherhand, the Medina Brothers, were well-to-do businessmen."

Considering the equities of the parties in the light of the facts as found by the Secretary of Agriculture and Natural Resources, we are persuaded to affirm, as we hereby do, the decision of said Secretary on the conflict under consideration.

Wherefore, the decision appealed from is reversed. The Court declares the excess of 62.3925 hectares which resulted in the survey made by a private surveyor as approved by the Director of Lands to be a portion of the public domain and open for application as homestead by the Agcaoili brothers thereby giving due course to the applications of the latter. No pronouncement as to costs.

Paras, C. J., Bengzon, Padilla, Labrador, Concepcion, Endencia, Barrera, and Gutierrez David, JJ., concur.

**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.