

**SPOUSES RODRIGO COLOSO AND ELISA COLOSO, REPRESENTED BY
THEIR SON FREDERICK COLOSO, PETITIONERS, VS. HON.
SECRETARY ERNESTO V. GARILAO, IN HIS CAPACITY AS THE
SECRETARY OF THE D...**

G.R. NO. 129165. October 30, 2006

Ponente: VELASCO, JR., J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-129165/>

VELASCO, JR., J.:

The Case

Can a final judgment of a trial court which was affirmed by this Court be disregarded by the Department of Agrarian Reform (DAR) Secretary? This is the kernel controversy in this Petition for Certiorari, Prohibition, and Mandamus under Rule 65 which seeks to annul the DAR June 17, 1996 Order issued by respondent—then DAR Secretary Ernesto V. Garilao, denying the petition for exemption from the Comprehensive Agrarian Reform Program (CARP) of seven (7) parcels of land with an aggregate area of 25.5954 hectares located at Gugo, Samal, Bataan, filed by petitioners Colosos.

The Facts

Petitioners Rodrigo and Elisa Coloso (Colosos) are the registered owners of a parcel of land situated in Samal, Bataan with an area of approximately 300 hectares covered by Transfer Certificate of Title (TCT) No. 13845 registered in the Registry of Deeds of Bataan.

Petitioners invested substantial sums, bought the necessary equipment, obtained the requisite permits and authority, and successfully converted a fifty (50)-hectare portion of their property into a subdivision called the Bataan Bayview Subdivision Complex. Of the 945 titled lots in the existing subdivision, 650 to 700 lots had already been contracted for sale as of July 1971. The success of their venture prompted them to consider expanding their subdivision to eventually cover the entire 300-hectare property. Specifically, petitioners considered the gradual expansion of the subdivision in several phases, with each phase covering approximately fifty (50) hectares. It was not disputed that the property was suitable for conversion into a subdivision considering that it was advantageously traversed by the Bataan Super Highway.

After acquiring the necessary permits for conversion of the second fifty (50)-hectare portion of their property, including approval of the local government unit concerned, the petitioners notified the agricultural leasehold tenants occupying parts of the second fifty (50)-hectare portion, namely: Vicente Ravago, Casimiro Tallorin, Celestino Valenzuela, Roberto Valenzuela, Ricardo Valenzuela, and Pascual Valenzuela (Ravago Group) of their intention to convert the land into the next phase of the subdivision project. Petitioners entered into negotiations with the Ravago Group for payment of the requisite disturbance compensation, but were unable to agree on the disturbance compensation.

Accordingly, on September 8, 1969, petitioners Colosos filed a Complaint for ejectment with the then Balanga, Bataan Branch IV Court of First Instance, acting as a Court of Agrarian Relations (CAR), against the Ravago

Group, docketed as CAR Case No. 266-Bataan '69, based on the conversion of petitioners' agricultural landholdings into a residential subdivision. The Colosos averred that they were the registered owners of a 300-hectare land under TCT No. 13845 and the defendants Ravago Group were leasehold tenants—there having an implied tenancy relationship between the parties under the leasehold tenancy system; and that said defendants paid annual lease rentals for the land they were cultivating. In addition, they expressed their desire to expand their subdivision project; whereas phase II of the project involved the land occupied and cultivated by defendants—the Ravago Group. The Colosos further averred that they were more than willing to pay the disturbance compensation and relocate the Ravago Group in the subsequent phases of their subdivision project. They prayed in the Complaint that the tenants vacate the subject landholding after payment of the required disturbance compensation to be fixed by the CAR.[1]

On February 8, 1972, the CAR ultimately rendered a Decision[2] in favor of the petitioners. The dispositive portion reads:

IN VIEW OF THE FOREGOING, judgment is hereby rendered:

- ordering defendants to vacate their respective landholdings situated in Samal, Bataan, owned by plaintiffs and covered under T.C.T. No. 13845 of the Office of the Register of Deeds of Bataan, and deliver possession thereof to plaintiffs;
- authorizing plaintiffs to convert defendants' landholdings into a residential subdivision;
- ordering plaintiffs to pay as disturbance compensation the amounts of one hundred (100) cavans of palay to defendants Celestino, Roberto, Ricardo and Pascual, all surnamed Valenzuela, and ten (10) cavans of palay each to defendants Casimiro Tallorin and Vicente Ravago, of the variety of palay usually planted by defendants in the landholdings in question, or their equivalent in money at the government support price of Twenty (P20.00) Pesos per cavan;
- ordering plaintiffs to pay, pursuant to Sec. 25 of Rep. Act. No. 3844, the amount of Two Thousand Five Hundred Pesos (P2,500.00) to defendant Celestino Valenzuela for the cost and expenses incurred in clearing and leveling his landholding; and
- denying defendants' claim for moral damages and litigation expenses.

No pronouncement as to costs.

Dissatisfied with the CAR February 8, 1972 Decision, the Ravago Group appealed it to the Court of Appeals (CA), and such appeal was docketed as CA-G.R. No. SP-01005-R.

The Ravago Group questioned the CAR ruling claiming that it disregarded the provisions of Section 7 of R.A. 6389 converting their landholdings into a residential subdivision and in ordering them to vacate the same lot.

The Ruling of the Court of Appeals in CA-G.R. No. SP-01005-R

The CA Special Seventeenth (17th) Division, through then CA Justice Ameurfina M. Herrera, rejected in its May 22, 1975 Decision[3] the Ravago Group's appeal, ratiocinating that when the Complaint for ejectment was filed on September 8, 1969, the law in force then—authorizing lessees on ground of conversion of a landholding to a subdivision—was Section 36 Republic Act (RA) No. 3844, which provided:

Possession of Landholding; Exceptions. - Notwithstanding any agreement as to the period or future surrender of the land, an agricultural lessee shall continue in the enjoyment of and possession of his landholding except when his dispossession has been authorized by the Court in a judgment that is final and executory if after due hearing it is shown that:

(1) The agricultural lessor-owner or a member of his immediate family will personally cultivate the landholding or will convert the landholding, if suitably located, into residential, factory, hospital or school site or other useful non-agricultural purposes: Provided, That the agricultural lessee shall be entitled to disturbance compensation equivalent to five years rental on his landholding in addition to his rights under Sections twenty-five and thirty-four, except when the land owned and leased by the agricultural lessor is not more than five hectares, in which case instead of disturbance compensation[,] the lessee may be entitled to an [advance] notice of at least one agricultural year before ejectment proceedings are filed against them: Provided, further, That should the landholder not cultivate the land himself for three years or fail to substantially carry out such conversion within one year after the dispossession of the tenant, it shall be presumed that he acted in bad faith and the tenant shall have the right to demand possession of the land and recover damages for any loss incurred by him because of said dispossession (emphasis supplied).

However, according to the CA, on September 10, 1971, pending the said case, Republic Act No. 6389, also known as the Code of Agrarian Reforms of the Philippines, took effect—which amended the aforequoted Section 36 (1) of RA 3844. RA 6389 provided:

Sec. 7. Section 36(1) of the same Code is hereby amended to read as follows:

The landholding is declared by the department head upon recommendation of the National Planning Commission to be suited for residential, commercial, industrial or some other urban purposes; Provided, That the agricultural lessee shall be entitled to disturbance compensation equivalent to five times the average of the gross harvests on his landholding during the last five preceding calendar years.

In this Decision, the CA noted that the Ravago Group contended that "since Section 7 of RA 6389 repealed Section 36 (1) of RA 3844, [Section 7 of RA 6389] should be given retroactive application following the ruling laid down in *Arambulo vs. Canicon*, CA-G.R. No. 46727-R, January 26, 1972, 68 O.G. No. 26, p. 5153." It was also noted that the Ravago Group maintained that "there being no previous declaration by the department head, upon recommendation of the National Planning Commission, that the landholding in question [was] suited for residential purposes, this action for ejectment must fail."

The CA further held that

[t]he case of *Arambulo vs. Canicon* is not in point, not to speak of the divergence of opinion in this Tribunal on the question of the retroactive application of RA 6389. Said case involved the ejectment of an agricultural lessee on the ground that the agricultural lessor will personally cultivate the landholding, which ground has been eliminated by RA 6389 as a valid cause for the dispossession of an agricultural lessee of his landholding. As thus pointed out in said case, "upon effectivity of Republic Act No. 6389 on September 10, 1971, during the pendency of the case at bar, plaintiff-appellant has lost his right to eject the defendant-appellee from the landholding in question on the ground that the former and his son will personally cultivate the same. For this reason, appellant has no more right of action against the appellee and the present appeal should hence be dismissed."

More so, the CA argued that the case at bar involved "the dispossession of an agricultural lessee of his landholding on the ground that the agricultural lessors will convert said landholding into a subdivision." The question of whether Section 7 of RA 6389 should be retroactively applied to cases under RA 3844 was, according to the CA, disapproved in "*Santos vs. Bundoc*, CA-G.R. No. SP-01419-R, October 9, 1974." The CA, in the said case, held that:

In the first place, the factual situations herein presented are very similar, and the legal question posed analogous, to the case of *Tolentino vs. Alzate* (98 Phil. 781) relied upon by the court below. In that case, the Supreme Court held - by coincidence on an issue also of dispossession on the ground of mechanization - that RA 1199, approved on August 30, 1954 or subsequent to the filing of the said case on August 12 - or only

eighteen (18) days previous - should not be held to have retroactive application, pursuant to the provision of Article 4, the New Civil Code to the effect that "Laws shall have no retroactive effect unless the contrary is provided"; and that the act specifically the requisites for mechanization is substantive in nature and therefore, should be given prospective effect. The Tolentino decision, on the principle of stare decisis, is binding in the present one and to refuse to apply it now would be reversible error on our part.

In the second place, appellant's claim that Sec. 7 of RA 6389 repeals Sec.36 (1) of RA 3844, is clearly erroneous. That the former does not repeal the latter but merely amends it is the inescapable fact that conversion into a subdivision as a ground for ejectment - unlike personal cultivation which has been deleted and, therefore, repealed - is still recognized as such. And since the amendment is substantive in nature - as it specifies the requisite condition to conversion and not merely lay down a procedural norm - the same cannot and should not be accorded retroactive application upon a petition which has been filed in February 4, 1971, or several months prior to the amendment on September 10, 1971, upon a cause of action recognized under the then existing legislation, i.e. Sec.36 (1) of RA 3844.

Thus, the CAR February 8, 1972 Decision, being rooted in law and evidence, was affirmed in toto by the CA with costs against the Ravago Group.[4]

The Ravago Group did not anymore challenge the May 22, 1975 Decision of the CA, and it became final and executory on June 16, 1975.

Meanwhile, on August 13, 1975, the petitioners filed a Motion for Execution with the Balanga, Bataan CAR. However, the CAR deferred action on the said motion and instead referred the matter to the Secretary of Agrarian Reform, pursuant to Presidential Decree No. 316, which required the secretary's opinion on the conversion of the disputed landholdings to determine whether the Ravago Group were already recipients or beneficiaries of land transfer certificates (LTCs).

The August 8, 1974 DAR Order of Conversion

Oddly, on August 8, 1974, or even prior to the May 22, 1975 Decision of the Court of Appeals in CA-G.R. No. SP-01005-R, the DAR, through then Acting Secretary Ernesto Valdez, already issued an Order approving the conversion of approximately 230.5385 hectares of the said land, located at Bo. Calaguiman, Samal, Bataan, into a subdivision, including the land occupied by the Ravago Group, and also certifying that said tenants were not recipients of LTCs. The records of this case do not disclose why the DAR August 8, 1974 Order was not submitted for the consideration of the Balanga, Bataan CAR when the August 13, 1975 motion for execution was filed.

On May 12, 1976, petitioners moved for execution of the CAR February 8, 1972 Decision for the second time. However, the action on the second motion for execution was again deferred by the CAR pursuant to General Order No. 53 dated August 21, 1975, the pertinent portion of which states as follows:

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, do hereby declare a moratorium on the ejectment of bona fide tenants or lessees in agricultural and residential lands converted or proposed to be converted into subdivisions or commercial centers and establishments. To obviate the proliferation of social problems and to allow a humane settlement of the problem, all orders for the ejectment of tenants or the demolition of their homes are hereby suspended until further orders. [5] x x x

On June 18, 1980, petitioners Colosos registered a third motion for execution, asserting, among others, that as early as August 8, 1974, the DAR had already acted favorably on the petition for conversion, which was subsequently affirmed in a DAR November 23, 1979 letter. On August 4, 1980, the CAR issued an order deferring action on the motion "until after more definitive rules and regulations shall have been issued by the authorities regarding ejectment of tenants in agricultural and residential lands." [6]

On April 23, 1981, petitioners filed their fourth motion for execution in the CAR, alleging that they sent a written communication to the Office of the President (OP) inquiring whether court decisions are covered by General Order No. 53 which was referred to the Minister (now Secretary) of Agrarian Reform. The Minister, in turn, informed the petitioners in a letter that the leasehold tenants could be ejected provided that the conversion was by virtue of a court order that had become final and executory and that the disturbance compensation had been paid. Despite the MAR Opinion, the CAR in its April 28, 1981 Order, denied the petitioners' motion for execution for the same reasons stated in its August 4, 1980 Order.[7]

With respect to the opinion sought from the OP to determine whether General Order No. 53 was repealed by Presidential Decree No. 815, the OP, through then Secretary Joaquin T. Venus, issued a September 10, 1981 opinion, stating among others that PD 815 lifted the moratorium imposed by General Order No. 53 and that there was no legal impediment in the execution of the CAR Decision.[8]

On May 10, 1985, petitioners filed a Motion for Reconsideration of the CAR April 28, 1981 Order which was likewise turned down in the May 27, 1985 Order. Upon receipt of the denial, the Colosos, on July 10, 1985, wrote the then Minister of Agrarian Reform, Conrado Estrella, asking for confirmation of petitioners' authority to convert their landholding into a residential subdivision. In his September 23, 1985 reply letter, Minister Estrella informed petitioners that the August 8, 1974 Order of the Ministry of Agrarian Reform remained unchanged. Simply put, petitioners had the authority to convert their agricultural land into a subdivision.[9]

On June 7, 1988, petitioners filed a Motion for Execution. Unknown to petitioners Colosos, while they were exhausting every effort to execute the CAR Decision, the Ravago Group were issued LTCs on the land they were tilling on February 20, 1989. Without knowledge that LTCs were issued to the tenants, the CAR granted the June 7, 1988 first motion for execution on July 28, 1992. However, on motion filed by the Ravago Group, the July 28, 1992 Order was set aside and recalled by the CAR on April 21, 1994 based on the issuance of said LTCs.

The Ruling of the Court of Appeals in CA-G.R. SP No. 34286

Aggrieved by the April 21, 1994 Order of Balanga, Bataan RTC, Branch 3, on June 7, 1994, petitioners elevated the matter to the Court of Appeals through a Petition for Certiorari and Mandamus entitled Rodrigo Coloso and Elisa G. Coloso v. Hon. Lorenzo Silva, Jr., Vicente Ravago, et al., docketed as CA-G.R. SP No. 34286. The issues submitted for decision in the latter case were: (1) whether the respondent CAR judge committed grave abuse of discretion amounting to lack or excess of jurisdiction in issuing the April 21, 1994 Order setting aside the July 28, 1992 Order granting the motion for execution; (2) whether petitioners were able to file their motion for execution within the five (5) year period prescribed for executing judgments by motion; and (3) whether the issuance of LTCs during the pendency of this case was a supervening fact that militates against execution.

The CA disposed of the three (3) issues presented in the petition this way:

On the first issue, the appellate court found that the delay in the issuance of a writ of execution was not of the petitioners' own doing, but due to circumstances beyond their control.

Addressing as well the second issue, the CA cited *Lancita v. Magbanua*,[10] where we invoked equity in the computation of the five (5)-year period through the implementation of a decision by means of a motion; and ruled that the delays brought by the stay in the execution "either by agreement of the parties for a definite time, by injunction, by the taking of an appeal or writ of error so as to operate as a supersedeas, by the death of a party, or otherwise" or "[a]ny interruption or delay occasioned by the debtor will extend the time within which the writ may be issued x x x."

Anent the third issue that the issuance of the LTC was a supervening event that militates against execution, the

CA considered the LTC as a "factual matter that will materially alter the judgment—something [the CAR] had no authority to do."

With regard to whether there was grave abuse of discretion on the issuance of the April 21, 1994 Order, the CA ruled that the CAR gravely misused its discretion considering that "once a decision becomes final, the Court can no longer amend, modify much less set aside the [decision]," citing *Adez Realty, Inc. v. Court of Appeals*;^[11] and that "once a judgment has become final and executory, the prevailing party is entitled as a matter of right to writ of execution, and the issuance thereof is a court's ministerial duty compellable by mandamus x x x," citing *Valenzona v. Court of Appeals*.^[12]

Thus, on February 10, 1995, the CA issued its Decision, the fallo of which reads:

WHEREFORE, the petition is hereby GRANTED and the order dated April 21, 1994 of the respondent court is declared NULL and VOID and of no force and effect. The said Court is directed to issue a writ of execution pursuant to the final judgment in CAR Case No. 266-B-69 as affirmed by this Court on May 22, 1975. No costs.^[13]

The CA Decision prompted the Ravago Group to file a Motion for Reconsideration which was denied on August 15, 1995.

The Ruling of this Court in G. R. No. 121537

The adverse CA ruling led to the filing of a petition for review with this Court entitled *Roberto Valenzuela, et al. v. Court of Appeals, et al.*, docketed as G. R. No. 121537, which was denied in our November 13, 1995 Resolution. The subsequent Motion for Reconsideration was likewise denied with finality on March 25, 1996, as there was no substantial argument presented that would justify a reversal of our November 13, 1995 ruling. In our March 25, 1996 Resolution, we further elucidated on why the issuance of the LTCs as an alleged supervening event could not prejudice the right of petitioners Colosos to execute the final CAR judgment in CAR Case No. 266-Bataan '69, thus:

[The Ravago Group] cited the case of *Albar v. Carandang*, 6 SCRA 211 (1962), in which it was held that a stay of execution may be granted where there has been a change in the situation of the parties which makes execution inequitable. But that ruling was justified because, in the meantime, the prevailing party had lost his right to regain possession of the property as it had been levied upon for tax delinquency and the opposing party had purchased it in the subsequent public auction. On the other hand, in another case cited by petitioner (*Gumimpin v. Court of Appeals*, 120 SCRA 1687 [1983]), the property had passed into the ownership and possession of third parties by virtue of court proceedings.

No similar supervening events exist in this case which would place it under the exception to the rule that after a decision has become final, it cannot be modified. It would seem more inequitable [sic] in fact to enforce the TCTs issued to [Colosos],^[14] considering that the judgment of the Court had become final and executory as early as 1975. Private respondents [Colosos] have not been guilty of laches. Justice should be on their side.^[15]

The Questioned DAR Orders on the

Petition for Exemption from CARP Coverage

While these judicial events were unfolding, petitioners Colosos represented by Frederick G. Coloso filed, on June 5, 1995, a petition for exemption from the coverage of the CARP of seven parcels of land with an aggregate area of 25.5954 hectares situated at Gugo, Samal, Bataan and which were portions of the 300-hectare land covered by TCT No. 13845, intending to expand their subdivision even further.^[16] The seven (7) parcels were registered under TCT Nos. T-32012, T-32014, T-32015, T-50287, T-50288, T-50289, and T-77830 of the Registry of Deeds of Bataan; and were part of the 26.5-hectare land which was the subject matter of the June 5, 1995 petition.^[17]

In denying the petition for conversion of the 25.5954-hectare lot and reversing the August 8, 1974 Valdez Order of conversion of the portions occupied by the Ravago Group,[18] the DAR, in its June 17, 1996 Order, reasoned out that the CAR had no jurisdiction to hear CAR Case No. 266-Bataan '69 and issue its February 8, 1972 Decision, because the jurisdiction to hear and issue the said Decision was originally vested in the Court of First Instance (CFI) of the place where the land is located. Since the CFI—not the CAR—had jurisdiction to hear and decide the CAR case, Secretary Garilao concluded that the CAR February 8, 1972 Decision and the subsequent orders were null and void.

Secretary Garilao likewise opined that, assuming *arguendo* that the CAR had jurisdiction to hear and decide the case, the power of the CAR under RA 3844 was to rule on the dispossession of the tenants but not to order the conversion of the landholding for non-agricultural purposes. He also ruled that the unjustified failure of petitioners Colosos to develop the land subject of the original CAR Decision had the effect of terminating their right to convert the landholdings into a subdivision under RA 6657. In addition, Secretary Garilao explained that the lands subjected to the operation of PD 27 were outside the ambit of the conversion. Furthermore, according to Garilao, in view of petitioners Colosos' failure to develop the 230.5385-hectare subject of the DAR [Valdez] August 8, 1974 Order, the said Order had to be revoked by Garilao.

On June 17, 1996, an Order was issued and signed by then DAR Secretary Ernesto D. Garilao, where these dispositions were made:

WHEREFORE, premises considered, Order is hereby issued:

- Dismissing the petition for lack of merit;
- Declaring that the tenanted Riceland/cornland portions of the lands covered under the mother title TCT No. 13845 are covered under PD 27 and Emancipation Patents already registered and distributed to the farmer-beneficiaries are hereby confirmed and maintained;
- Declaring that the Order of Conversion issued by then Acting Secretary Ernesto Valdez dated August 8, 1974 as revoked and cancelled for the unjustified failure of the landowner to develop the lands covered under the said Order of Conversion into residential, commercial, industrial or other urban purposes within a period of more than 21 years;
- Declaring that the lands covered under the said Order of conversion as subject to CARP coverage pursuant to RA 6657, as amended; and
- Directing the Regional Office concerned to continue the activities leading to the acquisition and distribution of said lands to the qualified beneficiaries thereof under RA 6657.[19]

On July 9, 1996, petitioners filed a Motion for Reconsideration which was rejected by respondent Garilao in his January 24, 1997 Order.

Hence, we have this petition.

The Issue

The issues presented for the Court's consideration are: (1) whether respondent Garilao seriously erred and gravely abused his discretion in disregarding the CAR Decision affirmed by the CA and this Court; and (2) whether respondent Garilao seriously erred and gravely abused his discretion in holding that the CAR had no jurisdiction to order the conversion.

Consolidating the two grounds to support this petition, the Court holds that the only issue is whether Secretary Ernesto V. Garilao gravely abused his discretion in issuing the DAR June 17, 1996 and January 24, 1997 Orders

which effectively annulled and voided the February 8, 1972 Decision in CAR Case No. 266-Bataan '69 as affirmed by the CA and this Court.

The Court's Ruling

The petition is partly meritorious.

In this petition, petitioners Colosos challenge the legality of the June 17, 1996 Order of DAR Secretary Garilao and pray that said order be annulled, and that the entire 300-hectare lot under TCT No. 13845 be exempted from CARP coverage. However, a perusal of the pleading readily reveals that it has mainly concentrated on the CAR February 8, 1972 Decision in CAR Case No. 266-Bataan '69, which had long been final and executory, as its sole basis for the attack on the legality of the Garilao June 17, 1996 Order. For an orderly presentation and consideration of the petition, the Court deems it proper to segregate the 26.5-hectare lot covered by the CAR February 8, 1972 Decision from the remaining 273.5 hectares of the 300-hectare lot registered under TCT No. 13845.

First, the Court will dwell on whether Secretary Garilao committed grave abuse of discretion in issuing the questioned June 17, 1996 Order, which in effect voided and annulled the February 8, 1972 CAR Decision rendered in favor of petitioners Colosos.

In his assailed order, Sec. Garilao opined that "the then [CAR] of Balanga, Bataan, in CAR Case No. 266-Bataan '69 had no authority or jurisdiction to order or authorize the conversion of defendants' landholdings into a residential subdivision as this was vested at that time in the Court of First Instance of the province or city in which the land is situated after the subdivision plan thereof has been passed upon and approved by the Commissioner of Land Registration Commission." Thus, he concluded that the CAR February 8, 1972 Decision in said case was null and void for want of jurisdiction, and hence, the CAR had no power and authority to order the execution of a void decision.

We DISAGREE.

Republic Act No. 1267 was enacted on June 14, 1955 and became effective on the same date. The law created the CAR which has original and exclusive jurisdiction to try and decide all matters, controversies, and disputes arising from the relationship of persons in the cultivation and use of agricultural lands and has concurrent jurisdiction with the Court of First Instance over cases involving landlord and tenant.

This was the law in effect when the Complaint was filed by petitioners Colosos in CAR Case No. 266-Bataan '69 before the CAR of Balanga, Bataan. As such, at the time of the filing of the said complaint, the CAR had the authority to approve or authorize the conversion of a landholding into non-agricultural purposes as its authority is broad and ample—"to try and decide all matters, controversies and disputes arising from the relationship of persons in cultivation and use of agricultural lands" which undoubtedly includes conversion of agricultural lands.

It is claimed by public respondents that the Land Registration Commission (LRC) February 6, 1968 Circular No. 166 required approval of the subdivision plans by the LRC, pursuant to Section 44 of Act No. 496. Moreover, they asserted that it was the Court of First Instance of the province or city in which the land was situated and not the CAR that had jurisdiction to authorize conversion of landholdings into a subdivision, considering that the CFI, acting as a land registration court, had jurisdiction over these matters under Rep. Act No. 496.

The proposition is incorrect. Republic Act No. 1267, a special law, prevails over Republic Act 496, which is a general law and therefore it is the CAR and not the CFI that has jurisdiction over matters of conversion of agricultural lands and the approval of the subdivision plans. More importantly, the CFI, Branch IV of Balanga, Bataan was designated as the Acting CAR in Bataan. Thus, Section 44 of Act 496 is deemed complied with

considering the CFI handles conversion of non-agricultural lands to subdivisions while CAR, which is a court of equal jurisdiction with the then CFI, presides over conversion of agricultural lands into subdivisions.

To further strengthen his position that the CAR had no jurisdiction to order the conversion of the 26.5-hectare area covered by the CAR February 8, 1972 Decision, respondent Garilao explains that Sec. 36 (1) of RA 3844 was amended by Sec. 7 of RA 6389 to read as: "(1) The landholding is declared by the department head upon recommendation of the National Planning Commission to be suited for residential, commercial, industrial or some other urban purposes."

Thus, as respondent Garilao wanted to show us, the DAR Secretary, not the CAR, had the authority to declare the suitability of the land for non-agricultural purposes.

Considering that RA 6389 took effect on September 10, 1971, public respondent Garilao concluded that the Balanga, Bataan CAR had lost jurisdiction or authority on February 8, 1972 to issue the assailed CAR Decision authorizing petitioners Colosos to convert the Ravago Group's landholding into a residential subdivision.

This contention is incorrect.

Article 4 of the Civil Code provides that laws shall have no retroactive effect unless the contrary is provided. Since the Complaint was filed on September 8, 1969, then the applicable law at that time was RA 3844 which took effect on August 8, 1963 and not RA 6389 which took effect on September 10, 1971. It has not been shown that RA 6389 provides for its retroactive effect. *Lex prospicit non respicit* (the law looks forward, not backward).

Firm in the belief that the CAR had no jurisdiction over conversion cases, respondent Secretary Garilao explained that when PD 27 took effect on October 21, 1972, the Ravago Group's landholdings became automatically covered by PD 27 and hence, the right to conversion was abrogated by said law.

The belief is misplaced.

As previously discussed, the Complaint was filed on September 8, 1969 while PD 27 took effect only on October 21, 1972 after the February 8, 1972 CAR Decision had been rendered. Such being the case, PD 27 could not be applied retroactively to the case before the Balanga CAR. A law has no retroactive application unless the law expressly provides retroactivity.[20] Since PD 27 does not provide for retroactive application, and hence it has no effect on RA 3844 or on the jurisdiction of the Balanga CAR to authorize the conversion of the said landholdings, then it is clear that the CAR had jurisdiction over the said case.

In addition, public respondent Garilao cited the DAR May 3, 1976 Memorandum of then DAR Secretary Conrado Estrella which provides that "[l]ands converted into subdivision and/or planted to other crops after October 21, 1972 without the prior written authority of the Secretary of Agrarian Reform shall be covered by Operation Land Transfer."

Secretary Garilao contended that without the written authority of the Secretary of Agrarian Reform, the said lands had to be subjected to Operation Land Transfer under PD 27.

Again, this postulation is bereft of merit.

A memorandum issued by the DAR Secretary cannot contravene an existing law like RA 3844 and therefore, it could not be made applicable to an authority for conversion issued prior to PD 27 which took effect on October 21, 1972. More importantly, there was an August 8, 1974 Order of Conversion issued by Acting Secretary Ernesto Valdez which authorized the conversion of the land of the Colosos and therefore, the Estrella Memorandum is deemed complied with. Hence, PD 27 cannot apply to the subject landholdings.

Lastly, public respondent Garilao argues that the authority to convert granted in the CAR February 8, 1972 Decision applies only to the actual area or portions on the 300-hectare lot under TCT No. 13845 which were actually tenanted by the Ravago Group but not the entire 300 hectares.

We rule in the affirmative.

The fallo of the CAR Decision is clear—"authorizing plaintiffs (petitioners Colosos) to convert defendants' (the Ravago Group) landholdings into a residential subdivision." Thus, the ambit of the authority for conversion covers only the 26.5 hectares which were tilled by Celestino, Roberto, Ricardo and Pascual, all surnamed Valenzuela, Casimiro Tallorin, and Vicente Ravago.

While the Ravago Group were issued LTCs and subsequently, Emancipation Patents over the 26.5 hectares of land, these documents should be recalled and revoked as the said issuance contradicts the February 8, 1972 final Decision of the CAR. The Ravago Group cannot circumvent the valid effects of a final judgment of CAR Case No. 266-Bataan '69 by applying for LTCs from the Ministry of Agrarian Reform (now DAR). They are bound by the February 8, 1974 Decision under the principle of "conclusiveness of judgment." Said principle states that "a fact or question which was in issue in a former suit and there was judicially passed upon and determined by a court of competent jurisdiction, is conclusively settled by the judgment therein as far as the parties to that action and persons in privity with them are concerned and cannot be again litigated in any future action between such parties or their privies in the same court or any other court of concurrent jurisdiction on either the same or different cause of action, while the judgment remains unreversed by proper authority." [21]

It is well established that "when a right or fact has been judicially tried and determined by a court of competent jurisdiction, so long as it remains unreversed, it should be conclusive upon the parties and those in privity with them." [22]

Thus, under the doctrine of "conclusiveness of judgment," which is also known as "preclusion of issue" or "collateral estoppel," issues actually and directly resolved in a former suit cannot again be raised in any future case between the same parties involving a different cause of action. [23]

Perforce, the LTCs and Emancipation Patents issued to the Ravago Group should be annulled by the DAR Secretary and the authority of the Colosos to convert the 26.5 hectares previously tilled by the Ravago Group granted by the Balanga, Bataan CAR should be respected.

On the position by public respondent Secretary Garilao that the February 8, 1974 CAR Decision should be declared null and void, the Court considers such view as an affront to the Court and the entire judiciary. The DAR Secretary, though a non-lawyer, is supported by a battery of lawyers in his legal department and assisted by the Solicitor General, and is assumed to know the existing laws and settled principles. He is supposed to be aware of the immutability and inalterability of final judgments of the courts.

In *Sacdalan v. Court of Appeals*, we ruled that "[a] decision that acquired finality becomes immutable and unalterable and may no longer be modified in any respect even if the modification is meant to correct erroneous conclusions of fact or law and whether it will be made by the court that rendered it or by the highest court of the land." [24]

In that case, the Court explained that the "DAR Provincial Adjudicator and the DARAB should have been more circumspect in the disposition of the instant case since, instead of facilitating the administration of justice, their obstinate refusal to obey a valid final judgment of the Court of Appeals, further delayed the resolution of the case and added valuable irretrievable years to a case that has already dragged on for decades."

The CAR February 8, 1972 Decision became final in 1975 after the Court of Appeals affirmed the CAR Decision on May 22, 1975. More than thirty (30) years have passed and up to now said Decision has not yet been executed. It is about time that the Colosos enjoy the fruits of victory which is the end all of litigation. The public respondent DAR Secretary should respect the CAR Decision and implement the conversion of the 26.5-hectare lot to give life and meaning to the final judgment. Lastly, the DAR Secretary is strongly advised to accord respect to and obey final decisions of the courts. If the DARAB and any DAR official is permitted to revoke or annul final judgments of the courts of law, especially those affirmed by the Supreme Court, then such acts trench on judicial power of the courts under the Constitution. Without doubt, such abuse and misuse of authority on the part of DAR and its officials constitute serious and grave abuse of discretion.

On the other hand, the situation is different with respect to the remaining 273.5 hectares of the 300-hectare lot under TCT No. 13845 in the name of the Colosos, more particularly, the 230.5385-hectare area covered by the August 8, 1974 Order of Acting Secretary Ernesto Valdez. Respondent Secretary Garilao rejected the petition of the Colosos for the exemption of the remainder of the 300-hectare lot for the following reasons:

It should be noted that the said Order of Conversion dated August 8, 1974 cannot affect those tenanted ricelands or cornlands already covered under PD 27 as of October 21, 1972 by operation of law because the tenants therein [were] already deemed owners of their respective tillage as of said date. The spouses Coloso have no longer any right to request for their conversion into non-agricultural uses pursuant to Ministry Memo-Circular Nos. 11-79, Series of 1979, issued by then DAR Secretary Conrado F. Estrella. The said Order of Conversion cannot be used as basis for the exemption of subject lands from the coverage of RA 6657 because it is not one of the grounds or reasons enumerated under Section 10, of RA 6657, as amended by RA 7881 and also it does not fall under the allowed exemption pursuant to DOJ Opinion No. 44, Series of 1990 as implemented under AO 6, Series of 1994 since the said Order of Conversion has not actually reclassified the said lands into the category of residential, commercial or industrial lands before June 15, 1988.

Granting arguendo, but not admitting that the said Order of Conversion had the effect of actually reclassifying the subject lands into the category of residential, commercial or industrial lands as of August 8, 1974, however, since the owner thereof failed to develop the same to residential, commercial or industrial or other urban purposes from August 8, 1974 up to the present, therefore, the DAR can revoke or cancel the said Order of Conversion and have the subject lands covered under RA 6657 pursuant to AO No. 1, Series of 1990, as amended by AO No. 12 Series of 1994. The failure to secure an early writ of execution of the Decision of the [CAR] of Balanga, Bataan in CAR Case No. 266, Bataan '69, dated February 8, 1972 cannot justify the failure of the landowner to develop the other properties not covered by the said Decision to residential, commercial or industrial or other urban purposes within a period of more than 21 years from the issuance of said Order of Conversion on August 8, 1974 up to the present time.[25]

This rejection led to the issuance of the questioned June 17, 1996 Order revoking the August 8, 1974 Order of Conversion issued by Acting Secretary Valdez and subjecting said lots to CARP coverage under RA 6657. In addition, it declared that the tenanted riceland/cornland portions of the lands are covered under PD 27 and that the Emancipation Patents already registered and distributed to the farmer beneficiaries are confirmed.

In this petition, petitioners rely heavily on the February 8, 1972 final Decision of the CAR to justify annulment of the June 17, 1996 Order of Secretary Garilao and the exemption of the remaining 273.5 hectares of the 300-hectare lot from CARP coverage.

This posture is bereft of merit.

It is unequivocal that the CAR Decision applies only to the 26.5 hectares of the Ravago Group and hence cannot benefit petitioners Colosos with respect to the remaining 273.5 hectare. It is reiterated that the DAR under Section 50 of the RA 6657 has quasi judicial powers and is hereby vested with "primary jurisdiction to determine and

adjudicate agrarian reform matters and shall have exclusive original jurisdiction over all matters involving the implementation of agrarian reform, except those falling under the exclusive jurisdiction of the Department of Agriculture (DA) and the Department of Environment and Natural Resources (DENR)."

While petitioner Colosos were successful in disputing the legality of the June 17, 1996 Order with regard to the 26.5 hectares of the Ravago Group, we however, affirm that the findings of public respondent Garilao, that with respect to the 273.5 hectares (excluding the 26.5 hectares of the Ravago Group), are supported by substantial evidence, namely: (1) the August 16, 1995 Memorandum of the Regional Center for Land Use Policy, Planning and Implementation (RCLUPPI) which was adopted by Director Ernesto B. Bernardo in his August 28, 1995 letter to respondent Secretary Garilao; and (2) the findings of the MARO of Samal, Bataan. It is settled in the administrative proceedings that the quantum of proof necessary is only substantial evidence or such evidence as a reasonable mind might accept as adequate to support a conclusion.[26] Undeniably, the quantum of evidence supporting the June 17, 1996 Order was more than substantial.

With regard to the remaining 273.5 hectares, petitioners Colosos did not refute the findings of public respondent Secretary Garilao, more particularly their inability to develop the subject areas (excluding the 26.5 hectares subject of CAR Case No. 266-Bataan '69) for residential, commercial or industrial or other urban purposes within a period of more than 21 years from the issuance of the August 8, 1974 Conversion Order up to June 17, 1996. Consequently, the Court upholds the revocation and cancellation by respondent Garilao of the said conversion Order issued by Acting Secretary Ernesto Valdez.

We also held that courts usually accord great respect to the technical findings of administrative agencies like the DAR especially as to matters in their fields of expertise; "x x x courts will not interfere in matters which are addressed to the sound discretion of government agencies entrusted with the regulation of activities coming under the special technical knowledge and training of such agencies." [27]

WHEREFORE, the petition is PARTLY GRANTED. The June 17, 1996 Order [28] of Secretary Ernesto Garilao is MODIFIED as follows:

- Declaring that the tenanted riceland/cornland portions of the lands covered under the mother title TCT No. 13845 are covered under PD 27, except the 26.5 hectares subject of CAR Case No. 266-Bataan '69; and the Emancipation Patents or Land Transfer Certificates issued, if any, to Celestino, Roberto, Ricardo, and Pascual, all surnamed Valenzuela; Casimiro Talloria, and Vicente Ravago, and any derivative title issued therefrom are hereby cancelled and voided.
- Declaring that the August 8, 1974 Order of Conversion issued by then Acting Secretary Ernesto Valdez revoked and cancelled, except the 26.5 hectares subject of CAR Case No. 266-Bataan '69, for the unjustified failure of the landowner to develop the lands covered under the said Order of Conversion into residential, commercial, industrial, or other urban purposes within a period of more than 21 years; and
- Declaring that the lands covered under the said Order of conversion, except the 26.5 hectares subject of CAR Case No. 266-Bataan '69, are subject to CARP coverage pursuant to RA 6657, as amended.

Respondent DAR Secretary is ORDERED to IMPLEMENT and EXECUTE the conversion of the 26.5-hectare subject of CAR Case No. 266-Bataan '69 into a subdivision project and to have the Emancipation Patents or Land Transfer Certificates—issued to Casimiro Talloria, Vicente Ravago, Celestino, Roberto, Ricardo, and Pascual, all surnamed Valenzuela over the said 26.5-hectare subject of said case—be CANCELLED and REVOKED. The Register of Deeds of Bataan is hereby ORDERED to CANCEL all the titles issued to the aforementioned tenants and all derivative titles therefrom and to REINSTATE the titles over the 26.5-hectare lot to the names of

petitioners Colosos.

Respondent DAR Secretary is ORDERED and STRICTLY ENJOINED to respect and recognize the CAR February 8, 1972 Decision in CAR Case No. 266-Bataan '69 which has long become final and executory.

No costs.

SO ORDERED.

Quisumbing, (Chairperson), Carpio, Carpio-Morales, and Tinga, JJ., concur.

[1] The facts can be found in the Petition for Certiorari, Prohibition, and Mandamus (rollo, pp. 3-5) and in petitioners' September 8, 1969 Complaint [for ejectment] (rollo, pp. 11-13).

[2] Penned by Judge Manuel Jn. Serapio, rollo, pp. 14-27.

[3] CA rollo, pp. 105-117.

[4] Id. at 117.

[5] Decision of the Court of Appeals in CA-G. R. SP No. 34286, rollo, p. 34.

[6] Id.

[7] Id. at 35.

[8] Id.

[9] Id.

[10] G.R. No. L-15467, January 31, 1963, 7 SCRA 42; 117 Phil. 39.

[11] G.R. No. 100643, August 14, 1992, 212 SCRA 623, 627.

[12] G.R. No. 106895, September 10, 1993, 226 SCRA 306, 311.

[13] Penned by Justice Delilah Vidallon-Magtolis and concurred in by Justices Antonio M. Martinez and Fermin A. Martin, Jr., rollo, p. 32.

[14] The original "respondents" in the text is replaced with [Colosos]. Petitioners Colosos, which were issued TCTs, were the private respondents in the March 25, 1996 Resolution in G.R. No. 121537.

[15] Rollo, p. 40-41.

[16] Verily, the remaining areas of TCT 13845 not yet covered by the 230.5385 hectares were already approved for conversion.

[17] It would appear that the 25-hectare land covered by the June 5, 1995 petition filed by Frederick Coloso pertained to the 26.5 hectare land occupied by the Ravago Group and subject of CAR Case No. 266-Bataan '69.

[18] or the fifty (50)-hectare portion comprising the second (2nd) phase of the subdivision project, including the land subject of the CAR February 8, 1972 Decision in CAR Case No. 266-Bataan '69.

[19] Rollo, pp. 74-75.

[20] Home Development Mutual Fund v. Commission on Audit, G.R. No. 157001, October 19, 2006, 440 SCRA

643.

[21] Cayana v. Court of Appeals, G.R. No. 125607, March 18, 2004, 426 SCRA 10, 21.

[22] Martillano v. Court of Appeals, G.R. No. 148277, June 29, 2004, 433 SCRA 195.

[23] Chua v. Victorio, G.R. No. 157568, May 18, 2004, 428 SCRA 447, 456-457.

[24] G.R. No. 128967, May 20, 2004, 428 SCRA 586, 599.

[25] DAR Order, rollo, pp. 49-75, at 72-73.

[26] Ebero v. Camposano, A.M. No. P-04-1792 (formerly A.M. OCA IPI No. 02-1510-P), March 12, 2004, 425 SCRA 420.

[27] Batelec II Electric Cooperative, Inc. v. Energy Industry Administration Bureau, G.R. No. 135925, December 22, 2004, 447 SCRA 482, 500. Except with regard to the 26.5 hectares covered by the February 8, 1974 Decision, the Court upholds the other dispositions in the June 17, 1996 Garilao Decision.

[28] See note 16.

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.