

PHILIPPINE VETERANS BANK, PETITIONER, VS. HON. COURT OF APPEALS, LAZARO CRUZ, FRANCISCO T. CRUZ, PROVINCIAL AGRARIAN REFORM OFFICER ERLINDA PEARL V. ARMADA, DAR PROVINCIAL ADJUD...

G.R. NO. 132561. June 30, 2005

Ponente: CHICO-NAZARIO, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-132561/>

CHICO-NAZARIO, J.:

The antecedent facts which gave rise to this petition are not disputed.

On 12 January 1994, Philippine Veterans Bank (PVB) received Notices of Acquisition[1] dated 06 August 1993 from the Department of Agrarian Reform (DAR) duly signed by Provincial Agrarian Reform Officer Erlinda Pearl V. Armada, placing under the Comprehensive Agrarian Reform Law coverage PVB's properties located in Baliwag, Bulacan, classified as unirrigated agricultural lands and embraced under Transfer Certificates of Titles No. T- 226773, No. T-226774, and No. T-283864, designating among other beneficiaries, private respondents Lazaro N. Cruz and Francisco T. Cruz, and issued in their favor administrative titles denominated as Certificate of Land Ownership Award (CLOA).

On 13 October 1995, PVB filed a Petition before the Regional Trial Court (RTC) of Malolos, Bulacan, for the annulment of DAR CLOA on the ground that the subject parcels of land are outside the coverage of the Comprehensive Agrarian Reform Program (CARP). The case was docketed as Civil Case No. 691-M-95 against respondents Lazaro N. Cruz, Francisco T. Cruz, Erlinda Pearl V. Armada, Hon. Gregorio D. Sapera and the Register of Deeds of the Province of Bulacan.[2] Earlier, private respondents filed a Complaint[3] before the Department of Agrarian Reform Adjudication Board (DARAB) against PVB for maintenance of possession alleging that PVB caused the fencing of the properties in question, encircling the area with barbed wires and preventing private respondents from entering the premises. After PVB filed its Answer with Counterclaim,[4] DAR Provincial Adjudicator Gregorio Sapera issued an Order dated 10 October 1995[5] directing PVB to "cease and desist from committing any acts tending to oust, exclude and eject private respondents from the landholding in question."

On 24 October 1995, both public and private respondents filed before the RTC a Motion to Dismiss[6] on the ground of lack of jurisdiction asserting that jurisdiction over the case is vested with the DARAB under Section 50 of Republic Act No. 6657 and Section 1, Rule II of the DARAB Rules of Procedure. The trial court orally denied the motion at the hearing held on 06 February 1996.[7] Respondents manifested before the trial court their desire to file a motion for reconsideration at the hearing held on 12 March 1996.

The trial court denied this manifestation prompting the respondents to file before the Court of Appeals a Petition[8] for Certiorari and Prohibition with prayer for the issuance of a temporary restraining order and preliminary injunction under Rule 65 of the Rules of Court.[9]

Acting on the Petition, the Court of Appeals, in a resolution[10] dated 15 November 1996, resolved to deny due course to the petition on the ground that the DARAB “has primary and exclusive jurisdiction over cases involving cancellation of CLOAs provided that the said certificates must have been registered with the Land Registration Authority.” The Court of Appeals held:

According to the DARAB rules above quoted, the DARAB has primary and exclusive jurisdiction over cases involving cancellation of CLOAs, provided however, that the said certificates must have been registered with the Land Registration Authority. In the case at bench, the petitioners failed to show, much less allege, that the CLOAs involved have been registered with the LRA. In view of this omission, the Court has no alternative but to dismiss the present petition for certiorari and to sustain the jurisdiction of the trial court.[11]

A motion for reconsideration was filed by the petitioners which PVB duly opposed in its Comment. In a resolution dated 20 May 1997,[12] the Court of Appeals made a turnabout of its ruling and resolved to grant the motion. Thus:

It now turns out that CLOAs subject matter of this case have been entered in the Primary Entry Book for EPs/CLOAs of the Registry of Deeds of Bulacan, and a note of such entry has been stamped at the back of each CLOA, reading as follows:

“This is to certify that this EP/CLOA has been entered in the Primary Entry Book of EPs/CLOAs and shall be signed after the reconstitution of the original copy of the title involved.

Date: 1-10-95

(Sgd.)Atty. Ramon C. Sampana

Deputy Registrar of Deeds”

Section 56 of Presidential Decree No. 1529 provides that instruments entered in the Primary Entry Book “shall be regarded as registered from the time so noted.”

This changes the picture entirely. Since the subject CLOAs have been registered with the Register of Deeds of Bulacan, the DARAB has primary and exclusive jurisdiction over cases for their cancellation. Conversely, the Regional Trial Court of Bulacan has no such jurisdiction.

WHEREFORE, the petitioners’ Motion for Reconsideration is hereby GRANTED. Our Resolution dated November 15, 1996 is hereby SET ASIDE, and another one is hereby issued ANNULING the Order of the Respondent Judge dated February 6, 1996, and DISMISSING Civil Case No. 691-M-95 of the Regional Trial Court of Bulacan, Branch 18, for lack of jurisdiction.[13]

Foreseeably aggrieved, PVB filed a motion for reconsideration which the Court of Appeals denied for lack of merit in a resolution dated 11 December 1997.[14]

Hence, this petition for certiorari which this Court has treated as a petition for review under Rule 45 per Resolution[15] dated 14 April 1998 as the principal issue raised involves a question of law.

On 20 July 1998, respondents were required to file their Comment.[16] After Respondents filed their Comment,[17] PVB filed its Reply[18] in compliance with the Court’s resolution dated 26 October 1998.[19] Thereafter the parties were required in a resolution dated 24 November 2004[20] to file their respective memoranda within thirty (30) days from notice.

The issues raised for resolution by PVB are:

A. PUBLIC RESPONDENT COURT OF APPEALS GRAVELY ABUSED ITS DISCRETION IN HOLDING THAT THE CASE INVOLVES AN AGRARIAN DISPUTE WITHIN THE EXCLUSIVE JURISDICTION

OF DARAB.

B. PUBLIC RESPONDENT COURT OF APPEALS GRAVELY ABUSED ITS DISCRETION IN RULING THAT CASES FOR ANNULMENT OF CLOA FALL WITHIN THE JURISDICTION OF DARAB.

C. PUBLIC RESPONDENT COURT OF APPEALS GRAVELY ABUSED ITS DISCRETION IN HOLDING THAT THE DARAB HAS JURISDICTION NOTWITHSTANDING THAT THE DARAB ADJUDICATOR IS HIMSELF A PARTY TO THE CASE.

D. PUBLIC RESPONDENT COURT OF APPEALS GRAVELY ABUSED ITS DISCRETION IN RULING THAT THE DARAB HAS JURISDICTION NOTWITHSTANDING THE FACT THAT THE PROPERTY CEASED TO BE AGRICULTURAL.[21]

Basic is the rule that jurisdiction is determined by the allegations in the Complaint.[22] At the outset, it is well to state that the Complaint filed by PVB before the RTC is designated as one “for annulment of DAR certificate of land ownership award with prayer for a writ of preliminary injunction or restraining order.” In its Complaint, PVB impugned the award allegedly for having been illegally and fraudulently issued and consequently prayed for its nullification. In the same Complaint, PVB claimed that the property, though unirrigated, is agricultural.[23] Thus, from the very allegations made by PVB in its Complaint, there is no doubt that the same is mainly for annulment of CLOA. Neither can PVB deny the claim it made in its Complaint that the property is agricultural. Its subsequent claim that the property has ceased to be agricultural is a matter the veracity of which has yet to be verified.

Specific and general provision of Rep. Act No. 6657 (The Comprehensive Agrarian Reform Law of 1988) and its implementing rules and procedure cover, to the point, the major issues above prescribed.

Not too long ago, in the case of SSS v. DAR,[24] this Court resolving the same issues of (1) what constitutes an agrarian dispute, (2) what are the cases involving the issuance of CLOAs; and (3) which body has jurisdiction over controversies arising therefrom, held:

Section 1, Rule II, 2002 DARAB Rules of Procedure provides that:

Section 1. Primary And Exclusive Original and Appellate Jurisdiction. – The board shall have primary and exclusive jurisdiction, both original and appellate, to determine and adjudicate all agrarian disputes involving the implementation of the Comprehensive Agrarian Reform Program (CARP) under Republic Act No. 6657, Executive Order Nos. 228, 229, and 129-A, Republic Act No. 3844 as amended by Republic Act No. 6389, Presidential Decree No. 27 and other agrarian laws and their implementing rules and regulations. Specifically, such jurisdiction shall include but not be limited to cases involving the following:

a) The rights and obligations of persons, whether natural or juridical engaged in the management, cultivation and use of all agricultural lands covered by the CARP and other agrarian laws.

...

Specifically, such jurisdiction shall extend over but not limited to the following:

...

f) Cases involving the issuance of Certificate of Land Transfer (CLT), Certificate of Landownership Award (CLOA) and Emancipation Patent (EP) and the administrative correction thereof; (*Italics added*)

Thus, taking its bearings from the above provision, *Centeno v. Centeno*[25] explicitly and compellingly validated the jurisdiction of the DARAB over cases involving issuance of CLOAs, and went on further:

. . . under Section 50 of R.A. 6657 (the Comprehensive Agrarian Reform Law of 1988), the DAR is vested

with primary jurisdiction to determine and adjudicate agrarian reform matters and shall have the exclusive jurisdiction over all matters involving the implementation of the agrarian reform program. The rule is that the DARAB has jurisdiction to try and decide any agrarian dispute or any incident involving the implementation of the Comprehensive Agrarian Reform Program. (*Italics supplied*)

Section 1, Rule II of the Revised Rules of Procedure of the DARAB provides:

Section 1. Primary, Original and Appellate Jurisdiction. – The Agrarian Reform Adjudication Board shall have primary jurisdiction, both original and appellate, to determine and adjudicate all agrarian disputes, cases, controversies, and matters or incidents involving the implementation of the Comprehensive Agrarian Reform Program under Republic Act No. 6657, Executive Orders Nos. 229, 228 and 129-A, Republic Act No. 3844 as amended by Republic Act No. 6389, Presidential Decree No. 27 and other agrarian laws and their implementing rules and regulations.

In the relatively recent case of *Rivera v. Del Rosario*,^[26] this Court cited Section 1, Rule II, 2002 DARAB Rules of Procedure and reiterated that:

The DARAB has exclusive original jurisdiction over cases involving the rights and obligations of persons engaged in the management, cultivation and use of all agricultural lands covered by the Comprehensive Agrarian Reform Law.

Again in *David v. Rivera*,^[27] this Court pointed out that the jurisdiction over agrarian reform matters is now expressly vested in the DAR through the DARAB.

Indeed, Section 50 of R.A. 6657 confers on the Department of Agrarian Reform (DAR) quasi-judicial powers to adjudicate agrarian reform matters. In the process of reorganizing the DAR, Executive Order No. 129-A created the DARAB to assume the powers and functions with respect to the adjudication of agrarian reform cases. Section 1, Rule II of the DARAB Rules of Procedure enumerates the cases falling within the primary and exclusive jurisdiction of the DARAB.

In an earlier ruling rendered in the case of *Vda. de Tangub v. Court of Appeals*,^[28] reiterated in *Morta, Sr. v. Occidental*^[29] and *Heirs of the late Herman Rey Santos v. Court of Appeals*,^[30] this Court decreed:

Section 1 of Executive Order No. 229 sets out the scope of the Comprehensive Agrarian Reform Program (CARP); it states that the program –

“... shall cover, regardless of tenurial arrangement and commodity produce, all public and private agricultural land as provided in Proclamation No. 131 dated July 22, 1987, including whenever applicable in accordance with law, other lands of the public domain suitable to agriculture.”

Section 17 thereof

1) vested the Department of Agrarian Reform with “quasi-judicial powers to determine and adjudicate agrarian reform matters,” and

2) granted it “jurisdiction over all matters involving implementation of agrarian reform, except those falling under the exclusive original jurisdiction of the DENR and the Department of Agriculture (DA), as well as powers to punish for contempt and to issue subpoena, subpoena duces tecum and writs to enforce its orders or decisions.”^[31]

In *Nuesa v. Court of Appeals*,^[32] the Court, in addition to re-echoing the jurisdiction of the DARAB, puts emphasis on the extent of the coverage of the term “agrarian dispute,” thus:

As held by this Court in *Centeno v. Centeno* [343 SCRA 153], “the DAR is vested with the primary jurisdiction to determine and adjudicate agrarian reform matters and shall have the exclusive jurisdiction over

all matters involving the implementation of the agrarian reform program.” The DARAB has primary, original and appellate jurisdiction “to determine and adjudicate all agrarian disputes, cases, controversies, and matters or incidents involving the implementation of the Comprehensive Agrarian Reform Program under R.A. 6657, E.O. Nos. 229, 228 and 129-A, R.A. 3844 as amended by R.A. 6389, P.D. No. 27 and other agrarian laws and their implementing rules and regulations.”

Under Section 3(d) of R.A. 6657 (CARP Law), “agrarian dispute” is defined to include “(d). . . any controversy relating to tenurial arrangements, whether leasehold, tenancy, stewardship or otherwise over lands devoted to agriculture, including disputes concerning farmworkers associations or representation of persons in negotiating, fixing, maintaining, changing or seeking to arrange terms or conditions of such tenurial arrangements. It includes any controversy relating to compensation of lands acquired under this Act and other terms and conditions of transfer of ownership from landowners to farmworkers, tenants and other agrarian reform beneficiaries, whether the disputants stand in the proximate relation of farm operator and beneficiary, landowner and tenant, or lessor and lessee.” (Underlining ours)

Taking instructions from the foregoing discussion, the instant case being one for annulment of CLOA, an incident involving the implementation of the CARP, and a matter relating to terms and conditions of transfer of ownership from landlord to agrarian reform beneficiaries, jurisdiction is properly vested with the DARAB.

Still, in corroboration is Section 1(1.6), Rule 2, of the 2003 DARAB Rules of Procedure which explicitly vests upon the adjudicator the primary and exclusive original jurisdiction to determine and adjudicate cases involving the correction, partition, cancellation, secondary and subsequent issuances of CLOAs. The DARAB under Section 2 of the same Rule is vested with the exclusive appellate jurisdiction to review, reverse, modify, alter or affirm resolutions, orders, and decisions of its adjudicators.

As to the issue raised by PVB that the Court of Appeals erred in finding that the DARAB has jurisdiction because the DARAB adjudicator is himself a party to the case, it must be emphasized that it is the law that confers jurisdiction[33] based on the allegations in the complaint and that jurisdiction does not depend on who the parties are to said complaint. PVB’s apprehension that the adjudicator it impleaded in its complaint before the RTC might himself rule on its case if filed before the DARAB is, at best, merely that – an apprehension. Having been impleaded, albeit only in his official capacity, it is mighty doubtful that if the case were filed before the DARAB, the same adjudicator would be tasked to hear and rule on the matter.

Finally, PVB takes exception to Rule II, Section 1(1.6)[34] of the DARAB Rules of Procedure, arguing that the same must be struck down for it suffers from constitutional infirmity inasmuch as it clearly oversteps into the function of the regular courts.[35]

The DARAB Rules of Procedure was enacted pursuant to the provisions of Sections 49 and 50 of Rep. Act No. 6657,[36] as amended, and Section 34 of Executive Order No. 129-A[37] in relation to Section 13 thereof.

We decline to rule on the issue of constitutionality as all the requisites for the exercise of judicial review are not present herein. Specifically, the question of constitutionality will not be passed upon by the Court unless, at the first opportunity, it is properly raised and presented in an appropriate case, adequately argued,[38] and is necessary to a determination of the case, particularly where the issue of constitutionality is the very *lis mota* presented.[39] In herein case, the constitutional question was raised belatedly by PVB only in its memorandum filed before this Court.

Wherefore, premises considered, the instant petition is Denied for lack of merit. No costs.

SO ORDERED.

Puno, (Chairman), Austria-Martinez, Callejo, Sr., and Tinga, JJ., concur.

[1] Rollo, pp. 47-49.

[2] Annex C, Rollo, p. 37.

[3] Rollo, pp. 70-74.

[4] Annex I, Rollo, p. 90.

[5] Rollo, p. 99.

[6] Annex D, Rollo, p. 103.

[7] Annex F, Rollo, p. 119.

[8] CA-G.R. SP No. 40337.

[9] Annex G, Rollo, p. 120.

[10] Penned by Associate Justice Hector L. Hofilena with Associate Justices Jainal D. Rasul and Hilarion L. Aquino, concurring.

[11] Rollo, p. 138.

[12] Rollo, p. 30.

[13] Rollo, pp. 32-33.

[14] Rollo, p. 35.

[15] Rollo, p. 167.

[16] Rollo, p. 173.

[17] Rollo, p. 177.

[18] Rollo, p. 187.

[19] Rollo, p. 186.

[20] Rollo, p. 201.

[21] Memorandum, pp. 5-6.

[22] *Perez v. Cruz*, G.R. No. 142503, 20 June 2003, 404 SCRA 487; *Capiral v. Valenzuela*, G.R. No. 152886, 15 November 2002, 391 SCRA 759, citing *Sarne v. Maquiling*, G.R. No. 138839, 09 May 2002, 382 SCRA 85; *Union of Nestlé Workers Cagayan De Oro Factory v. Nestlé Philippines*, G.R. No. 148303, 17 October 2002, 391 SCRA 204.

[23] Complaint, p. 4; Rollo, p. 38.

[24] G.R. No. 139254, 22 April 2005, per Nazario, J.

[25] G.R. No. 140825, 13 October 2000, 343 SCRA 153, 159.

[26] G.R. No. 144934, 15 January 2004, 419 SCRA 626, 635.

[27] G.R. Nos. 139913 & 140159, 16 January 2004, 420 SCRA 90.

[28] UDK No. 9864, 03 December 1990, 191 SCRA 885.

[29] G.R. No. 123417, 10 June 1999, 308 SCRA 167.

[30] G.R. No. 109992, 07 March 2000, 327 SCRA 293.

[31] *Supra*, note 20, p. 888.

[32] G.R. No. 132048, 06 March 2002, 378 SCRA 351, 361-362.

[33] *Padunan v. Department of Agrarian Reform Adjudication Board*, G.R. No. 132163, 28 January 2003, 396 SCRA 196.

[34] 1.6) Those involving the correction, partition, cancellation, secondary and subsequent issuances of Certificates of Land Ownership Award (CLOAs) and Emancipation Patents (EPs) which are registered with the Land Registration Authority.

[35] Memorandum, pp. 10-11; Rollo, pp. 103-104.

[36] An Act Instituting A Comprehensive Agrarian Reform Program To Promote Social Justice And Industrialization, Providing The Mechanism For Its Implementation, And For Other Purposes.

Sec. 49. Rules and Regulations. – The PARC and the DAR shall have the power to issue rules and regulations, whether substantive or procedural, to carry out the objects and purposes of this Act. Said rules shall take effect ten (10) days after publication in two (2) national newspapers of general circulation.

Sec. 50. Quasi-Judicial Powers of the DAR. – The DAR 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).

It shall not be bound by technical rules of procedure and evidence but shall proceed to hear and decide all cases, disputes or controversies in a most expeditious manner, employing all reasonable means to ascertain the facts of every case in accordance with justice and equity and the merits of the case. Toward this end, it shall adopt a uniform rule of procedure to achieve a just, expeditious and inexpensive determination of every action or proceeding before it.

It shall have the power to summon witnesses, administer oaths, take testimony, require submission of reports, compel the production of books and documents and answers to interrogatories and issue subpoena, and subpoena duces tecum and to enforce its writs through sheriffs or other duly deputized officers. It shall likewise have the power to punish direct and indirect contempts in the same manner and subject to the same penalties as provided in the Rules of Court.

Responsible farmer leaders shall be allowed to represent themselves, their fellow farmers, or their organizations in any proceedings before the DAR: Provided, however, That when there are two or more representatives for any individual or group, the representatives should choose only one among themselves to represent such party or group before any DAR proceedings.

Notwithstanding an appeal to the Court of Appeals, the decision of the DAR shall be immediately executory.

[37] Exec. Order No. 129-A “Modifying Executive Order No. 129 Reorganizing And Strengthening The Department of Agrarian Reform And For Other Purposes.”

Sec. 34. Implementing Authority of the Secretary. – The Secretary shall issue orders, rules and regulations and other issuances as may be necessary to ensure the effective implementation of the provisions of this Executive Order.

[38] Reyes v. Court of Appeals, G.R. No. 118233, 10 December 1999, 320 SCRA 486, 494.

[39] Hontiveros v. RTC, Branch 25, Iloilo City, G.R. No. 125465, 29 June 1999, 309 SCRA 340; Griffith v. Court of Appeals, G.R. No. 129764, 12 March 2002, 379 SCRA 94.

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.