RODOLFO HERMOSO, ANTONIO JACOBE, BRIGIDO PORTUGUESE, REGALADO AUSTRIA, LOLITA ANGELES, PRESINA BERSABE, ANGELITO ROSQUETA, CONSTANCIO PROTUGUESE, ROGELIO SANTOS, ALIAS FIEL, CAT...

G.R. NO. 140319. May 05, 2006

Ponente: GARCIA, J.

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GARCIA, J.:

Assailed and sought to be set aside in this petition for review under Rule 45 of the Rules of Court are the following issuances of the Court of Appeals (CA) in CA-G.R. SP No. 43795, to wit:

- Decision[1] dated March 31, 1999 reversing and setting aside the decision of the Department of Agrarian Reform Adjudication Board (DARAB) Proper dated August 21, 1996;

- Resolution[2] dated June 17, 1999 denying petitioners' motion for extension of time to file a motion for reconsideration, thereby also denying their belatedly-filed motion for reconsideration; and

- Resolution[3] dated October 11, 1999 denying the motion for reconsideration with finality.

Respondent C.L. Realty Corporation (C.L. Realty, for short) is the registered owner of a parcel of land with an area of 46.1476 hectares located at Brgy. Alas-asin, Mariveles, Bataan, covered by Transfer Certificate of Title (TCT) No. T-60221.

On August 28, 1991, C.L. Realty received a Notice of Acquisition of the said parcel of land from Regional Office No. III of the Department of Agrarian Reform (DAR), followed by a Notice of Valuation under which the property in question was valued at P273,559.00. C.L. Realty challenged the valuation thus made, claiming it to be unconscionably low since, under its Sworn Statement on Agricultural Land Holdings dated February 8, 1988 and filed with the Municipal Assessor's Office, P4,614,760.00 was the amount entered as the fair value of the land.

On September 8, 1992, C.L. Realty wrote DAR Regional Director Antonio Nuesa requesting that the issuance of the Certificates of Land Ownership Award (CLOAs) covering the property in question be held in abeyance. The following day, Director Nuesa indorsed the request to Bataan Provincial Agrarian Reform Officer (PARO) Florencio Siman for appropriate action.

Barely a month after, C.L. Realty, without requesting for the lifting of the land coverage, formally requested and applied with DAR-Region III for conversion of the land from agricultural to industrial/commercial use which request was also indorsed in due time to the PARO of Bataan for appropriate action.

Evidently unbeknownst to C.L. Realty when it made its deferment request and filed its application for conversion, CLOAs were already issued to herein petitioners Rodolfo Hermoso, et al. In fact, pursuant to the CLOAs thus issued, some of them were able to secure on September 1, 1992, while the others, the following day, the corresponding certificates of title. Since then, the petitioners appeared to have entered into possession of said land

and planted crops thereon.

Later apprised of the CLOA issuance, C.L. Realty filed with the DARAB- Region III office a petition, later docketed as DARAB Case No. 092-B-93, praying for the cancellation of herein petitioners' CLOAs on the ground of irregular, premature and anomalous issuance. Specifically, C.L. Realty alleged, inter alia, that the CLOA recipients do not meet the basic farmer-beneficiary qualification requirement and are not under the order of priority defined in Section 22 of Republic Act (R.A.) No. 6657[4].

In their answer, petitioners denied allegations of irregularity and prematurity in the issuance of the CLOAs in question, adding that all legal requirements for the purpose have been complied with and that they are all qualified farmer-beneficiaries. They also contend that the petition to cancel was erroneously directed at them when it should have been addressed to the DAR officials who processed/approved their applications filed in good faith.

Finding that undue haste attended the processing and issuance of the CLOAs in question, and that the petitioners were not qualified farmer-beneficiaries under Section 22 of R.A. No. 6657, the DARAB Provincial Adjudicator rendered, on October 28, 1993, a decision ordering the cancellation of the CLOAs thus issued to the petitioners.

Therefrom, petitioners appealed to the DARAB Proper at Diliman, Quezon City. In that recourse, docketed as DARAB Case No. 1999 (Reg. Case No. 092-B-93), petitioners reiterated their position set forth in their answer to the petition to cancel, and alleged, in addition, that the DARAB provincial adjudicator had no authority or jurisdiction to cancel or annul the CLOAs, the same having already been registered in their names with the Register of Deeds.

On August 21, 1996, the DARAB Proper rendered a decision finding for petitioners, disposing as follows:

> WHEREFORE, premises considered, finding the appeal meritorious, the decision of the Honorable Adjudicator a quo is hereby REVERSED and SET ASIDE. A new judgment is rendered rejecting any attempt to nullify the issuance of Certificates of Land Ownership Award (CLOAs) to herein respondents-appellants. The Board upholds the efficacy of the same.

The DARAB Proper predicated its disposition on the premise that C.L. Realty, failing as it did to substantiate its allegations respecting the lack of qualification as farmer-beneficiaries of petitioners, had not overturned the presumption that official duty had been duly performed.

Following the denial of its motion for reconsideration, C.L. Realty went to the Court of Appeals (CA) by way of petition for review, thereat docketed as CA-G.R. SP No. 43795.

At stated at the outset, CA, in the herein assailed decision[5] dated March 31, 1999, set aside the August 21, 1996 decision of the DARAB Proper and reinstated the ruling of the provincial adjudicator, thus:

> WHEREFORE, the premises considered, the appealed decision of the DARAB is hereby REVERSED and SET ASIDE and the Decision of the Provincial Adjudicator dated 28 October 1993 is HEREBY REINSTATED.

Subsequently, petitioners, through counsel, filed a motion for extension of time to file a motion for reconsideration. On May 10, 1999, they filed their motion for reconsideration, followed fourteen (14) days later by a supplemental motion for reconsideration.

Citing Habaluyas Enterprises, Inc., et. al. vs. Hon. Maximo Japson, et. al.,[6] the CA, in its equally assailed resolution[7] of June 17, 1999, denied the motion for extension and, consequently, the motion for reconsideration. On July 1, 1999, petitioners moved for a reconsideration of the resolution dated June 17, 1999, but their motion was also denied in the resolution of October 11, 1999.[8]

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Aggrieved, petitioners are now before us via this petition for review under Rule 45 of the Rules of Court.

In the meanwhile, the Court, upon application of the petitioners, issued, on August 7, 2000, a temporary restraining order[9] enjoining respondent, thru its agents, from, among other things, entering into the lots occupied by petitioners and exercising rights of ownership.

The issues raised, as summarized in petitioners' memorandum[10], turn on the following questions:

> - Whether or not the DARAB provincial adjudicator has jurisdiction to nullify the CLOAs issued to petitioners, given that the corresponding TCTs have been issued over the lands covered;
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> - Whether or not the petition filed by C.L. Realty before the Office of the Provincial Adjudicator should have been dismissed for non-joinder of indispensable parties;
>
> - Whether or not the CA failed to take into account facts and circumstances supportive of herein petitioners' cause, and, on the other hand, accorded undue weight to the findings of the Provincial Adjudicator; and
>
> - Whether or not the CA erred in denying herein petitioners' motion for extension of time to file a motion for reconsideration.

The jurisdictional and procedural issues raised at the threshold hereof cannot carry the day for the petitioners.

Vis-a-vis petitioners' jurisdictional challenge, it may be stated that the DAR, through its adjudication arm, i.e., the DARAB and its regional and provincial adjudication boards, exercises quasi-judicial functions and jurisdiction on all matters pertaining to agrarian dispute or controversy and the implementation of agrarian reform laws.[11] In Nuesa vs. Court of Appeals,[12] the Court, citing the Revised Rules of Procedure of the DARAB, stated that 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 all the Comprehensive Agrarian Reform Program [CARP] under R.A. 6657, E.O. Nos. 228, 229 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." The Court made a similar pronouncement on the jurisdiction of DARAB in Bautista vs. Mag-isa Vda. De Villa.[13] Under Section 1(f) of the DARAB Rules of Procedure, such jurisdiction of the DARAB includes cases involving "the issuance, correction and cancellation of ... (CLOAs) and Emancipation Patents (EPs) which are registered with the Land Registration Authority." Surely, such jurisdiction cannot be deemed to disappear the moment a certificate of title is issued. For, such certificates are not modes of transfer of property but merely evidence of such transfer. Needless to state, there can be no valid transfer of title should the CLOA on which it was grounded is void.

At any rate, the petitioners are in no position to question the jurisdiction of the DAR and its adjudicative arm at this late junction of the proceedings. They are already estopped at this stage to challenge the competency of the DARAB and its provincial adjudicator to have taken cognizance of the case. This disposition becomes all the more pressing considering the petitioners' active participation in the proceedings below, and their having been the recipients of a favorable decision dated August 21, 1996 of the DARAB Proper. Decisional law frowns upon a jurisdictional challenge cast against such a milieu.

Petitioners' thesis, under the second ground, that the DAR officials who processed and approved the applications for issuance of CLOAs and the Register of Deeds are indispensable parties cannot be given cogency. Surely, a final determination of the petition for cancellation of CLOAs could be had even without joining in such petition any of the officials adverted to. And as a matter of long and recognized practice, a public respondent need only to be impleaded in certiorari proceedings under Rule 65 of the Rules of Court, but even then, the adjudicating judge, officer or tribunal would only be considered a nominal party.[14] In petitions for review on certiorari as a mode of ordinary appeal under either Rule 43[15] or 45,[16] only the private parties to the case are to be impleaded.

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The foregoing notwithstanding, the Court still rules for petitioners due to compelling reasons ostensibly overlooked by the appellate court. We start with respondent C.L. Realty's standing to question the qualification of the petitioners as CARP beneficiaries. As the DARAB Proper aptly observed:

> It is the Municipal Agrarian Reform Officer (MARO) or the Provincial Agrarian Reform Officer (PARO) together with the Barangay Agrarian Reform Committee (BARC) who screen and select the possible agrarian beneficiaries. If there are farmers who claimed they have a priority over those who have been identified by the MARO as beneficiaries of the land, said farmers can file a protest with the MARO or the PARO who is currently processing the Land Distribution Folder (Administrative Order No. 10, Series of 1990).
>
> xxx The landowner, however, does not have the right to select who the beneficiaries should be. Hence, other farmers who were not selected and claimed they have a priority over those who have been identified as such can file a written protest with the MARO or the PARO who is currently processing the claim folder.[17] [Emphasis supplied]

Denying a landowner the right to choose a CARP beneficiary is, in context, only proper. For a covered landholding does not revert back to the owner even if the beneficiaries thus selected do not meet all necessary qualifications. Should it be found that the beneficiaries are indeed disqualified, the land acquired by the State for agrarian reform purposes will not be returned to the landowner but shall go instead to other qualified beneficiaries.

Lest it be overlooked, respondent, upon its receipt of the Notice of Acquisition of the land in question, never disputed the propriety, let alone asked for the lifting, of such acquisition. Respondent, from its arguments, does not, therefore, have a claim to retaining ownership of the land. All it did was to except from the valuation given to its former landholding. And even as to the issue of just compensation, there is no showing that respondent ever brought the matter to the Regional Trial Court (RTC) as even respondent, in its memorandum, admits it should have done. In this regard, respondent, citing what the Court said in Republic vs. Court of Appeals,[18] states in its memorandum:

> Thus, under the law, the Land Bank of the Philippines is charged with the initial responsibility of determining the value of lands placed under land reform and the compensation to be paid for their taking. Through notice sent to the landowner pursuant to 16(a) of R.A. No. 6657, the DAR makes an offer. In case the landowner rejects the offer, a summary administrative proceeding is held and afterward the provincial (PARAD), the regional (RARAD) or the central (DARAB) adjudicator as the case may be, depending on the value of the land, fixes the price to be paid for the land. If the landowner does not agree to the price fixed, he may bring the matter to the RTC acting as Special Agrarian Court. This in essence is the procedure for the determination of compensation cases under R.A. No. 6657. x x x In the terminology of Section 57, the RTC, sitting as a Special Agrarian Court, has "original and exclusive jurisdiction over all petitions for the determination of just compensation to landowners." It would subvert this "original and exclusive" jurisdiction of the RTC for the DAR to vest original jurisdiction in compensation cases in administrative officials and make the RTC an appellate court for the review of administrative decisions.[19] (Underlining in the original)

Respondent emphasizes in the above-quoted portion of its memorandum that the RTC has jurisdiction over just compensation disputes. However, nowhere is it shown, even in its own allegations of facts, that respondent brought this matter to the RTC. Instead, respondent sought a conversion of the land from agricultural to industrial/commercial use.

Under DAR Administrative Order (AO) No. 1, series of 1990, as amended by AO No. 12, series of 1994, "[A]fter the DAR has issued a Notice of Acquisition of an agricultural land under the compulsory acquisition process ... no application for conversion of said land from the landowner or anyone acting on his behalf shall be given due course." Given this perspective, it cannot plausibly be said that the issuance of CLOAs during the pendency of the

conversion proceedings was anomalous, irregular or premature. As it were, the application for conversion was improper from the start, the notice of acquisition having previously been issued.

Respondent's ploy for conversion having failed, and the CLOAs having been issued, respondent resorted to seeking the cancellation of said CLOAs on the basis of the lack of qualifications of the beneficiaries and the pendency of its application for conversion. Needless to stress, respondent pursued a strange course of action considering that, originally, its only grievance related to property valuation.

As stated earlier, respondent was without personality to question the selection of beneficiaries. However, even if it had such personality, its arguments against petitioners' qualifications as farmer-beneficiaries do not bear sufficient weight to peremptorily justify the cancellation of the issued CLOAs. It may be that the petitioners were employed or self-employed. This reality, however, even if true, does not per se argue against their qualifications as CARP beneficiaries at the time the award was made. For all the law requires, in the minimum, is that the prospective beneficiary be a landless resident preferably of the barangay or municipality, as the case may be, where the landholding is located, provided he has, in the language of Section 22 of RA 6657, the "willingness, aptitude and ability to cultivate and make the land as productive as possible". A farmer-beneficiary need not undertake every chore in the cultivation of the farmholding all by his personal self; he may be assisted in the farm work and the care of plants by his immediate farm household without forfeiting his right to continue as such beneficiary.[20]

In the case at bench, it appears that the BARC, the MARO and/or PARO have screened and, after investigation, identified, or at least are presumed to have duly screened and identified, the petitioners as qualified beneficiaries of the land in question and have found the property to be suitable for agricultural productivity. This determination has not been overcome by proof to the contrary. To be sure, the provincial adjudicator's posture, as affirmed by the appellate court, that none of the petitioners meet the qualifications of a farmer beneficiary, since they are factory workers, private employees or fishermen, cannot be accorded the weight of overturning evidence. For one, the provincial adjudicator did not identify who among the petitioners are self-employed, factory workers or fishermen, if that be the case. And for another, the provincial adjudicator did not point to any evidence to establish his simplistic conclusion about petitioners not being qualified as farmer-beneficiaries.

Another argument was that some of the beneficiaries were not even residents of Brgy. Alas-asin where the land is located. It ought to be pointed out, however, that the petitioners were residents of neighboring barangays, many of which were within walking distance from Brgy. Alas-asin. While farmers or farm workers already in the place should be given preferential rights in the distribution of lands, even people living outside of the barangay where the property is situated may be qualified as CARP beneficiaries. Section 22 of R.A. No. 6657 says so:

> Section 22. Qualified Beneficiaries. - The lands covered by the CARP shall be distributed as much as possible to landless residents of the same barangay, or in the absence thereof, landless residents of the same municipality in the following order of priority:
>
> a) agricultural lessees and share tenants;
> b) regular farmworkers;
> c) seasonal farmworkers;
> d) other farmworkers;
> e) actual tillers or occupants of public land;
> f) collective or cooperative of the above beneficiaries; and
> g) others directly working on the land.
>
> xxx xxx xxx

As stressed by the DARAB Proper in its decision, the very essence of the CARP is to uplift and help as many

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farmers as possible and make them beneficiaries of the program. Thus, a liberal interpretation is preferred.

Section 22 of the CARP law provides merely for an order of priority in the distribution of the land to beneficiaries. In the case at bar, there appears to be no applicants other than the petitioners. Thus, even if it be assumed that petitioners fall under the last enumerated order of beneficiaries, namely, "others directly working on the land," still they are qualified as beneficiaries since they are all residents of Mariveles, Bataan, where the land is located, though not necessarily all residents of the same barangay.

It should be stressed, at this juncture, that petitioners have had their CLOAs and certificates of title for over eight (8) years. Some of them have fully paid the Land Bank for the value of the land awarded them. They have been paying all these years the real estate taxes on their landholdings, cultivating them in the process.

As a final consideration, we note that the CA had denied with finality petitioners' motion for reconsideration of its underlying March 31, 1999 decision[21] owing to the belated filing of such motion for reconsideration. To be sure, the appellate court acted within its sound discretion in denying petitioners' motion for time to file a motion for reconsideration and, consequent to such denial, denying the corresponding motion for reconsideration. But the more paramount consideration to observe in this case is the norm relaxing the rules of procedure in the broader interest of justice, thus helping litigants secure substantial justice, specially, as here, when the perceived resulting injustice is not proportionate with the parties' failure to strictly comply with the prescribed procedure.[22]

WHEREFORE, the instant petition is hereby GRANTED. The decision of the Court of Appeals in CA-G.R. SP No. 43795 dated March 31, 1999, and its Resolutions dated June 17, 1999 and October 11, 1999 are SET ASIDE and the decision of the Department of Agrarian Reform Adjudication Board in DARAB Case No. 1999 is hereby REINSTATED.

SO ORDERED.

Corona, and Azcuna, JJ., concur.
Puno, (Chairperson), J. on leave.
Sandoval-Gutierrez, J. no part.

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[1] Penned by then Associate Justice Romeo A. Brawner (ret.), with Associate Justices Angelina Sandoval-Gutierrez (now a member of this Court) and Martin S. Villarama, Jr., concurring; Rollo, pp. 45-50; Annex "D", Petition.

[2] Id. at 62-63; Annex "G", Petition.

[3]Id. at 70-72; Annex "I", Petition.

[4] The Comprehensive Agrarian Reform Law.

[5] See Note #1, supra.

[6] G.R. No. L-70895, May 30, 1986; 142 SCRA 208.

[7]See item #2, supra.

[8] See Note #3, supra.

[9] Rollo, pp. 99-100.

[10] Id. at 199-217.

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

[12]G.R. No. 132048, March 6, 2002; 378 SCRA 351.

[13] G.R. No. 152564, Sept. 13, 2004; 438 SCRA 259.

[14]Section 5, Rule 65, Rules of Court.

[15] Section 6(a) ibid.

[16]Section 4(a). ibid.

[17]Rollo, pp. 39-40.

[18] G.R. No. 122256, Oct. 30, 1966; 263 SCRA 758.

[19]Respondent's Memorandum, p. 10; Rollo p. 252.

[20] Sumatra vs. Vda. De Parinas, G.R. No. 142958, April 24, 2002, 381 SCRA 522.

[21]See Note #1, supra.

[22] Balindong vs. CA, G.R. No. 159962, Dec. 16, 2004; 447 SCRA 2004.

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