

ARMANDO C. CARPIO, PETITIONER, VS. SULU RESOURCES DEVELOPMENT CORPORATION, RESPONDENT.

G.R. No. 148267. August 08, 2002

Ponente: PANGANIBAN, J.

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PANGANIBAN, J.:

Decisions and final orders of the Mines Adjudication Board (MAB) are appealable to the Court of Appeals under Rule 43 of the 1997 Rules of Court. Although not expressly included in the Rule, the MAB is unquestionably a quasi-judicial agency and stands in the same category as those enumerated in its provisions.

The Case

Before us is a Petition for Review on Certiorari under Rule 45 of the Rules of Court, challenging the August 31, 2000 Decision[1] and May 3, 2001 Resolution[2] of the Court of Appeals (CA) in CA-GR SP No. 46830. The Assailed Decision disposed as follows:

“WHEREFORE, premises considered, the petition for review is hereby DENIED.”[3]

Reconsideration was denied in the assailed Resolution.

The Facts

In the challenged Decision, the CA summarized the facts of this case as follows:

“This case originated from a petition filed by respondent [Sulu Resources Development Corporation] for Mines Production Sharing Agreement (MPSA) No. MPSA-IV-131, covering certain areas in Antipolo, Rizal. Petitioner [Armando C. Carpio] filed an opposition/adverse claim thereto, alleging, inter alia, that his landholdings in Cupang and Antipolo, Rizal will be covered by respondent’s claim, thus he enjoys a preferential right to explore and extract the quarry resources on his properties.

“After due proceedings were held, the Panel of Arbitrators of the Mines and Geo-Sciences Bureau of the DENR rendered a Resolution dated September 26, 1996, upholding petitioner’s opposition/adverse claim. This dispositive portion of said Resolution reads:

‘x x x. WHEREFORE, the opposition/adverse claims of ARMANDO C. CARPIO is hereby UPHELD. Accordingly, the properties of CARPIO are ordered excluded from the area of PMPSA-IV-131 of SULU RESOURCES DEVELOPMENT CORPORATION, and the area not covered by the adverse claim as subject to mining locations in accordance with existing laws, rules and regulations.

‘SO ORDERED.’

“Respondent appealed the foregoing Resolution to the Mines Adjudication Board. Meanwhile, petitioner filed a motion to dismiss appeal on the ground of respondent’s failure to comply with the requirements of the New Mining Act’s Implementing Rules and Regulations.

“On June 20, 1997, the Mines Adjudication Board rendered the assailed Order dismissing petitioner’s opposition/adverse claim. The dispositive portion of the assailed Order provides:

‘WHEREFORE, in view of the foregoing premises, this Resolution of the Panel of Arbitrators of Region IV dated September 26, 1996, is hereby SET ASIDE and the adverse claim/opposition of CARPIO DISMISSED. Accordingly, the PMSPA of SULU should be given due process and evaluated subject to the pertinent provisions of RA 7942 and DAO 96-40.

‘SO ORDERED.’

“Petitioner filed a motion for reconsideration of said Order which was denied by the Board per Order dated November 24, 1997, the decretal portion of which provides:

‘WHEREFORE, the Motion for Reconsideration is hereby DENIED for lack of merit.’”[4]

Ruling of the Court of Appeals

Citing Section 79 of Chapter XIII of the Philippine Mining Act of 1995 (RA 7942), the CA ruled that it did not have jurisdiction to review the Decision of the Mines Adjudication Board (MAB). The adjudication of conflicting mining claims is completely administrative in nature, as held in *Pearson v. Intermediate Appellate Court*.^[5] Under RA 7942, the “settlement of disputes involving rights to mining areas, mineral agreements, and surface owners, occupants and claimholders/concessionaires shall pertain exclusively to a Panel of Arbitrators in the regional office of the Department of Environment and Natural Resources, whose decisions are appealable to the Mines Adjudication Board.” Under Section 79 of RA 7942, “the findings of fact by the MAB as well as its decision or order shall be final and executory.” Inasmuch as the issue raised by petitioner relates to whether an overlap or a conflict between his properties and the area covered by the application of respondent has been proven, MAB’s finding thereon was binding and conclusive, and the Board’s Decision was already final and executory.

Hence, this Petition.^[6]

Issue

In his Memorandum, petitioner raises this sole issue for our consideration:

“Whether or not appeals from the Decision or Final Orders of the Mines Adjudication Board should be made directly to the Supreme Court as contended by the respondent and the Court of Appeals, or such appeals be first made to the Court of Appeals as contended by herein petitioner.”^[7]

This Court’s Ruling

The Petition is meritorious.

Sole Issue:

Appellate Jurisdiction over MAB Decisions

Petitioner submits that appeals from the decisions of the MAB should be filed with the CA. First, the Supreme Court has authority, under Section 5(5) of Article VIII of the Philippine Constitution, to promulgate rules of procedure in all courts, including all quasi-judicial agencies such as the MAB. Second, Section 3 of Rule 43 of the 1997 Rules of Civil Procedure authorizes appeals to the CA from judgments or final orders of quasi-judicial tribunals by means of petitions for review. Third, the MAB gravely abused its discretion in “deliberately, willfully and unlawfully” disregarding petitioner’s rights to the land unduly included in the questioned application for a Mines Productive Sharing Agreement (MPSA).

En contrario, the CA ruled and respondent agrees that the settlement of disputes involving rights to mining areas and overlapping or conflicting claim is a purely administrative matter, over which the MAB has appellate jurisdiction. The latter's factual findings, decisions and final orders on such matters are final and executory as provided in Section 79 of Chapter XIII of the Philippine Mining Act of 1995 and as held in *Pearson v. IAC*. Since the appeal of petitioner pertains to the factual matter of whether he was able to prove the existence of the overlap or conflict between his claimed area and that covered by respondent's application, then the findings of the MAB should be deemed final and executory.

The CA refused to take jurisdiction over the case because, under Section 79 of the Philippine Mining Act of 1995, petitions for review of MAB decisions are to be brought directly to the Supreme Court. The provision reads in part:

“xxx xxx xxx

“A petition for review by certiorari and question of law may be filed by the aggrieved party with the Supreme Court within thirty (30) days from receipt of the order or decision of the Board.”

We hold that respondent's reliance on *Pearson* is misplaced. The claimant therein sued in the then Court of First Instance (CFI) to prevent the execution of a Decision rendered by the panel of investigators of the Bureau of Mines and the Office of the President. Despite a Motion to Dismiss filed by the mining companies, the CFI ordered the creation of a committee to determine the correct tie-point of their claims. So, the mining companies went to the then Intermediate Appellate Court (IAC) via a Petition for Certiorari under Rule 65. The claimants averred that the appellate court had no jurisdiction.

In the case at bar, petitioner went to the CA through a Petition for Review on Certiorari under Rule 43, seeking a reversal of the MAB Decision. Given the difference in the reason for and the mode of appeal, it is obvious that *Pearson* is not applicable here.

Still, we can draw one lesson. Far from dismissing the case on the ground of lack of jurisdiction, *Pearson* expressly held that the CA had jurisdiction over the petition for certiorari, because “Section 9 of BP Blg. 129 (The Judiciary Reorganization Act of 1980), now incorporated in Section 4, Rule 65 of the 1997 Rules of Civil Procedure, vested the then IAC with original jurisdiction to issue writs of certiorari and prohibition, among other auxiliary writs x x x.” However, even though the Supreme Court has concurrent jurisdiction with the CA and the Regional Trial Courts to issue a writ of mandamus, prohibition or certiorari, litigants are well advised against taking a direct recourse to this Court without initially seeking proper relief from the lower courts, in accordance with the hierarchy of courts.[8]

In *Pearson*, what was under review was the ruling of the CFI to take cognizance of the case which had been earlier decided by the MAB, not the MAB Decision itself which was promulgated by the CA under Rule 43. The present petitioner seeks a review of the latter.

Pearson held that the nature of the primary powers granted by law to the then secretary of agriculture and natural resources as well as to the director of mines were executive or administrative, such as “granting of license, permits, lease and contracts[;] or approving, rejecting, reinstating or canceling applications[;] or deciding conflicting applications.” These powers should be distinguished from litigants' disagreements or controversies that are civil or contractual in nature, which may be adjudicated only by the courts of justice. The findings of fact of the MAB, which exercises appellate jurisdiction over decisions or orders of the panel of arbitrators, are conclusive and binding on the parties; its decisions or orders on these are final and executory. But petitions for certiorari may be filed with the appropriate courts.[9] In short, the Court held that the appellate jurisdiction of the IAC (now the CA) in *Pearson* fell under Rule 65 -- not 43 -- because what was being impugned was grave abuse

of discretion on the part of the CFI.

Pearson, however, should be understood in the light of other equally relevant jurisprudence. In *Fabian v. Desierto*,^[10] the Court clarified that appeals from judgments and final orders of quasi-judicial agencies are now required to be brought to the CA, under the requirements and conditions set forth in Rule 43. This Rule was adopted precisely to provide a uniform rule of appellate procedure from quasi-judicial agencies.^[11]

Section 27 of RA 6770^[12] which is similarly worded as Section 79 of the Philippine Mining Act, was struck down by *Fabian* as unconstitutional, because it had broadened the appellate jurisdiction of the Supreme Court without its consent, in violation of Section 30 of Article VI of the Constitution.^[13] In short, Section 27 of RA 6770 which provides that all administrative decisions of the Office of the Ombudsman may be appealed to the Supreme Court, was unconstitutional.

In another case, held invalid in the light of Rule 43 of the 1997 Rules of Court was Section 3(2) of Executive Order No. 561, which had declared that decisions of the Commission on Settlement of Land Problems (COSLAP) were appealable exclusively to the Supreme Court.^[14] There is no convincing reason why appeals from the COSLAP should be treated differently from those arising from other quasi-judicial bodies, the decisions of which are directly appealable to the CA under Rule 43 of the 1997 Rules.

Finally, *Metro Construction, Inc. v. Chat ham Properties, Inc.*^[15] held that Section 19 of Executive Order No. 1008 -- which had deemed arbitral awards of the Construction Industry Arbitration Commission (CIAC) to be appealable to the Supreme Court on questions of law -- was modified by Circular No. 1-91, *Batas Pambansa Blg. 129* as amended by RA 7902, Revised Administrative Circular 1-95, and Rule 43 of the Rules of Court. Reiterating *Fabian*, the Court ruled that appeals were procedural and remedial in nature; hence, constitutionally subject to this Court's rule-making power.

In the present case, it is claimed that a petition for review is improper because petitioner's challenge is purely factual, bearing only on the MAB ruling that there was no overlap or conflict between the litigants' claims.

We clarify. Factual controversies are usually involved in administrative actions; and the CA is prepared to handle such issues because, unlike this Court, it is mandated to rule on questions of fact.^[16] In *Metro Construction*, we observed that not only did the CA have appellate jurisdiction over CIAC decisions and orders, but the review of such decisions included questions of fact and law.^[17] At the very least when factual findings of the MAB are challenged or alleged to have been made in grave abuse of discretion as in the present case, the CA may review them, consistent with the constitutional duty^[18] of the judiciary.

To summarize, there are sufficient legal footings authorizing a review of the MAB Decision under Rule 43 of the Rules of Court. First, Section 30 of Article VI of the 1987 Constitution, mandates that "[n]o law shall be passed increasing the appellate jurisdiction of the Supreme Court as provided in this Constitution without its advice and consent." On the other hand, Section 79 of RA No. 7942 provides that decisions of the MAB may be reviewed by this Court on a "petition for review by certiorari." This provision is obviously an expansion of the Court's appellate jurisdiction, an expansion to which this Court has not consented. Indiscriminate enactment of legislation enlarging the appellate jurisdiction of this Court would unnecessarily burden it.^[19]

Second, when the Supreme Court, in the exercise of its rule-making power, transfers to the CA pending cases involving a review of a quasi-judicial body's decisions, such transfer relates only to procedure; hence, it does not impair the substantive and vested rights of the parties. The aggrieved party's right to appeal is preserved; what is changed is only the procedure by which the appeal is to be made or decided.^[20] The parties still have a remedy and a competent tribunal to grant this remedy.

Third, the Revised Rules of Civil Procedure included Rule 43 to provide a uniform rule on appeals from quasi-judicial agencies.[21] Under the rule, appeals from their judgments and final orders are now required to be brought to the CA on a verified petition for review.[22] A quasi-judicial agency or body has been defined as an organ of government, other than a court or legislature, which affects the rights of private parties through either adjudication or rule-making.[23] MAB falls under this definition; hence, it is no different from the other quasi-judicial bodies enumerated under Rule 43. Besides, the introductory words in Section 1 of Circular No. 1-91 -- “among these agencies are” -- indicate that the enumeration is not exclusive or conclusive and acknowledge the existence of other quasi-judicial agencies which, though not expressly listed, should be deemed included therein.[24]

Fourth, the Court realizes that under Batas Pambansa (BP) Blg. 129[25] as amended by RA No. 7902,[26] factual controversies are usually involved in decisions of quasi-judicial bodies; and the CA, which is likewise tasked to resolve questions of fact, has more elbow room to resolve them. By including questions of fact[27] among the issues that may be raised in an appeal from quasi-judicial agencies to the CA, Section 3 of Revised Administrative Circular No. 1-95 and Section 3 of Rule 43 explicitly expanded the list of such issues.

According to Section 3 of Rule 43, “[a]n appeal under this Rule may be taken to the Court of Appeals within the period and in the manner herein provided whether the appeal involves questions of fact, of law, or mixed questions of fact and law.” Hence, appeals from quasi-judicial agencies even only on questions of law may be brought to the CA.

Fifth, the judicial policy of observing the hierarchy of courts dictates that direct resort from administrative agencies to this Court will not be entertained, unless the redress desired cannot be obtained from the appropriate lower tribunals, or unless exceptional and compelling circumstances justify availment of a remedy falling within and calling for the exercise of our primary jurisdiction.[28]

Consistent with these rulings and legal bases, we therefore hold that Section 79 of RA 7942 is likewise to be understood as having been modified by Circular No. 1-91, BP Blg. 129 as amended by RA 7902, Revised Administrative Circular 1-95, and Rule 43 of the Rules of Court. In brief, appeals from decisions of the MAB shall be taken to the CA through petitions for review in accordance with the provisions of Rule 43 of the 1997 Rules of Court.

WHEREFORE, the Petition is GRANTED, and the assailed Decision and Resolution REVERSED and SET ASIDE. The Petition in CA-GR SP No. 46830 is REINSTATED, and the CA is ordered to RESOLVE it on the merits with deliberate dispatch. No costs.

SO ORDERED.

Puno, (Chairman), Sandoval-Gutierrez, and Carpio, JJ., concur.

[1] Penned by Justice Ramon A. Barcelona (Division chairman) with the concurrence of Justices Marina L. Buzon and Edgardo P. Cruz (members).

[2] Rollo, p. 31.

[3] Ibid., p. 23.

[4] CA Decision, pp. 1-3; id., pp. 19-21.

[5] 295 SCRA 27, 44, September 3, 1998.

[6] The case was deemed submitted for decision on April 1, 2002, upon this Court’s receipt of petitioner’s Memorandum signed by Atty. Manuel R. Castro. Respondent’s Memorandum, signed by Atty. Amando D.

Ignacio, was filed on March 11, 2002.

[7] Rollo, p. 61.

[8] *Pearson v. IAC*, supra, pp. 41-42, per Quisumbing, J.

[9] *Ibid.*, p. 45.

[10] 295 SCRA 470, September 16, 1998.

[11] *Ibid.*, pp. 486-487.

[12] Sec. 27. Effectivity and Finality of Decisions. - (1) All provisional orders of the Office of the Ombudsman are immediately effective and executory.

A Motion for reconsideration of any order, directive or decision of the Office of the Ombudsman must be filed within five (5) days after receipt of written notice and shall be entertained only on any of the following grounds:

(1) New evidence has been discovered which materially affects the order, directive or decision;

(2) Errors of law or irregularities have been committed prejudicial to the interest of the movant. The motion for reconsideration shall be resolved within three (3) days from filing: Provided, That only one motion for reconsideration shall be entertained.

Findings of fact by the Office of the Ombudsman when supported by substantial evidence are conclusive. Any order, directive or decision imposing the penalty of public censure or reprimand, suspension of not more than one month's salary shall be final and unappealable.

In all administrative disciplinary cases, orders, directives or decisions of the Office of the Ombudsman may be appealed to the Supreme Court by filing a petition for certiorari within ten (10) days from receipt of the written notice of the order, directive or decision or denial of the motion for reconsideration in accordance with Rule 45 of the Rules of Court.

The above rules may be amended or modified by the Office of the Ombudsman as the interest of justice may require.

[13] *Fabian v. Desierto*, supra, p. 489.

[14] *Sy v. Commission on Settlement of Land Problems*, GR No. 140903, September 12, 2001, p. 12.

[15] GR No. 141897, September 24, 2001, p. 22.

[16] *Ibid.*, p. 20; *Fabian v. Desierto*, supra, p. 487.

[17] *Id.*

[18] See § 1, Art. VIII, Constitution.

[19] *Fabian v. Desierto*, supra, p. 489.

[20] *Ibid.*, p. 492; *Metro Construction v. Chatham Properties*, supra, pp. 22-23.

[21] Its precursors are Circular No. 1-91, which prescribed the rules governing appeals to the CA from the final orders or decision of the Court of Tax Appeals and quasi-judicial agencies; and Administrative Circular No. 1-95, which revised the earlier circular.

[22] Section 1, Rule 43 of the Rules of Court.

[23] *Metro Construction v. Chatham Properties*, supra, p. 20.

[24] *Ibid.*

[25] Prior to BP Blg. 129, the jurisdiction of the CA, under the Judiciary Act of 1948, was as follows:

“SEC. 29. Jurisdiction of the Court of Appeals. - The Court of Appeals shall have exclusive appellate jurisdiction over all cases, actions, and proceedings, not enumerated in section seventeen of this Act, properly brought to it, except final judgments or decisions of Court of First Instance rendered after trial on the merits in the exercise of

appellate jurisdiction, which affirm in full the judgment or decision of a municipal or city court, in which cases the aggrieved party may elevate the matter to the Court of Appeals only on petition for review, to which the Court of Appeals shall give due course only when the petition shows prima facie that the court has committed errors of fact or of fact and law that would warrant reversal or modification of the judgment or decisions sought to be reviewed. The decision of the Court of Appeals shall be final: Provided, however, That the Supreme Court in its discretion may, in any case involving a question of law, upon petition of the party aggrieved by the decision and under rules and conditions that it may prescribe, require by certiorari that the said case be certified to it for review and determination, as if the case had been brought before it on appeal. (RA No. 5433)”

“SEC. 30. Original jurisdiction of the Court of Appeals. - The Court of Appeals shall have original jurisdiction to issue writs of mandamus, prohibition, injunction, certiorari, habeas corpus, and all other auxiliary writs and process in aid of its appellate jurisdiction.”

[26] The jurisdiction of the CA was expanded by BP Blg. 129 and RA No. 7902 to read:

“SEC. 9. Jurisdiction. - The Court of Appeals shall exercise:

“(1) Original jurisdiction to issue writs of mandamus, prohibition, certiorari, habeas corpus, and quo warranto, and auxiliary writs or processes, whether or not in aid of its appellate jurisdiction;

“(2) Exclusive original jurisdiction over actions for annulment of judgments of Regional Trial Courts; and

“(3) Exclusive appellate jurisdiction over all final judgments, decisions, resolutions, orders or awards of Regional Trial Courts and quasi-judicial agencies, instrumentalities, boards or commissions, including the Securities and Exchange Commission, the Social Security Commission, the Employees Compensation Commission and the Civil Service Commission, except those falling within the appellate jurisdiction of the Supreme Court in accordance with the Constitution, the Labor Code of the Philippines under Presidential Decree No. 442, as amended, the provisions of this Act, and of subparagraph (1) of the third paragraph and subparagraph (4) of the fourth paragraph of Section 17 of the Judiciary Act of 1948.

“The Court of Appeals shall have the power to try cases and conduct hearings, receive evidence and perform any and all acts necessary to resolve factual issues raised in cases falling within its original and appellate jurisdiction, including the power to grant and conduct new trials or further proceedings. Trials or hearings in the Court of Appeals must be continuous and must be completed within three (3) months, unless extended by the Chief Justice.”

[27] *Metro Construction v. Chatham Properties*, supra, p. 22.

[28] *St. Martin Funeral Home v. National Labor Relations Commission*, 295 SCRA 494, 510, September 16, 1998.

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