

**ESTATE OF THE LATE ENCARNACION VDA. DE PANLILIO,
REPRESENTED BY GEORGE LIZARES, PETITIONER, VS. GONZALO
DIZON, RICARDO GUINTU, ROGELIO MUNOZ, ELISEO GUINTU,
ROBERTO DIZON, EDILB...**

G.R. NO. 148777. October 18, 2007

Ponente: VELASCO, JR., J.

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VELASCO, JR., J.:

Did the owner of two (2) lots by a subsequent affidavit validly and legally revoke the first affidavit voluntarily surrendering said lots for land acquisition under the Comprehensive Agrarian Reform Law? The answer will determine the rights of the parties in the instant petitions—the heirs of the lot owner vis-à-vis the tenants declared to be beneficiaries of the Operation Land Transfer (OLT) under Presidential Decree No. (PD) 27.[1]

The Case

Before us are two petitions. The first is a Petition for Review on Certiorari[2] under Rule 45 docketed as G.R. No. 148777, which seeks to set aside the November 29, 2000 Amended Decision[3] of the Court of Appeals (CA) in CA-G.R. SP No. 47502, which affirmed the August 7, 1997 Decision[4] of the Department of Agrarian Reform Adjudication Board (DARAB) in DARAB Case Nos. 4558-4561; and the June 26, 2001 Resolution[5] disregarding the Motion for Reconsideration[6] of said Amended Decision. The other is a Petition for Certiorari and Mandamus[7] under Rule 65 docketed as G.R. No. 157598, which seeks to set aside the November 14, 2002 CA Resolution[8] which denied petitioners' Motion for Entry of Judgment,[9] and the January 24, 2003 CA Resolution[10] likewise denying petitioners' Motion for Reconsideration.[11]

Through our August 27, 2003 Resolution,[12] these cases were consolidated as they arose out of the same factual milieu.

The Facts

Encarnacion Vda. De Panlilio is the owner of the disputed landholdings over a vast tract of land, with an aggregate area of 115.41 hectares called Hacienda Masamat located in Masamat, Mexico, Pampanga covered by Transfer Certificates of Title (TCT) Nos. 3510, 3513, 3514, 3515, 3522, 3523, 3524, 3525, 3526, 3528, 3530, 3531, 3532, 3533, RT-499 (9191), and RT-500 (11670),[13] all of the Pampanga Registry of Deeds.

On April 19, 1961, Panlilio entered into a contract of lease over the said landholdings with Paulina Mercado, wife of Panlilio's nephew. The contract of lease was subsequently renewed on October 13, 1964[14] and September 18, 1974,[15] covering agricultural years from 1961 to 1979.

Sometime in 1973, pursuant to the OLT under PD 27, the Department of Agrarian Reform (DAR) issued thirty eight (38) Certificates of Land Transfer (CLTs) to Panlilio's tenants. The tenant-awardees were made defendants in the instant consolidated complaints filed by petitioner Lizares.

On November 26, 1973, lessee Paulina Mercado filed a letter-complaint with the DAR questioning the issuance of CLTs to Panlilio's tenants, alleging, among others, that the DAR should not have issued the CLTs since the land involved was principally being planted with sugar and was outside the coverage of PD 27. She claimed that respondents surreptitiously planted palay (rice plant) instead of sugar in order to bring the land within the purview of the law. After proper investigation, the DAR concluded that the CLTs were "properly and regularly issued."

Paulina Mercado likewise filed a similar complaint with the Court of Agrarian Relations (CAR) at San Fernando, Pampanga, docketed as CAR Case No. 1649-P'74.

On December 4, 1976, the tenants of the portion of the land planted with sugar cane petitioned the DAR to cause the reversion of their sugarland to riceland so that it may be covered by the Agrarian Reform Law. The petition was with the conformity of Panlilio.

Thus, on January 12, 1977, Panlilio executed an Affidavit, partly quoted as follows:

- That I am the owner of an agricultural landholding situated [in] Mexico, Pampanga, with an area of 115.4 hectares, more or less, dedicated at present to the production of palay and sugarcane crops;
- That I have been informed that 50.22 hectares comprising the portion dedicated to palay crop have been placed under the provisions and coverage of P.D. No. 27 and that Certificates of Land Transfer have been issued to the tenant-farmers thereon;
- That as owner of the abovementioned property, I interpose no objection to the action taken by the Department of Agrarian Reform in placing the aforesaid portion dedicated to palay crop within the coverage of P.D. No. 27;
- That lately, all the tenants of my said property including those in the sugarcane portions, have filed a petition dated December 4, 1976 with the Honorable Secretary Conrado F. Estrella, Secretary of Agrarian Reform, requesting for the reversion of the sugarcane portion of my property adverted to [the] palay land which is the original classification of my entire subject property;
- That the aforesaid petition dated December 4, 1976 of the tenants of my property which was filed with the DAR carries my written conformity;
- That it is my desire that my entire subject property which is referred to as Hacienda Masamat be placed under the coverage of P.D. 27 without exception and that thereafter the same be sold to tenant-petitioners.[16] (Emphasis supplied.)

On January 20, 1977, by virtue of the said Affidavit, the DAR Secretary, through Director Gaudencio Besa, ordered Director Severino Santiago, Regional Director of Region III, San Fernando, Pampanga, "to distribute all land transfer certificates, in view of the desire of Encarnacion Vda. de Panlilio to place her property under the Land Transfer Program of the government."

On the basis of the action of the DAR Secretary, the CAR, on March 17, 1978, issued an Order dismissing the complaint of Paulina Mercado (lessee) in CAR Case No. 1649-P'74, thus:

With this development, the resolution of the principal issue in the instant case has become moot and academic, it being already settled in the DAR proceedings the placement of the land in question under the land transfer program of the government. Therefore, the instant case should be dismissed. Necessarily, all pending incidents should be deemed disposed of. [17]

On December 29, 1986, Panlilio died.

Thereafter, sometime in 1993, the DAR issued Emancipation Patents (EPs) to the following tenants of Panlilio:

EP Nos.

Hermenegildo Flores 690774

143627

Celestino Dizon 690960

683355

45390

Gonzalo Dizon 680524

Roberto Dizon 690758

Cipriano Dizon 45260

45256

Antonio Dizon 681072

Teodulo Dizon 45326

Juanario Maniago 143207

Celestino Esguerra 45265

45219

Florentino Lapuz 690759

45259

Gorgonio Canlas 143508

Carlos Pineda 197097

45254

Renato Gozun 143208

Romeo Pangilinan 475341

Jose Serrano 475340

Wenceslao Pangilinan 476572

Guillermo del Rosario 475339

Candido Timbang 143931

45262

45257

Arsenio Legaspi 45266[18]

Subsequently, in June 1994, the Bacolod City Regional Trial Court (RTC), Branch 49 appointed petitioner George Lizares as executor of the estate of Panlilio.[19] Records show that petitioner Lizares is the son of the late Jesus Lizares, Panlilio's administrator of Hacienda Masamat during her lifetime.

On February 28, 1994, petitioner Lizares filed his first complaint with the Provincial Agrarian Reform Adjudicator (PARAD), Region III, San Fernando, Pampanga, docketed as DARAB Case No. 638 P'94,[20] for annulment of coverage of landholdings under PD 27 and ejectment against Reynaldo Villanueva, et al. who filed their Answer with Counterclaim[21] on April 12, 1994.

On April 10, 1995, petitioner filed with the PARAD three more complaints for cancellation of EPs, docketed as DARAB Case Nos. 933-P'95,[22] 934-P'95,[23] and 935-P'95,[24] against the rest of respondents who filed their motions to dismiss[25] on grounds of lack of cause of action and lack of jurisdiction. On July 13, 1995, the PARAD denied the motions.[26] Respondents then filed their Answer with Counterclaim.[27]

Upon petitioner's motion, all the cases were consolidated. The PARAD then directed the parties to submit their respective position papers,[28] and, thereafter, considered the cases submitted for decision.

The three (3) complaints filed in 1995 for cancellation of EPs have the following defendants: (1) in DARAB Case No. 933-P'95, Herminigildo Flores and the Regional Director, DAR, Region III; (2) in DARAB Case No. 934-P'95, Celestino Dizon, Gonzalo Dizon, Roberto Dizon, and the Regional Director, DAR, Region III; and (3) in DARAB Case No. 935-P'95, Cipriano Dizon, Antonio Dizon, Teodulo Dizon, Juanario Maniago, Celestino Esguerra, Florentino Lapuz, Gorgonio Canlas, Antonio Lising, Carlos Pineda, Renato Gozun, Alfredo Mercado, Romeo Pangilinan, Jose Serrano, Wenceslao Pangilinan, Guillermo del Rosario, Candido Timbang, Bienvenido Mechada, and Arsenio Legaspi, and the Regional Director, DAR, Region III.

Thus, aside from public respondent DAR Regional Director, Region III, DARAB Case No. 638-P'94 had 15 defendants, DARAB Case No. 933-P'95 had a sole defendant, DARAB Case No. 934-P'95 had three defendants, and DARAB Case No. 935-P'95 had 18 defendants. All the four (4) consolidated cases were against 37 defendants.

The Ruling of the PARAD in DARAB Case
Nos. 638-P'94, 933-P'95, 934-P'95 and 935-P'95

On November 14, 1995, the PARAD rendered a Joint Decision[29] dismissing petitioner Lizares' complaint on the ground that the subject landholdings have been properly placed under the coverage of PD 27 through the January 12, 1977 Affidavit[30] of Panlilio, unequivocally placing her entire property within the coverage of the OLT. In addition, the PARAD relied on the report of the DAR and the Bureau of Lands personnel that the subject landholding is devoted to palay. And, finally, the PARAD applied the equitable remedy of laches, in that Panlilio failed during her lifetime to bring to the attention of the DAR and CAR her February 3, 1977 Affidavit[31] ostensibly revoking her previous January 12, 1977 Affidavit.

The Ruling of the DARAB in DARAB Case Nos. 4558-4561
(DARAB Case Nos. 638-P'94, 933-P'95, 934-P'95 and 935-P'95)

Aggrieved, petitioner Lizares appealed the PARAD decision before the DARAB, which, on August 7, 1997, rendered a Decision[32] affirming the PARAD decision.

The DARAB likewise disregarded petitioner Lizares' Motion for Reconsideration[33] of the August 7, 1997 Decision.

Prior to the issuance of the August 7, 1997 DARAB Decision, petitioner Lizares and defendant-appellees Wenceslao Pangilinan, Romeo Pangilinan, Jose Serrano, and Guillermo del Rosario filed their February 10, 1997 Joint Partial Motion to Dismiss[34] with the DARAB, seeking dismissal of their respective claims in DARAB Case No. 4561 (DARAB Case No. 935-P'95) based on an Affidavit of Cancellation of Lis Pendens Annotation of

TCT Nos. 14321, 14322, 14323, and 14324, all of the Pampanga Register of Deeds,[35] which was executed by petitioner Lizares. Apparently, petitioner Lizares received from a certain Ms. Petronila Catap the amount of PhP 1,356,619 for the settlement of DARAB Case No. 4561 (DARAB Case No. 935-P'95) against the abovementioned defendant-appellees.[36]

Earlier on, petitioner Lizares filed his April 19, 1996 Motion to Withdraw Appeal in favor of defendant-appellees Reynaldo Villanueva, Cenon Guinto, Carmelita Vda. de David, Oscar Santiago, Celestino Dizon, Fortunato Timbang, and Florentino Lapuz in DARAB Case No. 4558 (DARAB Case No. 638-P'94); defendant-appellee Celestino Dizon in DARAB Case No. 4559 (DARAB Case No. 933-P'95); and defendant-appellees Antonio Dizon, Teodulo Dizon, Celestino Esguerra, Florentino Lapuz, and Candido Timbang in DARAB Case No. 4561 (DARAB Case No. 935-P'95), as said defendant-appellees agreed to settle and compromise with petitioner Lizares. The motion was however resisted by other defendant-appellees through a May 27, 1996 Counter-Motion to the Plaintiff-Appellant Motion to Withdraw Appeal,[37] on the ground that a piece-meal withdrawal is not proper as the matter in controversy is common and the same to all.

Unfortunately, the Motion to Withdraw Appeal was not resolved as petitioner Lizares did not attend the DARAB scheduled hearings. Thus, the August 7, 1997 Decision was subsequently promulgated in favor of all defendant-appellees.

Petitioner Lizares elevated the DARAB consolidated cases to the CA for review in CA-G.R. SP No. 47502 under Rule 43 of the Rules of Court.

The Ruling of the Court of Appeals

The April 11, 2000 CA Decision

At the outset, the CA saw it differently.

On April 11, 2000, the CA rendered a Decision sustaining petitioner's position and granted relief, thus:

WHEREFORE, the petition is GRANTED. The decision of the Department of Agrarian Reform Adjudication Board affirming the decision of the Provincial Agrarian Reform Adjudication Board, Region III, San Fernando, Pampanga is REVERSED and SET ASIDE. The Certificates of Land Transfer issued to private respondents insofar as they pertain to sugarlands are hereby declared NULL and VOID.[38]

The CA primarily anchored its ruling on Panlilio's February 3, 1977 Affidavit ostensibly revoking her January 12, 1977 Affidavit and ascribed error to both the PARAD and DARAB in ignoring Panlilio's second affidavit. Moreover, it relied on the November 26, 1973 letter-complaint of Paulina Mercado to the DAR Secretary and the CAR Resolution in CAR Case No. 1649-P'74, that the subject landholding in question is principally devoted to the production of sugar cane as buttressed by the report and findings of Atty. Gregorio D. Sopera, Legal Officer III of the DAR Central Office.

The November 29, 2000 CA Amended Decision

Unconvinced, Reynaldo Villanueva, et al. interposed a Motion for Reconsideration or in the alternative, Motion to Remand for New Trial[39] of said Decision, where they contended that:

- Petitioner's complaints should have been dismissed for his failure to implead therein indispensable parties, namely the Land Bank of the Philippines which paid Panlilio the amortizations on the land and the third persons who purchased the landholdings from the tenants;
- [The CA] disturbed and reversed the findings of fact by the PARAD and the DARAB supported by substantial evidence. x x x

- It is not the job of the appellate court to sieve through the evidence considered by the administrative agency in adjudicating the case before it, following the doctrine of primary jurisdiction. x x x

- [The CA] violated the principle of res judicata in reversing the CAR resolution dismissing the complaint in Case No. 1649-P'74 rendered twenty-two years ago. Likewise, estoppel and laches bar the instant actions. x x x

- Lastly, the petition should be dismissed in favor of Romeo Pangilinan, Wenceslao Pangilinan, Jose Serrano and Guillermo del Rosario in view of the compromise agreement in DARAB Case No. 4561 between them and petitioner herein. They submitted, as proof, their joint motion to dismiss the complaint executed on February 10, 1997 and petitioner Lizares' receipt from them of P1,356,619.00 as consideration for the dismissal of his complaints against them.[40]

After considering the above contentions together with petitioner Lizares' Comment on the Motion for Reconsideration dated May 2, 2000 with Motion for Correction of the Dispositive Portion of the Decision,[41] respondents' Reply[42] to said comment, and petitioner's Rejoinder,[43] the appellate court rendered on November 29, 2000 the assailed Amended Decision on a vote of 3-2, the dispositive portion of which reads:

WHEREFORE, respondents' motion for reconsideration of Our Decision is hereby GRANTED. The petition is ordered DISMISSED and the challenged DARAB decision is AFFIRMED. Costs against petitioner.[44]

In reversing its earlier April 11, 2000 Decision, the CA concluded that the February 3, 1977 Affidavit was not executed by Panlilio, ratiocinating that if she indeed made the second affidavit which purportedly repudiated her earlier January 12, 1977 Affidavit, the natural course of action to take was for her to submit the second affidavit to the DAR to exclude the majority of her landholdings planted with sugar cane from the coverage of the OLT under PD 27. Her failure to effectuate the removal of her land from the Comprehensive Agrarian Reform Program (CARP) coverage for nine (9) years until her death on December 29, 1986 led the court a quo to believe that the second affidavit was not genuine. Moreover, Jesus Lizares, Panlilio's administrator and father of petitioner Lizares, likewise did not take any action, in accordance with the second affidavit showing that he was not aware of such affidavit of revocation. The CA even doubted petitioner Lizares' contention that the second affidavit was submitted to the DAR and CAR but was not acted upon for such averment was not substantiated.

The appellate court also found Panlilio and her successors-in-interest guilty of laches, pointing out that aside from the alleged second affidavit of revocation, there was no indication of Panlilio's intention to recover the disputed landholdings.

On the issue of fraud and collusion on the part of the DAR personnel, the CA found that no preponderance of evidence was evinced to prove the accusation.

In fine, the CA recognized and applied the principle of res judicata to the March 17, 1978 CAR Order rendered more than 20 years ago, holding that the resolution of said court placing the entire landholdings in question under the coverage of PD 27 had long become final and executory.

Petitioner Lizares' plea for recall of the assailed Amended Decision was rejected through the assailed June 26, 2001 CA Resolution.[45]

Petition for review on certiorari under G.R. No. 148777

Thus, we have this Petition for Review on Certiorari against only 15 private respondents from the original defendants below, namely: Gonzalo Dizon, Ricardo Guintu, Rogelio Munoz, Eliseo Guintu, Roberto Dizon, Edilberto Catu, Herminigildo Flores, Cipriano Dizon, Juanario Maniago, Gorgonio Canlas, Antonio Lising, Carlos Pineda, Renato Gozun, Alfredo Mercado, and Bienvenido Machada.

Petition for certiorari under G.R. No. 157598

Consequent to the filing of the Petition for Review on Certiorari by petitioner Lizares, on January 28, 2002, the other original defendants in the consolidated cases before the PARAD and DARAB, who were not made respondents in G.R. No. 148777, namely: Reynaldo Villanueva, Cenon Guinto, Celestino Dizon, Carmelita Vda. de David, Florentino Lapuz, Fortunato Timbang, Oscar Santiago, Candido Timbang, Celestino Esguerra, Antonio Dizon, and Teodulo Dizon, filed before the CA a Motion for Entry of Judgment[46] of the November 29, 2000 Amended Decision in CA-G.R. SP No. 47502 based on the out-of-court settlement during the pendency of the case. On July 4, 2002, a second Motion for Entry of Judgment[47] with the same averments was filed reiterating their plea for execution.

The November 14, 2002 CA Resolution[48] denied their motions for entry of judgment. A Motion for Reconsideration[49] having been turned down through the January 24, 2003 CA Resolution,[50] petitioners now register the instant Petition for Certiorari and Mandamus in G.R. No. 157598, assailing the aforesaid Resolutions for grave abuse of discretion.

The Issues

In G.R. No. 148777, petitioner Lizares presents the following issues for our consideration:

- Whether or not in its 29 November 2000 Amended Decision, the Court of Appeals erred gravely in reversing its ruling in the 11 April 2000 Decision on the import and significance of the second affidavit executed by Encarnacion L. Vda. de Panlilio revoking or repudiating her first affidavit (by which she purportedly agreed to have her land at Hacienda Masamat, which was dedicated to sugarcane, placed under the coverage of P.D. No. 27);
- Whether or not in its 29 November 2000 Amended Decision, the Court of Appeals erred gravely in setting aside the 11 April 2000 Decision's ruling that the land in question being planted with sugarcane is not covered by P.D. No. 27, by instead declaring that "the fact that land is sugarland has become inconsequential to the coverage under P.D. No. 27 in the light of the affidavit dated January 12, 1977";
- Whether or not in its 29 November 2000 Amended Decision, the Court of Appeals erred gravely in finding Encarnacion L. Vda. de Panlilio and petitioner guilty of laches or estoppel;
- Whether or not res judicata applies in the instant case;
- Whether or not in its 29 November 2000 Amended Decision, the Court of Appeals erred gravely in failing to rule that there was fraud and collusion on the part of the respondents in the coverage of the subject parcels of land;
- Whether or not the Court of Appeals acted with grave abuse of discretion in declaring the transfer made by the private respondents to third persons valid;
- Whether or not forum-shopping or a false certification of non-forum shopping [is present] here; and
- Whether or not the instant petition complies with the nature and requisites of an appeal by certiorari under Rule 45.[51]

In G.R. No. 157598, petitioners raise the sole issue of "whether the petitioners are entitled to an entry of judgment." [52]

The Court's Ruling

G.R. No. 148777

Before we go to the substantial issues, we tackle first the procedural issues raised in the last two issues in G.R. No. 148777 on whether the instant petition complies with the requirements of Rule 45 and whether forum shopping is present.

Petition complied with requisites for review on certiorari

Private respondents contend that the grounds relied upon by petitioner are factual in nature and thus outside the purview of a review on certiorari by this Court. Petitioner disagrees and posits that the petition raises issues of both fact and law which are so intimately intertwined and that issues of law permeate the controversy between the parties.

We find for petitioner. The rule is clear—questions of facts are proscribed by Rule 45. A question of law exists when the doubt or controversy concerns the correct application of law or jurisprudence to a certain set of facts; or when the issue does not call for an examination of the probative value of the evidence presented, the truth or falsehood of facts being admitted. A question of fact exists when the doubt or difference arises as to the truth or falsehood of facts or when the query invites calibration of the whole evidence considering mainly the credibility of the witnesses, the existence and relevancy of specific surrounding circumstances, as well as their relation to each other and to the whole, and the probability of the situation.[53]

The rule is subject to exceptions. One such exception exists in this case. Mixed questions of law and facts are raised pertaining to the applicability of PD 27 on a large portion of subject landholdings that were planted with sugar cane, which would have been otherwise exempt, but were voluntarily waived through an affidavit by the lot owner to be placed under the OLT pursuant to said law; the import and significance of the purported affidavit of revocation; and, the interpretation of Executive Order No. (EO) 228[54] in relation to subsequent land transfer made by the farmer-beneficiaries.

At the very least, the instant petition complies with the requisites of Rule 45, particularly Section 6, as we have given the instant petition due course.[55]

No forum shopping

Private respondents argue that petitioner Lizares is guilty of forum shopping for having pursued other civil cases allegedly involving the same subject matter and on the same grounds raised in this petition. Petitioner Lizares counters that there is no forum shopping, first, as the instant petition is a mere continuation of a pending action, that is, the consolidated cases filed with the PARAD; second, the causes of action and issues raised in the other civil cases lodged with the RTC were different.

Respondents' postulation cannot be entertained.

Private respondents failed to furnish us copies of portions of the relevant records of the other civil cases instituted by petitioner Lizares needed to determine the existence of forum shopping. Absent such necessary pleadings, we are constrained to take petitioner's assertion at face value that the other cases, particularly Civil Case Nos. 11342, 11344, 11345, 11346 and 11347, filed before the RTC differ from the instant case as to the issues raised, the reliefs prayed for, and the parties impleaded.

Time and again, the court has reminded prospective petitioners and lawyers alike that it is necessary that they attach to the petition under Rule 45 all the material portions of the case records of the lower courts or quasi-judicial bodies which at one time or another had adjudicated the case or complaint. These documents are required to support the grounds presented in the petition under Rule 45.[56] Any decision, order, pleading, or document forming parts of the records that is relevant or important to the petition should be appended to it so that

the court, in reviewing the petition, will have easy access to these papers. More importantly, the submission will obviate delay as the court can readily decide the petition without need of the elevation of the records of the court or quasi-judicial body a quo.

Now we move on to the substantive issues.

Main Issue: Genuineness and authenticity
of the February 3, 1977 Affidavit

The pith of the dispute is whether or not the February 3, 1977 affidavit of the lot owner, the late Encarnacion Vda. de Panlilio, is genuine or authentic.

We rule in the negative.

In a slew of cases, the principle is firmly entrenched in this jurisdiction that this Court is not a trier of facts, and is not tasked to calibrate and assess the probative weight of evidence adduced by the parties during trial all over again.[57] However, in rare occasions, exceptions are allowed. One exception is when there are competing factual findings by the different triers of fact, such as those made by the quasi-agencies on the one hand and the CA on the other, this Court is compelled to go over the records of the case, as well as the submissions of the parties, and resolve the factual issues.[58] In this case, however, there is coalescence in the findings of the appellate court with that of the two quasi-judicial agencies below—the PARAD and DARAB—on the issue of the authenticity of the second Panlilio Affidavit.

It being a question of fact, we find no reason to disturb the findings and conclusions of the court a quo in its questioned November 29, 2000 Amended Decision holding that the challenged February 3, 1977 Panlilio Affidavit is not an authentic document. We quote with approval the factual findings of the CA which completely gave full accord and affirmed the findings of the PARAD and DARAB, viz:

After assessing the grounds raised by respondents in their motion for reconsideration and a meticulous review of the records, We are now in serious doubts as to the correctness of Our Decision. Our reasons are:

First, according to petitioner Lizares, Panlilio's second affidavit (revoking her first affidavit) upon which this Court anchors its assailed Decision, was executed as early as February 2, 1977. If it were true, Panlilio's natural reaction was to submit her second affidavit or affidavit of revocation to the DAR in order to exclude her landholdings from the coverage of the Operation Land Transfer under P.D. 27. Significantly, Panlilio died on December 29, 1986. She had therefore, nine (9) years from the date of execution of her second affidavit, within which to have her land excluded by the DAR from such coverage considering that it was principally planted [with] sugar and that she was misled by DAR lawyer, Atty. Pepito Sanchez, into signing her first affidavit. But she did not. Petitioner's father, Jesus Lizares, was her administrator. Yet he did not also take any action for apparently he was not aware of such affidavit of revocation.

Moreover, in her second affidavit, Panlilio specifically stated:

"That another reason for my desire not to place my entire property referred to as Hacienda Masamat in Mexico, Pampanga, under P.D. 27 is the fact that the said Hacienda Masamat is leased to my nephew's wife, Mrs. Paulina Y. Mercado, and the lease contract I executed in her favor covering my said Hacienda Masamat is still subsisting and in force and will expire only after the agricultural crop year 1978-1979;"

If Panlilio indeed signed her affidavit of revocation, why did she not inform her niece Paulina about it in order to protect her right as a lessee? It must be remembered that at that time, the latter's complaints (for cancellation of CLTs) against the tenants of Panlilio were still pending in the DAR and the CAR. Had Panlilio given Paulina a copy of such second affidavit, she could have brought it to the attention of the CAR and the DAR. Certainly, the subject landholdings could not have been placed entirely under Operation Land Transfer. We need not emphasize

here that being a lessee, Paulina would not want to part with her Aunt's landholdings.

Out of the blue, the second affidavit surfaced only in 1994 and 1995 when petitioner Lizares brought the instant actions against Panlilio's tenants or after eighteen (18) years from the date of its alleged execution. At this juncture, We can only conclude without hesitation that Panlilio did not execute the second affidavit.

Petitioner alleged in his position paper that the same affidavit of revocation was submitted to the DAR and the CAR, but they were not acted upon because of the dismissal of the cases for cancellation of CLTs filed by Paulina Mercado. Petitioner's claim is a mere allegation. It has not been substantiated. Again, if it were true, why did Panlilio and Paulina fail to pursue any further action?[59]

We respect and accord finality to the aforequoted findings of facts of the CA, being the tribunal tasked to undertake a final review of the facts of the case subject of course to certain tolerated exceptional situations. Once again we reiterate the prevailing rule that the findings of fact of the trial court, particularly when affirmed by the Court of Appeals are binding upon this Court.[60]

Second Issue: There is valid waiver through the January 12, 1977 Affidavit

The CA likewise did not err in reversing its April 11, 2000 Decision that the subject land was properly covered by PD 27 since Panlilio surrendered said lot to the DAR for coverage under PD 27 pursuant to her January 12, 1977 Affidavit. The non-existence of the February 3, 1977 Affidavit supports the inclusion of the entire lot in the CARP of the Government.

On the other hand, petitioner Lizares argues that there was no valid waiver under PD 27.

We are not convinced.

Considering the non-revocation of the January 12, 1977 Panlilio Affidavit,, the CA considered the land of Panlilio planted with sugar cane as falling under the coverage of PD 27, thus:

[W]hile the proceedings in the CAR tend to establish the land as principally sugarland, hence outside the coverage of P.D. 27, still, Panlilio's consent to have the entire land covered by the said law as alleged in her first affidavit, cannot be construed as a violation of its provisions. In fact, in executing the said affidavit, she did not defeat, nor contravene the express intent of the law to emancipate her tenants from the bondage of the soil. In doing so, she even supported its implementation.

In Our challenged Decision We found that the subject land was principally planted [with] sugar and therefore outside the pale of P.D. 27. But We overlooked the fact that Panlilio in her first affidavit, which was not validly revoked, expressed her desire to have her entire landholdings placed within the coverage of Operation Land Transfer. To be sure, the fact that Panlilio's land is sugarland has become inconsequential in the light of her first affidavit.[61]

We agree with the CA.

While PD 27 clearly applies to private agricultural lands primarily devoted to rice and corn under a system of sharecrop or lease-tenancy, whether classified as landed estate or not, it does not preclude nor prohibit the disposition of landholdings planted with other crops to the tenants by express will of the landowner under PD 27.

In the instant case, a large portion of Hacienda Masamat with an aggregate area of 115.41 hectares was planted with sugar cane. It is undisputed, as was duly shown in the January 12, 1977 Panlilio Affidavit, that only 50.22 hectares were planted with palay. Thus, approximately 65.19 hectares of the subject landholdings were planted with sugar cane aside from the portions used for the residences of the tenants and planted with crops for their

daily sustenance. Needless to say, with the January 12, 1977 Panlilio Affidavit, she expressed her intent to include the 65.19 hectares to be placed under the OLT pursuant to PD 27 in favor of her tenants which otherwise would have been exempt. Indeed, waiver or an intentional and voluntary surrender of a right can give rise to a valid title or ownership of a property in favor of another under Article 6 of the Civil Code. Thus, such disposition through the OLT pursuant to PD 27 is indeed legal and proper and no irregularity can be attributed to the DAR which merely relied on the January 12, 1977 Panlilio Affidavit.

Third Issue: Equitable remedy of laches

The court a quo correctly ruled that Panlilio and her successors-in-interest are bound by the coverage of the lot under PD 27 by reason of laches.

Even granting arguendo that the February 3, 1977 Affidavit of revocation is genuine and was furnished both the DAR and the CAR, still, no relief can be accorded petitioner Lizares on account of laches.

Laches and its elements

Delay for a prolonged period of time can result in loss of rights and actions. The equitable defense of laches does not even concern itself with the character of the defendant's title, but only with plaintiff's long inaction or inexcusable neglect to bar the latter's action as it would be inequitable and unjust to the defendant.

According to settled jurisprudence, "laches" means "the failure or neglect, for an unreasonable and unexplained length of time, to do that which—by the exercise of due diligence—could or should have been done earlier."^[62] Verily, laches serves to deprive a party guilty of it of any judicial remedies. Its elements are: (1) conduct on the part of the defendant, or of one under whom the defendant claims, giving rise to the situation which the complaint seeks a remedy; (2) delay in asserting the complainant's rights, the complainant having had knowledge or notice of the defendant's conduct as having been afforded an opportunity to institute a suit; (3) lack of knowledge or notice on the part of the defendant that the complainant would assert the right in which the defendant bases the suit; and (4) injury or prejudice to the defendant in the event relief is accorded to the complainant, or the suit is not held barred.^[63]

In *Santiago v. Court of Appeals*, we explained that there is "no absolute rule as to what constitutes laches or staleness of demand; each case is to be determined according to its particular circumstances."^[64]

Laches has set in

The records demonstrate clear signs of laches. The first element is undisputed. Panlilio's erstwhile tenants were issued CLTs sometime in 1973 and subsequently EPs in 1993. CAR Case No. 1649-P'74 filed by Panlilio's lessee, Paulina Mercado, was dismissed with finality on March 17, 1978 as no appeal was pursued. Since then, Panlilio and her administrator for the subject landholdings in Hacienda Masamat, Jesus Lizares, did not take any action to revoke the CLTs. With the dismissal of the land case in 1978, with finality, the possession of the tenants of Panlilio was fully recognized by her and her successors-in-interest.

It cannot be disputed that Panlilio's tenants, the private respondents, occupied portions of the subject landholdings in an open, continuous, and adverse manner in the concept of owners from 1978 until 1994 and 1995 when the subject cases were instituted by petitioner Lizares or for more than sixteen (16) years. Private respondents' possession of said portions for a lengthy period of time gave cause to petitioner to complain and take legal steps to protect Panlilio's rights of ownership and title over the disputed lot. No such action was taken.

Likewise, the second element of laches is amply shown. Panlilio and her successors-in-interest did not take any administrative or judicial action to protect her rights for more than 16 years.

As it is, if Panlilio indeed executed the affidavit of revocation in February 3, 1977, why did she not pursue any action to implement her affidavit disregarding her January 12, 1977 Affidavit? Indeed, Panlilio, during her lifetime, did not lift a finger to regain her land. After she died on December 29, 1986, Jesus Lizares, her administrator for Hacienda Masamat, likewise did not initiate any legal action to effectuate her alleged wish. Unfortunately for petitioner Lizares, the cases initiated by him in 1994 and 1995 were belatedly filed and much delay had transpired which proved to be prejudicial to his interests.

Anent the third element, private respondents did not know nor anticipate that their possession, occupancy, and ownership of the subject landholdings after 16 years would still be questioned. In fact, private respondents did not only continue tilling the land, but later on had conveyed their lots to innocent third parties for value. Moreover, we take judicial notice that numerous commercial buildings, residential houses, and a large mall stand on major portions of former Hacienda Masamat. In fact, the subject landholdings are now much different from what they were more than two decades ago. Thus, after more than sixteen (16) years of unquestioned, peaceful, and uninterrupted possession, private respondents did not expect that petitioner Lizares would still assert any right over the landholdings after the lapse of such a long period of occupation.

Finally, grave prejudice and serious damage would befall private respondents, in general, who relied on their CLTs and EPs, and subsequent purchasers for value of the lots forming parts of the former hacienda who relied on private respondents' titles if the complaints of petitioner were not barred. As a matter of fact, some buyers not impleaded in the instant case opted to settle out-of-court with petitioner Lizares rather than be disturbed in their possession and their right of ownership.

Considering the foregoing discussion, we uphold the finding of laches. Verily, it would be a grave injustice if private respondents and the subsequent purchasers for value would now be made to suffer after petitioner Lizares and his predecessors-in-interest had slept on their rights for more than 16 years.

Fourth Issue: Principle of res judicata inapplicable

Private respondents contend that the dismissal in CAR Case No. 1649-P'74 constitutes res judicata over the instant case. CAR Case No. 1649-P'74 involved Panlilio's lessee against private respondents with the issue of the crops being planted on subject landholdings, while the instant case involves Panlilio's successor-in-interest petitioner Lizares against private respondents involving the issue of the alleged affidavit of revocation.

The reliance on res judicata is misplaced.

Res judicata, either in the concept of bar by former judgment or conclusiveness of judgment, cannot be applied to the present case.

In *Vda. de Cruz v. Carriaga, Jr.*, we discussed the doctrine of res judicata, as follows:

The doctrine of res judicata thus lays down two main rules which may be stated as follows: 1) The judgment or decree of a court of competent jurisdiction on the merits concludes the parties and their privies to the litigation and constitutes a bar to a new action or suit involving the same cause of action either before the same or any other tribunal; and 2) Any right, fact, or matter in issue directly adjudicated or necessarily involved in the determination of an action before a competent court in which a judgment or decree is rendered on the merits is conclusively settled by the judgment therein and cannot again be litigated between the parties and their privies whether or not the claim or demand, purpose or subject matter of the two suits is the same. These two main rules mark the distinction between the principles governing the two typical cases in which a judgment may operate as evidence. In speaking of these cases, the first general rule above stated, and which corresponds to the aforequoted paragraph (b) of Section 49, is referred to as "bar by former judgment" while the second general rule, which is embodied in paragraph (c) of the same section, is known as "conclusiveness of

judgment.”

Stated otherwise, when we speak of *res judicata* in its concept as a “bar by former judgment,” the judgment rendered in the first case is an absolute bar to the subsequent action since said judgment is conclusive not only as to the matters offered and received to sustain that judgment but also as to any other matter which might have been offered for that purpose and which could have been adjudged therein. This is the concept in which the term *res judicata* is more commonly and generally used and in which it is understood as the bar by prior judgment constituting a ground for a motion to dismiss in civil cases.

On the other hand, the less familiar concept or less terminological usage of *res judicata* as a rule on conclusiveness of judgment refers to the situation where the judgment in the prior action operates as an estoppel only as to the matters actually determined therein or which were necessarily included therein. Consequently, since other admissible and relevant matters which the parties in the second action could properly offer are not concluded by the said judgment, the same is not a bar to or a ground for dismissal of the second action.

At bottom, the other elements being virtually the same, the fundamental difference between the rule of *res judicata* as a bar by former judgment and as merely a rule on the conclusiveness of judgment is that, in the first, there is an identity in the cause of action in both cases involved whereas, in the second, the cause of action in the first case is different from that in the second case.[65]

Premised on the foregoing disquisition, the principle of *res judicata* requires the concurrence of the following requisites:

- a) The former judgment or order must be final;
- b) It must be a judgment or order on the merits, that is, it was rendered after a consideration of the evidence or stipulations submitted by the parties at the trial of the case;
- c) It must have been rendered by a court having jurisdiction over the subject matter and the parties; and
- d) There must be, between the first and second actions, identity of parties, of subject matter and of cause of action. This requisite is satisfied if the two actions are substantially between the same parties.[66]

For want of the fourth requisite that there must be, between the first and second actions, identity of parties, subject matter, and cause of action, the instant case is thus removed from the operation of the principle of *res judicata*. Stated differently, there is no identity of parties and issues in CAR Case No. 1649-P’74 and the instant case.

Nevertheless, while *res judicata* is not applicable in the instant case, still, it will not accord legal relief to petitioner with respect to his claim of ownership over the lots in dispute.

Fifth Issue: Fraud and collusion not proven

Petitioner Lizares accuses the DAR personnel and private respondents of fraud and collusion. Absent any proof, such allegation falls flat.

In the recent case of *Heirs of Cipriano Reyes v. Calumpang*, we elucidated on this same issue of the required evidential proof, thus:

Basic is the rule of *actori incumbit onus probandi*, or the burden of proof lies with the plaintiff. Differently stated, upon the plaintiff in a civil case, the burden of proof never parts. In the case at bar, petitioners must therefore establish their case by a preponderance of evidence, that is, evidence that has greater weight, or is more convincing than that which is offered in opposition to it—which petitioners utterly failed to do so. Besides, it is an age-old rule in civil cases that one who alleges a fact has the burden of proving it and a mere allegation is not evidence. Fraud is never presumed, but must be established by clear and convincing evidence.

Thus, by admitting that Victorino, Luis, and Jovito, all surnamed Reyes, indeed executed the Deed of Quitclaim coupled with the absence of evidence substantiating fraud and mistake in its execution, we are constrained to uphold the appellate court's conclusion that the execution of the Deed of Quitclaim was valid.[67]

Hence, we uphold the CA's pronouncement that there was no collusion and fraud especially considering that no clear and convincing evidence was presented to overwhelm and rebut the presumption that official duty has been regularly performed[68] by the DAR personnel.

Sixth Issue: Subsequent transfers valid only
to qualified farmer-beneficiaries

Petitioner Lizares asseverates that ownership of lands granted to tenant-farmers under PD 27 may not be transferred or conveyed to third parties except by hereditary succession or to the Government. He contends that the CA committed grave abuse of discretion in declaring the sale of the land by private respondents Gonzalo Dizon, et al. to third persons valid. The CA ratiocinated that EO 228 was enacted after PD 27 and since EO 228 is a later law, it will prevail over PD 27. Thus, the ownership of the lot may now be transferred to persons other than the heirs of the beneficiary or the Government.

Petitioner is correct.

EO 228 not inconsistent with PD 27 on prohibition of transfers

The prohibition in PD 27, the Tenants Emancipation Decree, which took effect on October 21, 1972, states that "[t]itle to land acquired pursuant to this Decree or the Land Reform Program of the Government shall not be transferable except by hereditary succession or to the Government in accordance with the provisions of this Decree, the Code of Agrarian Reforms and other existing laws and regulations (emphasis supplied)."

Hereditary succession means succession by intestate succession or by will to the compulsory heirs under the Civil Code, but does not pertain to testamentary succession to other persons. "Government" means the DAR through the Land Bank of the Philippines which has superior lien by virtue of mortgages in its favor.

Thus, PD 27 is clear that after full payment and title to the land is acquired, the land shall not be transferred except to the heirs of the beneficiary or the Government. If the amortizations for the land have not yet been paid, then there can be no transfer to anybody since the lot is still owned by the Government. The prohibition against transfers to persons other than the heirs of other qualified beneficiaries stems from the policy of the Government to develop generations of farmers to attain its avowed goal to have an adequate and sustained agricultural production. With certitude, such objective will not see the light of day if lands covered by agrarian reform can easily be converted for non-agricultural purposes.

On the other hand, Sec. 6 of EO 228 provides, thus:

Sec. 6 The total cost of the land including interest at the rate of six percent (6%) per annum with a two percent (2%) interest rebate for amortizations paid on times, shall be paid by the farmer-beneficiary or his heirs to the Land Bank over a period of up to twenty (20) years in twenty (20) equal annual amortizations. Lands already valued and financed by Land Bank are likewise extended a 20-year period of payment of twenty (20) equal annual amortizations. However, the farmer-beneficiary if he so elects, may pay in full before the twentieth year or may request the Land Bank to structure a repayment period of less than twenty (20) years if the amount to amount to be financed and the corresponding annual obligations are well within the farmer's capacity to meet. Ownership of lands acquired by farmer-beneficiary may be transferred after full payment of amortizations. (Emphasis supplied.)

The CA highlighted and made much of the last sentence of Sec. 6 which authorizes the transfer of the ownership of the lands acquired by the farmer-beneficiary after full payment of amortizations. It construed said provision to mean that the farmer-beneficiary can sell the land even to a non-qualified person.

This is incorrect.

First of all, the provision in question is silent as to who can be the transferees of the land acquired through the CARP. The rule in statutory construction is that statutes in pari materia should be construed together and harmonized.[69] Since there appears to be no irreconcilable conflict between PD 27 and Sec. 6 of EO 228, then the two (2) provisions can be made compatible by maintaining the rule in PD 27 that lands acquired under said decree can only be transferred to the heirs of the original beneficiary or to the Government. Second, PD 27 is the specific law on agrarian reform while EO 228 was issued principally to implement PD 27. This can easily be inferred from EO 228 which provided for the mode of valuation of lands subject of PD 27 and the manner of payment by the farmer-beneficiary and mode of compensation to the land owner. Third, implied repeals are not favored. A perusal of the aforementioned Sec. 6 of EO 228 readily reveals that it confers upon the beneficiary the privilege of paying the value of the land on a twenty (20)-year annual amortization plan at six percent (6%) interest per annum. He may elect to pay in full the installments or have the payment plan restructured. Said provision concludes by saying that after full payment, ownership of the land may already be transferred. Thus, it is plain to see that Sec. 6 principally deals with payment of amortization and not on who qualify as legal transferees of lands acquired under PD 27. Since there is no incompatibility between PD 27 and EO 228 on the qualified transferees of land acquired under PD 27, ergo, the lands acquired under said law can only be transferred to the heirs of the beneficiary or to the Government for eventual transfer to qualified beneficiaries by the DAR pursuant to the explicit proscription in PD 27.

Thus, the alleged transfers made by private respondents in G.R. No. 148777 of lands acquired under PD 27 to non-qualified persons are illegal and null and void.[70]

The ruling in *Victorino Torres v. Leon Ventura* sheds light on the policy behind the prohibition, thus:

The law is clear and leaves no room for doubt. Upon the promulgation of Presidential Decree No. 27 on October 21, 1972, petitioner was DEEMED OWNER of the land in question. As of that date, he was declared emancipated from the bondage of the soil. As such, he gained the rights to possess, cultivate, and enjoy the landholding for himself. Those rights over that particular property were granted by the government to him and to no other. To insure his continued possession and enjoyment of the property, he could not, under the law, make any valid form of transfer except to the government or by hereditary succession, to his successors.[71]

In addition, the prohibition was expanded not only to cover the title issued to the tenant-farmer but also the rights and interests of the farmer in the land while he is still paying the amortizations on it. A contrary ruling would make the farmer an “easy prey to those who would like to tempt [him/her] with cash in exchange for inchoate title over the same,” and PD 27 could be easily circumvented and the title shall eventually be acquired by non-tillers of the soil.[72]

Anent the contravention of the prohibition under PD 27, we ruled in *Siacor v. Gigantana*[73] and more recently in *Caliwag-Carmona v. Court of Appeals*,[74] that sales or transfers of lands made in violation of PD 27 and EO 228 in favor of persons other than the Government by other legal means or to the farmer’s successor by hereditary succession are null and void. The prohibition even extends to the surrender of the land to the former landowner. The sales or transfers are void ab initio, being contrary to law and public policy under Art. 5 of the Civil Code that “acts executed against the provisions of mandatory or prohibiting laws shall be void x x x.” In this regard, the DAR is duty-bound to take appropriate measures to annul the illegal transfers and recover the land unlawfully

conveyed to non-qualified persons for disposition to qualified beneficiaries. In the case at bar, the alleged transfers made by some if not all of respondents Gonzalo Dizon, et al. (G.R. No. 148777) of lands covered by PD 27 to non-qualified persons are illegal and null and void.

G.R. No. 157598

Finally, we resolve the sole issue raised in G.R. No. 157598 on whether petitioners Reynaldo Villanueva, et al. are entitled to a partial entry of judgment of the Amended Decision in CA-G.R. SP No. 47502.

Petitioners in G.R. No. 157598 are not entitled to a partial entry of judgment in CA-G.R. SP No. 47502

Petitioners contend that they are entitled to a partial entry of judgment in CA-G.R. SP No. 47502 as respondent George Lizares in G.R. No. 148777 deliberately excluded them on account of the amicable settlement concluded between them. Thus, they contend that any judgment rendered by the Court in G.R. No. 148777 will not affect them. In gist, petitioners strongly assert that the Amended Decision in CA-G.R. SP No. 47502 is already final and executory with respect to them.

Respondent Lizares, on the other hand, has continually affirmed that he deliberately excluded petitioners in his petition for review under G.R. No. 148777 as they had amicably settled with him; and that he has released, discharged, and waived any and all claims against petitioners on account of the petition. Thus, respondent Lizares interposes no objection for the issuance of a partial entry of judgment in CA-G.R. SP No. 47502 insofar as petitioners are concerned, as the issues and reliefs he is seeking in G.R. No. 148777 do not concern nor prejudice petitioners.

We disagree.

It is clear that petitioners, though they settled with respondent Lizares out-of-court, were not able to get a favorable ruling from the DARAB approving the motion to withdraw appeal filed by respondent Lizares in DARAB Case Nos. 4558, 4559, and 4561. This motion for the recall of the appeal remained unacted upon until the August 7, 1997 DARAB Decision was rendered in favor of all the defendants and appellees.

Subsequently, the DARAB cases were elevated for review to the CA and docketed as CA-G.R. SP No. 47502.

In its November 29, 2000 Amended Decision, the CA upheld the DARAB Decision.

On January 28, 2002, petitioners Reynaldo Villanueva, et al. filed a Motion for Entry of Judgment based on their out-of-court settlement with petitioner Lizares while the DARAB case was pending. On July 4, 2002, a second motion for entry of judgment was filed which was denied together with the first motion by the CA on November 14, 2002.

The reason for the denial by the CA of the aforementioned prayers for entry of judgment is as follows:

Our Amended Decision in this case had long been elevated to the Supreme Court by a petition for review on certiorari under Rule 45. As held by the Supreme Court in *Heirs of the Late Justice Jose B. L. Reyes vs. Court of Appeals*, by the mere fact of the filing of the petition, the finality of the Court of Appeals' decision was stayed, and there could be no entry of judgment therein, and hence, no premature execution could be had. In that case, the High Court emphatically declared that when this Court adopted a resolution granting execution pending appeal after the petition for review was already filed in the Supreme Court, the Court of Appeals encroached on the hallowed grounds of the Supreme Court. Thus, We find no legal basis or justification to allow [the] motions for partial entry of judgment even on the ground that private [respondent]-movants were not impleaded in G.R. No. 148777 and in the absence of opposition from herein petitioner who had allegedly

concluded an out-of-court settlement with private [respondent]-movants.[75]

We fully agree with the CA that there should be no partial entry of judgment for petitioners Reynaldo Villanueva, et al. since their motion to withdraw was not acted upon by the DARAB nor by the CA. Thus, there is nothing to record in the Book of Entry of Judgments.

More importantly, it appears that the transfers made by some or all of petitioners Reynaldo Villanueva, et al. (G.R. No. 157598) to non-qualified persons are proscribed under PD 27. Such finding necessarily precludes the entry of judgment in favor of said petitioners. Consequently, the alleged transfers made by petitioners Villanueva, et al., being in contravention of a prohibitory provision of PD 27, are null and void, and the titles issued to non-qualified individuals have to be cancelled and new ones issued to the Government.

WHEREFORE, the petition in G.R. No. 148777 is PARTLY GRANTED. The November 29, 2000 Amended Decision of the CA in CA-G.R. SP No. 47502 is AFFIRMED with the modification that the transfers made by private respondents to non-qualified persons, if any, under PD 27 are illegal and declared NULL and VOID, and the titles issued based on the transfers are likewise NULL and VOID. The DAR is ORDERED to investigate the transfers covering the subject landholdings and, based on the findings of illegal transfers for violations of PD 27 and EO 228, to coordinate with the Register of Deeds of Pampanga for the cancellation of the titles registered in the names of the transferees or to their subsequent transferees and to issue new titles to the Government for disposition to qualified beneficiaries. The November 14, 1995 PARAD Joint Decision in DARAB Cases Nos. 638-P'94, 933-P'95, 934-P'95, and 935-P'95, as affirmed by the August 7, 1997 DARAB Decision in DARAB Case Nos. 4558, 4559, 4560, and 4561, is accordingly MODIFIED.

The petition in G.R. No. 157598 is DISMISSED for lack of merit. The transfers made by petitioners Reynaldo, et al. to non-qualified persons, if any, under PD 27 are likewise declared NULL and VOID. Similarly, the DAR is ORDERED to investigate the transfers covering the subject landholdings and, based on the findings of illegal transfers for violations of PD 27 and EO 228, to coordinate with the Register of Deeds of Pampanga for the cancellation of the titles concerned registered in the names of the transferees or to their subsequent transferees and to issue new titles to the Government for disposition to qualified beneficiaries.

SO ORDERED.

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

[1] “Decreeing the Emancipation of Tenants from the Bondage of the Soil, Transferring to them the Ownership of the Land They Till and Providing the Instruments and Mechanism Therefor” (1972).

[2] Rollo (G.R. No. 148777), pp. 3-22.

[3] Id. at 24-52. The Amended Decision was penned by Associate Justice Angelina Sandoval Gutierrez (Chairperson, now a Member of this Court) and concurred in by Associate Justices Martin S. Villarama, Jr. and Perlita J. Tria Tiron; with Associate Justice Remedios Salazar-Fernando dissenting, id. at 53-70, concurred in by Associate Justice Salvador J. Valdez, Jr.

[4] CA rollo, pp. 46-64.

[5] Rollo (G.R. No. 148777), p. 84.

[6] Id. at 71-82.

[7] Rollo (G.R. No. 157598), pp. 9-24.

[8] Id. at 26-28.

[9] Id. at 100-103.

[10] Id. at 30.

[11] Id. at 110-117.

[12] Rollo (G.R. No. 148777), p. 440.

[13] CA rollo, pp. 283-285, 286, 287-289, 290-292, 256-258, 273, 293-294, 298-300, 259-261, 277-279, 274-276, 262-264, 295-297, 265-269, 270-272, & 280-282, respectively.

[14] Id. at 195-200.

[15] Id. at 307-312.

[16] Id. at 156.

[17] Id. at 229-232.

[18] Rollo (G.R. No. 148777), pp. 30-31.

[19] CA rollo, pp. 233-234.

[20] Rollo (G.R. No. 148777), pp. 265-277.

[21] CA rollo, pp. 87-92.

[22] Id. at 95-99.

[23] Rollo (G.R. No. 148777), pp. 279-285.

[24] Id. at 287-294.

[25] Id. at 118-123.

[26] Id. at 133-134.

[27] Id. at 135-139.

[28] Id. at 159-160.

[29] CA rollo, pp. 326-342.

[30] Supra note 16.

[31] CA rollo, pp. 321-322.

[32] Supra note 4.

[33] CA rollo, pp. 65-74.

[34] Id. at 402-404.

[35] Id. at 400.

[36] Id. at 401. The receipt was issued by petitioner Lizares.

[37] Id. at 441-442.

[38] Id. at 356-376, at 375. The Decision was penned by Associate Justice Remedios A. Salazar-Fernando and concurred in by Associate Justices Angelina Sandoval Gutierrez (Chairperson, now a Member of this Court) and Salvador J. Valdez, Jr.

[39] Id. at 377-399.

[40] Id. at 514-516.

[41] Id. at 408-416.

[42] Id. at 417-421.

[43] Id. at 431-440.

[44] Supra note 3, at 51.

[45] Supra note 5.

[46] Supra note 9.

[47] CA rollo, pp. 778-782.

[48] Supra note 8.

[49] Rollo (G.R. No. 157598), pp. 110-117.

[50] Supra note 10.

[51] Rollo (G.R. No. 148777), pp. 332-333.

[52] Rollo (G.R. No. 157598), p. 159.

[53] *Heirs of Cipriano Reyes v. Calumpang*, G.R. No. 138463, October 30, 2006, 506 SCRA 56, 70; citations omitted.

[54] “Declaring Full Land Ownership to Qualified Farmer Beneficiaries Covered by Presidential Decree No. 27; Determining the Value of Remaining Unvalued Rice and Corn Lands Subject to P.D. No. 27; and Providing for the Manner of Payment by the Farmer Beneficiary and Mode of Compensation to the Landowner” (1987).

[55] Rollo (G.R. No. 148777), pp. 307-308, April 10, 2002 Resolution of the Third Division.

[56] Sec. 4.

[57] See *Union Motor Corporation v. National Labor Relations Commission*, G.R. No. 159738, December 9, 2004, 445 SCRA 683; citing *Superlines Transportation Company, Inc. and Manolet Lavides v. ICC Leasing and Financing Corporation*, G.R. No. 150673, February 28, 2003, 398 SCRA 508.

[58] See *Fujitsu Computer Products Corporation v. Court of Appeals*, G.R. No. 158232, March 31, 2005, 454 SCRA 737; citing *Globe Telecom, Inc. v. Florendo-Flores*, G.R. No. 150092, September 27, 2002, 390 SCRA 201.

[59] Supra note 3, at 42-45.

[60] *Xentrex Automotive, Inc. v. Court of Appeals*, G.R. No. 121559, June 18, 1998, 291 SCRA 66, 71; citations omitted.

[61] Supra note 3, at 47-48.

[62] *Soliva v. The Intestate Estate of Marcelo M. Villalba*, G.R. No. 154017, December 8, 2003, 417 SCRA 277, 286; citing *Ramos v. Heirs of Ramos, Sr.*, G.R. No. 140848, April 25, 2002, 381 SCRA 594, 605; *Westmont Bank v. Ong*, G.R. No. 132560, January 30, 2002, 375 SCRA 212, 222.

[63] *Felix Gochan and Sons Realty Corporation v. Heirs of Baba*, G.R. No. 138945, August 19, 2003, 409 SCRA 306, 315; citing *Santos v. Santos*, G.R. No. 133895, 2 October 2, 2001, 366 SCRA 395, 405-406.

[64] G.R. No. 103959, August 21, 1997, 278 SCRA 98, 112.

[65] G.R. Nos. 75109-10, June 28, 1989, 174 SCRA 330, 338-339.

[66] I Regalado, *REMEDIAL LAW COMPENDIUM* 472-473 (6th rev. ed.).

[67] *Supra* note 53, at 71-72.

[68] *REVISED RULES OF COURT*, Rule 131, Sec. 3(m).

[69] *Rodriguez*, *STATUTORY CONSTRUCTION* 250 (2nd ed., 1998); citing 82 C.J.S. Statutes, 367.

[70] On transfers of lots acquired under RA 6657 which took effect on June 10, 1998, Section 27 provides:

Section 27. Transferability of Awarded Lands.—Land acquired by beneficiaries under this Act may not be sold, transferred or conveyed except through hereditary succession, or to the government, or to the LBP, or to other qualified beneficiaries for a period of ten (10) years: Provided, however, That the children or the spouse of the transferor, shall have a right to repurchase the land from the government or LBP within a period of two (2) years. Due notice of the availability of the land shall be given by the LBP to the Barangay Agrarian Reform Committee (BARC) of the barangay where the land is situated. The Provincial Agrarian Reform Coordinating Committee (PARCCOM), as herein provided, shall in turn, be given due notice thereof by the BARC. (Emphasis supplied.)

If the land has not yet been fully paid by the beneficiary, the rights to the land may be transferred or conveyed, with prior approval of the DAR, to any heir of the beneficiary or to any other beneficiary who, as a condition for such transfer or conveyance, shall cultivate the land himself. Failing compliance herewith, the land shall be transferred to the LBP which shall give due notice of the availability of the land in the manner specified in the immediately preceding paragraph.

In the event of such transfer to the LBP, the latter shall compensate the beneficiary in one lump sum for the amounts the latter has already paid, together with the value of improvements he has made on the land.

Unlike in PD 27, RA 6657 now authorizes the transfer of the rights to the land to any heir of the beneficiary or other qualified beneficiary who shall personally cultivate the land even if the amortizations have not yet been paid. It is clear however that the land will continuously be devoted to agricultural production.

If the amortizations have been fully paid, the land can only be sold, transferred, or conveyed through hereditary succession or to the government, the LBP, or other qualified beneficiaries within a period of ten (10) years from date of acquisition. After the ten (10)-year period had elapsed, then the land can be sold to anybody even if the transferee is not a qualified beneficiary. If the land has been the subject of conversion under Article 65 of RA 6657, it can be transferred to anybody after the lapse of five (5) years from date of acquisition.

[71] G.R. No. 86044, July 2, 1990, 187 SCRA 96, 104.

[72] *Id.* at 105.

[73] G.R. No. 147877, April 5, 2002, 380 SCRA 306, 313.

[74] G.R. No. 148157, July 27, 2006, 496 SCRA 723, 734.

[75] Supra note 8, at 27.

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