

PAULINO REYES, DANILO BAON, PACITA D. VADURIA, JULIE MONTOKA, MERCEDES RAMOS, GERONIMO DERRAIN, FELICIANO D. BAON, PACIFICO DERRAIN, EUTERIO SEVILLA, MAMERTO B. ESPINELLI, CARMELI...

G.R. NO. 148967. February 09, 2007

Ponente: AZCUNA, J.

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AZCUNA, J.:

This is a petition for certiorari^[1] seeking the nullification of the resolutions of the Court of Appeals, dated November 23, 2000 and May 8, 2001, dismissing a petition filed under Rule 43 of the Rules of Court due to procedural defects,^[2] in CA-G.R. SP No. 60203 entitled, "Paulino Reyes, et al. v. Fil-Estate Properties, Inc."

Central to the controversy is a portion of Hacienda Looc consisting of ten parcels of land with an aggregate area of 1,219.0133 hectares which was previously awarded to petitioners as evidenced by their Certificates of Land Ownership Award (CLOAs). At the instance of private respondent Fil-Estate Properties, Inc. (Fil-Estate), however, which sought the exclusion of the parcels of land from the Comprehensive Agrarian Reform Program (CARP), the CLOAs were cancelled by the Regional Agrarian Reform Adjudicator (RARAD) on the ground that the lands were agriculturally undeveloped and had an average slope of more than 18%.

The facts are as follows:

Petitioners are the tenants of the disputed portion of Hacienda Looc which has been the subject of application for exclusion from CARP coverage pursuant to Administrative Order No. 10, Series of 1994.^[3]

Hacienda Looc is an 8,650-hectare property located in Nasugbu, Batangas registered under Transfer Certificate of Title (TCT) No. T-28719 of the Registry of Deeds for the Province of Batangas. It is comprised of four barangays, namely, Calayo, Looc, Papaya and Bulihan, and has a total population of more than 10,000.

By virtue of Presidential Decree No. 27 issued by President Ferdinand E. Marcos on October 21, 1972, a portion of the hacienda with an aggregate area of 1,282.9767 hectares that were planted with rice and corn were distributed to the farmers, and emancipation patents (EPs) were accordingly issued.

The hacienda was acquired by the Development Bank of the Philippines (DBP) from the Magdalena Estate, Inc. through a Deed of Cession in Payment of Debt on May 19, 1971, and by a Deed of Assignment executed by the Philippine National Bank in favor of DBP on February 8, 1973.

Pursuant to Executive Order No. 14 issued on February 3, 1987 by President Corazon C. Aquino, certain assets and liabilities of DBP were transferred to the Government of the Republic of the Philippines. Among the properties that were transferred was Hacienda Looc.

On February 27, 1987, DBP executed a Deed of Transfer of the properties in favor of the government. On the same date, a Trust Agreement was entered into by the government and the Asset Privatization Trust (APT)

whereby the latter was constituted trustee of Hacienda Looc.

On July 15, 1987, Republic Act (R.A.) No. 6657, otherwise known as the Comprehensive Agrarian Reform Law (CARL), was enacted. Under the law, a Comprehensive Agrarian Reform Program (CARP) was to be undertaken by the government which shall cover, regardless of tenurial arrangement and commodity produced, all public and private agricultural lands as provided in the Constitution, including whenever applicable in accordance with law, other lands of the public domain suitable to agriculture.

On June 28, 1990, APT entered into a Memorandum of Agreement (MOA) with the Department of Agrarian Reform (DAR). Under the agreement, APT signified its intention to sell to DAR portions of the hacienda under the Voluntary Offer to Sell (VOS) scheme of R.A. No. 6657 on the condition that DAR will return to APT non-CARPable portions of the property.

APT ceded possession and control of the entire property to DAR for the latter to undertake a field verification and coverage of the CARPable areas of the hacienda.

Between 1991 and 1993, DAR generated 25 Certificates of Land Ownership Awards (CLOAs) to the farmers of the hacienda.

On December 10, 1993, APT conducted a public bidding involving the property in question. Bellevue Properties, Inc. tendered the highest cash bid. It thereafter assigned the right to purchase the property to Manila Southcoast Development Corporation (MSDC), subrogating to the latter all its rights, claims and benefits under the DAR-APT memorandum of agreement.

On March 7, 1995, MSDC filed an adverse claim over Hacienda Looc before the Register of Deeds of Nasugbu, Batangas. In the same year, MSDC was able to register the disputed ten parcels of land of the hacienda with an aggregate area of 1,219.0133 hectares. These are as follows:

TCT No. Lot No. Area (has.) R.O.

72098

780-5

117.2230

MSDC

72099 780-6 50.6760 MSDC

73000 780-11 135.2297 MSDC

73002 780-13 79.4639 MSDC

73003 780-14 113.0728 MSDC

73004 780-15 30.6594 MSDC

73005 780-32 58.0232 MSDC

3006 780-19 266.8548 MSDC

73007 780-16 234.3264 MSDC

TOTAL 1,219.0133

On April 10, 1995, MSDC filed a petition before the Department of Agrarian Reform Adjudication Board (DARAB), Region IV, for 1) the cancellation of the notices of acquisition issued by DAR; 2) the cancellation of the CLOAs; and 3) the conversion of the property into non-agricultural uses. The case was docketed as DARAB Case No. (DCN) 3468.

The case was subsequently referred by DARAB to the Provincial Agrarian Reform Adjudication Board (PARAD) of Batangas. On May 17, 1995, MSDC filed an amended petition before the PARAD with the same content and relief.

On May 30, 1995, Provincial Agrarian Reform Adjudicator Antonio Cabili issued an Order stopping all joint venture agreements in Hacienda Looc. Due to a Motion for Inhibition filed by one of the lawyers involved in the case, however, Cabili inhibited himself from the proceedings and elevated the case to the Regional Agrarian Reform Adjudication Board (RARAD) under Adjudicator Fe Arche-Manalang on June 28, 1995.[4]

On October 17, 1995, MSDC, Carmona Realty and private respondent executed a Memorandum of Agreement (MOA) to enable MSDC and private respondent to have a joint venture agreement relative to the development of Hacienda Looc into a mixed-use residential, commercial, resort, leisure and recreational complex. Likewise, under the agreement, MSDC and private respondent shall immediately develop about 1,269 hectares of the hacienda, comprised largely of the afore-mentioned ten parcels of land.

Between the months of January and June of 1996, the DAR Regional Adjudicator issued three Partial Summary Judgments canceling the fifteen (15) CLOAs issued to the farmers, including those covering the ten parcels of land. The cancellation was grounded on the waiver allegedly executed by the farmer-beneficiaries who declared that the lands they were tilling were not suitable for agriculture.

On October 4, 1996, private respondent, by virtue of a Joint Venture Agreement with MSDC for the purpose of developing the area covered by the ten cancelled CLOAs, filed a Petition for Exclusion[5] of the subject lots from CARP coverage on the ground that they had an average slope of more than eighteen percent (18%), and the area "has no semblance of agricultural development whatsoever." [6]

Meanwhile, petitioners, along with the other farmer-beneficiaries affected by the order, filed a complaint with the Office of the DAR Secretary objecting to the cancellation of their respective CLOAs. According to them, even before MSDC and private respondent Fil-Estate entered into such an agreement, heavily armed security guards brought several bulldozers and large equipment into the hacienda, and soon launched a massive operation for the leveling of the area and the eviction of the farmers. Petitioners added that: they were never informed of the proceedings concerning the cancellation of the CLOAs or of the application by respondent for the exemption of the subject lots from CARP; MSDC introduced as evidence fraudulently acquired and perjured documents such as the supposed sworn statements of deceased CLOA holders; MSDC threatened and intimidated the farmers to sign blank waivers and declarations of abandonment of the area purportedly because the land is non-agricultural in nature; and, the DAR lawyers appointed to protect the rights and interests of the affected farmers colluded with MSDC.[7]

On October 16, 1996, the DAR Secretary directed Undersecretary for Field Operations Hector D. Soliman to conduct an investigation regarding the cancellation of the CLOAs that were previously issued to the farmers of

Hacienda Looc, as well as the development/conversion activities undertaken by private respondent in the areas concerned.

Public hearings were respectively conducted, and on December 18, 1996, Undersecretary Soliman submitted his fact-finding report[8] with the following recommendations:

- Immediately issue a cease and desist order that will temporarily stop the development of the area, considering that there is still a pending application for exemption of the property, and the determination of the coverage of the property has not been finally acted upon by the Secretary;
- Immediately designate a substitute lawyer who will defend the interests and concerns of the public respondent DAR, [and] the integrity of the CLOAs, to the extent of the 1,152 hectares identified by the LBP and the Task Force Hacienda Looc as suitable for agriculture;
- Constitute an investigating panel to be headed by Director George Lucero as Resident Ombudsman, to look into the alleged falsification of the signature of Maximino de Joya, and others similarly situated, who was supposed to have been deceased, at the time of the signature of the waiver, and to recommend the prosecution of erring personnel of government, including the DAR, if any there be;
- Direct the Regional Office to conduct a massive information campaign in the area, regarding the following:
 - The extend of the sale between APT and the MDSC;
 - The status of the ongoing case between MSDC and the farmers;
 - The rights and responsibilities of the EP holders who are not covered by the case under litigation; and
 - Such other information that will fully apprise the farmers of their rights and responsibilities under agrarian law.
- Intervene in the ECC process being undertaken by the DENR by preparing the following interventions:
 - With respect to the areas which are still pending consideration by the DARAB, to request that the issuance of the ECC be suspended until such time that matters which are still under litigation are finally resolved; and
 - With respect to the areas which are above 18% slope and undeveloped, to manifest officially with the DENR that such areas, although exempted from CARP, should be preserved for reforestation purposes, in order not to aggravate soil erosion and jeopardize the lowland agricultural activities.
- Urge the DOT to convene a multi-agency, multi-sectoral review committee that will review the development plan of Fil-Estate and determine whether it conforms to the projected tourism master plan for the area, if any, and whether it conforms to agrarian and environmental laws. Such review committee should be lodged with the appropriate Cabinet Cluster.

On the basis of the fact-finding report of Undersecretary Soliman, the DAR Secretary issued memoranda[9] on December 18, 1996, adopting item Nos. 2, 3 and 4 of the report.

Meanwhile, on December 26, 1996, the DAR Regional Director for Region IV issued an Order granting the Petition for Exclusion filed by Fil-Estate pursuant to Administrative Order (A.O.) No. 10, Series of 1994. As a result, the subject ten parcels of land with an aggregate area of 1,219.0133 hectares were exempted from CARP coverage.

On January 29, 1997, petitioners, aggrieved by the Order of Exclusion, filed their appeal with the Office of the DAR Secretary. They assailed the aforementioned order on the grounds that 1) there was no due process as they were not informed of the exemption case or the proceedings thereof; 2) the cancellation of the CLOAs was based

on the waivers allegedly executed by the farmer-beneficiaries; and 3) the property was agriculturally developed and, therefore, covered by CARP.

In view of the appeal, the Office of the DAR Secretary organized a team composed of DAR and LBP officials to perform the following: 1) segregate the contested area from the rest of the hacienda through boundary surveys; 2) determine, from the slope maps, the slope of the contested areas; 3) conduct a lot by lot determination of the areas to be placed under CARP by identifying and segregating the agriculturally developed areas, if any; 4) receive evidence to be presented by the protesting farmers and other farmers interested in the case; and 5) submit its reports on the contested lots.[10]

On March 25, 1998, the DAR Secretary issued an Order, the pertinent portion of which reads:

The Team, after making its findings, had also ... recommended the coverage of the developed areas and the exclusion of the undeveloped areas. x x x

On 31 December 1997, Undersecretary Bulatao, Chairperson of the Inter-Agency Task Force, submitted his recommendation, hereunder quoted x x x:

x x x

"The main implications of these recommendations are as follow:

- farmers issued Emancipation Patents (EPs) over some 1,197 hectares of rice land maintain their ownership of these lands;
- farmers who cultivated portions of the other areas covered by CLOAs before and up to the time the CLOAs were supposedly cancelled will have their lands covered under compulsory acquisition, subject to the three-hectare ceiling for beneficiaries and appropriate valuation and payment procedures;
- Manila Southcoast Development Corporation will now have a clean title to the rest of the land and can proceed with its development directly or indirectly and will be compensated for the hectareage removed from its title due to coverage under RA No. 6657."

It is also worthwhile to note that in all the proceedings, the affected beneficiaries were given more than sufficient opportunity to present their claims. In addition, this case has taken too long to resolve because of the different motions and petitions by all parties.

WHEREFORE, given these different recommendations of four different Committees and Task Forces, this Order is hereby issued as follows:

- Coverage of the following agriculturally developed areas, re-documentation of the same under CARP acquisition and awarded to individual beneficiaries found to be qualified under the CARL:

- Lot No. 5: 2.3029 hectares as farmlots and 0.0666 as homelots, the homelots to be awarded to actual occupants thereof. Priority for the award of the farmlot will be the claimant, UNLESS there is reason to disqualify him and said award shall not result in the claimant becoming an owner of more than three (3) hectares of agricultural land;
- Lot No. 6: 12.8467 hectare farmlot. Priority for the award of the farmlot will be the claimant, UNLESS there is reason to disqualify him and said award shall not result in the claimant becoming an owner of more than three (3) hectares of agricultural land;
- Lot. No. 11: 1,1234 hectares farmlot and 0.6388 homelots to be awarded to actual occupants thereof. Priority for the award of the farmlot will be the claimant, UNLESS there is reason to disqualify him and said award shall not result in the claimant becoming an owner of more than three (3) hectares of agricultural land;

- Lot No. 12: 13.894 hectares as farmlots. Some 2.3674 has. and .4586 has. were deducted from the claim of Mr. Jaime Sobremonte and Mr. Leonardo Caronilla, respectively, as these already exceed the three hectares award ceiling. The area has been scraped by previous bulldozing by the applicant such that it becomes impossible for the team to determine the actual agricultural development of the area. In view of the situation, the Task Force deemed it proper to award the land to the claimants as the presumption must tilt in their favor, there being no contrary evidence presented by the applicant. The award shall not exceed three hectares per claimant UNLESS there is reason to disqualify him and said award shall not result in the claimant becoming an owner of more than three (3) hectares of agricultural land;
 - Lot No. 13: 0.2251 hectare farmlot. Priority for the award of the farmlot will be the claimant, UNLESS there is reason to disqualify him and said award shall not result in the claimant becoming an owner of more than three (3) hectares of agricultural land;
 - Lot No. 15: 76.376 hectares as farmlot. However, the coverage of the areas identified as fishponds shall be suspended until the Courts resolve the constitutionality of the law exempting fishponds from the coverage of agrarian reform. Priority for the award of the farmlot will be the claimant, UNLESS there is reason to disqualify him and said award shall not result in the claimant becoming an owner of more than three (3) hectares of agricultural land;
 - Lot No. 16: 14.2026 hectares as farmlots. Priority for the award of the farmlot will be the claimant, UNLESS there is reason to disqualify him and said award shall not result in the claimant becoming an owner of more than three (3) hectares of agricultural land;
 - Lot No. 19: 16.5695 hectares as farmlots. Priority for the award of the farmlot will be the claimant, UNLESS there is reason to disqualify him and said award shall not result in the claimant becoming an owner of more than three (3) hectares of agricultural land;
 - Approval of the distribution of homelots in Lots No. 9 and 20. As manifested, the total area of 65.38 hectares shall be distributed primarily as homelots to actual occupants. The area within Lot 20 which is agriculturally developed shall be subjected to further verification as to its CARPability and the same shall also be awarded as farmlots, covered by Certificates of Land Ownership Awards (CLOAS). Priority for the award of the farmlot will be the claimant, UNLESS there is reason to disqualify him and said award shall not result in the claimant becoming an owner of more than three (3) hectares of agricultural land.
 - Maintaining the coverage of some 1,197 hectares, more or less, of lands under Operation Land Transfer and conducting survey of the actual tillers of the land for purposes of awarding the same /re-allocating the same to its actual tillers in accordance with the land to the tiller principle.
 - On the Matter of Environmental Protection. In areas that will be exempted by virtue of Section 10, of RA 6657, any development thereon, should be consistent with the intent of the law to preserve these lands for forest cover and soil conservation. It is therefore recommended that the DENR study the development of the area with this end in view in its issuance of ECCs.
- Particularly, it is recommended that a buffer zone be established by the DENR to ensure protection of OLT and CARP lands from damage or erosion, as a result of any development to be implemented in excluded areas;
- Re-conveyance of the exempt parcels to the Asset Privatization Trust, or its successors-in-interest, after the CLOAs are properly cancelled by the proper forum;
 - Nullifying the alleged sale or transfer of rights over the CLOAs as contrary to the provisions of agrarian law; and
 - Directing the Regional Director to post a copy of this Order, including the maps attached hereto in the barangay

halls of Brgys. Calayo and Papaya to afford all parties the opportunity to be notified and to cause the amendments of CLOAs issued.

SO ORDERED.[11]

Petitioners filed a motion for reconsideration but the same was denied by the DAR Secretary in an order dated June 15, 1998.

On June 29, 1998, petitioners appealed the Orders of the DAR Secretary to the Office of the President (OP).

On July 5, 2000, the OP, through Executive Secretary Ronaldo Zamora, issued a decision dismissing the appeal, and affirming the challenged orders of the DAR. Thus:

At the outset, four (4) premises need to be underscored:

First, while FEPI does not wholly agree with the appealed orders of the DAR, it chose to assail the same before the Court of Appeals via a petition for partial review. Hence, insofar as this Office is concerned, FEPI is theoretically presumed to be satisfied with the adjudication made by the DAR Secretary (AG&P v. Court of Appeals, 247 SCRA 606). The entrenched rule is that a party who has not himself appealed cannot secure from the appellate court/body any affirmative relief other than those granted him in the decision of the court/body below (Carrion v. CA, 260 SCRA 682).

Second, the cancellation of the ten (10) CLOAs, i.e., CLOA Nos. 4152, 4253, 4157, 4158, 4159, 4474, 4475, 4476, 4478 and 6662, is, as the DAR declared, strictly not an issue here, the cancellation having been effected by the Regional Agrarian Reform Adjudicator (RARAD), per his decision in DARAB Case No. IV Ba - 3468, dated January 8, 1986. This decision is beyond the reviewing authority of this Office for, apart from its having become final and executory, such decision is appealable to the DAR Adjudication Board whose decision in turn is appealable to the Court of Appeals (DARAB v. CA, 266 SCRA 176; Machete v. CA, 250 SCRA 176).

Third, only a portion of Hacienda Looc - the exclusion of which from CARP coverage FEPI sought - was originally involved in this case. In absolute terms, only the 1,219.09-hectare portion of the hacienda, corresponding to the ten (10) lots that the CLOAs cover but which had been cancelled, was the subject of the basic petition of FEPI for exclusion, albeit the appealed orders cover areas not contemplated in the underlying petition for exclusion.

Fourth, the appealed orders, by excluding/exempting from CARP coverage pursuant to Section 10 of R.A. No. 6657, the contested ten (10) lots, save for some 69.50 hectares found to be agriculturally developed, hence to be covered under CARP, virtually affirmed with modification the order of Regional Director Remigio Tabones, dated December 26, 1996...

In all, this Office finds, as did the DAR Secretary and, before him, the Regional Director, DAR Region IV, the exclusion from CARP coverage of the ten (10) lots subject of FEPI's petition for exclusion to be proper...

With the foregoing disquisitions, this Office deems it unnecessary to discuss the other issues raised by appellants, e.g., the validity of the contract of sale entered into by and between the APT and MSDC concerning Hacienda LOOC, the effectivity of Proclamation Nos. 1520 and 1801, and the applicability of DOJ Opinion No. 44, s. of 1990, touching as they do on what the DAR described as "collateral matters" which have no decisive bearing in the resolution of this case...

WHEREFORE, premises considered, the instant appeal is hereby Dismissed. The appealed DAR orders, Dated March 25, 1998 and June 15, 1998 are accordingly Affirmed.

SO ORDERED.[12]

Petitioners filed a petition for review under Rule 43 of the Rules of Court with the Court of Appeals (CA) assailing the decision of the Executive Secretary. The CA, in its resolution, dated September 4, 2000, denied the petition thus:

X X X

Contrary to Sec. 5, Rule 7 of the 1997 Rules on Civil Procedure, the verification and certification of non-forum shopping was signed by only one (Guillermo Bautista) of the petitioners.

Moreover, in violation of Sec. 13, Rule 13 and Sec. 6(c) Rule 43, the petition contains no affidavit of service while the assailed decision, material portions of the record and other supporting papers are merely photocopies.

WHEREFORE, for being insufficient in form and substance, the petition is DISMISSED.

SO ORDERED.[13]

Petitioners' motion for reconsideration was likewise denied by the CA in its resolution dated May 8, 2001:

... In her Affidavit (Annex "A", Motion), Ms. Maria Victoria Lirio, secretary of petitioners' counsel, explained that she failed to attach to the petition the Special Power of Attorney (Annex "B", id.) executed by the other petitioners in favor of Guillermo Bautista empowering the latter to represent them in the instant petition. However, the Special Power of Attorney was acknowledged by only 10 out of the 45 petitioners. Consequently, the certificate of non-forum shopping is still defective.

Moreover, petitioners did not correct the defects of the petition, i.e., absence of the affidavit of service and non-submission of certified true copies of the assailed decision and other papers.

Apropos is the Supreme Court's ruling that "(h)aving failed to observe very elementary rules of procedure which are mandatory, petitioner caused her own predicament and to exculpate her from the compulsory coverage of such rules is to undermine the stability of the judicial process, as the bench and bar will be confounded by such irritating uncertainties as when to obey and when to ignore the rules." (Tan v. Court of Appeals, 295 SCRA 755)

WHEREFORE, for lack of merit, the motion for reconsideration is DENIED.

SO ORDERED[14]

Hence, this petition raising these issues:

- Whether the Court of Appeals committed grave abuse of discretion in dismissing the petition for review filed under Rule 43 of the Rules of Court, notwithstanding the fact that it would result to manifest injustice;[15] and
- Whether the Court of Appeals committed grave abuse of discretion in denying the substantial rights of the petitioners.[16]

Petitioners argue as follows:

First, the cancellation of the ten Certificates of Land Ownership Award (CLOAs) is an issue that has to be resolved because the farmers were not accorded due process. The proceedings for the exemption of the property from CARP coverage, and the cancellation of the CLOAs were improvidently done without the knowledge and participation of the affected farmers.

Second, the signatures in the waivers allegedly executed by the farmers who declared that the lands they were tilling were not agriculturally viable and developed were forged as the latter had been dead at the time the waivers were supposedly executed;

Third, the segregation of a portion of the hacienda which involves 1,219 hectares that private respondent applied for exemption from CARP coverage for conversion to non-agricultural use such as a golf course, will adversely affect the entire ecological balance and social order of the hacienda;

Fourth, the hacienda is agricultural in character, therefore, covered by CARP. It is suitable for agriculture, that is, developed and productive, and the fact that only patches or certain portions of the disputed lots are actually planted with crops does not make them non-agricultural;

Fifth, in the fact-finding report, DAR Undersecretary Soliman stated that the question as to whether the area is excluded from CARP coverage because it had been reclassified as a tourism area has not been resolved yet by the DAR Secretary, who, under Administrative Order No. 6, Series of 1994, is mandated to issue certificates of exemption under DOJ Opinion No. 44. In addition, tourist zones are not included among the categories of lands which are exempted under Section 3(c) of R.A. No. 6657. Finally, the area to be excluded has not been sufficiently delineated in order to make the exemption realistic and implementable at an operational level, unlike other municipal ordinances which are accompanied by specific land use maps of adequate scale and size;

Sixth, with respect to petitioners' non-compliance with Sec. 5, Rule 7 of the 1997 Rules on Civil Procedure on verification and certification of non-forum shopping as a ground cited by the CA for the dismissal of the petition, petitioners aver that the Special Power of Attorney (SPA) of Guillermo Bautista which they had executed way before constituting him as their attorney-in-fact was not attached to the petition due to the inadvertence of their counsel's secretary;

Seventh, on the point that petitioners violated Sec. 13, Rule 13 and Sec. 6(c), Rule 43, petitioners state that copies of the petition to the Court of Appeals were actually furnished to the DAR Secretary, the DAR Regional Director and the adverse counsel via personal service as shown by their respective signatures on the last page of the petition attesting to the receipt thereof; and,

Finally, petitioners insist that they should be given a fair chance to present the merits of their case because technicalities must not be used to stay the hands of justice and frustrate the novel objectives of the agrarian law.

Clearly, a resolution of the case rests upon a determination of whether the disputed ten parcels of land are exempt from CARP coverage.

In relation to the instant petition, Section 10 of R.A. No 6657 states that "all lands with eighteen percent (18%) slope and over, except those already developed shall be exempt from the coverage of this Act."

One of the reasons why petitioners are objecting to the cancellation of their CLOAs and the exclusion of the ten parcels of land from CARP coverage is because these lots are agricultural and developed. While it is true that the DAR officials have generally found the lots to have an average slope of 18%, the contention that the same have been cultivated and are actually agriculturally developed so as to make them subject to CARP is a factual matter that must be looked into. As indicated by Undersecretary Soliman in his fact-finding report:

... [A]s a general rule, lands which are above 18% slope are exempt from CARP, but their land use should be compatible with the underlying basis for exemption, meaning reforestation and soil conservation. Therefore, as a general rule also, these areas should not be converted to uses other than agro-forestry, reforestation, or other environmentally sustainable uses. Otherwise, the very purpose of their exemption from CARP (and their shifting to the DENR's reforestation and soil conservation program) would be circumvented all the more.

Having clearly stated the position, we now come to the discussion of the 1,152 hectares more or less of developed areas within the 25 titles. It could be generally conceded that the areas which are subject of the 25 CLOA titles are sloping areas, and are above 18% in slope. However, under Sec. 10 of RA 6657, if the area is

developed, then they could still be covered by CARP. It is also a fact that the Task Force Hacienda Looc ... did not recommend the cancellation of all the titles, but only 2,829 hectares, contending that some 1,152 hectares are developed and therefore could be covered by CARP. Moreover, this recommendation has been approved by then Regional Director, Percival Dalugdug.

A quick perusal of the records reveals that this very outstanding fact that some 1,152 hectares of land which are spread out over 25 titles under CLOA, was in fact recommended to be covered under CARP but somehow, this fact was lost in the process. What was primarily relied upon by the adjudicator was the waivers signed by the farmers who declared that the land they are tilling is not suitable for agriculture.

We beg to disagree with the waivers signed by the farmers in this particular case, considering their uniform phraseology and format. They have obviously been prepared by persons who are interested in having the titles cancelled, and the farmers have been merely asked to sign the same. The primordial authority of the DAR, that of making an administrative determination of whether the land is suitable for agriculture or not, has been supplanted in this case by a determination of the farmers whether the land is suitable or not for agriculture...[17]

Based on the foregoing, and upon a review of the records, the Court agrees with petitioners that there are factual matters that should be re-examined to properly resolve this case. This Court is not a trier of facts. The CA, having the appellate jurisdiction to rule on the controversy, must re-evaluate the factual aspects of the case in order to prevent a miscarriage of justice.

While, generally, petitioners' failure to comply with the procedural requirements prescribed under the Rules of Court would warrant the dismissal of the petition,[18] fundamental considerations of substantial justice persuade the Court to have the present case decided on the merits rather than dismissed on a technicality.[19] It is settled that the rules of procedure are not to be applied in a very strict and technical sense. These are used only to help secure rather than override substantial justice. The stringent application of the rules must yield to the demands of substantial justice.[20]

WHEREFORE, the petition is GRANTED. The Resolutions of the Court of Appeals, dated November 23, 2000 and May 8, 2001, in CA-G.R. SP No. 60203 are REVERSED and SET ASIDE. The case is hereby REMANDED to the Court of Appeals for it to render a decision on the merits with DISPATCH, giving this Court a report on the progress thereon every three months.

No costs.

SO ORDERED.

Puno, C.J., (Chairperson), Sandoval-Gutierrez, Corona, and Garcia, JJ., concur.

[1] Under Rule 65 of the Rules of Court.

[2] The petition was dismissed for: 1) failure of all of the petitioners to sign the verification and certificate of non-forum shopping; 2) the absence of affidavit of service; and 3) non-submission of certified true copies of the assailed decision and other supporting papers.

[3] The administrative order provides the rules and procedures governing the exemption of lands from CARP coverage.

[4] Rollo, p. 25.

[5] Rollo, p. 437.

[6] Id. at 86.

[7] Id. at 27.

[8] Id. at 381.

[9] Annexes "K," "K-1" and "K-2" of Petition (Rollo, pp. 397-398).

[10] Emphasis supplied; Rollo, p. 74.

[11] Rollo, pp. 91-94.

[12] Id. at 81-84; emphasis supplied.

[13] Id. at 98.

[14] Id. at 100.

[15] Id. at 42.

[16] Id. at 63.

[17] Id. at 390.

[18] Gonzalo D. Labudahon v. National Labor Relations Commission, G.R. No. 112206, December 11, 1995, 251 SCRA 129 .

[19] Antonio Surima v. National Labor Relations Commission, et al., G.R. No. 121147, June 26, 1998, 291 SCRA 260.

[20] Lopez v. Court of Appeals, G.R. No. 127827, March 5, 2003, 398 SCRA 550.

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