

**ROBERTO PADUA, PETITIONER, VS. THE HON. COURT OF APPEALS,
ATTY. DELFIN B. SAMSON, DEPARTMENT OF AGRARIAN REFORM,
AND MR. TEOFILO INOCENCIO, RESPONDENTS.**

G.R. NO. 153456. March 02, 2007

Ponente: AUSTRIA-MARTINEZ, J.

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AUSTRIA-MARTINEZ, J.:

Herein Petition for Review on Certiorari under Rule 45 of the Rules of Court assails the December 18, 2001 Decision and May 7, 2002 Resolution[1] of the Court of Appeals (CA) which dismissed the Petition for Annulment of a Final and Executory Order of the Secretary of Agrarian Reform, docketed as CA- G.R. SP No. 59366.[2]

The CA summarized the facts as follows:

Private respondents Pepito Dela Cruz, et al. (Dela Cruz, et al.) were tenants of Lot Nos. 68 and 90 of the Dolores Ongsiako Estate in Anao, Tarlac. In 1966, upon the request of Anao Mayor Catalino Cruz (Mayor Cruz), Dela Cruz, et al. agreed to donate said properties to the municipality on the condition that these be used as school sites. The project did not materialize and, in 1977, Dela Cruz, et al. asked that the properties be returned to them. However, they found out that Mayor Cruz had distributed Lot No. 68 to Flor Labagnoy (Labagnoy) and Lot No. 90 to Edwin Cruz (Cruz) who were each issued a Certificate of Land Transfer (CLT).[3]

Upon Petition for Cancellation of CLT filed by Dela Cruz, et al., Department of Agrarian Reform (DAR) Secretary Condrado Estrella issued an Order dated April 19, 1982 (Estrella Order), cancelling the CLT issued to Labagnoy and Cruz. The latter filed a Petition for Relief from Judgment for lack of due process but the same was denied by Secretary Estrella in his Order dated September 19, 1984. Labagnoy and Cruz appealed to the Office of the President (OP) which dismissed the same in an Order dated May 9, 1990. Said May 9, 1990 OP Order became final and the same was partially executed with the restoration of Lot No. 68 in the possession of Dela Cruz, et al..[4]

However, during the pendency of the appeal before the OP, Cruz executed an Affidavit of Waiver over his interest in Lot No. 90 on the basis of which DAR Regional Office III issued an Order dated December 7, 1987 cancelling the CLT of Cruz and declaring Lot No. 90 open for disposition.[5] On November 7, 1989, then DAR Secretary Miriam Defensor Santiago issued an Order awarding Lot No. 90 to herein petitioner Roberto Padua (Padua) who had been occupying said property and paying the amortization thereon to the Land Bank of the Philippines (LBP).

Aggrieved, Dela Cruz, et al., acting thru Anao Mayor Clemente Apuan, filed with the DAR Secretary a Letter-Petition for Cancellation (Letter-Petition) of the December 7, 1987 DAR Regional Office III Order and the November 7, 1989 DAR Order. [6]

DAR Secretary Garilao granted the Letter-Petition in an Order dated July 2, 1995 (Garilao Order), to wit:

WHEREFORE, premises considered, Order is hereby issued granting the petition, thereby cancelling the Order

of Award dated November 7, 1989 issued in favor of Roberto Padua involving Lot No. 90, Psd-185539, Ongsiako Estate and directing the Regional Director to cause the restoration of possession of said lot in favor of the petitioners. All payments made by Roberto Padua on account of said lot as rentals for the use thereof are forfeited in favor of the government.

SO ORDERED.[7]

Accordingly, DAR Regional Director Nestor Acosta (Director Acosta) issued a Memorandum[8] dated May 9, 2000, directing herein public respondent Provincial Agrarian Reform Officer Teofilo Inocencio (PARO Inocencio) to implement the Garilao Order. In turn, PARO Inocencio instructed Municipal Agrarian Reform Officer Lino Mabborang (MARO Mabborang) to issue the necessary documents to award Lot No. 90 to Dela Cruz, et al..[9]

Upon being informed by MARO Mabborang of the implementation of the Garilao Order, Padua filed with the CA a Petition for Annulment of a Final and Executory Order of the Secretary of Agrarian Reform with Prayer for Temporary Restraining Order and/or Preliminary Injunction.[10] In justifying his recourse to a Petition for Annulment, Padua claims that the DAR under Sec. 50 of Comprehensive Agrarian Reform Law (CARL) cannot take cognizance of the petition for cancellation because the matter involved is a civil law issue relating to the validity of a contract of sale executed by LBP and petitioner, not an agrarian reform matter; that cancellation can only be ordered by a court of justice, not by an administrative agency exercising only quasi-judicial powers, more so if it is considered that plaintiff was a purchaser for value and was not a party to the controversy between farmers/tenants and the grantees of the certificate of land transfer; that Sec. 50 of CARL falls under the heading of Administrative Adjudication under Chapter XII, hence, this administrative adjudication cannot be the mechanism for resolutions of a contract; and, that this was in fact the stand of PARO Inocencio in his 2[nd] Indorsement dated February 15, 1994.[11]

Padua also claimed lack of due process in that he was allegedly never impleaded as a party to the Petition for Cancellation of CLT nor furnished a copy of the Letter-Petition but that he became aware of the Garilao Order only when it was about to be implemented.[12]

On December 18, 2001, the CA issued the herein assailed Decision, dismissing the Petition for Annulment for being the wrong mode of questioning the Garilao Order. It held that Rule 47 applies only to final judgments and orders of Regional Trial Courts (RTCs) in civil cases and not to orders issued by the DAR Secretary.[13] The CA also affirmed the Garilao Order, holding that then DAR Secretary Garilao had authority to resolve the Letter-Petition as it involved an agrarian dispute.[14] The CA also rejected the contention of Padua that he was not accorded due process in view of evidence on record that he was notified of the proceedings on the Letter-Petition but he chose not to participate therein.[15]

Padua filed a Motion for Reconsideration[16] which the CA denied in its

May 7, 2002 Resolution.[17]

Hence, the present Petition on the following grounds:

The Court of Appeals committed a grave and reversible error when it held that Rule 47 of the Rules of Civil Procedure may not be availed of for assailing an Order of the Secretary of Agrarian Reform.[18]

The Court of Appeals committed reversible error in not holding that the Department of Agrarian Reform acted without jurisdiction.[19]

We find that the CA correctly dismissed the Petition for Annulment and affirmed the Garilao Order.

We reiterate that a petition for annulment of judgment under Rule 47 of the Rules of Court may be availed of against final judgments and orders rendered by either RTCs in civil actions[20] or Municipal Trial Courts[21] (MTCs).[22] Final judgments or orders of quasi-judicial tribunals such as the National Labor Relations Commission,[23] the Ombudsman,[24] the Civil Service Commission,[25] and the OP[26] are beyond the reach of a petition for annulment under Rule 47. An order of the DAR Secretary issued in the exercise of his quasi-judicial powers is also outside its scope. Justice Jose C. Vitug, in *Macalalag v. Ombudsman*,[27] explained the rationale behind the limited application of Rule 47, to wit:

The right to appeal is a mere statutory privilege and may be exercised only in the manner prescribed by, and in accordance with, the provisions of law. There must then be a law expressly granting such right. This legal axiom is also applicable and even more true in actions for annulment of judgments which is an exception to the rule on finality of judgments. [28]

In the present case, neither Republic Act (R.A.) No. 6657[29] nor R.A. No. 7902[30] allows a petition for annulment of a final DAR decision or order. Section 61[31] of R.A. No. 6657 provides that a DAR decision or order be reviewable by the CA in accordance with the Rules of Court. In turn, the Rules of Court, consistent with Supreme Court Administrative Circular No. 1-95 and R.A. No. 7902, prescribes under Rule 43[32] that the mode of appeal from decisions or orders of DAR as a quasi-judicial agency is by petition for review to the CA.[33] Padua's recourse to a Petition for Annulment of the Garilao Order, rather than a petition for review, was therefore fatally infirm.

Even if Padua's Petition for Annulment had been treated by the CA as a petition for review, it would still have failed.

Section 50 of R.A. No. 6657 vests in DAR the following quasi-judicial power:

Section 50. Quasi-Judicial Powers of the DAR. The DAR is hereby vested with the primary jurisdiction to determine and adjudicate agrarian reform matters and shall have exclusive original jurisdiction over all matters involving the implementation of agrarian reform except those falling under the exclusive jurisdiction of the Department of Agriculture (DA) and the Department of Environment and Natural Resources (DENR).

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

On August 30, 2000, DAR adopted Administrative Order No. 06-00[34] or the Rules of Procedure for Agrarian Law Implementation Cases. Section 2 thereof states:

Section 2. Cases Covered. - These Rules shall govern cases falling within the exclusive jurisdiction of the DAR Secretary which shall include the following:

- (a) Classification and identification of landholdings for coverage under the Comprehensive Agrarian Reform Program (CARP), including protests or opposition thereto and petitions for lifting of coverage;
- (b) Identification, qualification or disqualification of potential farmer-beneficiaries;
- (c) Subdivision surveys of lands under CARP;
- (d) Issuance, recall or cancellation of Certificates of Land Transfer (CLTs) and CARP Beneficiary Certificates (CBCs) in cases outside the purview of Presidential Decree No. 816, including the issuance, recall or cancellation of Emancipation Patents (EPs) or Certificates of Land Ownership Awards (CLOAs) not yet

registered with the Register of Deeds;

x x x x (Emphasis ours)

In the disputed July 2, 1995 Order, then DAR Secretary Garilao cancelled the award to Padua of Lot No. 90, thereby declaring the latter not qualified to acquire the property as an agrarian reform beneficiary.[35] Said Order was therefore issued by Sec. Garilao in the exercise of his power under Section 50 of R.A. No. 6657 and Section 2 (b) of Administrative Order No. 06-00.

Padua insists, however, that his status in relation to Lot No. 90 was no longer that of a mere potential agrarian reform farmer-beneficiary but a civil law vendor dealing directly with the LBP in the payment of amortizations on the property.[36] That view is incorrect. The statutory mechanism for the acquisition of land through agrarian reform requires full payment of amortization before a farmer-beneficiary may be issued a CLOA or EP, which, in turn, can become the basis for issuance in his name of an original or a transfer certificate of title.[37] As Padua himself admitted that he is still paying amortization on Lot No. 90 to LBP, his status in relation to said property remains that of a mere potential farmer-beneficiary whose eligibilities DAR may either confirm or reject. In fact, under Section 2 (d) of Administrative Order No. 06-00, DAR has authority to issue, recall, or cancel a CLT, CBC, EP, or CLOA issued to potential farmer-beneficiaries but not yet registered with the Register of Deeds.[38]

As to the claim of Padua that he was not accorded due process in the cancellation of the Santiago Order which awarded Lot No. 90 in his favor, this is belied by his own Annex "A" in support of his Urgent Reiteration of Application for Restraining Order or for Observance of Judicial Courtesy as Mandated by Eternal Gardens versus Court of Appeals.[39] Annex "A"[40] is the letter of MARO Mabborang informing Padua of the implementation of the Garilao Order. Attached to Annex "A" is the May 9, 2000 Memorandum of Director Acosta, which reads:

We are transmitting herewith the Order dated July 2, 1995 issued by the Office of the DAR Secretary, in the above entitled case.

A Motion for Reconsideration was filed but it was denied on August 12, 1996. [The] appeal taken to the Office of the President was dismissed May 25, 1998, and the motion for reconsideration thereof was denied on January 22, 1999.

Considering per available records, that no further action was taken, hence, it has already become final and executory and may be [sic] now be implemented.

x x x x[41] (Emphasis added)

Thus, any defect in due process was cured by the fact that Padua had filed a Motion for Reconsideration and an Appeal to the OP from the Garilao Order.[42]

WHEREFORE, the petition is DENIED for lack of merit. The Decision dated December 18, 2001 and Resolution dated May 7, 2002 of the Court of Appeals are AFFIRMED

No costs.

SO ORDERED.

Ynares-Santiago, Chico-Nazario, and Nachura, JJ., concur.
Callejo, Sr., J., on leave.

[*]Provincial Agrarian Reform Officer. The private respondents, as mentioned in the text of the Petition for Review on Certiorari, are Pepito dela Cruz, Francisco Santiago, Fortunato Abungan, Leon Suarez, Alejandro

Fernandez and Lorenzo Gonzales. Rollo, p. 11.

[1] Both penned by Associate Justice Josefina Guevara-Salonga and concurred in by Associate Justices Godardo A. Jacinto (now retired) and Eloy R. Bello, Jr. (now retired).

[2] Entitled "Roberto Padua, Petitioner, v. The Secretary of Agrarian Reform and Pepito dela Cruz, et al., Respondents", CA rollo, pp. 66-77.

[3] CA Decision, id. at 67-68, citing Department of Agrarian Reform Order dated July 2, 1995.

[4] Id.

[5] Id. at 69.

[6] Id.

[7] Rollo, p. 44.

[8] CA rollo, p. 26.

[9] Id. at 25.

[10] Id. at 2.

[11] Id. at 5-6.

[12] Id. at 7-8.

[13] Id. at 73-76.

[14] Id. at 71-73.

[15] Id. at 76-77.

[16] Id. at 79.

[17] Id. at 99.

[18] Rollo, p. 13.

[19] Id. at 15.

[20] Sec. 1. Coverage.- This Rule shall govern the annulment by the Court of Appeals of judgments or final orders and resolutions in civil actions of Regional Trial Courts for which the ordinary remedies of new trial, appeal, petition for relief or other appropriate remedies are no longer available through no fault of the petitioner.

[21] Sec. 10. Annulment of judgment or final orders of Municipal Trial Courts. - An action to annul a judgment or final order of a Municipal Trial Court shall be filed in the Regionnal Trial Court having jurisdiction over the former. It shall be treated as an ordinary civil action and Sections 2, 3, 4, 7, 8 and 9 of this Rule shall be applicable thereto.

[22] See also Collado v. Court of Appeals, G.R. No. 107764, October 4, 2006 and The Heirs of Atty. Jose C. Reyes v. Republic of the Philippines, G.R. No. 150862, August 3, 2006 which involved petitions for annulment of decisions of the RTC rendered in land registration cases.

[23] Elcee Farms, Inc. v. Semillano, 460 Phil. 81, 90 (2003).

[24] Macalalag v. Ombudsman, G.R. No. 147995, March 4, 2004, 424 SCRA 741, 745.

[25] Aguilar v. Civil Service Commission, G.R. No. 144001, September 26, 2000.

[26] Denina v. Sps. Cuaderno, G.R. No. 139244, July 24, 2000.

[27] Supra note 24.

[28] Id. at 746.

[29] Comprehensive Agrarian Reform Law or CARL.

[30] "An Act Expanding the Jurisdiction of the Court of Appeals, amending for the purpose Section 9 of Batas Pambansa Blg. 129, as amended, known as the Judiciary Reorganization Act of 1980." Effective March 18, 1995.

[31] Sec. 61. Procedure on Review. - Review by the Court of Appeals or the Supreme Court, as the case may be, shall be governed by the Rules of Court. The Court of Appeals, however, may require the parties to file simultaneous memoranda within a period of fifteen (15) days from notice, after which the case is deemed submitted for decision.

[32] Rule 43 provides:

Section 1. Scope. -- This Rule shall apply to appeals from judgments or final orders of the Court of Tax Appeals and from awards, judgments, final orders or resolutions of or authorized by any quasi-judicial agency in the exercise of its quasi-judicial functions. Among these agencies are the Civil Service Commission, Central Board of Assessment Appeals, Securities and Exchange Commission, Office of the President, Land Registration Authority, Social Security Commission, Civil Aeronautics Board, Bureau of Patents, Trademarks and Technology Transfer, National Electrification Administration, Energy Regulatory Board, National Telecommunications Commission, Department of Agrarian Reform under Republic Act No. 6657, Government Service Insurance System, Employees Compensation Commission, Agricultural Inventions Board, Insurance Commission, Philippine Atomic Energy Commission, Board of Investments, Construction Industry Arbitration Commission, and voluntary arbitrators authorized by law. (Emphasis ours)

Section 3. Where to Appeal. -- An appeal under this Rule may be taken to the Court of Appeals within the period and in the manner herein provided, whether the appeal involves questions of fact, of law, or mixed questions of fact and law.

[33] Villoriente v. Aplaya Laiya Corporation, G.R. No. 145013, March 31, 2005, 454 SCRA 493, 501. See also Valencia v. Court of Appeals, 449 Phil. 711, 729 (2003), where we upheld an appeal to the OP from a DAR Decision pursuant to DAR Memorandum Circular No. 3, series of 1994. This was reiterated in Heirs of Julian Dela Cruz v. Heirs of Alberto Cruz, G.R. No. 162890, November 22, 2005, 475 SCRA 743, 763.

[34] This has been amended by DAR Administrative Order 03, series of 2003.

[35] Lercana v. Jalandoni, 426 Phil. 319, 329 (2002).

[36] Supra note 9.

[37] Martillano v. Court of Appeals, G.R. No. 148277, June 29, 2004, 433 SCRA 195, 203-204.

[38] Mejia v. Gabayan, G.R. No. 149765, April 12, 2005, 455 SCRA 499, 524.

[39] CA rollo, p. 22.

[40] Id. at 24.

[41] Id. at 26.

[42] See *Batongbakal v. Zafra*, G.R. No. 141806, January 17, 2005, 448 SCRA 399, 412, citing *Mutuc v. Court of Appeals*, G.R. No. 48108, September 26, 1990, 190 SCRA 43, 49.

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