

LAND BANK OF THE PHILIPPINES, PETITIONER, VS. HERMIN ARCEO, ROMEO L. REYES, SANTOS, MACARIO A. IGNACIO, AGNES D.C. MARQUEZ AND RODEL V. DELA CRUZ, RESPONDENTS.

G.R. No. 158270. July 21, 2008

Ponente: REYES, R.T., J.

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REYES, R.T., J.:

THIS case illustrates an appeal deserving of dismissal not because of wrong mode of remedy but on the ground of tardiness. Once a judgment becomes final and executory, it becomes immutable. It can no longer be amended or modified.

Before Us is a petition for review on certiorari of the Resolutions[1] of the Court of Appeals (CA) dismissing the notice of appeal of petitioner Land Bank of the Philippines (LBP) from a Decision[2] of the Regional Trial Court (RTC) in a petition for determination of just compensation.

The Facts

In 1983, respondent Hermin E. Arceo acquired a 7.9842-hectare parcel of agricultural land situated in San Antonio, Nueva Ecija. The land was registered in his name under Transfer Certificate of Title No. NT-187449 of the Registry of Deeds of Nueva Ecija.

On April 29, 1998, respondent Arceo voluntarily offered to sell his agricultural land to the government under the provisions of Comprehensive Agrarian Reform Law (CARL).[3] The Department of Agrarian Reform (DAR) responded with a Notice of Acquisition, advising respondent Arceo that petitioner LBP shall make a determination of the value of his landholding pursuant to Executive Order No. 405.

After an ocular inspection of the agricultural land in the presence of some members of the Barangay Agrarian Reform Committee, petitioner LBP valued the entire landholding at P47,140.50 per hectare or a total of P376,379.18.[4]

Respondent Arceo rejected LBP's valuation. He elevated the matter to the Department of Agrarian Reform Adjudication Board (DARAB) in Nueva Ecija.

From the position papers submitted by the parties at the DARAB, it appeared that after respondent Arceo acquired what used to be an unproductive land from Nicolas Lumague of Malolos, Bulacan in 1983 at P391,700 per hectare, or a total of P3,127,411.14, he infused a considerable amount of capital for its improvement. He had the land bulldozed and cleared of "talahib" and "cogon" grass. He also treated the land with chemicals that would prevent further growth of weeds and other undesirable plants. He also provided it with water wells, dikes and irrigation canals. All these cost him a total of P574,862.40.[5]

Prior to its acquisition by DAR, respondent Arceo had the land planted with a variety of crops such as sorghum, palay, melon and other vegetables such as, but not limited to, corn, string beans, mongo. For planting palay from 1985 to 1990, he earned P748,518.75. For planting sorghum from 1991 to 1996, he earned P4,215,640.00. For

planting other alternate crops between 1991 and 1996, he also derived additional income amounting to P3,592,890.00, which brought his produce to the total amount of P8,557,048.75.[6]

On September 23, 1999, DARAB rendered a decision fixing just compensation for the entire landholding at P8,577,048.75. Petitioner LBP moved for reconsideration but its motion was denied.

Undaunted, petitioner LBP sought judicial intervention with the RTC in Nueva Ecija pursuant to Section 18 of Republic Act (R.A.) No. 6657, which provides:

Section 18. Valuation and Mode of Compensation. - The LBP shall compensate the landowner in such amount as may be agreed upon by the landowner and the DAR and the LBP, in accordance with the criteria provided for in Section 16 and 17 hereof, or as may be finally determined by the court, as just compensation for the land. (Emphasis supplied)

RTC Disposition

On October 30, 2001, the RTC rendered a decision in favor of private respondent Arceo, with a fallo reading, thus:

WHEREFORE, premises considered, judgment is hereby rendered:

- Ordering the defendant Land Bank of the Philippines to pay to the Private Respondent Hermin E. Arceo the amount of P11,684,459.85 representing just compensation of the property with an area of 7.9842 hectares covered by TCT No. NT-187449 with legal interest from April 20, 1998 until fully paid in the mode of compensation as prescribed under Sec. 18 of RA 6657; and
- Declaring the plaintiff entitled to the additional five (5%) percent cash payment under Sec. 19 thereof by way of incentive to plaintiff's voluntary offer to sell his property.

No pronouncement as to costs.

SO ORDERED.[7]

Petitioner LBP moved for reconsideration but its motion was denied.[8] It then filed a notice of appeal with the RTC under Rule 41 of the 1997 Rules of Civil Procedure.

CA Disposition

On January 7, 2003, the CA issued a resolution dismissing the notice of appeal of petitioner LBP for being an improper mode of remedy. The CA held that the proper mode of appeal from a decision of the RTC under the CARL is a petition for review under Rule 43, not a notice of appeal under Rule 41 of the 1997 Rules of Civil Procedure, thus:

Sec. 60 of Republic Act 6657 otherwise known as the Comprehensive Agrarian Reform Code of the Philippines provides that "(A)n appeal may be taken from the decision of the Special Agrarian Court by filing a petition for review with the Court of Appeals within fifteen (15) days from the receipt of the notice of the decision, otherwise the decision shall become final x x x."

In the instant case, the trial court acting as a Special Agrarian Court for the determination of just compensation, rendered the assailed decision; instead of filing a petition for review, petitioner filed a notice of appeal.

In view of the provisions of RA 6657, the instant appeal is hereby ordered DISMISSED for being a wrong remedy.

SO ORDERED.[9]

Petitioner LBP sought reconsideration but it was denied on May 8, 2003. Hence, the present petition for review on certiorari.

During the pendency of the appeal with the CA, this Court rendered a decision in the similar case of *Land Bank of the Philippines v. De Leon*,^[10] reiterating that the proper mode of appeal from a decision of the RTC in a petition for determination of just compensation is a petition for review, thus:

A petition for review, not an ordinary appeal, is the proper procedure in effecting an appeal from decisions of the Regional Trial Courts acting as Special Agrarian Courts in cases involving the determination of just compensation to the landowners concerned. Section 60 of RA 6657 clearly and categorically states that the said mode of appeal should be adopted. There is no reason for a contrary interpretation. Where the law is clear and categorical, there is no room for construction, but only application.^[11]

In a motion for reconsideration, this Court clarified the *Land Bank of the Philippines v. De Leon*^[12] ruling to apply prospectively from March 20, 2003, thus:

On account of the absence of jurisprudence interpreting Section 60 and 61 of RA 6657 regarding the proper way to appeal decisions of Special Agrarian Courts, as well as the conflicting decisions of the Court of Appeals thereon, LBP cannot be blamed for availing of the wrong mode. Based on its own interpretation and reliance on the *Buenaventura* ruling, LBP acted on the mistaken belief that an ordinary appeal is the appropriate manner to question decisions of Special Agrarian Courts.

Hence, in the light of the aforementioned circumstances, we find it proper to emphasize the prospective application of our Decision dated September 10, 2002. A prospective application of our Decision is not only grounded on equity and fair play but also based on the constitutional tenet that rules of procedure shall not impair substantive rights.^[13]

Issues

Petitioner LBP raises triple issues for Our consideration, thus:

A

THE HONORABLE COURT OF APPEALS COMMITTED A SERIOUS ERROR OF LAW WHEN IT RULED THAT NOTICE OF APPEAL IS A "WRONG REMEDY" IN APPEALING THE DECISION OF A SPECIAL AGRARIAN COURT TO THE SAME APPELLATE COURT, IN UTTER DISREGARD OF THIS HONORABLE COURT'S EN BANC RESOLUTION DATED 20 MARCH 2003 IN G.R. NO. 143275 TITLED "*LAND BANK OF THE PHILIPPINES VS. ARLENE DE LEON AND BERNARDO DE LEON*" WHICH CLARIFIED THAT ITS DECISION THEREIN DATED 10 SEPTEMBER 2002 SHOULD BE ACCORDED PROSPECTIVE APPLICATION. HENCE, PRIOR TO THE FINALITY OF THE DECISION DATED 10 SEPTEMBER 2002, NOTICE OF APPEAL AND PETITION FOR REVIEW, AS MODES OF APPEAL, ARE LEGALLY PERMISSIBLE.

B

THE HONORABLE COURT OF APPEALS COMMITTED A SERIOUS ERROR OF LAW WHEN IT MADE A STRICT OR RIGID INTERPRETATION OF A PROCEDURAL LAW AT THE EXPENSE OF SUBSTANTIAL JUSTICE AND THE RIGHT TO APPEAL OF PETITIONER.

C

THE HONORABLE COURT OF APPEALS COMMITTED A SERIOUS ERROR OF LAW WHEN IT IGNORED SECTION 6, RULE I OF THE 1997 RULES OF CIVIL PROCEDURE IN REGARD TO THE LIBERAL CONSTRUCTION THEREOF TO PROMOTE THEIR OBJECT AND ASSIST THE PARTIES IN OBTAINING A JUST, SPEEDY AND INEXPENSIVE DETERMINATION OF EVERY ACTION OR PROCEEDING, AND APPLICABLE JURISPRUDENCE ON THE MATTER LAID DOWN BY THIS

HONORABLE COURT.[14] (Underscoring supplied)

Essentially, petitioner LBP imputes to the CA the lone error of dismissing its notice of appeal in view of this Court's resolution that the De Leon decision will only apply prospectively from March 20, 2003.

Our Ruling

Ruling in De Leon case applies: notice of appeal still a proper remedy before March 20, 2003.

It can hardly be disputed that the instant case is covered by the Court's ruling in De Leon. In De Leon, this Court affirmed that the proper mode of appeal from a decision of the RTC, sitting as a special agrarian court, in a petition for determination of just compensation is a petition for review under Rule 43, not by a notice of appeal under Rule 41 of the 1997 Rules of Civil Procedure. This Court, however, later clarified that its decision in De Leon must be applied prospectively from March 20, 2003. This means that a notice of appeal filed before March 20, 2003 may still be given due course.

Records show that the notice of appeal was filed by petitioner LBP on February 13, 2002, or before the March 20, 2003 cut off. Thus, the CA resolution of outright dismissal of the appeal is flawed.

In fairness to the CA, however, there is no way in which the said court could have foreseen that this Court would revisit the decision in De Leon and opt to apply it prospectively. De Leon was originally promulgated on September 10, 2002. There, this Court was explicit that a notice of appeal is a wrong mode of appeal from the RTC decision in a petition for determination of just compensation. The CA merely followed the De Leon ruling when it dismissed the appeal of petitioner LBP on January 7, 2003.

As it turned out, this Court revisited De Leon in a motion for reconsideration and ruled, based on equity and fair play, that its decision must only be given prospective application. This meant that a notice of appeal filed before March 20, 2003 may still be given due course. By then, the CA stuck to its original resolution and denied the motion for reconsideration of petitioner LBP.

At any rate, the prospective application of the De Leon decision is now part of jurisprudence. The doctrine of stare decisis dictates that We must apply the ruling in De Leon to the present petition. On this score, the CA erred in dismissing the notice of appeal of petitioner LBP.

The RTC decision is already final and executory; doctrine of finality of judgments

Notwithstanding the procedural lapse of the appellate court, We still affirm the RTC decision for having attained finality. The doctrine of finality of judgments provides that once judgment had become final and executory, it becomes immutable and can no longer be amended or modified. In *Gallardo-Corro v. Gallardo*, [15] this Court held:

Nothing is more settled in law than that once a judgment attains finality it thereby becomes immutable and unalterable. It may no longer be modified in any respect, even if the modification is meant to correct what is perceived to be an erroneous conclusion of fact or law, and regardless of whether the modification is attempted to be made by the court rendering it or by the highest court of the land. Just as the losing party has the right to file an appeal within the prescribed period, the winning party also has the correlative right to enjoy the finality of the resolution of his case. The doctrine of finality of judgment is grounded on fundamental considerations of public policy and sound practice, and that, at the risk of occasional errors, the judgments or orders of courts must become final at some definite time fixed by law; otherwise, there would be no end to litigations, thus setting to naught the main role of courts of justice which is to assist in the enforcement of the rule of law and the maintenance of peace and order by setting justiciable controversies with finality.[16]

In the recent case of *Social Security System v. Isip*,[17] this Court reiterated the long established doctrine, thus:

When a final judgment is executory, it becomes immutable and unalterable. It may no longer be modified in any respect either by the court which rendered it or even by this Court. The doctrine is founded on considerations of public policy and sound practice that, at the risk of occasional errors, judgments must become final at some definite point in time.

The doctrine of immutability and inalterability of a final judgment has a two-fold purpose: (1) to avoid delay in the administration of justice and thus, procedurally, to make orderly the discharge of judicial business and (2) to put an end to judicial controversies, at the risk of occasional errors, which is precisely why courts exist. Controversies cannot drag on indefinitely. The rights and obligations of every litigant must not hang in suspense for an indefinite period of time.[18]

Records reveal that the RTC decision had attained finality. Per certification issued by the Postmaster of San Fernando, Pampanga,[19] petitioner LBP received a copy of the RTC decision on December 3, 2001. It had fifteen (15) days, or until December 18, 2001, to file a motion for reconsideration or to appeal the RTC decision. Petitioner filed a motion for reconsideration only on December 20, 2001, or two (2) days beyond the reglementary period.[20] At that time, the RTC decision was already final and executory. It is well-settled that court orders and decisions become final and executory by operation of law.[21] It is the lapse of time which renders a court decision final and immutable.

The Constitution mandates payment of just compensation before the State may acquire private property. A landowner deserves nothing less than prompt and due payment.

Itinatadhana ng Konstitusyon ang pagbabayad ng tamang halaga bago makuha ng Estado ang pag-aaring pribado. Marapat na ang may-ari ng lupa ay tumanggap agad ng kaukulang bayad.

Here, respondent Arceo waited for more than ten (10) years for fair payment of his landholdings. To date, the State still owes him just compensation. Given the finality of the RTC decision and the considerable lapse of time since the State acquired the subject property, it is only fair that respondent Arceo should be paid his just compensation in accordance with the final and executory RTC decision.

WHEREFORE, the petition is DENIED for lack of merit.

SO ORDERED.

Ynares-Santiago, (Chairperson), Quisumbing, Austria-Martinez, and Nachura, JJ., concur.

* Vice Associate Justice Minita V. Chico-Nazario. Justice Nazario is on official leave per Special Order No. 508 dated June 25, 2008.

[1] Rollo, pp. 49-50. Resolution dated January 7, 2003 and Resolution dated May 8, 2003, both penned by Associate Justice Jose L. Sabio, with Associate Justices Portia Aliño-Hormachuelos and Amelita G. Tolentino, concurring.

[2] Id. at 216-225.

[3] Republic Act No. 6657. Effective on June 15, 1988.

[4] Rollo, p. 167.

[5] Id. at 127.

[6] Id.

[7] Id. at 225.

[8] Id. at 500.

[9] Id. at 49.

[10] G.R. No. 143275, September 10, 2002, 388 SCRA 537.

[11] Land Bank of the Philippines v. De Leon, id. at 543.

[12] G.R. No. 143275, March 20, 2003, 399 SCRA 376.

[13] Land Bank of the Philippines v. De Leon, id. at 382-383.

[14] Rollo, pp. 29-30.

[15] G.R. No. 136228, January 30, 2001, 350 SCRA 568.

[16] Gallardo-Corro v. Gallardo, id. at 578.

[17] G.R. No. 165417, April 4, 2007, 520 SCRA 310.

[18] Social Security System v. Isip, id. at 315.

[19] Id. at 496.

[20] The 15-day period expired on December 18, 2001, which is a Tuesday.

[21] Testate Estate of Maria Manuel Vda de Biascan v. Biascan, G.R. No. 138731, December 11, 2000, 347 SCRA 621.

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