

LAND BANK OF THE PHILIPPINES, PETITIONER, VS. ESTATE OF J. AMADO ARANETA, RESPONDENT.*G.R. No. 161796. February 08, 2012*

Ponente: VELASCO JR., J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-161796/>**VELASCO JR., J.:**

In these three petitions for review under Rule 45, petitioners Land Bank of the Philippines (Land Bank), Department of Agrarian Reform (DAR), and Ernesto B. Duran, et al. (Duran, et al.) separately assail and seek to nullify the Decision[2] of the Court of Appeals (CA) dated September 19, 2003 in CA-G.R. SP No. 65822 that set aside the February 7, 2001 Decision of the DAR Adjudication Board (DARAB) in DARAB Case No. 4176. Likewise sought to be annulled is the Resolution of the CA dated January 22, 2004[3] that denied separate motions for reconsideration of the September 19, 2003 Decision.

The reversed DARAB decision upheld the agrarian reform coverage of 1,266 hectares of respondent estate's 1,644.55-hectare property and its award to over a thousand farmer-beneficiaries. The CA's reversing decision, on the other hand, is hinged on the illegality of the coverage and the consequent award. According to the CA, the property in question, having meanwhile ceased to be agricultural, is not amenable to land reform coverage and, hence, falls outside of DAR's jurisdiction to implement agrarian enactments.

In G.R. No. 161796, petitioner Land Bank faults the CA insofar as it accorded retroactive exclusionary application to Presidential Proclamation No. (Proclamation) 1283,[4] as amended by Proclamation 1637.[5] In so doing, so Land Bank claims, the appellate court effectively but illegally extended exempt-coverage status to the subject land and in the process negated the purpose behind Presidential Decree No. (PD) 27: to emancipate rice/corn land tenant-farmers from the bondage of the soil under their tillage.

Pursuing cognate arguments, petitioner DAR, in G.R. No. 161830, assails the CA's holding, and the premises tying it together, on the department's jurisdiction over the property subject of the case.

In G.R. No. 190456, petitioners Duran, et al. take issue at the CA's pronouncement on the validity of service of the petition for review effected by respondent upon their long-deceased counsel of record, Atty. Eduardo Soliven Lara (Atty. Lara).[6] Like Land Bank and DAR, Duran, et al. impute reversible error on the CA for holding that the concerned farmer-beneficiaries never acquired ownership over their respective portions subject of the DAR award, owing to the prior conversion of the whole property to non-agricultural uses before the completion of the land reform process.

Per its Resolution of June 28, 2004, the Court ordered the consolidation of G.R. Nos. 161796 and 161830 with G.R. No. 163174 (Nell-Armin Raralio v. Estate of J. Amado Araneta). Another Resolution issued on November 17, 2010 directed that G.R. No. 190456 be consolidated with G.R. Nos. 161796, 161830 and 163174.

Due, however, to the denial, per Resolution of August 18, 2004, of the petition in G.R. No. 163174 and pursuant to entry of judgment dated December 9, 2004, the Court, by Resolution dated July 11, 2011, deconsolidated G.R.

No. 163174 with the other three cases and considered it closed and terminated.[7]

The Facts

At the heart of the controversy is a large tract of land, denominated as Lot No. 23 of the Montalban Cadastre (Lot 23), located in Brgy. Mascap, Montalban, Rizal with an area of 1,645 hectares, more or less. Lot 23 was originally registered in the name of Alfonso Doronilla (Doronilla) under Original Certificate of Title (OCT) No. 7924 of the Rizal Registry.

On June 21, 1974, then President Marcos issued Proclamation 1283, carving out a wide expanse from the Watershed Reservation in Antipolo, Rizal and reserving the segregated area for townsite purposes, "subject to private rights, if any there be." In its pertinent parts, Proclamation 1283 reads:

"Excluding from the Operation of Executive Order No. 33 dated July 26, 1904, as Amended by Executive Orders Nos. 14 and 16, Both Series of 1915, which Established the Watershed Reservation Situated in the Municipality of Antipolo, Province of Rizal, Island of Luzon, a Certain Portion of the Land Embraced therein and Reserving the Same, Together with the Adjacent Parcel of Land of the Public Domain, for Townsite Purposes Under the Provisions of Chapter XI of the Public Land Act"

Upon recommendation of the Secretary of Agriculture and Natural Resources x x x, I, FERDINAND E. MARCOS, President of the Philippines, do hereby exclude from the operation of Executive Order No. 33 dated July 26, 1904, as amended x x x, which established the Watershed Reservation situated in the Municipality of Antipolo, Province of Rizal, Island of Luzon, certain portions of land embraced therein and reserve the same, together with the adjacent parcel of land of the public domain, for townsite purposes under the provisions of Chapter XI of the Public Land Act, subject to private rights, if any there be, and to future subdivision survey in accordance with the development plan to be prepared and approved by the Department of Local Government and Community Development, which parcels are more particularly described as follows:

Lot A (Part of Watershed Reservation)

A parcel of land (Lot A of Proposed Poor Man's Baguio, being a portion of the Marikina Watershed, IN-2), situated in the municipality of Antipolo, Province of Rizal, Island of Luzon x x x;

[technical description omitted]

Containing an area of THREE THOUSAND SEVEN HUNDRED EIGHTY (3,780) Hectares, more or less.

Lot B (Alienable and Disposable Land)

A parcel of land (Lot B of Proposed Poor Man's Baguio, being a portion of alienable and disposable portion of public domain) situated in the municipality of Antipolo, Province of Rizal x x x;

[technical description omitted]

Containing an area of ONE THOUSAND TWO HUNDRED TWENTY FIVE (1,225) Hectares, more or less. (Emphasis supplied.)

Then came the amendatory issuance, Proclamation 1637 dated April 18, 1977, thereby increasing the size of the reservation, designated as "Lungsod Silangan Townsite" (LS Townsite), by 20.312 hectares and revising its technical description so as to include, within its coverage, other lands in the municipalities of San Mateo and Montalban, Rizal to absorb "the population overspill in Greater Manila Area," but again "subject to private rights, if any there be," thus:

Upon recommendation of the Secretary of Natural Resources x x x, I, FERDINAND E. MARCOS, President of the Philippines, do hereby amend Proclamation No. 1283, dated June 21, 1974 which established the

townsite reservation in the municipalities of Antipolo and San Mateo, Province of Rizal, Island of Luzon, by increasing the area and revising the technical descriptions of the land embraced therein, subject to private rights, if any there be, which parcel of land is more particularly described as follows:

(Proposed Lungsod Silangan Townsite)

A PARCEL OF LAND (Proposed Lungsod Silangan Townsite Reservation amending the area under SWO-41762 establishing the Bagong Silangan Townsite Reservation) situated in the Municipalities of Antipolo, San Mateo, and Montalban, Province of Rizal, Island of Luzon. Bounded on the E., along lines x x x.

Beginning at a point marked "1" on the Topographic Maps with the Scale of 1:50,000 which is the identical corner 38 IN-12, Marikina Watershed Reservation.

[technical description omitted]

Containing an area of TWENTY THOUSAND THREE HUNDRED TWELVE (20,312) hectares, more or less.

NOTE: all data are approximate and subject to change based on future survey. (Emphasis supplied.)

On November 9, 1977, Letter of Instructions No. (LOI) 625 addressed to several agencies was issued for the implementation of the aforementioned proclamations. The Office of the Solicitor General (OSG), in particular, was directed to initiate condemnation proceedings for the acquisition of private lands within the new townsite, among which was Lot 23 (the Doronilla property).

Prior to the issuance of the LS Townsite proclamations, the following events transpired:

(1) On October 21, 1972, PD 27 (Tenant's Emancipation Decree) was issued. In accordance with PD 27 in relation to LOI 474 and related issuances, the DAR undertook to place under the Operation Land Transfer (OLT) program of the government all tenanted rice/corn lands with areas of seven hectares or less belonging to landowners who own other agricultural lands of more than seven (7) hectares. In line with this program, the tenants of Doronilla tilling portions of his property, who claimed their primary crops to be rice and/or corn, organized themselves into farmers' cooperatives or Samahang Nayons and applied for certificates of land transfer (CLTs); and

(2) The DAR, to which the processed applications were forwarded, processed 106 CLTs involving 100 tenants-beneficiaries covering 73 hectares out of the total 1,645 hectares of Lot 23. However, out of the 106 CLTs generated, only 75 CLTs had actually been distributed.

Upon the issuance of Proclamation 1637 on April 18, 1977, on-going parcellary mapping, survey and other processing activities related to the Doronilla property were stopped.[8]

In 1978, the OSG, conformably with the directive embodied in LOI 625, filed with the then Court of First Instance (CFI) of Rizal an expropriation complaint against the Doronilla property. Meanwhile, on June 6, 1979, Doronilla issued a Certification,[9] copy furnished the Agrarian Reform Office, among other agencies, listing seventy-nine (79) "bona fide planters" he allegedly permitted to occupy a portion of his land. On September 9, 1987 or nine (9) years after it commenced expropriation proceedings, the OSG moved[10] for and secured, per the Rizal CFI Order[11] dated September 18, 1987, the dismissal of the expropriation case.

Earlier, or on March 15, 1983, J. Amado Araneta, now deceased, acquired ownership of the subject Doronilla property by virtue of court litigation. A little over a week later, he had OCT No. 7924 canceled and secured the issuance of Transfer Certificate of Title (TCT) No. N-70860 in his name.

On July 22, 1987, then President Corazon C. Aquino issued Proclamation No. 131 instituting the Comprehensive

Agrarian Reform Program (CARP). Thereafter, then DAR Undersecretary Jose C. Medina, in a memorandum of March 10, 1988, ordered the Regional Director of DAR Region IV to proceed with the OLT coverage and final survey of the Doronilla property.[12] Republic Act No. (RA) 6657, otherwise known as the Comprehensive Agrarian Reform Law (CARL)[13] of 1988, was then enacted, and took effect on June 15, 1988.

On July 27, 1989, Jorge L. Araneta, as heir of J. Amado Araneta and administrator of his estate, wrote the DAR Secretary requesting approval, for reasons stated in the covering letter, of the conversion of Lot 23 from agricultural to commercial, industrial and other non-agricultural uses.[14] Appended to the letter were maps, location clearance and other relevant documents. Through Jorge L. Araneta, respondent Estate of J. Amado Araneta (Araneta or Araneta Estate) would, however, reiterate the conversion request owing to what it viewed as DAR's inaction on said request.

On December 12, 1989, DAR issued a "Notice of Acquisition" addressed to Doronilla, covering 7.53 hectares of the land now covered by TCT No. 216746 and offering compensation at a valuation stated in the notice.[15] Alarmed by the turn of events whereby DAR was having its property, or a portion of it, surveyed, incidental to effecting compulsory land acquisition, the Araneta Estate addressed a letter[16] to DAR dated June 27, 1990, formally protesting the series of land surveys being conducted by the Bureau of Lands on what is now its property. It claimed that the CARL does not cover the said property, being part of the LS Townsite reservation, apart from being mountainous, with a slope of more than 70 degrees and containing commercial quantities of marble deposit. The Araneta Estate followed its protest letter with two (2) more letters dated June 20, 1990 and May 28, 1991, in which it reiterated its request for conversion, citing, for the purpose, Department of Justice (DOJ) Opinion No. 181, Series of 1990.[17]

On November 29, 1991, the Office of the Provincial Adjudication Board of Rizal set a hearing to determine the just compensation for the subject property, docketed as P.A. Case No. IV-Ri-0024-91. Notwithstanding Araneta's protest against the compulsory agrarian reform coverage and acquisition of the property in question, the Land Bank, nonetheless, proceeded to approve, on January 21, 1992, the land transfer claim (Claim No. EO-91-1266) covering 1,266 hectares. On February 26, 1992, Land Bank notified Araneta of its entitlement, upon its compliance with certain requirements, of the amount of Php 3,324,412.05, representing just compensation for its covered parcels of land.[18]

By September 25, 1990, some 1,200 emancipation patents (EPs) had been generated in favor of 912 farmer-beneficiaries and TCTs derived from the EPs issued.[19]

It is upon the foregoing backdrop of events that Araneta, sometime in April 1992, filed with the DARAB an action against the DAR and Land Bank for Cancellation of Compulsory Coverage under PD 27 and Exemption from CARL Coverage of the erstwhile Doronilla property, docketed as DARAB Case No. DCN-JC-RIV-R12-026-CO.[20] Thereafter, DARAB turned over the case folder to the Rizal Provincial Agrarian Reform Adjudicator (PARAD) where the matter was re-docketed as PARAD Case No. IV-Ri-0057-92. Before the Rizal PARAD Office and with its leave, some 1,022 individuals affiliated with different farmer groups intervened and filed an answer-in- intervention,[21] joining a group of earlier intervenors led by one Anastacia Ferrer claiming to be EP grantees.

Save for Land Bank, all the parties subsequently submitted their respective position papers.

Ruling of the Regional Adjudicator

By Decision dated October 17, 1994,[22] Regional Agrarian Reform Adjudicator (RARAD) Fe Arche-Manalang ruled against Araneta, denying its bid to have its property excluded from OLT coverage and/or the compulsory scheme under CARL. The fallo of the RARAD's Decision reads as follows:

WHEREFORE, premises considered, judgment is hereby rendered:

1. Dismissing the petition for lack of merit;
2. Upholding the OLT coverage of the property described in Paragraph 1 of the Petition, pursuant to the provision of P.D. 27 as affirmed by E.O. 228 in relation to Section 7 of R.A. 6657;
3. Affirming the regularity of the OLT processing undertaken on the subject Property and sustaining the validity of the Transfer Certificates of Title emanating from the Emancipation Patents generated in favor of the Intervenor-awardees;
4. Directing the Respondent Land Bank of the Philippines to effect and release immediate payment to the Petitioner-Landowner under approved Land Transfer Claim No. EO-91-1266 dated February 3, 1992; and
5. Without pronouncement as to costs.

SO ORDERED.

Therefrom, Araneta appealed to the DARAB proper. The appeal was docketed as DARAB Case No. 4176. In due time, the DARAB, following the RARAD's line that the intervenor-appellees were deemed owners of the land they tilled as of October 21, 1972, rendered a Decision dated February 7, 2001[23] affirming in toto that of the RARAD's, disposing as follows:

WHEREFORE, premises considered, this Board hereby AFFIRMS the appealed decision in toto without pronouncement as to costs.

SO ORDERED.

Just like that of the RARAD, the DARAB ruling did not name individuals in whose favor the EPs were specifically generated, albeit, 86 were, per Our count, impleaded as "intervenor-appellees" in DARAB Case No. 4176.

Subsequently, Araneta went to the CA via a petition for review under Rule 43 of the 1997 Rules of Civil Procedure on the stated principal issue of whether or not the DARAB in its appealed decision unduly expanded the scope of coverage of PD 27.

Ruling of the CA

By Decision of September 19, 2003, the CA, as earlier stated, set aside the Decision of the DARAB, in effect nullifying all the individual farm lots awards thus made by the DARAB ostensibly in favor of the named intervenor-appellees and necessarily all other unnamed awardees. The decretal portion of the CA decision reads as follows:

WHEREFORE, premises considered, the present petition is hereby GIVEN DUE COURSE. The challenged Decision of the DARAB in DARAB Case No. 4176 (Reg. Case No. IV-RI-0057-92) is hereby ANNULLED and SET ASIDE. The DARAB is hereby ordered to reconvey to petitioner [Araneta] the subject portions of petitioner's property embraced in TCT No. N-70860, earlier awarded to intervenors-appellees under their individual EPs now covered by their respective certificates of title, in accordance with pertinent administrative issuances of DARAB.

No pronouncement as to costs.

SO ORDERED.

In the main, the CA predicated its reversal action on the interplay of the ensuing premises, juxtaposed with the

pertinent pronouncements in the cited cases of *Natalia Realty, Inc. v. DAR*[24] and *Paris v. Alfeche*,[25] among other landmark agrarian cases, thus:

(1) Agricultural lands found within the boundaries of declared townsite reservations are reclassified for residential use. They ceased to be agricultural lands upon approval of their inclusion in the reservation, as in the case of agricultural lands situated within the LS Townsite reservation upon its establishment pursuant to Proclamation 1637.

(2) The processing of the OLT coverage of the Doronilla property was not completed prior to the passage of CARL or RA 6657; hence, the governing law should be RA 6657, with PD 27 and Executive Order No. (EO) 228[26] only having supplementary effect.

(3) Full payment of the cost of the land, inclusive of interest, is in every case considered a mandatory requirement prior to the transfer of the title to the farmer-beneficiary. Before that time, the term "subject to private rights, if any" found in Proclamation 1637 refers to the landowner's private rights. At the time Proclamation 1637 was issued, the farmer-beneficiaries of the Doronilla property have no "vested rights" yet under PD 27 to their allotted lot, as erroneously ruled by the DARAB.

(4) The DARAB, as the adjudicating arm of DAR, was divested of jurisdiction over the Araneta property upon its inclusion in the LS Townsite reservation by virtue of Proclamation 1637, as can be gleaned from LOI 625 which directed the implementation of Proclamation 1637.

From the foregoing decision, Land Bank, DAR/DARAB and Araneta separately moved for but were denied reconsideration by the appellate court in its Resolution of January 22, 2004.

In due time, Land Bank and DARAB/DAR interposed before the Court separate petitions for review.

On the other hand, in December 2009, or some six (6) years after the CA rendered its appealed judgment, Duran and eight others, as self-styled petitioners-intervenors, came to this Court on a petition for review under Rule 45. In a bid to justify the six-year hiatus between the two events, Duran, et al. claimed that, through the machinations of Araneta's counsel, they have been virtually kept in the dark about CA-G.R. SP No. 65822 and consequently were deprived of their right to appeal what turned out to be an adverse CA ruling. How the supposed deprivation came about, per Duran, et al.'s version, shall be explained shortly. Duran, et al. presently allege being EP holders over portions of the property in question, their rights to the patents having been decreed in the October 17, 1994 RARAD Decision, as affirmed by the DARAB.

The Issues

Apart from what it considers the appellate court's misapplication of the holdings in *Natalia Realty, Inc.* and *Paris*, Land Bank, in G.R. No. 161796,[27] ascribes to the CA the commission of serious errors of law:

1)

When it gave retroactive effect or application to Proclamation Nos. 1283 & 1637 resulting in the negation of "full land ownership to qualified farmer-beneficiaries covered by P.D. No. 27 x x x."

2)

When it gave imprimatur to the virtual conversion through Proclamation Nos. 1283 & 1637 of erstwhile agricultural lands to residential use without the requisite expropriation/condemnation proceedings pursuant to LOI No. 625.

3)

When it upheld the nullification of the CLTs and EPs in the name of farmer-beneficiaries through a mere collateral attack which is not allowed by law.

4)

When it recognized respondent's alleged private right which had been reduced into a mere claim for just compensation upon promulgation or effectivity of P.D. No. 27 on October 21, 1972.

In G.R. No. 161830,[28] the DAR raises the following issues:

1)

Whether the subject agricultural landholding is exempt from CARP coverage, being non-agricultural, pursuant to Proclamation Nos. 1283, as amended, over and above the statutory emancipation of the tenants from the bondage of the soil under P.D. No. 27;

2)

Whether or not DAR was no longer possessed of jurisdiction over respondent Araneta's landholding after the same was included in the LS Townsite; and

3)

Whether or not DAR should reconvey to Araneta the portion of its property that was subjected to OLT under P.D. 27.

Aside from the procedural concerns articulated in their petition, the main substantive issue raised by Duran, et al. in G.R. No. 190456,[29] as outlined at the outset, revolves around the question, and its implication on their ownership rights over a portion of the subject estate, of whether or not the process of land reform was incomplete at the time of issuance of Proclamation 1637.

The different but oftentimes overlapping issues tendered in this consolidated recourse boil down to this relatively simple but pregnant question: whether or not the Doronilla, now the Araneta, property, in light of the issuance of the land reclassifying Proclamation 1283, as amended, is, as held by the CA, entirely outside the ambit of PD 27 and RA 6657, and, thus, excluded from compulsory agrarian reform coverage, unfettered by the private claim of the farmer-beneficiaries.

The Court's Ruling

We find the petitions partly meritorious.

Classification of the Doronilla Property

Several basic premises should be made clear at the outset. Immediately prior to the promulgation of PD 27 in October 1972, the 1,645-hectare Doronilla property, or a large portion of it, was indisputably agricultural, some parts devoted to rice and/or corn production tilled by Doronilla's tenants. Doronilla, in fact, provided concerned government agencies with a list of seventy-nine (79)[30] names he considered bona fide "planters" of his land. These planters, who may reasonably be considered tenant-farmers, had purposely, so it seems, organized themselves into Samahang Nayon(s) so that the DAR could start processing their applications under the PD 27 OLT program. CLTs were eventually generated covering 73 hectares, with about 75 CLTs actually distributed to the tenant-beneficiaries. However, upon the issuance of Proclamation 1637, "all activities related to the OLT were stopped." [31]

The discontinuance of the OLT processing was obviously DAR's way of acknowledging the implication of the townsite proclamation on the agricultural classification of the Doronilla property. It ought to be emphasized, as a

general proposition, however, that the former agricultural lands of Doronilla--situated as they were within areas duly set aside for townsite purposes, by virtue particularly of Proclamation 1637--were converted for residential use. By the terms of Natalia Realty, Inc., they would be exempt from land reform and, by necessarily corollary, beyond DAR's or DARAB's jurisdictional reach. Excerpts from Natalia Realty, Inc.:

We now determine whether such lands are covered by the CARL. Section 4 of R.A. 6657 provides that the CARL shall "cover, regardless of tenurial arrangement and commodity produced, all public and private agricultural lands." As to what constitutes "agricultural land," it is referred to as "land devoted to agricultural activity as defined in this Act and not classified as mineral, forest, residential, commercial or industrial land." The deliberations of the Constitutional Commission confirm this limitation. "Agricultural lands" are only those lands which are "arable and suitable agricultural lands" and "do not include commercial, industrial and residential lands."

Based on the foregoing, it is clear that the undeveloped portions of the Antipolo Hills Subdivision cannot in any language be considered as 'agricultural lands.' These lots were intended for residential use. They ceased to be agricultural lands upon approval of their inclusion in the Lungsod Silangan Reservation. x x x

x x x x

Since the NATALIA lands were converted prior to 15, June 1988, respondent DAR is bound by such conversion. It was therefore error to include the undeveloped portions of the Antipolo Hills Subdivision within the coverage of CARL.[32] (Emphasis added; italics in the original.)

Guided by the foregoing doctrinal pronouncement, the key date to reckon, as a preliminary matter, is the precise time when Doronilla's Lot 23, now Araneta's property, ceased to be agricultural. This is the same crucial cut-off date for considering the existence of "private rights" of farmers, if any, to the property in question. This, in turn, means the date when Proclamation 1637 establishing LS Townsite was issued: April 18, 1977. From then on, the entire Lot 23 was, for all intents and purposes, considered residential, exempted ordinarily from land reform, albeit parts of the lot may still be actually suitable for agricultural purposes. Both the Natalia lands, as determined in Natalia Realty, Inc., and the Doronilla property are situated within the same area covered by Proclamation 1637; thus, the principles regarding the classification of the land within the Townsite stated in Natalia Realty, Inc. apply *mutatis mutandis* to the instant case.

Applicability of PD 27, RA 6657
and Proclamation 1637 to the Doronilla Estate

From the standpoint of agrarian reform, PD 27, being in context the earliest issuance, governed at the start the disposition of the rice-and-corn land portions of the Doronilla property. And true enough, the DAR began processing land transfers through the OLT program under PD 27 and thereafter issued the corresponding CLTs. However, when Proclamation 1637 went into effect, DAR discontinued with the OLT processing. The tenants of Doronilla during that time desisted from questioning the halt in the issuance of the CLTs. It is fairly evident that DAR noted the effect of the issuance of Proclamation 1637 on the subject land and decided not to pursue its original operation, recognizing the change of classification of the property from agricultural to residential.

When it took effect on June 15, 1988, RA 6657 became the prevailing agrarian reform law. This is not to say, however, that its coming into effect necessarily impeded the operation of PD 27, which, to repeat, covers only rice and corn land. Far from it, for RA 6657, which identifies "rice and corn land" under PD 27 as among the properties the DAR shall acquire and distribute to the landless,[33] no less provides that PD 27 shall be of suppletory application. We stated in *Land Bank of the Philippines v. Court of Appeals*, "We cannot see why Sec. 18 of R.A. 6657 should not apply to rice and corn lands under P.D. 27. Section 75 of R.A. 6657 clearly states that

the provisions of P.D. 27 and E.O. 228 shall only have a suppletory effect." [34]

All told, the primary governing agrarian law with regard to agricultural lands, be they of private or public ownership and regardless of tenurial arrangement and crops produced, is now RA 6657. Section 3(c) of RA 6657 defines "agricultural lands" as "lands devoted to agricultural activity as defined in the Act and not classified as mineral, forest, residential, commercial or industrial land." The DAR itself refers to "agricultural lands" as:

those devoted to agricultural activity as defined in RA 6657 and not classified as mineral or forest by the Department of Environment and Natural Resources (DENR) and its predecessor agencies, and not classified in town plans and zoning ordinances as approved by the Housing and Land Use Regulatory Board (HLURB) and its preceding competent authorities prior to 15 June 1988 for residential, commercial or industrial use. [35]

At the time of the effectivity of RA 6657 on June 15, 1998, the process of agrarian reform on the Doronilla property was, however, to reiterate, far from complete. In fact, the DAR sent out a Notice of Acquisition to Araneta only on December 12, 1989, after the lapse of around 12 years following its discontinuance of all activities incident to the OLT.

Proclamation 1637, a martial law and legislative-powers issuance, partakes the nature of a law. In *Natalia Realty, Inc.*, the Court in fact considered and categorically declared Proclamation 1637 a special law, since it referred specifically to the LS Townsite Reservation. [36] As such, Proclamation 1637 enjoys, so *Natalia Realty, Inc.* intones, applying basic tenets of statutory construction, primacy over general laws, like RA 6657.

In light of the foregoing legal framework, the question that comes to the fore is whether or not the OLT coverage of the Doronilla property after June 15, 1988, ordered by DAR pursuant to the provisions of PD 27 and RA 6657, was still valid, given the classificatory effect of the townsite proclamation.

To restate a basic postulate, the provisions of RA 6657 apply only to agricultural lands under which category the Doronilla property, during the period material, no longer falls, having been effectively classified as residential by force of Proclamation 1637. It ceased, following *Natalia Realty, Inc.*, to be agricultural land upon approval of its inclusion in the LS Townsite Reservation pursuant to the said reclassifying presidential issuance. In this regard, the Court cites with approval the following excerpts from the appealed CA decision:

The above [*Natalia Realty, Inc.*] ruling was reiterated in *National Housing Authority vs. Allarde* where the Supreme Court held that lands reserved for, converted to, non-agricultural uses by government agencies other than the [DAR], prior to the effectivity of [RA] 6657 x x x are not considered and treated as agricultural lands and therefore, outside the ambit of said law. The High Court declared that since the Tala Estate as early as April 26, 1971 was reserved, inter alia, under Presidential Proclamation No. 843, for the housing program of the [NHA], the same has been categorized as not being devoted to agricultural activity contemplated by Section 3(c) of R.A. No. 6657, and therefore outside the coverage of CARL. [37] (Emphasis supplied.)

"Private Rights" and Just Compensation as Payment

Unlike in *Natalia Realty, Inc.*, however, where pre-existing tenancy arrangement over the Natalia land, among other crucial considerations, was not part of the equation, this case involves farmers claiming before April 18, 1979 to be actual tenants of the rice and/or corn portion of the Doronilla property. The Court has, to be sure, taken stock of the fact that PD 27 ordains the emancipation of tenants and "deems" them owners of the rice and corn lands they till as of October 21, 1972. The following provisions of the decree have concretized this emancipation and ownership policy:

This [decree] shall apply to tenant farmers of private agricultural lands primarily devoted to rice and corn under a system of sharecrop or lease-tenancy, whether classified as landed estate or not;

The tenant farmer x x x shall be deemed owner of a portion constituting a family-size farm of five (5) hectares

if not irrigated and three (3) hectares if irrigated. (Emphasis added.)

Complementing PD 27 is EO 228, Series of 1987, Sec. 1 of which states, "All qualified farmer beneficiaries are now deemed full owners as of October 21, 1972 of the land they acquired by virtue of Presidential Decree No. 27." (Emphasis supplied.)

Petitioners DAR, Land Bank and Duran, et al. uniformly maintain that the PD 27 tenant-beneficiaries have acquired "vested rights" over the lands they tilled as of October 21, 1972 when the decree took effect. Pursuing this point, they argue that, as of that date, the farmer-beneficiaries were "deemed owners" of what was to be Araneta's property, and the issuance of Proclamation 1637 did not alter the legal situation.

The CA, however, was of a different mind, predicated its stance on the following:

Since actual title remained with the landowner Alfonso Doronilla at the time Presidential Proclamation No. 1637 was issued in 1977, it follows that it is the "private rights" of such owner which are contemplated by the exemption declared in said proclamation. Definitely, the proviso "subject to private rights" could not refer to the farmer-tenants the process of land reform having just been commenced with the filing of their application with the DAR. The conclusion finds support in a similar proclamation covering the Baguio Townsite Reservation. Our Supreme Court in a case involving an application for registration of lots situated within the Baguio Townsite Reservation cited the decision dated November 13, 1922 of the Land Registration Court in Civil Reservation No. 1, GLRO Record No. 211, which held that all lands within the Baguio Townsite are public land with the exception of (1) lands reserved for specific public uses and (2) lands claimed and adjudicated as private property. It is therefore in that sense that the term "private rights" under the subject proviso in Presidential Proclamation No. 1637 must be understood.[38] x x x (Emphasis added.)

In fine, the CA held that the "private rights" referred to in the proclamation pertained to the rights of the registered owner of the property in question, meaning Doronilla or Araneta, as the case may be.

The Court cannot lend full concurrence to the above holding of the appellate court and the consequent wholesale nullification of the awards made by the DARAB.

The facts show that several farmer-beneficiaries received 75 CLTs prior to the issuance of Proclamation 1637 on June 21, 1974. The 75 CLTs seemingly represent the first batch of certificates of bona fide planting rice and corn. These certificates were processed pursuant to the OLT program under PD 27. It bears to stress, however, that the mere issuance of the CLT does not vest on the recipient-farmer-tenant ownership of the lot described in it. At best, the certificate, in the phraseology of *Vinzons-Magana v. Estrella*,^[39] "merely evidences the government's recognition of the grantee as the party qualified to avail of the statutory mechanisms for the acquisition of ownership of the land [tilled] by him as provided under [PD] 27."

The clause "now deemed full owners as of October 21, 1972" could not be pure rhetoric, without any beneficial effect whatsoever descending on the actual tillers of rice and/or corn lands, as the appealed decision seems to convey. To Us, the clause in context means that, with respect to the parcel of agricultural land covered by PD 27 and which is under his or her tillage, the farmer-beneficiary ipso facto acquires, by weight of that decree, ownership rights over it. That ownership right may perhaps not be irrevocable and permanent, nay vested, until the tenant-farmer shall have complied with the amortization payments on the cost of the land and other requirements exacted in the circular promulgated to implement PD 27. *Vinzons-Magana* holds:

This Court has therefore clarified that it is only compliance with the prescribed conditions which entitled the farmer/grantee to an emancipation patent by which he acquires the vested right of absolute ownership in the landholding--a right which has become fixed and established and is no longer open to doubt and controversy.[40] x x x

Said ownership right is, nonetheless, a statutory right to be respected.

Plainly enough then, the farmer-beneficiaries vis-à-vis the PD 27 parcel they till, especially that brought within the coverage of OLT under PD 27, own in a sense the lot which they can validly set up against the original owners notwithstanding the fact that the latter have not yet been paid by Land Bank and/or even if the farmers have not yet fully paid their amortization obligation to the Land Bank, if that be the case. After all, the former landowners, by force of PD 27, is already divested of their ownership of the covered lot, their right to payment of just compensation or of the un-amortized portion payable by Land Bank[41] being assured under EO 228 and RA 6657.

If only to stress, while the PD 27 tenant-farmers are considered the owners by virtue of that decree, they cannot yet exercise all the attributes inherent in ownership, such as selling the lot, because, with respect to the government represented by DAR and LBP, they have in the meantime only inchoate rights in the lot--the being "amortizing owners." This is because they must still pay all the amortizations over the lot to Land Bank before an EP is issued to them. Then and only then do they acquire, in the phraseology of Vinzons-Magana, "the vested right of absolute ownership in the landholding."

This brings us to the question, to whom does "private rights" referred to in Proclamation 1637 pertain? Absent any agrarian relationship involving the tract of lands covered by the proclamation, We can categorically state that the reference is to the private rights of the registered lot owner, in this case Doronilla and subsequently, Araneta. But then the reality on the ground was that the Araneta property or at least a portion was placed under OLT pursuant to PD 27 and subject to compulsory acquisition by DAR prior to the issuance of Proclamation 1637 on June 21, 1974, and 75 CLTs were also issued to the farmer-beneficiaries. Stated a bit differently, before Proclamation 1637 came to be, there were already PD 27 tenant-farmers in said property. In a very real sense, the "private rights" belong to these tenant-farmers. Since the said farmer-beneficiaries were deemed owners of the agricultural land awarded to them as of October 21, 1972 under PD 27 and subsequently deemed full owners under EO 228, the logical conclusion is clear and simple: the township reservation established under Proclamation 1637 must yield and recognize the "deemed ownership rights" bestowed on the farmer-beneficiaries under PD 27. Another way of looking at the situation is that these farmer-beneficiaries are subrogated in the place of Doronilla and eventual transferee Araneta.

To Us, the private rights referred to in Proclamation 1637 means those of the farmer-beneficiaries who were issued the 75 CLTs. As to them, farm lots are EXCLUDED from the coverage of Proclamation 1637 and are governed by PD 27 and subsequently RA 6657.

With respect to the 912 farmer-beneficiaries who were issued around 1,200 EPs as a result of the DAR Notice of Acquisition dated December 12, 1989, We are constrained to affirm the CA ruling invalidating the individual lot awarded to them. Obviously, they are not rice/corn land tenant-farmers contemplated in PD 27. They do not possess the rights flowing from the phrase "deemed owner as of October 21, 1972." In this regard, the Court notes only too distinctly that Doronilla no less only named some 79 individuals as coming close to being legitimate PD 27 tenant-farmers of Lot 23. We reiterate the ensuing pronouncement in Natalia Realty, Inc., as cited by the CA, that agricultural lands reclassified as a residential land are outside the ambit of compulsory acquisition under RA 6657 ought to be brought to bear against the 912 farmer-beneficiaries adverted to:

The issue of whether such lands of the Lungsod Silangan Townsite are covered by the Comprehensive Agrarian Reform Law of 1988, the Supreme Court categorically declared, viz:

We now determine whether such lands are covered by the CARL. Section 4 of R.A. 6657 provides that CARL shall `cover, regardless of tenurial agreement and commodity produced, all public and private agricultural

lands.' As to what constitutes 'agricultural land,' it is referred to as 'land devoted to agricultural activity as defined in this Act and not classified as mineral, forest, residential, commercial or industrial land.' The deliberations of the Constitutional Commission confirm this limitation. 'Agricultural lands' are only those lands which are 'arable and suitable agricultural lands' and do not include commercial, industrial and residential lands.'

"Based on the foregoing, it is clear that the undeveloped portions of the Antipolo Hills Subdivision cannot in any language be considered as 'agricultural lands.' These lots were intended for residential use. They ceased to be agricultural lands upon approval of their inclusion in the Lungsod Silangan Reservation. Even today, the areas in question continued to be developed as a low-cost housing subdivision, albeit at a snail's pace. x x x

"Indeed, lands not devoted to agricultural activity are outside the coverage of CARL. These include lands previously converted to non-agricultural uses prior to the effectivity of CARL by government agencies other than respondent DAR. In its Revised Rules and Regulations Governing Conversion of Private Agricultural Lands to Non-Agricultural Uses, DAR itself defined 'agricultural land'; thus -

'x x x Agricultural land refers to those devoted to agricultural activity as defined in R.A. 6657 and not classified as mineral or forest by the Department of Environment and Natural Resources (DENR) and its predecessor agencies, and not classified in town plans and zoning ordinances as approved by the Housing and Land Use Regulatory Board (HLURB) and its preceding competent authorities prior to June 15, 1988 for residential, commercial or industrial use.'

"Since the NATALIA lands were converted prior to 15 June 1988, respondent DAR is bound by such conversion. It was therefore error to include the undeveloped portions of the Antipolo Hills Subdivision within the coverage of CARL.

"Be that as it may, the Secretary of Justice, responding to a query by the Secretary of Agrarian Reform noted in an Opinion that lands covered by Presidential Proclamation No. 1637, inter alia, of which the NATALIA lands are part, having been reserved for townsite purposes 'to be developed as human settlements by the proper land and housing agency,' are not deemed 'agricultural lands' within the meaning and intent of Section 3 (c) of R.A. No. 6657.' Not being deemed 'agricultural lands,' they are outside the coverage of CARL." [42]

Summarizing, the farmer-beneficiaries who were given the 75 CLTs prior to the issuance of Proclamation 1283, as amended by Proclamation 1637, are deemed full owners of the lots covered by 75 CLTs vis-à-vis the real registered owner. The farmer-beneficiaries have private rights over said lots as they were deemed owners prior to the establishment of the LS Townsite reservation or at least are subrogated to the rights of the registered lot owner. Those farmer-beneficiaries who were issued CLTs or EPs after June 21, 1974 when Proclamation 1283, as amended, became effective do not acquire rights over the lots they were claiming under PD 27 or RA 6657, because the lots have already been reclassified as residential and are beyond the compulsory coverage for agrarian reform under RA 6657. Perforce, the said CLTs or EPs issued after June 21, 1974 have to be annulled and invalidated for want of legal basis, since the lots in question are no longer subject to agrarian reform due to the reclassification of the erstwhile Doronilla estate to non-agricultural purposes.

Power of Reclassification of Land

Petitioners DAR and Land Bank ascribe error on the CA in giving Proclamation 1637, an administrative issuance, preference and weight over PD 27, a law. As argued, it is basic that, in the hierarchy of issuances, a law has greater weight than and takes precedence over a mere administrative issuance.

Petitioners' contention may be accorded some measure of plausibility, except for the fact that it ignores a basic legal principle: that the power to classify or reclassify lands is essentially an executive prerogative,[43] albeit local government units, thru zoning ordinances, may, subject to certain conditions, very well effect

reclassification of land use within their respective territorial jurisdiction.[44] Reclassification decrees issued by the executive department, through its appropriate agencies, carry the same force and effect as any statute. As it were, PD 27 and Proclamation 1637 are both presidential issuances, each forming, by virtue of Sec. 3(2), Article XVII of the 1973 Constitution, a part of the law of the land. Sec. 3(2), Art. XVII of the 1973 Constitution provides that:

[A]ll proclamations, orders, decrees, instructions, and acts promulgated, issued or done by the incumbent President shall be part of the law of the land, and shall remain valid, legal, binding and effective even after the lifting of Martial Law or the ratification of this Constitution unless modified, revoked, or superseded by subsequent proclamations, orders, decrees, instructions or unless expressly or impliedly modified or repealed by the regular Batasang Pambansa. (Emphasis supplied.)

While not determinative of the outcome of this dispute, the Court has, in *Agrarian Reform Beneficiaries Association (ARBA) v. Nicolas*,^[45] held that the principles enunciated in *Natalia Realty, Inc.* hold sway regardless of what non-agricultural use to which an agricultural land is converted. ARBA, in fine, declares that the *Natalia Realty, Inc.* ruling is not confined solely to agricultural lands located within the townsite reservations; it is also applicable to other agricultural lands converted to non-agricultural uses prior to the effectivity of the CARL. The land classifying medium that ARBA teaches is not limited solely to a proclamation, but may also involve a city ordinance.

Jurisdiction of DAR and its Adjudicating Arm

The DARAB has been created and designed to exercise the DAR's adjudicating functions.^[46] And just like any quasi-judicial body, DARAB derives its jurisdiction from law, specifically RA 6657, which invested it with adjudicatory powers over agrarian reform disputes^[47] and matters related to the implementation of CARL. We need not belabor that DARAB's jurisdiction over the subject matter, the Doronilla property, cannot be conferred by the main parties, let alone the intervening farmer-beneficiaries claiming to have "vested rights" under PD 27. As earlier discussed, the process of land reform covering the 1,266 hectares of the Araneta estate was not completed prior to the issuance of Proclamation 1637. So the intervenors, with the exception of the 79 tenant-beneficiaries who were granted CLTs, failed to acquire private rights of ownership under PD 27 before the effective conversion of the Doronilla property to non-agricultural uses. Hence, the Doronilla property, being outside of CARP coverage, is also beyond DARAB's jurisdiction.

The OSG's withdrawal of the expropriation suit on September 9, 1987 did not, as Land Bank posits, automatically restore the Doronilla property to its original classification nor did it grant DAR or DARAB the power or jurisdiction to order the compulsory acquisition of the property and to place it under CARP. And, as the CA aptly noted, the DOJ Secretary, through Opinion No. 181,^[48] even advised the DAR Secretary that lands covered by Proclamation 1637, having been reserved for townsite purposes, are not deemed "agricultural lands" within the meaning and intent of Sec. 3(c) of RA 6657 and, hence, outside the coverage of CARL.^[49] The Secretary of Justice further stated that RA 6657 did not supersede or repeal Proclamations 1283 and 1637 and they remain operative until now; their being townsite reservations still remain valid and subsisting. To clarify, a DOJ opinion carries only a persuasive weight upon the courts. However since this Court, in *Natalia Realty, Inc.*, cited with approval DOJ Opinion No. 181, such citation carries weight and importance as jurisprudence. Be that as it may, We recognize and apply the principles found in *Natalia Realty, Inc.* regarding the character of the Doronilla property being converted to a townsite and, thus, non-agricultural in character.

Worth mentioning at this juncture is the fact that DAR itself issued administrative circulars governing lands exempted from CARP. For instance, Administrative No. (AO) 3, Series of 1996, declares in its policy statement what categories of lands are outside CARP coverage and unequivocally states that properties not covered by

CARP shall be reconveyed to the original transferors or owners. Significantly, AO 3 defines lands not so covered as "property determined to be exempted from CARP coverage pursuant to [DOJ] Opinion Nos. 44 and 181" and "where Presidential Proclamation has been issued declaring the subject property for certain uses other than agricultural." Said policy of the DAR, as explained in the CA Decision,[50] should be "applied and upheld in cases where the DAR had erroneously ordered the compulsory acquisition of the lands found outside CARP coverage." This is true with the case at bar due to the fact that Proclamation 1283, as amended by Proclamation 1637, had effectively reclassified respondent's land as "residential."

To address erroneous compulsory coverage or acquisition of non-agricultural lands or agricultural lands subject of retention, especially where Certificates of Land Ownership Award (CLOAs) or EPs have been generated, the said AO itself provides the mechanism/remedy for the reconveyance of lots thus covered or acquired, viz:

- The Emancipation Patents (EPs) or Certificate of Land Ownership Awards (CLOAs) already generated for landholdings to be reconveyed shall have to be cancelled first pursuant to Administrative Order No. 02, Series of 1994 prior to the actual reconveyance. The cancellation shall either be through administrative proceedings in cases where the EP/CLOA has not yet been registered with the ROD or through quasi-judicial proceedings in cases where the said EP/CLOA has already been registered.[51]

Given the foregoing perspective, private petitioners' lament about the injustice done to them due to the cancellation of their EPs or CLOAs, as the case may be, is specious at best, for those EPs or CLOAs were generated or granted based on the invalid order by DAR for the inclusion of the bulk of the Doronilla property under PD 27 and CARP.

With Respect to Petitioners-Intervenors Duran, et al.

In their petition for intervention filed before Us on December 17, 2009, Duran, et al. claim that Atty. Lara, the counsel who won their case before the DARAB, passed away on March 6, 1995.[52] They bemoan the fact that due to his death, which was unbeknownst to them at that time, they were not able to receive a copy of, thus are not bound by, the CA Decision dated September 19, 2003. They blame Araneta for this unfortunate incident, alleging, "[S]ix years after Atty. Lara died, the Estate of J. Amado Araneta x x x filed a Petition for Review [of the DARAB's decision] before the Court of Appeals. x x x The Araneta estate faked and feigned the service of its Petition upon Atty. Lara and the farmers by registered mail with the Explanation 'unavailability of messenger.' "[53] On the basis of the foregoing premises, Duran, et al. pray to be allowed to intervene in the instant case and admit their petition for review.

In its Comment (with motion to exclude) on intervenors' petition for review, Araneta stated the observation that if a handling lawyer dies, it is the that lawyer's client who is in the better position to know about the former's death, not his adversary or the court. Assuming that court notices and pleadings continued to be sent and delivered to Atty. Lara even after his death, at his given address, the comment added, it was intervenors' fault.[54] And in support of the motion to exclude, Araneta draws attention to the rule governing how intervention is done, i.e., via a motion with a pleading-in- intervention attached to it. Exclusion is also sought on the ground that the petition includes individuals who are long dead and parties who are not parties below.

We resolve to deny due course to the plea for intervention of Duran, et al.

As the records would show, the DARAB promulgated its Decision on February 7, 2001 or six (6) years after Atty. Lara died. Yet, intervening petitioners opted to make an issue only with respect about their inability, due to Atty. Lara's death, to receive the adverse CA Decision, but curiously not about the DARAB judgment favorable to them. Noticeably, in the instant petition, they only focused on questioning what they termed as the "malicious" failure of the Estate of Araneta to individually inform them of the filing of its petition for review with the CA.

Nowhere can it be gleaned that they are questioning the failure of the CA and the DARAB to send copies of their respective decisions to them. Thus, the Court is at a loss to understand how Duran, et al. can insinuate malice on the part of the Estate of Araneta's for its alleged failure to provide them with a copy of the CA decision and yet not have any problem with respect to the DARAB decision which they also failed to personally receive due to their counsel's demise.

While the fault clearly lies with Duran, et al. themselves, they found it convenient to point fingers. To be sure, they were remiss in their duty of coordinating with their counsel on the progress of their pending case. The constant communication link needed to be established between diligent clients and their attorney did not obtain in this case. It is not surprising, therefore, that Duran and his group only filed their instant petition 14 years after the death of their counsel, Atty. Lara. Parties cannot blame their counsel for negligence when they themselves were guilty of neglect.[55] Relief cannot be granted to parties who seek to be relieved from the effects of a judgment when the loss of the remedy was due to their own negligence.[56] Equity serves the vigilant and not those who slumber on their rights.[57] Duran, et al., as are expected of prudent men concerned with their ordinary affairs, should have had periodically touched base at least to be apprised with the status of their case. Judiciousness in this regard would have alerted them about their counsel's death, thus enabling them to take the necessary steps to protect their claimed right and interest in the case.

As Araneta aptly suggested in its Comment on the petition for review-in-intervention, it is Duran, et al., as clients, not the court or their adversary, who are in a better position or at least expected to know about their lawyer's death due to the nature of a client-lawyer relationship. And knowing, fair play demands that the client accordingly advises the court and the adverse party about the fact of death. It is not for the appellate court or respondent Araneta to inquire why service of court processes or pleadings seemingly remained unacted by Atty. De Lara and/or his clients.

The long inaction of Duran, et al. to assert their rights over the subject case should be brought to bear against them. Thus, We held in *Esmaguel v. Coprada*:^[58]

Laches is the failure or neglect, for an unreasonable and unexplained length of time, to do that which, by exercising due diligence, could or should have been done earlier; it is negligence or omission to assert a right within a reasonable time, warranting the presumption that the party entitled to assert it either has abandoned or declined to assert it. 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, with the question of laches addressed to the sound discretion of the court. Because laches is an equitable doctrine, its application is controlled by equitable considerations and should not be used to defeat justice or to perpetuate fraud or injustice.

There can be little quibble about Duran, et al. being guilty of laches. They failed and neglected to keep track of their case with their lawyer for 14 long years. As discussed above, Atty. Lara died even prior to the promulgation of the DARAB Decision. Even then, they failed to notify the DARAB and the other parties of the case regarding the demise of Atty. Lara and even a change of counsel. It certainly strains credulity to think that literally no one, among those constituting the petitioning-intervenors, had the characteristic good sense of following up the case with their legal counsel. Only now, 14 years after, did some think of fighting for the right they slept on. Thus, as to them, the CA Decision is deemed final and executory based on the principle of laches.

Agrarian reform finds context in social justice in tandem with the police power of the State. But social justice itself is not merely granted to the marginalized and the underprivileged. But while the concept of social justice is intended to favor those who have less in life, it should never be taken as a toll to justify let alone commit an injustice. To borrow from Justice Isagani A. Cruz:

[S]ocial justice--or any justice for that matter--is for the deserving whether he be a millionaire in his mansion

or a pauper in his hovel. It is true that, in a case of reasonable doubt, we are called upon to tilt the balance in favor of the poor simply because they are poor, to whom the Constitution fittingly extends its sympathy and compassion. But never is it justified to prefer the poor simply because they are poor, or to eject the rich simply because they are rich, for justice must always be served, for poor and rich alike, according to the mandate of the law.[59]

At any rate, all is not lost on the part of Duran and the other petitioners-intervenors. In the event that they belong to the group of 75 PD 27 tenant-farmers who, as earlier adverted, were awarded individual CLT covering parcels of lands described in the CLT, then it is just but fair and in keeping with the imperatives of social justice that their rights to the covered lots should be recognized and respected.

To the 912 holders of EPs, this decision might be a big let down. But then the facts and applicable laws and jurisprudence call for this disposition.

WHEREFORE, the petitions are hereby partly DENIED. The CA Decision dated September 19, 2003, as effectively reiterated in its Resolution of January 22, 2004 and April 2, 2004, is AFFIRMED with the modification that the 75 CLTs issued prior to the effectivity of Presidential Proclamation No. 1283 on June 21, 1974 are declared legal and valid. The other CLTs, EPs, CLOAs issued by DAR involving the subject property are hereby CANCELED and NULLIFIED.

The Land Bank and DAR are hereby ordered to COMPUTE the just compensation of the land subject of the 75 CLTs and PAY the just compensation to the Estate of J. Amado Araneta.

No pronouncement as to cost.

SO ORDERED.

Peralta, Abad, Mendoza, and Perlas-Bernabe, JJ., concur.

[1] Represented by then Secretary Roberto M. Pagdanganan and then Officer-in-Charge Secretary Jose Mari B. Ponce, now Virgilio R. De Los Reyes.

[2] Rollo (G.R. No. 161796), pp. 73-89. Penned by Associate Justice Martin S. Villarama, Jr. (now a member of this Court) and concurred in by Associate Justices Mario L. Guariña III and Jose C. Reyes, Jr.

[3] Id. at 91-96; another Resolution dated April 2, 2004 denied the motion for reconsideration of Nell Armin Aurora Raralio.

[4] "x x x Reserving [a Parcel of Land], Together with the Adjacent Parcel of Land of the Public Domain, for Townsite Purposes Under the Provisions of Chapter XI of the Public Land Act x x x," June 21, 1974.

[5] "Amending Proclamation No. 1283, dated June 21, 1974 which Established the Townsite Reservation in the Municipalities of Antipolo and San Mateo, Province of Rizal x x x by Increasing the Area and Revising the Technical Description of the Land Embraced therein x x x," April 18, 1977.

[6] Atty. Lara passed away on March 6, 1995, rollo (G.R. No. 190456), p. 4.

[7] Rollo (G.R. No. 161830), p. 687.

[8] Rollo (G.R. No. 161796), p. 74.

[9] Rollo (G.R. No. 161830), p. 292.

[10] Id. at 361.

[11] Id.

[12] Rollo (G.R. No. 161796), p. 353.

[13] Referred to also as the CARP law.

[14] Rollo (G.R. No. 161797), pp. 496-497.

[15] In part DOJ Opinion No. 181 reads: "2. As regards the second query, neither Proclamation No. 1283 nor Proclamation No. 1637, has been expressly repealed by R.A. No. 6657. Thus any allegation that the Proclamations have been superseded by R.A. 6657 must perforce be premised upon an inconsistency between them. But we do not see any repugnancy x x x. Administrative Order No. 61, series of 1990 of the [DAR] (Revised Rules and Regulations Governing Conversion of Private Agricultural Lands to Non Agricultural Uses) provides that said rules do not cover lands previously classified in town plans and zoning ordinances x x x. Since the lands covered by the two Proclamations in question have been reserved for townsite purposes x x x the same are not deemed 'aricultural lands' within the meaning and intent of Section 3(c) of R.A. 6657 and are beyond the purview of A.O. No. 61." Records, Vol. 1, p. 164.

[16] Rollo (G.R. No. 161796), pp. 494-495.

[17] Id. at 506-508.

[18] Records, Vol. 1, p. 39.

[19] Rollo (G.R. No. 161830), p. 189.

[20] Rollo (G.R. No. 161796), pp. 272-282.

[21] Id. at 453-472.

[22] Rollo (G.R. No. 161830), pp. 177-195.

[23] Id. at 236-251.

[24] G.R. No. 103302, August 12, 1993, 225 SCRA 278.

[25] G.R. No. 139083, August 30, 2001, 364 SCRA 110.

[26] "Declaring Full Land Ownership to Qualified Farmer Beneficiaries Covered by [PD] 27; Determining the Value of Remaining Unvalued Rice and Corn Lands Subject to [PD] 27; and Providing for the Management of Payment by the Farmer Beneficiary and Mode of Compensation by the Landowner," July 17, 1987.

[27] Rollo (G.R. No. 161796), p. 32.

[28] Rollo (G.R. No. 161830), p. 15.

[29] Rollo (G.R. No. 190456), p. 21.

[30] Annex "E" of Answer submitted by the Intervenors thru Barangay Chairwoman Anastacia S. Ferrer, Mascap, Rodriguez, Rizal, original records (DARAB Case No. 4176, Vol. 3).

[31] Rollo (G.R. No. 161796), p. 74.

[32] Supra note 24, at 282-284.

[33] Sec. 7 of RA 6657 provides that the acquisition and distribution of rice and corn lands under PD 27 shall be a priority in the plan and program of the DAR.

[34] G.R. No. 128557, December 29, 1999, 321 SCRA 629, 641.

[35] DAR Administrative Order No. 1, Series of 1990, prescribing the Revised Rules and Regulations Governing Conversion of Private Agricultural lands to Non-Agricultural Uses.

[36] Supra note 24, at 282.

[37] Rollo (G.R. No. 161796), p. 84.

[38] Id. at 86.

[39] G.R. No. 60269, September 13, 1991, 201 SCRA 536, 540.

[40] Id. at 541.

[41] The Land Bank, under PD 251 dated July 21, 1973, has assumed the task of financing land reform by paying the old owners and reimbursing itself by collecting from the tenant-owners.

[42] Rollo (G.R. No. 161796), pp. 83-84; citing Natalia Realty, Inc., supra note 24, at 282-284.

[43] Bureau of Forestry v. Court of Appeals, No. L-37995, August 31, 1987, 153 SCRA 351, 357.

[44] Advincula-Velasquez v. Court of Appeals, G.R. Nos. 111387 & 127497, June 8, 2004, 431 SCRA 165, 186-187.

[45] G.R. No. 168394, October 6, 2008, 567 SCRA 540, 553-554.

[46] Vda. De Tangub v. Court of Appeals, UDK No. 9864, December 3, 1990, 191 SCRA 885, 890.

[47] Padunan v. DARAB, G.R. No. 132163, January 28, 2003, 396 SCRA 196, 204.

[48] By then Secretary of Justice Franklin M. Drilon.

[49] Opinion No. 181 was also cited favorably in the Natalia Realty Realty, Inc. regarding the lack of jurisdiction of the DAR over the subject property.

[50] Rollo (G.R. No. 161796), pp. 88-89.

[51] AO 3, paragraph 3(II).

[52] Certificate of Death, rollo (G.R. No. 190456), p. 128.

[53] Id. at 5.

[54] Id. at 371.

[55] Amatorio v. People, G.R. No. 150453, February 14, 2003, 397 SCRA 445, 455.

[56] Ampo v. Court of Appeals, G.R. No. 169091, February 16, 2006, 482 SCRA 562, 568.

[57] Id. at 567.

[58] G.R. No. 152423, December 15, 2010, 638 SCRA 428, 439.

[59] G.R. No. 86186, May 8, 1992, 208 SCRA 608, 616; cited in Land Bank of the Philippines v. Court of Appeals, G.R. Nos. 118712 & 118745, October 6, 1995, 249 SCRA 149, 151.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.