

LAND BANK OF THE PHILIPPINES, PETITIONER, VS. SPOUSES JOEL R. UMANDAP AND FELICIDAD D. UMANDAP, RESPONDENTS.

G.R. No. 166298. November 17, 2010

Ponente: LEONARDO-DE CASTRO, J.

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LEONARDO-DE CASTRO, J.:

This is a Petition for Review on Certiorari under Rule 45 of the Rules of Court assailing the Amended Decision[1] dated September 21, 2004 and Resolution[2] dated December 9, 2004 of the Court of Appeals in CA-G.R. SP No. 78237.

The spouses Joel and Felicidad Umandap were owners of an agricultural land in Sandoval and Mendoza, Roxas, Palawan, with an area of 412.6745 hectares. On August 8, 1989, the Department of Agrarian Reform (DAR) placed 406.9003 hectares of the said land under the coverage of the Comprehensive Agrarian Reform Program (CARP). The DAR and the Land Bank of the Philippines (LBP) offered to compensate the spouses Umandap the amount of P2,512,879.88 for the land. The offer was later raised to P3,392,952.78.

Since the spouses Umandap rejected the offer and the parties failed to agree on the appropriate valuation, a summary administrative proceeding for the determination of just compensation was commenced before the DAR's Regional Agrarian Reform Adjudicator (RARAD) Conchita Minas. On December 9, 2002, Adjudicator Minas fixed the value of just compensation for the land at P23,909,608.86.

LBP, dissatisfied with the valuation, filed with the Regional Trial Court (RTC) of Palawan on December 26, 2002 a Petition for Judicial Determination of Just Compensation. The Petition was docketed as Civil Case No. 3750.

The spouses Umandap filed a Motion to Dismiss the petition, alleging that LBP had no cause of action against them and that the petition failed to attach the proper certification against forum shopping. On February 3, 2003, the RTC issued its Order dismissing the petition on the ground that LBP failed to submit a proper certification against forum shopping. The RTC held that since LBP's Operation Center Manager for Region IV Atty. Delfin Macaraeg is neither an officer nor a director of LBP, he is not qualified to sign the certification without a board resolution delegating such authority to him.

On February 21, 2003, LBP filed a Motion for Reconsideration, attaching thereto a certification signed by LBP President Margarito B. Teves, confirming Atty. Macaraeg's authority to sign the certification. On April 30, 2003, the RTC denied the Motion. LBP received the denial Order on May 29, 2003.

On June 3, 2003, LBP refiled the Petition, attaching the following: (1) a copy of a special power of attorney executed by LBP Executive Vice President Alfonso B. Cruz designating Atty. Macaraeg as its duly authorized representative to file the petition and sign the verification and certification against forum shopping; and (2) a resolution by the LBP board of directors allowing executive vice presidents (a) to file appropriate actions or petitions and sign their verifications and certifications against forum shopping before the proper judicial and quasi-judicial tribunals, and (b) to delegate such authority to any group head, regional head or any other

responsible officer. The refiled Petition was docketed as Civil Case No. 3785.

The spouses Umandap filed a Motion to Dismiss anew, pointing out that Section 11, Rule XIII of the 1994 Department of Agrarian Reform Adjudication Board (DARAB) Rules of Procedure provides for a 15-day reglementary period for filing appeals from the Decision of the Adjudicator, and that the refiled petition was filed beyond this period.

On June 30, 2003, the RTC dismissed the petition, ruling that even though the previous dismissal was without prejudice, LBP nevertheless failed to refile the petition within the period allowed by the DARAB Rules and thus, the Adjudicator's Decision fixing the just compensation for the subject property attained finality.

LBP filed with the Court of Appeals a Petition for Certiorari under Rule 65 of the Rules of Court assailing the Orders dated February 3, 2003, April 30, 2003 and June 30, 2003.

On March 25, 2004, the Court of Appeals rendered its Decision^[3] granting the Petition for Certiorari. In nullifying the three assailed Orders, the Court of Appeals ruled that the RTC committed grave abuse of discretion in initially dismissing the Petition for Judicial Determination of Just Compensation on the ground of non-compliance with the certification against forum shopping requirement. In doing so, the Court of Appeals applied *BA Savings Bank v. Sia*,^[4] and *Robern Development Corporation v. Quitain*^[5] wherein the Court allowed the respective corporations' counsels to sign the certification against forum shopping on the ground that they were in the best position to know and certify if a case had already been filed and pending with the courts. The Court of Appeals likewise cited this Court's ruling in *Shipside Incorporated v. Court of Appeals*^[6] wherein we enumerated several cases where the belated filing of the certifications were allowed in exceptional circumstances.

The spouses Umandap filed a Motion for Reconsideration of the said Decision. On September 21, 2004, the Court of Appeals rendered the assailed Amended Decision recalling the March 25, 2004 Decision and this time, dismissing the Petition for Certiorari. The Court of Appeals held that the refile of Civil Case No. 3750 as Civil Case No. 3785 caused all issues and discussions regarding the defective non-forum shopping certification of the complaint in Civil Case No. 3750 to be mooted. This being the situation, the Court of Appeals opined that the February 3, 2003 and April 30, 2003 Orders were no longer relevant to the Petition for Certiorari before it, leaving only one challenged order, the Order dated June 30, 2003 which dismissed Civil Case No. 3785, to be resolved.

The Court of Appeals proceeded to rule that the Petition for Certiorari before it should be dismissed on the following grounds:

1. Certiorari is not the proper remedy since the June 30, 2003 Order was with prejudice, as it is based on res judicata. The dismissal, therefore, is a final order against which appeal, not certiorari, is the proper remedy.^[7]
2. The Adjudicator's Decision dated December 9, 2002, which was received by LBP on December 11, 2002, should be appealed to the RTC specially designated as Special Agrarian Courts (SAC) within 15 days from notice thereof. LBP timely filed Civil Case No. 3750 on December 26, 2002, the 15th and last day of the reglementary period. When the case was dismissed without prejudice and the Motion for Reconsideration of LBP was denied in a Resolution received by LBP on May 29, 2003, LBP should have either filed a Petition for Certiorari within 60 days from the receipt of the denial, or refiled the case the next day. As LBP failed to do either of these, the Adjudicator's Decision dated December 9, 2002 had already attained finality.^[8]
3. Certiorari cannot be a substitute for lost appeal.^[9]
4. There was no prior Motion for Reconsideration filed before the filing of the Petition for Certiorari.^[10]

On October 13, 2004, LBP filed a Motion for Reconsideration of the Amended Decision. On December 9, 2004, the Court of Appeals denied the Motion.

On February 10, 2005, LBP filed this Petition for Review on Certiorari, based on the following assignment of errors:

FIRSTLY, THE COURT OF APPEALS ERRED IN HOLDING IN ITS AMENDED DECISION THAT THE TRIAL COURT'S JUNE 30, 2003 ORDER DISMISSING CIVIL CASE NO. 3785 IS BASED ON "BAR BY PRIOR JUDGMENT" OR RES JUDICATA;

SECONDLY, THE COURT OF APPEALS ERRED IN HOLDING IN ITS AMENDED DECISION THAT LANDBANK RE-FILED THE ACTION "THREE (3) DAYS BEYOND THE REGLEMENTARY (PRESCRIPTIVE) PERIOD THEREBY EFFECTIVELY RENDERING THE DARAB JUDGMENT FINAL AND EXECUTORY;"

THIRDLY, THE COURT OF APPEALS, WITH ITS AMENDED DECISION, ERRED IN SETTING ASIDE ITS ORIGINAL DECISION GRANTING LANDBANK'S PETITION FOR CERTIORARI, IN REJECTING THEREWITH THE PROPRIETY OF SAID REMEDY FOR THE REASON THAT "IT CANNOT SUBSTITUTE FOR LOST APPEAL..." AND IN IMPUTING ON LANDBANK FAULT THEREFOR; and

FOURTHLY, THE COURT OF APPEALS ERRED IN HOLDING IN ITS AMENDED DECISION THAT LANDBANK'S PETITION FOR CERTIORARI, EVEN ASSUMING IT TO BE THE PROPER REMEDY, "WILL NOT PROSPER, SINCE NO PRIOR MOTION FOR RECONSIDERATION WAS TAKEN BEFORE FILING THEREOF." [11]

LBP additionally raises the following as the ultimate legal issue involved in this recourse:

WHETHER OR NOT AN ACTION RE-FILED WITHIN "FIVE DAYS" FROM RECEIPT OF THE ORDER DENYING MOTION FOR RECONSIDERATION [OF ITS DISMISSAL], WHICH ACTION WAS ORIGINALLY FILED ON TIME BUT DISMISSED "WITHOUT PREJUDICE" ON GROUND OF LACK OF DEFECTIVE CERTIFICATE OF NON-FORUM SHOPPING, IS BARRED BY PRESCRIPTION OR RES JUDICATA. [12]

Propriety of Certiorari in assailing
the RTC Orders dismissing the
Petition for Judicial Determination
of Just Compensation

For clarity, the following are the pertinent dates necessary for the disposition of this case:

- December 9, 2002 - Adjudicator's Decision fixing just compensation;
- December 11, 2002 - LBP received the December 9, 2002 Decision;
- December 26, 2002 - LBP filed Petition for Judicial Determination of Just Compensation, which was docketed as Civil Case No. 3750;
- February 3, 2003 - RTC issued an Order dismissing Civil Case No. 3750 without prejudice;
- February 21, 2003 - LBP filed a Motion for Reconsideration, attaching certification;
- April 30, 2003 - RTC issued an Order denying the Motion for Reconsideration;
- May 29, 2003 - LBP received the April 30, 2003 Order;
- June 3, 2003 - LBP refiled the Petition for Judicial Determination of Just Compensation, which was docketed

as Civil Case No. 3785; and

- June 30, 2003 - RTC dismissed Civil Case No. 3785 on the ground that the DARAB Decision dated December 9, 2002 had become final.

We should also take note that on February 8, 2003, the 2003 DARAB Rules of Procedure took effect, amending the 1994 DARAB Rules of Procedure by providing, among other things, an appeal to the DARAB from the resolution of the adjudicator.[13] Neither the SAC nor the Court of Appeals discussed the amendment, as the same took effect after the original filing of the Petition for Judicial Determination of Just Compensation, and in fact even after the SAC already dismissed Civil Case No. 3750 without prejudice.

Petitioner LBP's first, third and fourth assignments of error deal with the Court of Appeals' ruling that the elevation of the case to it via a Petition for Certiorari was improper. The Court of Appeals held that since the June 30, 2003 Order was based on *res judicata*, it was rendered with prejudice, and is therefore a final order against which appeal, not certiorari, is the proper remedy. The Court of Appeals therefore added that certiorari cannot be a substitute for a lost appeal. Finally, the appellate court also considered the fact that there was no prior Motion for Reconsideration before the filing of the Petition for Certiorari.

These grounds relied upon by the Court of Appeals in asserting that certiorari is improper in the case at bar - namely (1) the pronouncement that appeal is the proper remedy, and (2) the failure of LBP to file a Motion for Reconsideration - both stem from the clause in Section 1, Rule 65 of the Rules of Court that requires that there must be "no appeal or any plain, speedy and adequate remedy in the ordinary course of law"[14] before a Petition for Certiorari may be filed. We explained the rationale and applicability of this clause in *Jaca v. Davao Lumber Company*[15] -

Although Section 1, Rule 65 of the Rules of Court provides that the special civil action of certiorari may only be invoked when "there is no appeal, nor any plain, speedy and adequate remedy in the course of law," this rule is not without exception. The availability of the ordinary course of appeal does not constitute sufficient ground to prevent a party from making use of the extraordinary remedy of certiorari where the appeal is not an adequate remedy or equally beneficial, speedy and sufficient. It is the inadequacy - not the mere absence - of all other legal remedies and the danger of failure of justice without the writ that must usually determine the propriety of certiorari.[16] (Emphasis supplied.)

Likewise, we enumerated in *Tan v. Court of Appeals*[17] the instances where certiorari was allowed despite the presence of other legal remedies:

It must also be stressed that what is determinative of the propriety of certiorari is the danger of failure of justice without the writ, not the mere absence of all other legal remedies. Thus, even when appeal is available and is the proper remedy, a writ of certiorari has been allowed when the orders of the lower court were issued either in excess of or without jurisdiction. Certiorari may also be availed of where an appeal would be slow, inadequate and insufficient and that to strictly observe the general rule would result in a miscarriage of justice. x x x.[18] (Emphasis supplied.)

In the case at bar, as regards the February 3, 2003 and April 30, 2003 Orders, appeal had been available to assail them. In *Olympia International, Inc. v. Court of Appeals*,[19] we held that:

The dismissal without prejudice of a complaint does not however mean that said dismissal order was any less final. Such Order of dismissal is complete in all details, and though without prejudice, nonetheless finally disposed of the matter. It was not merely an interlocutory order but a final disposition of the complaint.[20]

The February 3, 2003 and April 30, 2003 Orders, although without prejudice to the refiling of the action, nonetheless finally disposed of the Petition for Judicial Determination of Just Compensation docketed as Civil

Case No. 3750, and are thus, appealable. The failure of LBP to file an appeal within fifteen days from its May 29, 2003 receipt of the April 30, 2003 Order caused the right to appeal this Order to lapse. This failure is not excused when LBP itself made the choice to refile the Petition for Judicial Determination of Just Compensation instead of appealing the Order dismissing the original one. At this point, neither should LBP be allowed to file a Petition for Certiorari to assail the February 3, 2003 and April 30, 2003 Orders since, as correctly ruled by the appellate court, certiorari cannot be a substitute for a lost appeal. Appeal, which had been available to LBP, became unavailable to it because of no other reason than the choice made by LBP itself.

On the other hand, in assailing the June 30, 2003 Order, the remedies of a motion for reconsideration (with the RTC) and an appeal (to the Court of Appeals) had both been available to LBP when it received said Order. However, LBP opted instead to file a Petition for Certiorari with the Court of Appeals, apparently in order that it could assail not only the June 30, 2003 Order, but the February 3, 2003 and April 30, 2003 Orders as well. The question that thus arises is whether an appeal and/or a motion for reconsideration from the June 30, 2003 Order, although available, are nevertheless inadequate, or if there is a danger of failure or miscarriage of justice without the writ.

On this regard, LBP submits that the RTC, designated as SAC, is abdicating its authority and duty in its refusal to determine on the merits the just compensation due to the spouses Umandap, considering that adjudicators are empowered to determine the same only in a preliminary manner. Hence, LBP argued in its Petition that:

3.01 The trial court a quo, as a Special Agrarian Court (SAC) has the authority and duty to examine, investigate and ascertain the facts of the case on its own or through commissioners. This necessarily requires a determination on the merits independent of the finding and decision of the DARAB Adjudicator. Hence, its questioned Order dated June 30, 2003 (Annex "L") did not only unduly dismissed the action of petitioner but expressly adopted the decision of Adjudicator Minas. But what DARAB adjudicators are empowered to do is only to determine in a preliminary manner the reasonable compensation to be paid to landowners, leaving to the court the ultimate power to decide (*Escano vs. C.A.*, 323 SCRA 79). The trial court a quo thereby abdicates said authority and duty and subverts its "original and exclusive" jurisdiction as a designated Special Agrarian Court (*Vide, Republic vs. Court of Appeals*, 263 SCRA 758).[21]

After a careful deliberation on this matter, this Court resolves that the novel issues presented by this Petition, particularly those dealing with the original and exclusive jurisdiction of the SAC in the determination of just compensation in agrarian reform cases, demand a meticulous review of the rules pertinent to the case at bar. This Court is of the view that at the very core of this case is a jurisdictional issue, one not reviewable in an ordinary appeal, to wit: considering our previous pronouncement that adjudicators are empowered only to determine in a preliminary manner the reasonable compensation to be paid to the landowners, leaving to the court the ultimate power to decide, and considering the original and exclusive jurisdiction of the SAC in the determination of just compensation, did the SAC act without jurisdiction in outrightly dismissing the petition for the determination of just compensation?

Original and Exclusive Jurisdiction of Special Agrarian Courts to Determine Just Compensation

We agree with the Court of Appeals that while the Petition for Certiorari filed by LBP before it originally assailed the February 3, April 30 and June 30, 2003 Orders of the RTC, the discussions on the February 3, 2003 and April 30, 2003 Orders (which deal with the dismissal of Civil Case No. 3750) have already been mooted. Civil Case No. 3750 was deemed to have been abandoned by LBP with its filing of the same Petition docketed as Civil Case No. 3785 and with its failure to appeal the February 3, 2003 and April 30, 2003 Orders.

In dismissing Civil Case No. 3785, the Court of Appeals affirmed the SAC when it applied Section 11, Rule XIII of the 1994 DARAB Rules of Procedure which provides that:

Section 11. Land Valuation and Preliminary Determination and Payment of Just Compensation. The decision of the Adjudicator on land valuation and preliminary determination and payment of just compensation shall not be appealable to the Board but shall be brought directly to the Regional Trial Courts designated as Special Agrarian Courts within fifteen (15) days from notice thereof. x x x.

The Court of Appeals held that since the decision of the adjudicator in the case at bar was received by LBP on December 11, 2002, the appeal to the SAC should be filed on or before December 26, 2002. The original Petition docketed as Civil Case No. 3750 was indeed filed on the last day of the period, December 26, 2002. However, Civil Case No. 3750 was dismissed without prejudice, and the Motion for Reconsideration on the Dismissal Order was denied.

According to the appellate court, the case should have been refiled on the day following the receipt of the denial of the Motion for Reconsideration on the Dismissal Order, offering only as explanation that "a dismissal without prejudice should be refiled within the reglementary (prescriptive) period." [22] Petitioner LBP, on the other hand, argues that it should be allowed to refile the case within five days from the denial of said Motion. LBP asserts in the Petition that:

3.07 The SAC/trial court a quo, while it made the above justifications for its dismissal of the re-filed petition in its Order dated June 30, 2003 (Annex "L"), expressly recognized that "(T)he Rules of Court are silent as to the period within which a complaint dismissed without prejudice may be re-filed." With this observation, the court should not have faulted or prejudiced petitioner LANDBANK when it re-filed its petition five (5) days after its receipt of the Order denying its motion for reconsideration of the dismissal of the original petition. There being no rule squarely applicable, the trial court should have given due course to the re-filed petition by applying, by analogy, the rule that whenever a motion to dismiss is denied the movant is allowed in any event to file his answer within the remaining period but not less than five (5) days (vide, Sec. 4, Rule 16, Rules of Court). [23]

As discussed above, LBP likewise points out that a liberal construction of the rules towards the determination of the issues on the merits is even more critical than usual in the case at bar in light of our pronouncements in *Republic v. Court of Appeals*, [24] which were reiterated in *Escaño, Jr. v. Court of Appeals*: [25]

Special Agrarian Courts, which are Regional Trial Courts, are given original and exclusive jurisdiction over two categories of cases, to wit: (1) "all petitions for the determination of just compensation to landowners" and (2) "the prosecution of all criminal offenses under [R.A. No. 6657]." The provision of Section 50 must be construed in harmony with this provision by considering cases involving the determination of just compensation and criminal cases for violations of R.A. No. 6657 as excepted from the plenitude of power conferred on the DAR. Indeed, there is a reason for this distinction. The DAR is an administrative agency which cannot be granted jurisdiction over cases of eminent domain (for such are takings under R.A. No. 6657) and over criminal cases. Thus, in *EPZA v. Dulay* and *Sumulong v. Guerrero* we held that the valuation of property in eminent domain is essentially a judicial function which cannot be vested in administrative agencies, while in *Scoty's Department Store v. Micaller* we struck down a law granting the then Court of Industrial Relations jurisdiction to try criminal cases for violations of the Industrial Peace Act. [26]

Republic Act No. 6657, otherwise known as the Comprehensive Agrarian Reform Law of 1988, likewise provides:

SEC. 56. Special Agrarian Court. - The Supreme Court shall designate at least one (1) branch of the Regional Trial Court (RTC) within each province to act as a Special Agrarian Court.

The Supreme Court may designate more branches to constitute such additional Special Agrarian Courts as may

be necessary to cope with the number of agrarian cases in each province. In the designation, the Supreme Court shall give preference to the Regional Trial Courts which have been assigned to handle agrarian cases or whose presiding judges were former judges of the defunct Court of Agrarian Relations.

The Regional Trial Court (RTC) judges assigned to said courts shall exercise said special jurisdiction in addition to the regular jurisdiction of their respective courts.

The Special Agrarian Courts shall have the power, and prerogatives inherent in or belonging to the Regional Trial Courts.

SEC. 57. Special Jurisdiction . - The Special Agrarian Courts shall have original and exclusive jurisdiction over all petitions for the determination of just compensation to landowners, and the prosecution of all criminal offenses under this Act. The Rules of Court shall apply to all proceedings before the Special Agrarian Courts, unless modified by this Act.

The Special Agrarian Courts shall decide all appropriate cases under their special jurisdiction within thirty (30) days from submission of the case for decision. (Emphasis supplied.)

Since the SAC statutorily exercises original and exclusive jurisdiction over all petitions for the determination of just compensation to landowners, it cannot be said that the decision of the adjudicator, if not appealed to the SAC, would be deemed final and executory, under all circumstances.

Thus, in the aforementioned case of Republic v. Court of Appeals, the SAC dismissed the petition for determination of just compensation on the grounds that (1) the adjudicator's decision should have been appealed to the DARAB pursuant to the latter's rules of procedure as it was then worded; and (2) the petition had been filed more than fifteen days after notice of the decision of the adjudicator. This Court, in affirming the Decision of the Court of Appeals that the petition was improperly dismissed, held:

Apart from the fact that only a statute can confer jurisdiction on courts and administrative agencies - rules of procedure cannot - it is noteworthy that the New Rules of Procedure of the DARAB, which was adopted on May 30, 1994, now provide that in the event a landowner is not satisfied with a decision of an agrarian adjudicator, the landowner can bring the matter directly to the Regional Trial Court sitting as Special Agrarian Court. Thus Rule XIII, §11 of the new rules provides:

§11. Land Valuation and Preliminary Determination and Payment of Just Compensation. The decision of the Adjudicator on land valuation and preliminary determination and payment of just compensation shall not be appealable to the Board but shall be brought directly to the Regional Trial Courts designated as Special Agrarian Courts within fifteen (15) days from receipt of the notice thereof. Any party shall be entitled to only one motion for reconsideration. (Italics supplied)

This is an acknowledgment by the DARAB that the decision of just compensation cases for the taking of lands under R.A. No. 6657 is a power vested in the courts.

Thus, under the law, the Land Bank of the Philippines is charged with the initial responsibility of determining the value of lands placed under land reform and the compensation to be paid for their taking. Through notice sent to the landowner pursuant to §16(a) of R.A. No. 6657, the DAR makes an offer. In case the landowner rejects the offer, a summary administrative proceeding is held and afterward the provincial (PARAD), the regional (RARAD) or the central (DARAB) adjudicator as the case may be, depending on the value of the land, fixes the price to be paid for the land. If the landowner does not agree to the price fixed, he may bring the matter to the RTC acting as Special Agrarian Court. This in essence is the procedure for the determination of compensation cases under R.A. No. 6657. In accordance with it, the private respondent's case was properly brought by it in the RTC, and it was error for the latter court to have dismissed the case. In the terminology of §57, the RTC, sitting as

a Special Agrarian Court, has "original and exclusive jurisdiction over all petitions for the determination of just compensation to landowners." It would subvert this "original and exclusive" jurisdiction of the RTC for the DAR to vest original jurisdiction in compensation cases in administrative officials and make the RTC and appellate court for the review of administrative decisions.

Consequently, although the new rules speak of directly appealing the decision of adjudicators to the RTCs sitting as Special Agrarian Courts, it is clear from §57 that the original and exclusive jurisdiction to determine such cases is in the RTCs. Any effort to transfer such jurisdiction to the adjudicators and to convert the original jurisdiction of the RTCs into appellate jurisdiction would be contrary to §57 and therefore would be void. What adjudicators are empowered to do is only to determine in a preliminary manner the reasonable compensation to be paid to landowners, leaving to the courts the ultimate power to decide this question.[27] (Emphases supplied.)

It can be observed that in Republic, while this Court expressly stated that any effort to convert the original jurisdiction of the RTCs into appellate jurisdiction would be void, there was no pronouncement invalidating Rule XIII, Section 11 of the New Rules of Procedure of the DARAB, which is the source of the fifteen-day period to appeal the adjudicator's valuation to the SAC. Nevertheless, the Court affirmed the nullity of the dismissal order despite the fact that the petition for just compensation therein was filed beyond the said fifteen-day period. Said rule was not invalidated because, as this Court held in the same case, the procedure wherein the landowner (or the DAR, as the case may be) who does not agree to the price fixed may bring the matter to the RTC acting as SAC is, in essence, the procedure for the determination of compensation cases under Republic Act No. 6657.[28]

Any speculation, however, that the fifteen-day period under Section 11 of the 1994 DARAB Rules had been invalidated by Republic was foreclosed when we affirmed in Philippine Veterans Bank v. Court of Appeals[29] the order of dismissal of a petition for determination of just compensation for having been filed beyond the fifteen-day period under Section 11. In said case, we explained that section 11 is not incompatible with the original and exclusive jurisdiction of the SAC:

As we held in Republic v. Court of Appeals, this rule [Section 11 of 1994 DARAB Rules of Procedure] is an acknowledgment by the DARAB that the power to decide just compensation cases for the taking of lands under R.A. No. 6657 is vested in the courts. It is error to think that, because of Rule XIII, §11, the original and exclusive jurisdiction given to the courts to decide petitions for determination of just compensation has thereby been transformed into an appellate jurisdiction. It only means that, in accordance with settled principles of administrative law, primary jurisdiction is vested in the DAR as an administrative agency to determine in a preliminary manner the reasonable compensation to be paid for the lands taken under the Comprehensive Agrarian Reform Program, but such determination is subject to challenge in the courts.

The jurisdiction of the Regional Trial Courts is not any less "original and exclusive" because the question is first passed upon by the DAR, as the judicial proceedings are not a continuation of the administrative determination. For that matter, the law may provide that the decision of the DAR is final and unappealable. Nevertheless, resort to the courts cannot be foreclosed on the theory that courts are the guarantors of the legality of administrative action.[30]

Notwithstanding this pronouncement, however, the statutorily mandated original and exclusive jurisdiction of the SAC led this Court to adopt, over the years, a policy of liberally allowing petitions for determination of just compensation, even though the procedure under DARAB rules have not been strictly followed, whenever circumstances so warrant:

1. In the 1999 case of Land Bank of the Philippines v. Court of Appeals,[31] we held that the SAC properly acquired jurisdiction over the petition to determine just compensation filed by the landowner without waiting for the completion of DARAB's re-evaluation of the land.

2. In the 2004 case of *Land Bank of the Philippines v. Wycoco*,^[32] we allowed a direct resort to the SAC even where no summary administrative proceedings have been held before the DARAB.

3. In the 2006 case of *Land Bank of the Philippines v. Celada*,^[33] this Court upheld the jurisdiction of the SAC despite the pendency of administrative proceedings before the DARAB. We held:

It would be well to emphasize that the taking of property under RA No. 6657 is an exercise of the power of eminent domain by the State. The valuation of property or determination of just compensation in eminent domain proceedings is essentially a judicial function which is vested with the courts and not with administrative agencies. Consequently, the SAC properly took cognizance of respondent's petition for determination of just compensation.^[34]

4. In the 2009 case of *Land Bank of the Philippines v. Belista*,^[35] this Court permitted a direct recourse to the SAC without an intermediate appeal to the DARAB as mandated under the new provision in the 2003 DARAB Rules of Procedure. We ruled:

Although Section 5, Rule XIX of the 2003 DARAB Rules of Procedure provides that the land valuation cases decided by the adjudicator are now appealable to the Board, such rule could not change the clear import of Section 57 of RA No. 6657 that the original and exclusive jurisdiction to determine just compensation is in the RTC. Thus, Section 57 authorizes direct resort to the SAC in cases involving petitions for the determination of just compensation. In accordance with the said Section 57, petitioner properly filed the petition before the RTC and, hence, the RTC erred in dismissing the case. Jurisdiction over the subject matter is conferred by law. Only a statute can confer jurisdiction on courts and administrative agencies while rules of procedure cannot.^[36]

In the case at bar, the refiling of the Petition for Judicial Determination of Just Compensation was done within five days from the denial of the Motion for Reconsideration of the order dismissing the original petition, during which time said dismissal could still be appealed to the Court of Appeals. The SAC even expressly recognized that the rules are silent as regards the period within which a complaint dismissed without prejudice may be refiled. The statutorily mandated original and exclusive jurisdiction of the SAC, as well as the above circumstances showing that LBP did not appear to have been sleeping on its rights in the allegedly belated refiling of the petition, lead us to assume a liberal construction of the pertinent rules. To be sure, LBP's intent to question the RARAD's valuation of the land became evident with the filing of the first petition for determination of just compensation within the period prescribed by the DARAB Rules. Although the first petition was dismissed without prejudice on a technicality, LBP's refiling of essentially the same petition with a proper non-forum shopping certification while the earlier dismissal order had not attained finality should have been accepted by the trial court.

In view of the foregoing, we rule that the RTC acted without jurisdiction in hastily dismissing said refiled Petition. Accordingly, the Petition for Certiorari before the Court of Appeals assailing this dismissal should be granted.

WHEREFORE, the Amended Decision dated September 21, 2004 and Resolution dated December 9, 2004 of the Court of Appeals in CA-G.R. SP No. 78237 are hereby SET ASIDE. The Regional Trial Court, Branch 49, Puerto Princesa City, is directed to reinstate Land Bank of the Philippines' Petition for Judicial Determination of Just Compensation and to conduct proper proceedings thereon.

SO ORDERED.

Corona, C.J., (Chairperson), Velasco, Jr., Peralta, [*] and Perez, JJ., concur.

[*] Per Special Order No. 913 dated November 2, 2010.

[1] Rollo, pp. 72-78; penned by Associate Justice Conrado M. Vasquez, Jr. with Associate Justices Rebecca de Guia-Salvador and Arsenio J. Magpale, concurring.

[2] Id. at 132-133.

[3] Rollo, pp. 63-70; penned by Associate Justice Conrado M. Vasquez, Jr. with Associate Justices Bienvenido L. Reyes and Arsenio J. Magpale, concurring.

[4] 391 Phil. 370, 378 (2000).

[5] 373 Phil. 773, 788 (1999).

[6] 404 Phil. 981, 995 (2001).

[7] Rollo, p. 75.

[8] Id. at 75-77.

[9] Id. at 77.

[10] Id.

[11] Id. at 389-390, as stated in LBP's Memorandum.

[12] Id.

[13] The 2003 DARAB Rules of Procedure provides:

Rule XIX.

Section 5. Appeal. - A party who disagrees with the resolution of the Adjudicator may bring the matter to the Board by filing with the Adjudicator concerned a Notice of Appeal within fifteen (15) days from receipt of the resolution. The filing of a Motion for Reconsideration of said resolution shall interrupt the period herein fixed. If the motion is denied, the aggrieved party may file the appeal within the remaining period, but in no case shall it be less than five (5) days.

x x x x

Section 6. When Resolution Deemed Final. - Failure on the part of the aggrieved party to contest the resolution of the Adjudicator within the aforecited reglementary period provided shall be deemed a concurrence by such party with the land valuation, hence, said valuation shall become final and executory.

Section 7. Filing of Original Action with the Special Agrarian Court for Final Determination. - The party who disagrees with the decision of the Board may contest the same by filing an original action with the Special Agrarian Court (SAC) having jurisdiction over the subject property within fifteen (15) days from his receipt of the Board's decision. x x x.

[14] Section 1, Rule 65 of the Rules of Court provides:

Section 1. Petition for certiorari. - When any tribunal, board or officer exercising judicial or quasi-judicial functions has acted without or in excess of its or his jurisdiction, or with grave abuse of discretion amounting to lack or excess of jurisdiction, and there is no appeal, or any plain, speedy, and adequate remedy in the ordinary course of law, a person aggrieved thereby may file a verified petition in the proper court, alleging the facts with certainty and praying that judgment be rendered annulling or modifying the proceedings of such

tribunal, board or officer, and granting such incidental reliefs as law and justice may require.

The petition shall be accompanied by a certified true copy of the judgment, order or resolution subject thereof, copies of all pleadings and documents relevant and pertinent thereto, and a sworn certification of non-forum shopping as provided in the third paragraph of section 3, Rule 46.

[15] 198 Phil. 493 (1982).

[16] *Id.* at 517.

[17] 341 Phil. 570 (1997).

[18] *Id.* at 578.

[19] 259 Phil. 841 (1989).

[20] *Id.* at 849-850.

[21] *Rollo*, p. 51.

[22] *Id.* at 76.

[23] *Id.* at 54.

[24] 331 Phil. 1070 (1996).

[25] 380 Phil. 20, 26-27 (2000).

[26] *Republic v. Court of Appeals*, *supra* note 24 at 1075-1076.

[27] *Id.* at 1076-1078.

[28] Republic Act No. 6657 provides:

SEC. 16. Procedure for Acquisition of Private Lands.- For purposes of acquisition of private lands, the following procedures shall be followed:

(a) After having identified the land, the landowners and the beneficiaries, the DAR shall send its notice to acquire the land to the owners thereof, by personal delivery or registered mail, and post the same in a conspicuous place in the municipal building and barangay hall of the place where the property is located. Said notice shall contain the offer of the DAR to pay a corresponding value in accordance with the valuation set forth in Sections 17, 18, and other pertinent provisions hereof.

(b) Within thirty (30) days from the date of receipt of written notice by personal delivery or registered mail, the landowners, his administrator or representative shall inform the DAR of his acceptance or rejection of the offer.

(c) If the landowner accepts the offer of the DAR, the LBP shall pay the landowner the purchase price of the land within thirty (30) days after he executes and delivers a deed of transfer in favor of the Government and surrenders the Certificate of Title and other muniments of title.

(d) In case of rejection or failure to reply, the DAR shall conduct summary administrative proceedings to determine the compensation for the land by requiring the landowner, the LBP and other interested parties to submit evidence as to the just compensation for the land, within fifteen (15) days from the receipt of the notice. After the expiration of the above period, the matter is deemed submitted for decision. The DAR shall decide the case within thirty (30) days after it is submitted for decision.

(e) Upon receipt by the landowner of the corresponding payment or in case of rejection or no response from

the landowner, upon the deposit with an accessible bank designated by the DAR of the compensation in cash or LBP bonds in accordance with this Act, the DAR shall take immediate possession of the land and shall request the proper Register of Deeds to issue a Transfer Certificate of Title (TCT) in the name of the Republic of the Philippines. The DAR shall thereafter proceed with the redistribution of the land to the qualified beneficiaries.

(f) Any party who disagrees with the decision may bring the matter to the court of proper jurisdiction for final determination of just compensation.

[29] 379 Phil. 141 (2000).

[30] Id. at 148-149.

[31] 376 Phil. 252 (1999).

[32] 464 Phil. 83 (2004).

[33] G.R. No. 164876, January 23, 2006, 479 SCRA 495.

[34] Id. at 504-505.

[35] G.R. No. 164631, June 26, 2009, 591 SCRA 137.

[36] Id. at 148.

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