

HEIRS OF LORENZO AND CARMEN VIDAD AND AGVID CONSTRUCTION CO., INC., PETITIONERS, VS. LAND BANK OF THE PHILIPPINES, RESPONDENT.

G.R. No. 166461. April 30, 2010

Ponente: CARPIO, J.

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CARPIO, J.:

The Case

The heirs of Lorenzo and Carmen Vidad and Agvid Construction Co., Inc. (petitioners) filed this Petition for Review[1] assailing the Court of Appeals' (CA) Decision[2] dated 28 November 2003 in CA-G.R. SP No. 68157 as well as the Resolution[3] dated 20 December 2004 denying the Motion for Reconsideration. In the assailed decision, the CA affirmed the 15 August 2001 Decision[4] of the Regional Trial Court of Santiago City, Branch 21 (RTC), sitting as a Special Agrarian Court (SAC). The SAC fixed the valuation for purposes of just compensation of petitioners' land (land) at P5,626,724.47.

The Facts

Petitioners are the owners of a land located in Barangay Masipi East, Cabagan, Isabela, with an area of 589.8661 hectares and covered by Original Certificate of Title No. (OCT) 0-458. On 26 September 1989, the land was voluntarily offered for sale to the government under Republic Act No. (RA) 6657 or the Comprehensive Agrarian Reform Law of 1988.[5] Of the entire area, the government only acquired 490.3436 hectares.[6]

Respondent Land Bank of the Philippines (LBP) is a government banking institution designated under Section 64 of RA 6657 as the financial intermediary of the agrarian reform program of the government.[7]

By virtue of Executive Order No. (EO) 405 vesting LBP with primary responsibility to determine the valuation and compensation for all lands covered by RA 6657, LBP computed the initial value of the land at P2,961,333.03 for 490.3436 hectares, taking into consideration the factors under Department of Agrarian Reform (DAR) Administrative Order (AO) No. 06, series of 1992, and the applicable provisions of RA 6657.[8] Petitioners rejected the valuation.[9]

On 17 January 1994, petitioners filed a Petition for Review with the Department of Agrarian Reform Adjudication Board (DARAB). The DARAB dismissed the petition in an Order dated 9 December 1994.[10]

Undaunted, petitioners filed a second petition for review asking for a re-evaluation of the land on 17 December 1998.[11] Acting on the petition, the Provincial Agrarian Reform Adjudicator (PARAD) issued an Order dated 26 January 1999 directing LBP to re-compute the value of the land.[12] In compliance with the PARAD's Order, LBP revalued the land at P4,158,947.13 for 402.3835 hectares and P1,467,776.34 for 43.8540 hectares.[13] LBP used the guidelines in DAR AO No. 5, series of 1998 for the revaluation.[14] Petitioners similarly rejected this offer.

Still unable to agree on the revalued proposal, petitioners instituted JC RARAD Case No. II-001-ISA-99 before the Regional Agrarian Reform Adjudicator of Tuguegarao (RARAD) for the purpose of determining the just compensation for their land. In a decision dated 29 March 2000, the RARAD fixed the just compensation for the land at P32,965,408.46.[15] On 28 April 2000, petitioners manifested their acceptance thereof.[16]

On the other hand, LBP moved for reconsideration. In an Order dated 2 May 2000, the RARAD denied the motion for lack of merit.[17]

On 12 May 2000, pursuant to Section 57[18] of RA 6657, LBP filed a petition for determination of just compensation with the RTC, sitting as a SAC.[19] The case was docketed as CAR Case No. 21-0632.

Petitioners moved to dismiss LBP's petition on the ground that they already accepted the RARAD's decision, which, perforce rendered it final and executory. They alleged that LBP's petition must be considered barred by the RARAD's decision on the ground of *res judicata*. Petitioners secured a certificate of finality of the RARAD's decision and subsequently moved for the execution thereof, over LBP's objection. Petitioners also questioned LBP's legal personality to institute the action.[20]

On 28 August 2000, the SAC issued an Order denying petitioners' motion to dismiss.[21] Petitioners moved to reconsider this Order, which was denied in the Order dated 17 October 2000.[22]

During the pendency of CAR Case No. 21-0632, petitioners would time and again, attempt to execute the RARAD's decision until they were temporarily restrained by the SAC in an Order dated 31 January 2001.[23] However, upon hearing the parties regarding the propriety of issuing the injunctive writ against the execution of the RARAD's decision, the SAC found that it had no jurisdiction to resolve the matter.[24] Forthwith, LBP referred the matter to the DARAB in a petition for certiorari docketed as DCSA No. 0213. The DARAB eventually issued a temporary restraining order and, later, a writ of preliminary injunction, directed against the implementation of the RARAD's decision. The propriety of executing the RARAD's decision pending the resolution of CAR Case No. 21-0632 is an issue that is yet to be resolved by the DARAB.[25]

In CAR Case No. 21-0632, petitioners failed to file their answer and, on 30 January 2001, petitioners were held in default and the SAC heard LBP's evidence *ex-parte* on the merits of the case.[26]

On 15 August 2001, the SAC rendered a decision, based on LBP's evidence alone, fixing the just compensation at P5,626,724.47 for the 446.2375 hectares of the land.[27] The SAC, in an Order dated 22 November 2001, denied petitioners' motion for reconsideration of the decision.[28]

Petitioners filed an appeal docketed as CA-G.R. SP No. 68157, questioning the authority of the SAC to give due course to the petition of LBP, claiming that the RARAD has concurrent jurisdiction with the SAC over just compensation cases involving lands covered by RA 6657. Furthermore, petitioners insisted that LBP has no legal personality to institute a case for determination of just compensation against landowners with the SAC.[29]

On 28 November 2003, the CA rendered the assailed decision, dismissing the appeal for lack of merit, and affirming the valuation of the SAC in the amount of P5,626,724.47.[30]

Petitioners filed a motion for reconsideration, which was denied in a Resolution dated 20 December 2004.[31]

Aggrieved by the CA's Decision and Resolution, petitioner elevated the case before this Court.

Ruling of the RARAD of Tuguegarao City

The RARAD took note of the certifications presented as evidence that some 392.2946 hectares were listed as idle land when this portion was already cornland. The RARAD considered the certifications issued by LBP officials,

Mr. Andres T. Barican, Jr., AA Specialist, Mr. Jose T. Gacutan, Property Appraiser, and MARO[32] Francisco C. Verzola of Cabagan, Isabela.[33]

The RARAD reclassified 392.2946 hectares from idle land to cornland. Then, the RARAD considered the submitted average valuation per hectare paid by LBP under similar situations for 1996, 1998 and 1999[34] particularly on lands in Region 2:

Land Use

1996

1998

1999

Average

Cornland

100,140.70

62,695.23

60,371.31

74,402.41

Riceland Irrigated

137,197.67

49,373.99

93,285.83

Riceland Rainfed

34,511.66

34,511.66

Riceland Unirrigated

43,374.44

37,582.40

40,748.42

Rice Upland

20,271.41

20,271.41

Vegetables

20,379.20

20,379.20

Based on this table, the RARAD made the following computation:

Summary of Valuation of OCT No. 0-458

Land Use

Area in has.

Land Value Per Ha. (PhP)

Total Land Value PhP

This MOV

Upland Rice land

1.2700

20,271.41

P 25,744.69

Cornland

8.5889

74,402.41

639,034.85

Vegetable land

0.2400

20,379.20

4,891.01

Cornland (not idle)

392.2846

74,402.41

29,186,919.00

Subtotal

402.3835

P 29,856,589.55

For subsequent MOV

Riceland irrigated

3.7940

93,285.33

P 353,924.54

Riceland unirrigated

6.1289

37,582.40

230,338.77

Corn land

33.9311

74,402.41

2,524,555.60

Sub-total

43.8540

P 3,108,818.91

Total

P 32,965,408.46

The RARAD directed LBP to pay petitioners P32,965,408.46 as just compensation for 446.2375 hectares.

Ruling of the SAC

The SAC stated that petitioners were declared in default so LBP adduced its evidence ex parte. The SAC evaluated the pieces of evidence submitted by LBP and computed the just compensation for petitioners' land, thus:

Land Use

Area Acq'd (Ha.)

Average LV/Ha.

Total Land Value

Irrig. Riceland

3.7940

50, 354.07

P 191,043.34

Unirrig. Riceland

6.1289

20,158.64

123,550.29

Upland Riceland

1.2700

14,401.00

18,289.27

Cornland

42.5200

33,986.01

1,445,085.15

Vegetable land

0.2400

14,401.00

3,456.24

Idleland (below 18% slope)

392.2846

9,802.32

3,845,299.18

446.2375

P 5,626,723.47

Ruling of the Court of Appeals

The CA stated that RA 6657 mandates that in determining just compensation, there must be a consensus among the landowner, DAR and LBP. [35] The CA explained, thus:

In the case at bench, petitioners have availed of the summary administrative proceedings in determining the just compensation due for their property under docket of JC RARAD Case No. 11-001-ISA-99. But just because they have agreed to the amount thereof fixed by the RARAD does not, however, mean that his decision has become final and executory. It must be remembered that the law requires the consensus of three (3) parties in the determination of just compensation: the landowner's, the DAR's and the LBP's. Since the LBP did not agree with the DAR's decision, then it had a right to invoke the court a quo's jurisdiction. The RARAD's decision will not serve to bar this subsequent suit for the simple reason that said decision has not attained finality as not all the parties concerned agreed to the amount of just compensation he had fixed.[36]

The Issues

Petitioners raise the following arguments:

- WHETHER THE SUMMARY ADMINISTRATIVE PROCEEDING BEING CONDUCTED BY THE DARAB FOR THE DETERMINATION FOR JUST COMPENSATION OF LANDS PLACED UNDER THE COVERAGE OF CARP IS IN ACTUALITY A SALE TRANSACTION BETWEEN THE LANDOWNERS

AND DAR WHICH CAN BE CONCLUDED AND CONSUMMATED BY THE AGREEMENT OF THE PARTIES;

- WHETHER THE DECISION OF THE RARAD DATED 29 MARCH 2000 FIXING THE JUST COMPENSATION FOR PETITIONER'S PROPERTY AT P32,965,408.46 HAD BECOME FINAL AND EXECUTORY UPON FAILURE OF RESPONDENT LAND BANK TO INTERPOSE AN APPEAL WITH THE SUPREME COURT AS MANDATED BY SECTION 60 OF R.A. NO. 6657;

- WHETHER RESPONDENT HAS THE PERSONALITY OR CAUSE OF ACTION TO INSTITUTE A CASE AGAINST LANDOWNERS AT THE SAC;

- WHETHER THE DARAB EXERCISING QUASI-JUDICIAL POWERS HAS CONCURRENT JURISDICTION WITH THE SAC IN THE DETERMINATION OF JUST COMPENSATION CASES INVOLVING LANDS PLACED BY DAR UNDER CARP COVERAGE;

- WHETHER THE SAC CAN ASSUME JURISDICTION OVER THE PETITION FOR DETERMINATION OF JUST COMPENSATION FILED BY RESPONDENT AFTER THE RARAD HAD RENDERED ITS DECISION OF 29 MARCH 2000 AND A WRIT OF EXECUTION IS ISSUED;

- WHETHER RESPONDENT LAND BANK IS GUILTY OF FORUM SHOPPING.[37]

The Ruling of the Court

Petitioners contend that the CA erred in affirming the decision of the SAC in CAR Case No. 21-0632, which is now barred by the RARAD's decision, more so when together with the DARAB, the SAC exercises concurrent jurisdiction on cases involving determination of just compensation. And since it was the DARAB, through the RARAD, which first assumed jurisdiction on the issue of just compensation for petitioners' land, then the SAC is precluded from assuming jurisdiction on the same issue.[38]

Convinced that only the landowners can invoke the jurisdiction of the SAC when they do not agree to the amount of just compensation proposed by DAR, petitioners also question LBP's personality to institute the petition with the SAC.[39] Petitioners also accuse LBP of forum shopping for trifling with the RARAD's decision which petitioners claim to have attained finality.[40]

As a new theory in this petition for review, petitioners submit that when they accepted the RARAD's decision of 29 March 2000 fixing the just compensation of the land at P32,965,408.46, that acceptance was the operative act that consummated the contract/agreement involving the voluntary sale of their property to the Republic of the Philippines under CARP Law.[41]

LBP claims that SAC has original and exclusive jurisdiction in just compensation cases, and, as LBP has timely filed an original action for determination of just compensation with the SAC, the decision of the RARAD was ipso facto vacated. In sum, the original action filed by LBP with the SAC automatically barred the RARAD's decision from attaining finality.[42]

New issues cannot be raised for the first time on appeal

The records show that petitioners were declared in default in the SAC case for their failure to file an answer to the complaint. Hence, the SAC proceeded on hearing LBP's evidence ex parte. After due trial, the SAC rendered its decision dated 15 August 2001, which was the subject of petitioners' appeal to the CA.

In its petition for review with the CA, petitioners never put as an issue the alleged existence of a consummated sale between the DAR and the petitioners under RA 6657. What petitioners questioned was SAC's jurisdiction

over determination of just compensation cases involving lands covered by RA 6657. Furthermore, petitioners insist that LBP has no legal personality to institute a case for determination of just compensation against landowners with the SAC. It is only in the present petition for review that petitioners raised the alleged existence of a consummated sale between the DAR and petitioners.

The argument that a consummated sale between the DAR and petitioners existed upon petitioners' acceptance of the valuation made in the RARAD's decision of 29 March 2000 is an issue being raised for the first time. Section 15, Rule 44 of the 1997 Rules of Court provides that the appellant "may include in his assignment of errors any question of law or fact that has been raised in the court below and which is within the issues framed by the parties."

A perusal of the questions raised in the SAC and the CA shows that the issue on the existence of a consummated sale between the DAR and petitioners was not among the issues therein. Hence, this issue is being raised for the first time on appeal.

It is a fundamental rule that this Court will not resolve issues that were not properly brought and ventilated in the lower courts.[43] Questions raised on appeal must be within the issues framed by the parties and, consequently, issues not raised in the trial court cannot be raised for the first time on appeal.[44]

An issue, which was neither averred in the complaint nor raised during the trial in the lower courts, cannot be raised for the first time on appeal because it would be offensive to the basic rule of fair play and justice, and would be violative of the constitutional right to due process of the other party.[45]

Jurisdiction of the SAC in just compensation cases

The second, fourth, and fifth issues, being inter-related, will be discussed together, in relation to the jurisdiction of the SAC in just compensation cases.

Petitioners insist that the RARAD, in exercising quasi-judicial powers, has concurrent jurisdiction with the SAC in just compensation cases. Hence, the RARAD's decision, being a final determination of the appraisal of just compensation by the DARAB, should be appealed to this Court and not the SAC.

For its part, LBP insists that the RARAD/DARAB decision is merely a preliminary valuation, since the courts have the ultimate power to decide the question on just compensation.

The procedure for the determination of just compensation under RA 6657, as summarized by this Court in *Land Bank of the Philippines v. Spouses Banal*,^[46] commences with LBP determining the value of the lands under the land reform program. Using LBP's valuation, the DAR makes an offer to the landowner through a notice sent to the landowner, pursuant to Section 16(a)^[47] of RA 6657. In case the landowner rejects the offer, the DAR adjudicator^[48] conducts a summary administrative proceeding 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. A party who disagrees with the decision of the DAR adjudicator may bring the matter to the RTC designated as a Special Agrarian Court for final determination of just compensation.^[49]

Contrary to petitioners' argument, the PARAD/RARAD/DARAB do not exercise concurrent jurisdiction with the SAC in just compensation cases. The determination of just compensation is judicial in nature.

The original and exclusive jurisdiction of the SAC in just compensation cases is not a novel issue. This has been extensively discussed in *Land Bank of the Philippines v. Belista*,^[50] to wit:

Sections 50 and 57 of RA No. 6657 provide:

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

Section 57. Special Jurisdiction. - The Special Agrarian Court 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. x x x

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

Clearly, under Section 50, DAR has primary jurisdiction to determine and adjudicate agrarian reform matters and exclusive original jurisdiction over all matters involving the implementation of agrarian reform, except those falling under the exclusive jurisdiction of the DA and the DENR. Further exception to the DAR's original and exclusive jurisdiction are all petitions for the determination of just compensation to landowners and the prosecution of all criminal offenses under RA No. 6657, which are within the jurisdiction of the RTC sitting as a Special Agrarian Court. Thus, jurisdiction on just compensation cases for the taking of lands under RA No. 6657 is vested in the courts.

In *Republic v. CA*, the Court explained:

Thus, 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 provisions of §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.

In a number of cases, the Court has upheld the original and exclusive jurisdiction of the RTC, sitting as SAC, over all petitions for determination of just compensation to landowners in accordance with Section 57 of RA No. 6657.

In *Land Bank of the Philippines v. Wycoco*, the Court upheld the RTC's jurisdiction over Wycoco's petition for determination of just compensation even where no summary administrative proceedings was held before the DARAB which has primary jurisdiction over the determination of land valuation. The Court held:

In *Land Bank of the Philippines v. Court of Appeals*, the landowner filed an action for determination of just compensation without waiting for the completion of DARAB's re-evaluation of the land. This, notwithstanding, the Court held that the trial court properly acquired jurisdiction because of its exclusive and original jurisdiction over determination of just compensation, thus -

... It is clear from Sec. 57 that the RTC, sitting as a Special Agrarian Court, has "original and exclusive jurisdiction over all petitions for the determination of just compensation to landowners." This "original and exclusive" jurisdiction of the RTC would be undermined if the DAR would vest in administrative officials original jurisdiction in compensation cases and make the RTC an appellate court for the review of administrative decisions. Thus, although the new rules speak of directly appealing the decision of adjudicators to the RTCs sitting as Special Agrarian Courts, it is clear from Sec. 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 an appellate jurisdiction would be contrary to Sec. 57 and, therefore, would be void. Thus, direct resort to the SAC [Special Agrarian Court] by private respondent is valid.

x x x

In *Land Bank of the Philippines v. Natividad*, wherein Land Bank questioned the alleged failure of private respondents to seek reconsideration of the DAR's valuation, but instead filed a petition to fix just compensation with the RTC, the Court said:

At any rate, in *Philippine Veterans Bank v. CA*, we held that there is nothing contradictory between the DAR's primary jurisdiction to determine and adjudicate agrarian reform matters and exclusive original jurisdiction over all matters involving the implementation of agrarian reform, which includes the determination of questions of just compensation, and the original and exclusive jurisdiction of regional trial courts over all petitions for the determination of just compensation. The first refers to administrative proceedings, while the second refers to judicial proceedings.

In accordance with settled principles of administrative law, primary jurisdiction is vested in the DAR to determine in a preliminary manner the just compensation for the lands taken under the agrarian reform program, but such determination is subject to challenge before the courts. The resolution of just compensation cases for the taking of lands under agrarian reform is, after all, essentially a judicial function.

Thus, the trial court did not err in taking cognizance of the case as the determination of just compensation is a function addressed to the courts of justice.

In *Land Bank of the Philippines v. Celada*, where the issue was whether the SAC erred in assuming jurisdiction over respondent's petition for determination of just compensation despite the pendency of the administrative proceedings before the DARAB, the Court stated that:

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.

We do not agree with petitioners' submission that the SAC erred in assuming jurisdiction over the petition for determination of just compensation filed by LBP after the RARAD rendered its 29 March 2000 decision. In *Land Bank of the Philippines v. Court of Appeals*,^[51] we had the occasion to rule that the SAC acquired jurisdiction over the action for the determination of just compensation even during the pendency of the DARAB proceedings, for the following reason:

It is clear from Sec. 57 that the RTC, sitting as a Special Agrarian Court, has "original and exclusive jurisdiction over all petitions for the determination of just compensation to landowners." This "original and exclusive" jurisdiction of the RTC would be undermined if the DAR would vest in administrative officials original jurisdiction in compensation cases and make the RTC an appellate court for the review of administrative decisions. Thus, although the new rules speak of directly appealing the decision of adjudicators to the RTCs sitting as Special Agrarian Courts, it is clear from Sec. 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 an appellate jurisdiction would be contrary to Sec. 57 and therefore would be void. Thus, direct resort to the SAC by private respondent is valid.^[52]

In fact, RA 6657 does not make DAR's valuation absolutely binding as the amount payable by LBP. A reading of

Section 18 of RA 6657 shows that the courts, and not the DAR, make the final determination of just compensation.[53] It is well-settled that the DAR's land valuation is only preliminary and is not, by any means, final and conclusive upon the landowner or any other interested party. The courts will still have the right to review with finality the determination in the exercise of what is admittedly a judicial function.[54]

It must be emphasized that the taking of property under RA 6657 is an exercise of the State's power of eminent domain.[55] 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.[56] When the parties cannot agree on the amount of just compensation, only the exercise of judicial power can settle the dispute with binding effect on the winning and losing parties. On the other hand, the determination of just compensation in the RARAD/DARAB requires the voluntary agreement of the parties. Unless the parties agree, there is no settlement of the dispute before the RARAD/DARAB, except if the aggrieved party fails to file a petition for just compensation on time before the RTC.

LBP thus correctly filed a petition for determination of just compensation with the SAC, which has the original and exclusive jurisdiction in just compensation cases under RA 6657. DAR's valuation, being preliminary in nature, could not have attained finality, as it is only the courts that can resolve the issue on just compensation. Consequently, the SAC properly took cognizance of LBP's petition for determination of just compensation.

Legal personality of LBP to contest the DAR decision

Petitioners submit that LBP has no legal personality and has no cause of action to institute the agrarian case before the SAC. Petitioners argue that LBP cannot on its own, separate and independent of DAR, file an original action for determination of just compensation against the RARAD and petitioners, because it is a usurpation of the exclusive authority of DAR to initiate and prosecute expropriation proceedings. Petitioners thus insist that in land acquisition cases, the only real parties-in-interest are the landowners and the government, the latter acting through the DAR.

We do not agree.

Section 18 of RA 6657 states:

Sec. 18. Valuation and Mode of Compensation. -- The LBP shall compensate the landowner in such amount as may be agreed upon by the landowner and the DAR and the LBP x x x, or as may be finally determined by the court as the just compensation for the land.

This provision clearly states that there should be a consensus among the landowner, the DAR, and the LBP on the amount of just compensation. Therefore, LBP is not merely a nominal party in the determination of just compensation. RA 6657 directs LBP to pay the DAR's land valuation only if the landowner, the DAR and LBP agree on the amount of just compensation.[57] The DAR proceedings are but preliminary, and becomes final only when the parties have all agreed to the amount of just compensation fixed by the DAR.[58] However, should a party disagree with the amount fixed by DAR, then the jurisdiction of the SAC may be invoked for the purpose.[59]

There is likewise no merit in petitioners' allegation that LBP lacks locus standi to file a case with the SAC, separate and independent from the DAR. In *Heirs of Roque F. Tabuena v. Land Bank of the Philippines*,[60] we ruled that the LBP is an indispensable party in expropriation proceedings under RA 6657, and thus, has the legal personality to question the determination of just compensation, independent of the DAR:

LBP is an agency created primarily to provide financial support in all phases of agrarian reform pursuant to Section 74 of Republic Act (RA) No. 3844 and Section 64 of RA No. 6657. It is vested with the primary

responsibility and authority in the valuation and compensation of covered landholdings to carry out the full implementation of the Agrarian Reform Program. It may agree with the DAR and the land owner as to the amount of just compensation to be paid to the latter and may also disagree with them and bring the matter to court for judicial determination.

Once an expropriation proceeding for the acquisition of private agricultural lands is commenced by the DAR, the indispensable role of LBP begins, which clearly shows that there would never be a judicial determination of just compensation absent respondent LBP's participation. Logically, it follows that respondent is an indispensable party in an action for the determination of just compensation in cases arising from agrarian reform program; as such, it can file an appeal independently of DAR.[61]

Hence, in *Land Bank of the Philippines v. AMS Farming Corporation*,[62] we ruled that LBP is a real party-in-interest which could file its own appeal in agrarian reform cases, to wit:

The Court of Appeals was indeed in error for denying LBP its right to file an appeal on the ground that it was not a real party-in-interest, since it did not stand to lose or gain anything from the RTC Decision dated 11 March 2003 in Special Agrarian Case No. 61-2000. It is worthy to note that in making its pronouncement that LBP was a mere depository of the Agrarian Reform Fund and the financial intermediary for purposes of the CARL, the appellate court was unable to cite any statutory or jurisprudential basis therefor.

To the contrary, the Court had already recognized in *Sharp International Marketing v. Court of Appeals* that the LBP plays a significant role under the CARL and in the implementation of the CARP, thus:

As may be gleaned very clearly from EO 229, the LBP is an essential part of the government sector with regard to the payment of compensation to the landowner. It is, after all, the instrumentality that is charged with the disbursement of public funds for purposes of agrarian reform. It is therefore part, an indispensable cog, in the governmental machinery that fixes and determines the amount compensable to the landowner. Were LBP to be excluded from that intricate, if not sensitive, function of establishing the compensable amount, there would be no amount "to be established by the government" as required in Sec. 6, EO 229. This is precisely why the law requires the [Deed of Absolute Sale (DAS)], even if already approved and signed by the DAR Secretary, to be transmitted still to the LBP for its review, evaluation and approval.

It needs no exceptional intelligence to understand the implications of this transmittal. It simply means that if LBP agrees on the amount stated in the DAS, after its review and evaluation, it becomes its duty to sign the deed. But not until then. For, it is only in that event that the amount to be compensated shall have been "established" according to law. Inversely, if the LBP, after review and evaluation, refuses to sign, it is because as a party to the contract it does not give its consent thereto. This necessarily implies the exercise of judgment on the part of LBP, which is not supposed to be a mere rubber stamp in the exercise. Obviously, were it not so, LBP could not have been made a distinct member of [Presidential Agrarian Reform Council (PARC)], the super body responsible for the successful implementation of the CARP. Neither would it have been given the power to review and evaluate the DAS already signed by the DAR Secretary. If the function of the LBP in this regard is merely to sign the DAS without the concomitant power of review and evaluation, its duty to "review/evaluate" mandated in Adm. Order No. 5 would have been a mere surplusage, meaningless, and a useless ceremony.

x x x x

Even more explicit is R.A. 6657 with respect to the indispensable role of LBP in the determination of the amount to be compensated to the landowner. Under Sec. 18 thereof, "the LBP shall compensate the landowner in such amount as may be agreed upon by the landowner and the DAR and LBP, in accordance with the criteria provided in Secs. 16 and 17, and other pertinent provisions hereof, or as may be finally determined by the court, as the just compensation for the land."

Without the signature of the LBP President, there was simply no contract between Sharp and the Government. The Deed of Absolute Sale dated January 9, 1989, was incomplete and therefore had no binding effect at all. Consequently, Sharp cannot claim any legal right thereunder that it can validly assert in a petition for mandamus. (Emphasis in the original)

The issue of whether LBP can file an appeal on its own, separately and independently of the DAR, in land valuation and just compensation cases, had been squarely addressed by the Court in *Gabatin v. Land Bank of the Philippines*, (G.R. No. 148223, 25 November 2004, 444 SCRA 176, 186-188), where it ruled:

It must be observed that once an expropriation proceeding for the acquisition of private agricultural lands is commenced by the DAR, the indispensable role of Land Bank begins.

x x x

It is evident from the afore-quoted jurisprudence that the role of LBP in the CARP is more than just the ministerial duty of keeping and disbursing the Agrarian Reform Funds. As the Court had previously declared, the LBP is primarily responsible for the valuation and determination of compensation for all private lands. It has the discretion to approve or reject the land valuation and just compensation for a private agricultural land placed under the CARP. In case the LBP disagrees with the valuation of land and determination of just compensation by a party, the DAR, or even the courts, the LBP not only has the right, but the duty, to challenge the same, by appeal to the Court of Appeals or to this Court, if appropriate. x x x[63]

It is thus beyond question that LBP has the legal personality to file the petition for determination of just compensation with the SAC.

LBP did not commit forum shopping

Petitioners also submit that LBP is guilty of forum shopping because after LBP invoked the jurisdiction of the SAC of Santiago City, Isabela, and obtained a Temporary Restraining Order (TRO), LBP filed a petition for certiorari with the DARAB (DSCA No. 0213) to prevent the execution of the Order of the RARAD. The DARAB eventually issued a TRO, and later, a writ of preliminary injunction, directed against the implementation of the RARAD's decision.

Petitioners' argument is mislaid.

In *Canuto, Jr. v. National Labor Relations Commission*, [64] we held that forum shopping is manifest whenever a party "repetitively avail[s] of several judicial remedies in different courts, simultaneously or successively, all substantially founded on the same transactions and the same essential facts and circumstances, and all raising substantially the same issues either pending in, or already resolved adversely by, some other court." It has also been defined as "an act of a party against whom an adverse judgment has been rendered in one forum of seeking and possibly getting a favorable opinion in another forum, other than by appeal or the special civil action of certiorari, or the institution of two or more actions or proceedings grounded on the same cause on the supposition that one or the other court would make a favorable disposition." Considered a pernicious evil, it adversely affects the efficient administration of justice since it clogs the court dockets, unduly burdens the financial and human resources of the judiciary, and trifles with and mocks judicial processes.[65]

In *Veluz v. Court of Appeals*, [66] we held:

There is forum shopping when, in the two or more cases pending, there is identity of parties, rights or causes of action and relief sought. Forum shopping exists where the elements of *litis pendentia* are present or when a final judgment in one case will amount to *res judicata* in the other. For *litis pendentia* to exist, the following requisites must be present:

- Identity of parties, or at least such parties as those representing the same interests in both actions;
- Identity of rights asserted and reliefs prayed for, the reliefs being founded on the same facts;
- Identity with respect to the two preceding particulars in the two cases, such that any judgment that may be rendered in the pending case, regardless of which party is successful, would amount to res judicata in the other case.[67]

Reviewing the facts of this case, the SAC, after hearing the parties regarding the propriety of issuing the injunctive writ against the execution of the RARAD's decision, found that it had no jurisdiction to resolve the matter. Hence, LBP filed a petition for certiorari with the DARAB (DSCA No. 0213) seeking the issuance of a TRO and preliminary injunction.

It is thus seen that there is no forum shopping because the SAC had no jurisdiction on the issuance of an injunctive writ against the RARAD's decision. As the SAC had no jurisdiction over such matter, any ruling it renders is void and of no legal effect. Thus, LBP's act of filing the petition for certiorari with the DARAB, which has the correct jurisdiction for the remedy sought, does not amount to forum shopping.

Computation of just compensation for the subject lands

The only question that remains for resolution is the value of just compensation to be paid to petitioners.

Petitioners maintain that it is the valuation made by RARAD in its decision dated 29 March 2000, fixing the just compensation for the subject property at P32,965,408.46, which should be awarded to them considering that the same is supported by substantial evidence. On the other hand, respondent argues that just compensation should be computed on the revalued appraisal of P5,626,723.47.

Pertinently, Section 17 of RA 6657 provides:

Sec. 17. Determination of Just Compensation. -- In determining just compensation, the cost of acquisition of the land, the current value of like properties, its nature, actual use and income, the sworn valuation by the owner, the tax declarations, and the assessments made by government assessors shall be considered. The social and economic benefits contributed by the farmers and the farmworkers and by the Government to the property as well as the non-payment of taxes or loans secured from any government financing institution on the said land shall be considered as additional factors to determine its valuation.

LBP's valuation of lands covered by the CARP Law is considered only as an initial determination, which is not conclusive, as it is the RTC, sitting as a SAC, that could make the final determination of just compensation, taking into consideration the factors enumerated in Section 17 of RA 6657 and the applicable DAR regulations.[68] LBP's valuation has to be substantiated during an appropriate hearing before it could be considered sufficient in accordance with Section 17 of RA 6657 and the DAR regulations.

In *Land Bank of the Philippines v. Celada*,[69] the Court ruled that the factors enumerated under Section 17 of RA 6657 had already been translated into a basic formula by the DAR pursuant to its rule-making power under Section 49 of RA 6657. Thus, the Court held that the formula outlined in DAR AO No. 5, series of 1998, should be applied in computing just compensation.[70] DAR AO No. 5, series of 1998, provides:

A. There shall be one basic formula for the valuation of lands covered by VOS or CA:

$$LV = (CNI \times 0.6) + (CS \times 0.3) + (MV \times 0.1)$$

Where: LV = Land Value

CNI = Capitalized Net Income

CS = Comparable Sales

MV = Market Value per Tax Declaration

The above formula shall be used if all three factors are present, relevant and applicable.

A1. When the CS factor is not present and CNI and MV are applicable, the formula shall be:

$$LV = (CNI \times 0.9) + (MV \times 0.1)$$

A2. When the CNI factor is not present, and CS and MV are applicable, the formula shall be:

$$LV = (CS \times 0.9) + (MV \times 0.1)$$

A3. When both the CS and CNI are not present and only MV is applicable, the formula shall be:

$$LV = MV \times 2$$

In no case shall the value of idle land using the formula $MV \times 2$ exceed the lowest value of land within the same estate under consideration or within the same barangay or municipality (in that order) approved by LBP within one (1) year from receipt of claimfolder.[71]

In *Land Bank of the Philippines v. Spouses Banal*,^[72] we remanded the case to the SAC for further reception of evidence because the trial court based its valuation upon a different formula and did not conduct any hearing for the reception of evidence.

The mandatory application of the aforementioned guidelines in determining just compensation has been reiterated recently in *Land Bank of the Philippines v. Lim*^[73] and *Land Bank of the Philippines v. Heirs of Eleuterio Cruz*,^[74] where we also ordered the remand of the cases to the SAC for the determination of just compensation strictly in accordance with the applicable DAR regulations.

Thus, the remand of the case is necessary for the parties to present their evidence, as we are not a trier of facts.

Considering, however, that the land was acquired in 1989 and the only surviving petitioner is now an octogenarian and is in need of urgent medical attention,^[75] we find these special circumstances justifying in the acceleration of the final disposition of this case. This Court deems it best pro hac vice to commission the CA as its agent to receive and evaluate the evidence of the parties.^[76] The CA's mandate is to ascertain the just compensation due in accordance with this Decision, applying Section 17 of RA 6557 and applicable DAR regulations. As explained in *Land Bank of the Philippines v. Gallego, Jr.*,^[77] the remand of cases before this Court to the CA for the reception of further evidence is not a novel procedure. It is sanctioned by Section 6, Rule 46 of the Rules of Court.^[78] In fact, the Court availed of this procedure in quite a few cases.^[79]

WHEREFORE, we GRANT the petition. We SET ASIDE the Decision and Resolution of the Court of Appeals in CA-G.R. SP No. 68157. We REMAND Agrarian Case No. 21-0632 to the Court of Appeals, which is directed to receive evidence and determine with dispatch the just compensation due petitioners strictly in accordance with this Decision, applying Section 17 of RA 6657, DAR AO No. 5, series of 1998, as amended, and the prevailing jurisprudence. The Court of Appeals is directed to conclude the proceedings and submit to this Court a report on its findings and recommended conclusions within forty-five (45) days from notice of this Decision. The Court of Appeals is further directed to raffle this case immediately upon receipt of this Decision.

SO ORDERED.

Brion, Del Castillo, Abad, and Perez, JJ., concur.

[1] Under Rule 45 of the Rules of Court.

[2] Penned by Associate Justice Rebecca de Guia-Salvador with Associate Justices Romeo A. Brawner, and Jose C. Reyes, Jr., concurring.

[3] Penned by Associate Justice Rebecca de Guia-Salvador with Associate Justices Romeo A. Brawner, and Jose C. Reyes, Jr., concurring.

[4] Penned by RTC Judge Fe Albano Madrid.

[5] Rollo, p. 5.

[6] Id. at 192.

[7] Section 64. Financial Intermediary for the CARP. - The Land Bank of the Philippines shall be the financial intermediary for the CARP, and shall insure that the social justice objectives of the CARP shall enjoy a preference among its priorities.

[8] Rollo, p. 77.

[9] Id. at 192-193, 214-215.

[10] CA rollo, p. 52.

[11] Id.

[12] Id. at 48.

[13] A total of P5,626,723.47 for 446.2375 hectares.

[14] CA rollo, p. 49.

[15] Id. at 51-54.

[16] Id. at 114.

[17] Id. at 58.

[18] Section 57. Special Jurisdiction. - The Special Agrarian Court shall have original and exclusive jurisdiction over all petitions for the determination of just compensation and the prosecution of all criminal offenses under 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.

[19] CA rollo, p. 10.

[20] Rollo, pp. 9-10.

[21] Id. at 163.

[22] Id. at 164.

[23] Id. at 216.

[24] Id.

[25] Id. at 217.

[26] Id. at 165.

[27] Id. at 63.

[28] Id. at 70.

[29] Id. at 36-57.

[30] Id. at 26.

[31] Id. at 35.

[32] Municipal Agrarian Reform Officer.

[33] Rollo, p. 83.

[34] Id.

[35] Id. at 25-26.

[36] Id.

[37] Id. at 8a.

[38] Id. at 11-12.

[39] Id. at 10.

[40] Id. at 14.

[41] Id. at 8a.

[42] Id. at 200-201.

[43] *Fuentes v. Caguimbal*, G.R. No. 150305, 22 November 2007, 538 SCRA 12, 25.

[44] *Sanchez v. The Hon. Court of Appeals*, 345 Phil. 155, 186 (1997).

[45] *Dosch v. NLRC, et al.*, 208 Phil. 259, 272 (1983).

[46] 478 Phil. 701 (2004).

[47] Section 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.

[48] The Provincial Agrarian Reform Adjudicator (PARAD) or the Regional Agrarian Reform Adjudicator (RARAD), depending on the value of the land within their respective territorial jurisdiction. (Rule II, Sec. 2,

DARAB Rules of Procedure).

[49] Land Bank of the Philippines v. Spouses Banal, *supra* note 46 at 708-709.

[50] G.R. No. 164631, 26 June 2009, 591 SCRA 137, 143-147.

[51] 376 Phil. 252 (1999).

[52] *Id.* at 262-263.

[53] Land Bank of the Philippines v. Dumlao, G.R. No. 167809, 27 November 2008, 572 SCRA 108, 137.

[54] Association of Small Landowners in the Philippines, Inc. v. Secretary of Agrarian Reform, G.R. No. 78742, 14 July 1989, 175 SCRA 343, 382.

[55] *Id.* at 373-374.

[56] Land Bank of the Philippines v. Celada, G.R. No. 164876, 23 January 2006, 479 SCRA 495, 505.

[57] Land Bank v. Dumlao, *supra* note 53 at 137.

[58] Association of Small Landowners in the Philippines, Inc. v. Secretary of Agrarian Reform, *supra* note 54 at 382.

[59] Sec. 16(f) and Sec. 57, RA 6657.

[60] G.R. No. 180557, 26 September 2008, 566 SCRA 557.

[61] *Id.* at 565-566.

[62] G.R. No. 174971, 15 October 2008, 569 SCRA 154.

[63] *Id.* at 174-177.

[64] 412 Phil. 467 (2001).

[65] *Id.* at 474.

[66] 399 Phil. 539 (2000).

[67] *Id.* at 548-549.

[68] Land Bank of the Philippines v. Luciano, G.R. No. 165428, 25 November 2009.

[69] *Supra* note 56.

[70] *Id.* at 507.

[71] *Id.* at 508.

[72] *Supra* note 46.

[73] G.R. No. 171941, 2 August 2007, 529 SCRA 129.

[74] G.R. No. 175175, 29 September 2008, 567 SCRA 31.

[75] Rollo, p. 346.

[76] Land Bank of the Philippines v. Gallego, Jr., G.R. No. 173226, 20 January 2009, 576 SCRA 680, 693.

[77] Id.

[78] Sec. 6. Determination of factual issues. - Whenever necessary to resolve factual issues, the court itself may conduct hearings thereon or delegate the reception of the evidence on such issues to any of its members or to an appropriate court, agency or office.

[79] Land Bank of the Philippines v. Gallego, Jr., *supra* at 693. See Republic v. Court of Appeals, 359 Phil. 530 (1998); Manotok Realty, Inc., et al. v. CLT Realty Development Corporation, G.R. No. 123346, 14 December 2007, 540 SCRA 304.

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