

**MARIANO DAO-AYAN AND MARJUN DAO-AYAN, PETITIONERS, VS.
THE DEPARTMENT OF AGRARIAN REFORM ADJUDICATION BOARD
(DARAB), ARANETA LANDLESS AGRARIAN REFORM FARMERS
ASSOCIATION, REP. B...**

G.R. No. 172109. August 29, 2007

Ponente: CARPIO MORALES, J.

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CARPIO MORALES, J.:

Assailed via petition for review on certiorari is the December 15, 2005 decision of the Court of Appeals[1] affirming the November 12, 2002 Decision of the Department of Agrarian Reform Adjudication Board[2] (DARAB) which affirmed the decision dated October 5, 1998 of the Regional Agrarian Reform Adjudicator of the DARAB, Region X, Malaybalay City[3] dismissing the complaint of herein petitioners-father and son Mariano Dao-ayan (Mariano) and Marjun Dao-ayan (Marjun) against respondents Araneta Landless Agrarian Reform Farmers Association (ALARFA), the Provincial Agrarian Reform Officer of Bukidnon, and the Register of Deeds of Bukidnon, for Annulment and Cancellation of Certificate of Title of Land Ownership Award (CLOA) No. 00371923 and TCT No. AT-9035.

After Lot No. 209 (the lot), which is located at Kahaponan, Valencia City, Bukidnon belonging to the Agricultural Research Farm Incorporated, was placed under the Comprehensive Agrarian Reform Program (CARP), Marjun filed an application before the Department of Agrarian Reform (DAR) Regional Office No. 10 as a farmer-beneficiary thereof. It appears, however, that Marjun's name as applicant was later delisted.

It turned out that ALARFA had filed a Petition for Disqualification of Mariano as Farmer-Beneficiary under the CARP on the ground that he already possessed substantial real properties to thus bar him from being a farmer-beneficiary with regard to the lot;[4] and that acting on the petition for disqualification, DAR Regional Director Rogelio Tamin disqualified Mariano as farmer-beneficiary, he having been found to be, among other things, already a beneficiary under Operation Land Transfer of P.D. No. 27 of at least three parcels of land totaling 2.2938 hectares.[5]

The DAR Regional Director subsequently issued to ALARFA on October 20, 1997 the CLOA bearing No. 00371923, on account of which TCT No. AT-9035 was issued in ALARFA's name, represented by Claudio A. Fuentes.[6]

Petitioners filed a motion to stay execution of the award of the CLOA to ALARFA, claiming that they were not given notice of the Petition for Disqualification and of the Decision of the DAR Regional Director thereon.[7]

In the meantime, the Provincial Agrarian Reform Officer (PARO), by Installation Order of May 29, 1998, directed the Municipal Agrarian Reform Officer of Valencia, Bukidnon to install ALARFA on the lot and to order the occupants-non beneficiaries including herein petitioners to vacate the same.

Petitioners thus filed on June 22, 1998 the complaint subject of the present petition, for Annulment and

Cancellation of ALARFA's CLOA against ALARFA, the PARO, and the Register of Deeds of Bukidnon.[8]

As stated early on, the DARAB Regional Agrarian Reform Adjudicator dismissed petitioners' complaint. Held the DARAB Regional Agrarian Reform Adjudicator:

[T]he matter of identification of farmer-beneficiaries had in fact been finally determined by the DAR. What is put at issue is the alleged error committed by the DAR Regional Director in disqualifying herein plaintiff Mariano Dao-ayan, and the alleged denial of due process in the course of the administrative proceedings. Records will show however that even as plaintiffs' motion for reconsideration in the administrative proceedings was denied, he could have raised the matter to the office of the DAR Secretary, being the ultimate arbiter in such administrative proceedings. As it is, the resolution of the DAR Regional Director has already become final and executory. It must be impressed at this juncture, that both the law and the DARAB procedures deny this Board the authority to determine the identification and qualification of would be CARP beneficiaries. It is an undertaking assigned to the DAR as an administrative agency, and where its resolutions and orders are assailed, the same must be ventilated according to hierarchical ladder up to the DAR Secretary.

On the other hand, even as co-plaintiff Marjun Dao-ayan postulates himself to be the real potential- beneficiary being the alleged actual tillers of the land, his right to such a claim is considered to have been waived or abandoned as he could have intervened in said administrative proceedings or questioned its resolution being the alleged actual tiller, but he did not but [sic] chose to be identified by this Board which as aforesaid cannot without affront to the primary authority of the DAR to so identify.

In fine, co-plaintiff Marjun Dao-ayan who by his own admission was only entrusted to the land by his father, cannot have a better right than his father who was already officially disqualified.[9] (Underscoring supplied)

And the DARAB affirmed the dismissal as did the Court of Appeals.

In affirming the decision of the DARAB, the appellate court held:

. . . [T]he matter of identification of farmer-beneficiaries with respect to the subject land was already resolved by the Regional Director, which resolution had already become final and executory when Petitioners failed to appeal the same to the Office of the Secretary of Agrarian Reform. Section 22 of Administrative Order. 6, Series of 2000 explicitly provides: SECTION 22. Finality. - Unless an appeal is perfected, the decision or order of the R[egional] D[irector] or approving authority shall become final and executory after the lapse of fifteen {15} days from receipt of a copy thereof by the parties or their counsels or duly authorized representatives. In all cases, the parties and their counsels shall be furnished with a copy of the decision or order.

A fortiori the Regional Director DARAB[sic]-Region 10 had already ruled that MARIANO is disqualified from becoming a farmer-beneficiary in the resolution he issued which granted the petition for disqualification filed by ALARFA against MARIANO.

Anent the 2nd assigned error, Petitioners claim that the DARAB Central Office wrongfully ruled that it did not have jurisdiction over instant case because the action filed by them is for cancellation of the CLOA which falls within the jurisdiction of the DARAB under Section 1, Rule II of the 2003 DARAB Rules of Procedure.

x x x x

. . . The Regional Director, who is vested with jurisdiction over cases concerning identification of farmer-beneficiaries, had correctly ruled on said issues by granting the CLOA in favor of ALARFA. However, Petitioners, instead of appealing the Regional Director's resolution granting the CLOA to ALARFA, filed a complaint for annulment and cancellation of the CLOA, supra, before the DARAB-Region 10 on 22 June 1998, which, as ruled by the DARAB Central Office, was more than a year following the issuance of the resolution, when the same has already become final and executory.[10] (Emphasis and underscoring supplied)

In their present petition, petitioners raise two issues, viz:

- Whether or not the DARAB Regional Adjudicator has jurisdiction over the annulment of registered cloas.
- Whether or not the decision of the DAR Regional director disqualifying PETITIONERS and the Awarding of the cloa to RESPONDENT alarfa has already become final and executory such that it may no longer be questioned in further proceedings.

It is settled that jurisdiction over the subject matter is conferred by law. R.A. 6657, otherwise known as the Comprehensive Agrarian Reform Law of 1988, vests the DAR with primary jurisdiction on agrarian reform matters and clothes it with quasi-judicial powers as follows:

SEC. 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).

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

x x x x (Underscoring supplied)

Section 49 of the same law confers rule-making powers upon the DAR, viz:

Rules and Regulations. - The PARC and the DAR shall have the power to issue rules and regulations whether substantive or procedural, to carry out the objects and purposes of this Act. . . .

In accordance with its rule-making power, the DAR issued rules to govern proceedings before the DARAB.

Since petitioners' complaint for annulment was filed with the DARAB Regional Agrarian Reform Adjudicator on June 22, 1998, the DARAB New Rules of Procedure (1994 DARAB Rules) adopted in 1994 applies to the present case.

Section 1, Rule II of the 1994 DARAB Rules enumerates the cases over which the DARAB has exclusive original jurisdiction:

x x x x

(f) Those involving the issuance, correction and cancellation of Certificates of Land Ownership Award (CLOAs) and Emancipation Patents (EPs) which are registered with the Land Registration Authority;

x x x x

Matters involving strictly the administrative implementation of Republic Act. No. 6657, otherwise known as the Comprehensive Agrarian Reform Law (CARL) of 1988 and other agrarian laws as enunciated by pertinent rules shall be the exclusive prerogative of and cognizable by the Secretary of the DAR. (Emphasis and underscoring added)

Section 2 of DAR Administrative Order No. 06-00 enumerates the cases over which the DAR Secretary has exclusive jurisdiction:

Cases Covered. - These Rules shall govern cases falling within the exclusive jurisdiction of the DAR Secretary which shall include the following: (a) Classification and identification of landholdings for coverage under the

Comprehensive Agrarian Reform Program (CARP), including protests or oppositions thereto and petitions for lifting of coverage;

(b) Identification, qualification or disqualification of potential farmer-beneficiaries;

(c) Subdivision surveys of lands under CARP;

(d) Issuance, recall or cancellation of Certificates of Land Transfer (CLTs) and CARP Beneficiary Certificates (CBCs) in cases outside the purview of Presidential Decree (PD) No. 816, including the issuance, recall or cancellation of Emancipation Patents (EPs) or

Certificates of Land Ownership Awards (CLOAs) not yet registered with the Register of Deeds; (Emphasis and underscoring added)

In *Padunan v. DARAB*[11] which involved Emancipation Patents, this Court, passing on these sets of rules, held that prior to registration with the Register of Deeds, cases involving the issuance, recall or cancellation of CLOAs or EPs are within the jurisdiction of the DAR and that, corollarily, cases involving the issuance, correction or cancellation of CLOAs or EPs which have been registered with the Register of Deeds are within the jurisdiction of the DARAB.

Since the complaint subject of the present petition and filed by petitioners before the DARAB was for cancellation of a CLOA which had already been registered, the DARAB correctly assumed jurisdiction over it.

With regard to the second issue on the finality of the decision of the DAR disqualifying petitioners as farmer-beneficiaries of the lot, the Court of Appeals, citing the earlier quoted provision of Section 22 of DAR Administrative Order No. 06-00, Series of 2000, held that no appeal having been taken by petitioners within the 15-day reglementary period, the DAR decision had become final and executory.

DAR Administrative Order No. 06-00, Series of 2000 does not apply to the present case, however, because all the incidents bearing on petitioners' complaint occurred prior to the issuance in 2000 of the immediately-quoted provision of Administrative Order No. 06-00, Series of 2000. Thus, ALARFA filed the petition for disqualification as farmer-beneficiaries against petitioner Mariano on April 2, 1994; the DAR granted ALARFA the CLOA on October 20, 1997; and the CLOA was registered with the Register of Deeds on October 28, 1997. And petitioners filed their complaint before the DARAB on June 22, 1998.

A survey of the administrative issuances of the DAR which were in effect at the time the case for disqualification was resolved by the DAR Regional Director fails to show the existence of any administrative issuance specifically providing for the finality of decisions of DAR Regional Directors.

Resort may then be made to the Administrative Code of 1987 which provides:

BOOK VII

ADMINISTRATIVE PROCEDURE

x x x x

Chapter 3 - ADJUDICATION

x x x x

SEC. 15. Finality of Order. - The decision of the agency shall become final and executory fifteen (15) days after the receipt of a copy thereof by the party adversely affected unless within that period an administrative appeal or judicial review, if proper, has been perfected. One motion for reconsideration may be filed, which shall suspend the running of the said period. (Emphasis and underscoring supplied)

The records, however, show that beyond the mere assertions of ALARFA and the DARAB, there is no proof that petitioners were given notice of the proceedings before the DAR Regional Director. Thus, the counting of the 15-day prescriptive period commenced upon the registration of the CLOA on October 28, 1997 with the Register of Deeds, which is considered constructive notice as against the whole world,[12] or on December 12, 1997, the date petitioners filed a motion to stay execution of the DAR Regional Director's resolution granting the CLOA to ALARFA.[13] No

appeal having been taken by petitioners within the 15-day prescriptive period counted from any of said two dates, the assailed DAR Regional Director's resolution had become final and executory long before petitioners filed on June 22, 1998 the complaint for Annulment and Cancellation of the CLOA.

WHEREFORE, the Petition is, in light of the foregoing disquisition, DENIED.

SO ORDERED.

Quisumbing, (Chairperson), Carpio, Tinga, and Velasco, Jr., JJ., concur.

[1] Penned by Justice Myrna Dimaranan-Vidal and concurred in by Justice Romulo V. Borja and Justice Ricardo R. Rosario; CA-G.R. SP No. 81916, rollo, pp. 41-51.

[2] Rollo, pp. 24-34.

[3] Id. at 19-21.

[4] Id. at 67.

[5] Records, pp. 35-38.

[6] Id. at 10-11.

[7] Rollo, p. 66.

[8] Records, pp. 1-4.

[9] Id. at 56-57.

[10] Rollo, pp. 71-73.

[11] 444 Phil 213 (2003).

[12] *Heirs of Ayuste v. Court of Appeals*, 372 Phil 370 (1999); *MWSS v. Court of Appeals*, 357 Phil 966 (1998); *Marcopper v. Garcia*, 227 Phil 166 (1986); *Pascua v. Florentino*, 220 Phil 588 (1985); *Guerrero v. Court of Appeals*, 211 Phil 295 (1983).

[13] Petitioners admitted to filing this motion in the instant petition. Rollo, p. 11.

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