

**HEIRS OF ROQUE F. TABUENA, REPRESENTED BY AURORA P. TABUENA, ESTER P. TABUENA AND ERLINDA T. MARCELLANA, HEIRS OF JOSE TABUENA, REPRESENTED BY MA. LUZ T. MACASINAG, HEIRS OF ROM...**

*G.R. No. 180557. September 26, 2008*

Ponente: YNARES-SATIAGO, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-180557/>

---

**YNARES-SATIAGO, J.:**

This petition assails the July 11, 2007 Decision[1] of the Court of Appeals in CA-G.R. SP No. 88469 which reversed and set aside the October 1, 2004 Decision[2] of the Regional Trial Court of Sorsogon City, Branch 52 in Agrarian Case No. 2000-6767. Also assailed is the October 15, 2007 Resolution[3] which denied the motion for reconsideration.

The facts of the case as found by the Court of Appeals are as follows:

On September 28, 2000, respondents filed a complaint for determination and payment of just compensation against the Department of Agrarian Reform (DAR) and Land Bank of the Philippines (LBP), which was amended on October 3, 2000, alleging that they were the owners of Lot No. 6183, an irrigated riceland with an area of 29.9557 hectares located at Bibincahan, Sorsogon, Sorsogon; that 26.2585 hectares of said lot were brought by DAR under the coverage of P.D. No. 27 (The Comprehensive Agrarian Reform Law) and set the total value thereof at P105,572.48, excluding increments, in contravention of their right to a just compensation; and that the determination of what constitutes just compensation is inherently a judicial function which cannot and should not be left to administrative officials.

An amended answer was filed by DAR alleging that the determination of just compensation by the court is not necessary because respondents and the farmer-beneficiaries had already executed a Landowner-Tenant Production Agreement and Farmers Undertaking (LTPA-FU) To Pay to the LBP, whereby the parties agreed on the valuation of the riceland; and that in compliance with said agreement, the farmer-beneficiaries have already paid their land amortizations with LBP, as evidenced by a Certification dated July 18, 1980 issued by Mr. Ely Pongpong, Bank Executive Officer I.

A motion to dismiss was filed by LBP alleging that the case did not pass the Department of Agrarian Reform and Adjudication Board (DARAB), which has primary and exclusive original and appellate jurisdiction over the valuation of land, as well as the preliminary determination and payment of just compensation and disputes concerning the functions of LBP; that for failure to exhaust administrative remedies, the case is premature; and that respondents have no cause of action against it.

In an Order dated March 26, 2001, the court a quo found LBP's argument on non-exhaustion of administrative remedies to be meritorious and referred the case to the DARAB/PARAD for it to conduct a summary hearing for initial valuation process. However, the Provincial Adjudicator of Sorsogon informed the court a quo that the Preliminary Valuation and other pertinent papers have not yet been forwarded to the Board.

LBP then filed an answer alleging that the complaint states no cause of action because respondents already

received the payment for their property in the form of cash and bonds and they executed documents evidencing payment of the property to their full satisfaction, such as the Assignment of Rights, Landowner's Affidavit of Warranty and Undertaking, Extrajudicial Settlement of Estate and Waiver of Rights, Payment Release Forms, Special Power of Attorney and Delegation of Special Power of Attorney, copies of which, together with photocopies of the Case Registry Book and Bond Registry Book, were attached thereto as Annexes "A" to "G."

In their position paper, respondents admitted that they have already received the amount of P64,690.19 from the valuation of P105,572.48. However, they claimed that the valuation of P4,398.00 per hectare is unreasonable and shocking to the conscience and since they have not yet been fully paid for their property, they are still the owners thereof and can ask for an increase of the purchase price.

A position paper was filed by DAR alleging that respondents accepted the valuation of P15,572.48 and executed a Deed of Assignment of Rights and Landowner's Affidavit of Warranty and Undertaking, so that they are already estopped from asking for an increase in the purchase price.

LBP filed a position paper alleging that respondents are estopped from claiming an increase in the valuation on the grounds of payment and prescription, as more than twenty (20) years have lapsed from the time said valuation was made.

On October 1, 2004, the court a quo rendered judgment, the dispositive portion of which reads:  
"WHEREFORE, premises considered, judgment is hereby rendered:

1)

Fixing the amount of FOUR MILLION EIGHT HUNDRED FIFTY-FIVE THOUSAND PESOS (PHP4,855,000.00) for the area of 26.0012 hectares, covered by TCT No. T-28473 in the name of the Heirs of Roque Tabuena of that Riceland situated at Baribag, Bibincahan, Sorsogon City which property was taken by the government pursuant to P.D. No. 27.

2)

Ordering the defendant Land Bank of the Philippines to pay the Plaintiffs the total amount of Four Million Eight Hundred Fifty-Five Thousand Pesos (P4,855,000.00) Philippine currency in the manner provided by law by way of the full payment of the said just compensation after deducting whatever amount previously received by the plaintiffs if any from the defendant Land Bank of the Philippines as part of the just compensation.

3)

Ordering the plaintiffs to pay whatever deficiency in the docket fees to the Clerk of Court based on the valuation fixed by the Court.

4)

Without pronouncement as to costs.

SO ORDERED."[4]

DAR and LBP filed separate motions for reconsideration[5] but were denied; thus, both filed petitions for review[6] before the Court of Appeals. However, DAR's petition was dismissed by the Court of Appeals in a Resolution dated August 26, 2005. An Entry of Judgment[7] was issued on September 23, 2005. Only LBP's Petition for Review[8] was considered by the appellate court.

LBP alleged that the subject land transfer claim had been settled and extinguished by virtue of the Deed of Assignment of Rights executed by petitioners in favor of LBP; that the said deed is the best evidence that the land transfer claim had been consummated; that since there has been no action on the part of petitioners to annul the

same, they were estopped from assailing its validity; that the just compensation fixed by the trial court in the amount of P4,855,000.00 was improper since the valuation should be computed at the time of the taking of the property; that petitioners should have first availed of the administrative proceedings before the DAR which has primary jurisdiction over the case; and that it is only after the landowner had disagreed with the valuation of the DAR that he can file a case before the courts for final determination of just compensation.

Petitioners claimed that their acceptance of the offered price does not estop them from questioning the valuation since the Deed of Assignment of Rights is not conclusive proof that their claim was extinguished; that the trial court did not err in fixing just compensation in the amount of P4,855,000.00 since the actual taking of the land would take effect only upon the payment of just compensation.

On July 11, 2007, the appellate court rendered the assailed Decision reversing and setting aside the decision of the trial court and dismissing the complaint for determination and payment of just compensation. The Court of Appeals ruled that although the Deed of Assignment of Rights was not formally offered by the respondent, the same was incorporated in the records of the case; moreover, petitioners failed to deny it under oath hence, its genuineness and due execution are deemed admitted; that since petitioners executed a Deed of Assignment of Rights and acknowledged receipt of the full compensation for the property, there is no need to bring the matter to the trial court for the determination and payment of just compensation; that petitioners' cause of action has prescribed since the action for determination and payment of just compensation was filed only after 20 years from the time its valuation has been fixed by DAR; that in computing the just compensation for expropriation proceedings, it is the value of the land at the time of the taking, not at the time of the rendition of the judgment, that should be taken into consideration.

Petitioners' motion for reconsideration[9] was denied; hence, the instant petition for review on certiorari.

Petitioners contend that the appellate court erred when it admitted the Deed of Assignment of Rights considering that the said document was not offered in evidence by respondent; that petitioners were not given the opportunity to examine the same or to object to its admissibility; that assuming that the said deed may be admitted in evidence, it could not be considered as a binding contract because they executed the same under duress.

The petition lacks merit.

Generally, courts cannot consider evidence which has not been formally offered. Parties are required to inform the courts of the purpose of introducing their respective exhibits to assist the latter in ruling on their admissibility in case an objection thereto is made. Without a formal offer of evidence, courts are constrained to take no notice of the evidence even if it has been marked and identified.[10] However, this Court has relaxed the foregoing rule and allowed evidence not formally offered to be admitted and considered by the trial court provided the same must have been identified by testimony duly recorded and incorporated in the records of the case.[11]

In the instant case, the Deed of Assignment of Rights[12] was set up by LBP as an affirmative defense in its Answer and was incorporated in the records of the case as an annex.[13] Petitioners however failed to question its existence or due execution. On the contrary, they acknowledged receipt of a portion of the compensation for the property[14] and admitted that the Deed of Assignment of Rights appeared as an encumbrance in their certificate of title.[15] Petitioners' failure to specifically deny under oath the existence, authenticity and due execution of the said document is tantamount to a judicial admission of its genuineness and due execution.[16] Sections 7 and 8, Rule 8 of the Rules of Court provide:

SEC. 7. Action or defense based on document. - Whenever an action or defense is based upon a written instrument or document, the substance of such instrument or document shall be set forth in the pleading, and the original or a copy thereof shall be attached to the pleading as an exhibit, which shall be deemed to be a part

of the pleading, or said copy may with like effect be set forth in the pleading.

SEC. 8. How to contest such documents. - When an action or defense is founded upon a written instrument, copied in or attached to the corresponding pleading as provided in the preceding section, the genuineness and due execution of the instrument shall be deemed admitted unless the adverse party, under oath, specifically denies them, and sets forth what he claims to be the facts; but the requirement of an oath does not apply when the adverse party does not appear be a party to the instrument or when compliance with an order for an inspection of the original instrument is refused.

There is likewise no merit in petitioners' allegation that LBP lacks locus standi since DAR's petition for review was dismissed by the Court of Appeals and said dismissal has become final and executory; that being a necessary party and not an indispensable party, LBP has no right to appeal unless the DAR appeals.

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[17] and Section 64 of RA No. 6657.[18] 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.[19] 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.[20]

Once an expropriation proceeding for the acquisition of private agricultural lands is commenced by the DAR, the indispensable role of LBP begins,[21] 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;[22] as such, it can file an appeal independently of DAR.

Moreover, by virtue of the Deed of Assignment of Rights executed by petitioners whereby they acknowledged receipt of the full compensation for their property and have assigned, transferred and conveyed their rights over the subject property to LBP, their claim for an increase in the valuation of such property has no basis. LBP's obligation had long been extinguished and settled. Except for their bare and general allegations of compulsion and duress in view of the fact that the Deed of Assignment of Rights was executed during the effectivity of Martial Law, petitioners have not presented any evidence to dispute the same. Hence, petitioners were estopped from assailing the validity of the said deed.

Moreover, laches has set in due to petitioners' inaction for more than 20 years to assail the due execution of the Deed of Assignment of Rights. Laches is defined as the failure or neglect for an unreasonable and unexplained length of time, to do that which, by exercising due diligence, could or should have been done earlier; it is negligence or omission to assert a right within a reasonable length of time, warranting a presumption that the party entitled to assert it either has abandoned it or declines to assert it.[23] All the elements of laches are present in the instant case. The subject property was acquired by the government by virtue of Presidential Decree No. 27 which took effect on October 21, 1972; the parties executed the Deed of Assignment of Rights on October 10, 1979; but it was only on September 28, 2000 that petitioners filed the action for determination and payment of just compensation.

Moreover, Section 16 of Republic Act No. 6657 gives the landowner, in case he/she disagrees with valuation of the DAR, the following remedy, to wit:

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 land-owners 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 Section 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 landowner, 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 in 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. (Underscoring ours)

In *Apo Fruits Corporation v. Court of Appeals*,<sup>[24]</sup> this Court ruled that:

AFC and HPI now blame LBP for allegedly incurring delay in the determination and payment of just compensation. However, the same is without basis as AFC and HPI's proper recourse after rejecting the initial valuations of respondent LBP was to bring the matter to the RTC acting as a SAC, and not to file two complaints for determination of just compensation with the DAR, which was just circuitous as it had already determined the just compensation of the subject properties taken with the aid of LBP. (Underscoring ours)

Besides, Rule XIII, Section 11 of the New Rules of Procedure of the DARAB provides thus:

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 receipt of the notice thereof. Any party shall be entitled to only one motion for reconsideration. (Underlining for emphasis)<sup>[25]</sup>

Finally, there is no basis to petitioners' allegation that they were not yet fully paid of the valuation. The Deed of Assignment of Rights<sup>[26]</sup> executed by petitioners and respondent clearly provided that:

WHEREAS, the Land Bank has by these presents satisfactorily paid and settled in my/our favor the net cost or value of the above-described landholdings in the mode provided under Presidential Decree No. 251 as follows:

CASH: TWELVE THOUSAND SEVENTEEN PESOS & 53/100 (P12,017.53)

BONDS: NINETY SEVEN THOUSAND PESOS ONLY (P97,000.00)

which settlement/payment is in full compensation of the cost of said landholding (s) and which I/we hereby acknowledge to have received from the Land Bank to my/our full satisfaction.

WHEREAS, pursuant to the said Presidential Decree No. 251, whenever the Land Bank pays the whole or a portion of the total cost of farm lots, the Bank shall be subrogated by reason thereof to the rights of the landowner to collect and receive the yearly amortization/s on the farm lot/s or the amount paid including the interest thereon, from the above-named tenant-farmer beneficiary/ies in whose favor said farm lot/s has/have been transferred pursuant to Presidential Decree No. 27;

NOW, THEREFORE, for and in consideration of the foregoing premises, covenants and stipulations, I/We hereby ASSIGN, TRANSFER and CONVEY, absolutely and irrevocably to the LAND BANK OF THE PHILIPPINES, x x x all claims, rights, interests and participations of whatever nature or kind pertaining to the area/s covered by the Certificate/s of Land Transfer mentioned herein and transferred to the tenant-farmer/s x x x all existing improvements thereon x x x. (Underscoring ours)

WHEREFORE, the petition is DENIED. The Decision of the Court of Appeals in CA-G.R. SP No. 88469 dated July 11, 2007 reversing and setting aside the October 1, 2004 Decision of the Regional Trial Court of Sorsogon, Branch 52 in Agrarian Case No. 2000-6767 and dismissing petitioners' complaint for determination and payment of just compensation, as well as the October 15, 2007 Resolution denying the Motion for Reconsideration, are AFFIRMED.

**SO ORDERED.**

Austria-Martinez, Chico-Nazario, Nachura, and Reyes, JJ., concur.

---

[1] Rollo, pp. 45-57; penned by Associate Justice Marina L. Buzon and concurred in by Associate Justices Rosmari D. Carandang and Mariflor P. Punzalan Castillo.

[2] Id. at 101-108.

[3] Id. at 78-81.

[4] Id. at 46-49; citations omitted.

[5] Records, Vol. I, pp. 268-273; 275-288.

[6] Records, Vol. II, pp. 1-18 & 41-67.

[7] Id. at 154.

[8] CA rollo, pp. 12-39.

[9] Records, Vol. II, pp. 221-235.

[10] Far East Bank & Trust Company v. Commissioner of Internal Revenue, G.R. No. 149589, September 15, 2006, 502 SCRA 87, 90.

[11] Ramos v. Dizon, G.R. No. 137247, August 7, 2006, 498 SCRA 17, 31.

[12] CA rollo, pp. 114-117.

[13] Id. at 111-117.

[14] Id. at 208.

[15] Id. at 207.

[16] Republic v. Sandiganbayan, G.R. No. 152154, July 15, 2003, 406 SCRA 190, 263.

[17] Agricultural Land Reform Code.

[18] An Act Constituting a Comprehensive Agrarian Reform Program to Promote Social Justice and Industrialization, Providing the Mechanism for Its Implementation, and for Other Purposes.

[19] Section 15, E.O. No. 228 (CREATING THE PRESIDENTIAL EMERGENCY EMPLOYMENT OFFICE, DEFINING ITS POWERS AND FUNCTIONS, AND FOR OTHER PURPOSES).

[20] R.A. No. 6657; Sec. 16.

[21] Gabatin v. Land Bank of the Philippines, G.R. No. 148223, November 25, 2004, 444 SCRA 176, 186.

[22] Id. at 188.

[23] Regalado v. Go, G.R. No. 167988, February 6, 2007, 514 SCRA 616, 635.

[24] G.R. No. 164195, December 19, 2007, 541 SCRA 117, 141.

[25] Land Bank of the Philippines v. Wycoco, G.R. No. 140160 & 146733, January 13, 2004, 419 SCRA 67, 75.

[26] CA rollo, p. 115.

**ABOUT BATAS.ORG**

# Study smarter at BATAS.org

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

**The complete Philippine law library - free for everyone.**

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

**Audio case-brief lectures.**

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

**Bar review built on the science of memory.**

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

**The full law-school curriculum.**

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

**Mock exams that tell you where you stand.**

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

**A study planner that keeps you on pace.**

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

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

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

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

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