FAUSTINO CUNETA, PETITIONER AND APPELLANT, VS. MANUEL CASTAÑEDA, ET AL., RESPONDENTS AND APPELLEES.

G.R. No. 20025. January 31, 1964

Ponente: BAUTISTA ANGELO, J.

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BAUTISTA ANGELO, J.:

After the government had purchased the Baclaran Estate for resale to bona fide tenants or occupants, it subdivided it into small lots observing as close as possible the boundary line of the portions occupied by their tenants or occupants who, under the law, are given preference to purchase the portions occupied by them. The lots herein involved are two, namely, Lot 7 and Lot 8, both of Block No. 24, each containing 198 square meters. The Rural Progress Administration which was then in charge of the subdivision of the estate and its apportionment among its tenants, decided to award Lot S to Juan O. de Leon by executing in his favor an agreement to sell on January 22, 1948. Lot 7 was, on the other hand, awarded to Faustino Cuneta by executing in his favor an agreement to sell on February 19, 1948.

Having been notified by the Rural Progress Administration of the sale of Lot 8 to de Leon, Cuneta was requested to vacate the same, but on July 26, 1955, Cuneta protested against such award by lodging a complaint with the same office asserting that he is the bona fide tenant thereof and should have been given the preference to purchase the same. After hearing was held on this complaint, the Land Tenure Administration, which succeeded the Rural Progress Administration, rendered decision dismissing Cuneta's complaint for lack of merit, and ordering that a final deed of sale be executed in favor of De Leon covering Lot 8. Cuneta filed a motion for reconsideration, and when the same was denied, instead of appealing to the office of the President pursuant to Land Tenure Administration's Administrative Order No. 1, he riled a complaint with the PCAC denouncing the alleged injustice committed against him. Pending, however, action on this complaint, Cuneta instituted on February 26, 1959 the present petition for certiorari before the Court of First Instance of Rizal contending that the Land Tenure Administration committed a grave abuse of discretion in awarding to De Leon Lot 8 of the Badaran Estate. In due course, Juan O. De Leon, the awardee of the lot, was allowed to intervene.

The respondents filed a motion to dismiss contending, among others, that the cause of action of petitioner, if any, has already prescribed, and in any event, the court a quo has no jurisdiction to take cognizance of the case because petitioner has not exhausted all his administrative remedies before filing the petition. After the parties had agreed on the material facts of the case, the court a quo dismissed the petition mainly on the ground that the decision which petitioner seeks to set aside has already become final and executory in view of petitioner's failure to appeal to the Office of the President as required by the Land Tenure Administration's Administrative Order No. 1, series of 1956.

Petitioner interposed the present appeal.

The pertinent provisions of Administrative Order No. 1 issued by the Land Tenure Administration are quoted hereunder:

> "The decision or order of the Chairman of the Land Tenure Administration concerning any adverse claim or conflict between two or more applications shall become final after thirty (30) days from the date a copy thereof is received by the interested party unless appeal therefrom in the manner prescribed in Section 2 hereof, is taken to, the Office of the President." (Section 8)
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> "An appeal shall lie from a decision or order of the Chairman of the Land Tenure Administration to the Office of the President within a period of thirty (30) days to be counted from the date the interested party received notice thereof unless a motion for reconsideration is filed within the same period, in which case, the running of the period for appeal shall be interrupted. * * * " (Section 2)

The record shows that petitioner received copy of the decision of the Land Tenure Administration in the complaint filed by him against respondent relative to the award of the lot in question, on November 19, 1956. He filed a motion for reconsideration on December 15, 1956. This was denied by an order issued on May 4, 1957, copy of which was received by petitioner on June 13, 1957. However, instead of appealing from said decision to the Office of the President within a period of 30 days from receipt by him of the copy of the decision, he commenced the present action on February 26, 1959. The trial court, therefore, correctly held that the decision of the Land Tenure Administration has already become final as of June 19, 1957 in view of petitioner's failure to appeal on time.

The Land Tenure Administration, being an office created by law with a personality separate and distinct from the government, is invested with the power- to promulgate rules and regulations that may be necessary to accomplish its objectives and decide cases involving conflicting claims in the apportionment of lots under its administration.[1] As an entity authorized by law to approve and promulgate said rules and regulations, and pass upon said claims, it has quasi-judicial powers to decide such conflicting claims, and as such its decisions have the force and effect of law. In the same manner, its rules and regulations adopted pursuant to law have the same effect and are binding upon the claimants.[2]

But it is contended that the principle of exhaustion of administrative remedies as a condition precedent to the filing of a judicial action only applies to cases which involve the disposition of public lands, and not to those which involve private lands, as those acquired by the government for resale to bona fide tenants. It appears however, that the issue herein raised is not merely one of lack of exhaustion of administrative remedies, but one of prescription, for the failure of petitioner to appeal on time to the Office of the President as required by the administrative order already adverted to. This failure is fatal to petitioner because it bars him from filing the present action under the principle of res judicata. It should be noted that the present action is one of certiorari which requires as a condition precedent that petitioner should not have any other "adequate remedy in the ordinary course of law", before he can aver sufficient cause of action, and as we have already stated, the course which petitioner should have pursued was to appeal to the Office of the President, which he failed to do. We, therefore, consider of no consequence the petitioner.

Wherefore, the decision appealed form is affirmed. Costs against petitioner-appellant.

Bengzon, C. J., Padilla, Labrador, Barrera, Paredes, Dizon, Regala and Makalintal JJ., concur.

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[1] Section 6, paragraph 4, Republic Act 1400.

[2] Victorias Milling Company, Inc. vs. Social Security Commission.

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