

THE HON. ASST. EXECUTIVE SECRETARY FOR LEGAL AFFAIRS OF THE OFFICE OF THE PRESIDENT OF THE PHILIPPINES THE BOARD OF LIQUIDATORS, AND THE DIRECTOR OF LANDS, PETITIONERS, VS. THE ...

G.R. No. 76761. January 09, 1989

Ponente: MELENCIO-HERRERA, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-76761/>

MELENCIO-HERRERA, J.:

The administrative Decisions of the Office of the President of the Philippines, dated 13 May 1969 and 28 September 1971, respectively, set aside by respondent Court of Appeals in its judgment, dated 28 November 1986, constitute the nucleus of the present controversy.

The antecedent proceedings may be summarized thus:

1. On 15 April 1948, Jesus M. Larrabaster applied with the National Land Settlement Administration (NLSA) for a home lot at the Marbel Settlement District, Cotabato.
2. On 10 July 1950 Larrabaster's application was granted. Home Lot No. 336 (later known as Lot No. 355), with an area of 1,500 square meters (hereafter, the Disputed Property) was allocated to him on the basis of a report of the supervisor of the Settlement District that the subject lot was vacant and free from any claim or conflict.

Meanwhile, "Larrabaster leased the lot to private respondent, Basilio MENDOZA, and tolerated Jorge Geller to squat on the portion thereof" (2nd Indorsement, February 10, 1969, Office of the President, p. 1, Annex "C", Petition).

3. On 25 November 1952 the Land Settlement and Development Corporation (LASEDECO) took over the functions of the NLSA.
4. On 29 June 1956 Larrabaster and his wife assigned their rights and interests over the Disputed Property to Jose B. PEÑA. "Notwithstanding the transfer, PEÑA allowed Mendoza and Geller to stay on the lot." (id., p. 2).
5. On 8 September 1956 a Supplementary Deed of Sale was executed by the same parties defining the boundaries of the Disputed Property, thus:

"On the North by Bulok creek and a street; on the South by Bulok creek and the National Highway; on the East by a street beside the public plaza; and on the West by Bulok creek, which lot is designated as formerly lot no. 336 and now lot no. 355 on the new sketch plan of the Townsite of Marbel, South Cotabato." (2nd Indorsement, Office of the President, February 10, 1969, p. 2, Annex "C", Petition).

6. On 18 June 1954 Republic Act No. 1160 transferred the custody and administration of the Marbel Townsite to the National Resettlement and Rehabilitation Administration (NARRA).
7. On 20 August 1956 PEÑA requested NARRA to approve the above-mentioned transfer of rights but the latter

did not act thereon in view of Proclamation No. 336, series of 1956, returning to the Bureau of Lands the disposition of the lots which remained unallocated by the LASEDECO at the time of its abolition.

8. The Bureau of Lands did not act on PEÑA's request either, prompting him to bring up the matter to the Board of Liquidators (BOL), which was created to wind up the affairs of LASEDECO.

Although LASEDECO had initially denied the request, it subsequently confirmed the sale to PEÑA in its Resolution No. 139, series of 1964.

9. PEÑA must have realized that the Disputed Property contained an area bigger than 1,500 sq. ms., hence, his request to BOL that the area be adjusted from 1,500 to 3,616.93 sq. ms. to conform to its actual area.

10. In its Resolution No. 139, series of 1964, the BOL denied the request.

PEÑA moved for reconsideration stressing that the award should be for 3,616.93 sq. ms., but the BOL again denied the same under its Resolution No. 439, series of 1967.

11. Feeling aggrieved, PEÑA appealed to the Office of the President.

12. Requested by that Office to comment, the BOL conducted an investigation and reported (a) that Lot No. 355, as awarded to Larrabaster, contained only 1,500 sq. ms. but due to accretion, since the lot was almost surrounded by a creek, the area increased to 3,616.93 sq. ms.; and (b) since home lots had an average area of 1,500 sq. ms. only, the Bureau of Lands subdivided the Disputed Property into three [3] parts, namely: Lot No. 107 with an area of 1,455 sq. ms., was allocated to Basilio Mendoza; Lot No. 108, with an area of 1,500 sq. ms., was allocated to PEÑA; and Lot No. 109, with an area of 661 sq. ms., was allocated to Arturo Roxas. The BOL then recommended that PEÑA be awarded Lot No. 108 instead of the whole of former Lot No. 355.

13. Excepting to the above, PEÑA alleged that the lot transferred to him by Larrabaster contains 3,616.93 and not 1,500 sq. ms., this being the area embraced within the boundaries described in the Supplementary Deed of Sale executed between him and Larrabaster on 8 September 1956.

14. On 10 February 1969 the Office of the President "ordered that the area of PEÑA's lot (Lot No. 108, formerly a part of Lot No. 355) be maintained at 1,500 sq.ms. xxx" on the premise that accretion belonged to the Government.

15. Upon PEÑA's motion for reconsideration, the same Office, on 13 May 1969, modified its Decision of 10 February 1969 and held that "the award to PEÑA of the original Lot No. 355 is hereby maintained" (p. 9, Annex "D", Petition). It reasoned out that the benefits of accretion, pursuant to Article 457 of the Civil Code, accrue to the owner, PEÑA, and not to the Government. That Decision of 13 May 1969 is the first judgment assailed in this Petition.

16. On 14 May 1969 the BOL approved Resolution No. 236, series of 1969, directing its LASEDECO Unit to advise PEÑA accordingly. And on 3 September 1969 the BOL recommended to the Director of Lands the issuance of a patent in PEÑA's favor.

17. On 1 August 1969 private respondent MENDOZA addressed a letter-protest to the BOL, to which the latter in its Resolution No. 488, dated 6 August 1969, responded by advising MENDOZA to direct its protest to the Office of the President.

18. MENDOZA did so and on 28 September 1971 said Office rendered its letter-decision (the second one challenged herein) affirming its previous Decision of 13 May 1969, having found no cogent reason to depart therefrom (Annex "E", Petition).

19. In the meantime, on 27 January 1970, and while his protest with the Office of the President was still pending, MENDOZA resorted to Civil Case No. 98 for Certiorari before the then Court of First Instance of Cotabato against the petitioners-public officials and PEÑA.

On 23 June 1978, MENDOZA followed up with a Supplemental Petition to annul the administrative Decision of 28 September 1971 denying his protest.

20. On 10 May 1985 the Trial Court[1] rendered its Decision in Civil Case No. 98 dismissing MENDOZA's Petition for Certiorari (Annex "B", Petition).

21. On appeal, respondent Court of Appeals reversed the Trial Court in its 28 November 1986 Decision,[2] with the following disposition:

"WHEREFORE, finding the appeal of petitioner Basilio Mendoza to be meritorious, the Decision of May 10, 1985 of the Regional Trial Court, Branch 24, of Koronadal, South Cotabato, in Special Civil Case No. 98 is SET ASIDE. The Decisions of February 10, 1969, May 13, 1969 and September 28, 1971 of the Office of the President in the administrative case are likewise SET ASIDE, without prejudice to the reopening of the administrative case in said Office as to accord all parties concerned, including petitioner, their constitutional rights to due process of law.

"IT IS SO ORDERED." (pp. 23-31, Rollo)

Hence, this Petition for Review on Certiorari by petitioners-public officials anchored on the following submissions:

"1. THE COURT OF APPEALS GRAVELY ERRED IN HOLDING THAT PRIVATE RESPONDENT BASILIO MENDOZA HAS BEEN DENIED DUE PROCESS OF LAW.

"2. THE COURT OF APPEALS GRAVELY ERRED IN HOLDING THAT THE ADMINISTRATIVE DECISIONS OF THE OFFICE OF THE PRESIDENT IN QUESTION ARE NOT SUPPORTED BY SUBSTANTIAL EVIDENCE.

"3. THE COURT OF APPEALS GRAVELY ERRED IN SETTING ASIDE THE ASSAILED DECISIONS OF THE REGIONAL TRIAL COURT OF SOUTH COTABATO IN CIVIL CASE NO. 98 DATED MAY 10, 1985 AND OF THE OFFICE OF THE PRESIDENT DATED FEBRUARY 10, 1969, MAY 13, 1969 AND SEPTEMBER 28, 1971 AND IMPLICITLY ORDERING A REOPENING OF THE ADMINISTRATIVE CASE IN SAID OFFICE." (p. 9, Petition, p. 13, Rollo)

We uphold petitioners' submissions.

1. In ruling that the Decisions of the Office of the President were vitiated by failure to accord due process of law to MENDOZA, respondent Appellate Court relied on its observations that MENDOZA was: (1) not made a party to the administrative case; (2) not served with a copy of the 10 February 1969 Decision; and (3) not notified of proceedings before the 13 May 1969 Decision nor served a copy thereof.

The foregoing observations do not justify the conclusion arrived at. After the Office of the President had rendered its Decision dated 13 May 1969, MENDOZA filed a letter-protest on 1 August 1969 with the BOL. The latter office directed him to file his protest with the Office of the President, which he did. On 28 September 1971, MENDOZA's request for reconsideration was denied by said Office. So that, even assuming that there was absence of notice and opportunity to be present in the administrative proceedings prior to the rendition of the 10 February 1969 and 13 May 1969 Decisions by the Office of the President, such procedural defect was cured when MENDOZA elevated his letter-protest to the Office of the President, which subjected the controversy to appellate review but eventually denied reconsideration. Having thus been given a chance to be heard with respect to his

protest there is sufficient compliance with the requirements of due process.

"There is no merit likewise to the point raised by petitioners that they were not informed by respondent Judge of the petition by private respondent to set aside the writ of execution. The order granting such petition was the subject of a motion for reconsideration. The motion for reconsideration was thereafter denied. Under the circumstances, the failure to give notice to petitioners had been cured. That is a well-settled doctrine. Their complaint was that they were not heard. They were given the opportunity to file a motion for reconsideration. So they did. That was to free the order from the alleged infirmity. Petitioners then cannot be heard to claim that they were denied procedural due process." (*Dormitorio v. Fernandez*, L-25897, August 21, 1976, 72 SCRA 388, 394-395; *Montemayor vs. Araneta Univ. Foundation*, L-44251, May 31, 1977, 77 SCRA 321 [1977]; also *Sumpang v. Inciong*, L-50992, June 19, 1985, 137 SCRA 56 [1985]).

It should also be recalled that MENDOZA filed his petition for Certiorari before the then Court of First Instance of Cotabato seeking to annul the 13 May 1969 Decision. At the time it was presented on 27 January 1970, MENDOZA's request for reconsideration with the Office of the President, involving the same Decision, was still pending. In fact, it was only on 28 September 1971 that said Office denied reconsideration. Evidently, MENDOZA had abandoned his pending administrative request for reconsideration in favor of judicial proceedings. Again, therefore, MENDOZA cannot justifiably claim that he was denied due process.

2. Substantial factual evidence support the questioned administrative rulings. The Office of the President relied on the fact-finding report of the BOL made sometime in 1969 with respect to the Disputed Property to the effect that although the area of Lot No. 355 awarded to Larrabaster was 1,500 sq. ms., it was found situated along a creek and that "it had increased in area to 3,616.93 square meters by accretion."

The question then which confronted the Office of the President was the ownership over the increased area. In its Decision of 10 February 1969 it initially held, following the BOL recommendation, that the accretion belonged to the government and that the excess of 2,116.93 sq. ms. was an unallocated area which the Bureau of Lands had authority to dispose of so that said Bureau was not remiss in subdividing the Disputed Property into three (3) lots and allocating only Lot No. 108, with an area of 1,500 sq. ms., to PEÑA, Lot No. 107 to MENDOZA, and Lot No. 109 to Arturo Roxas.

Upon re-study, however, the Office of the President modified its conclusions in its Decision of 13 May 1969, and rightly so. It took into account Article 457 of the Civil Code, which provides:

"To the owners of lands adjoining the banks of rivers belong the accretion which they gradually receive from the effects of the current of the waters."

and opined that "creeks are included within the meaning of this Civil Code provision" (Letter-Decision, 13 May 1969, p. 7, Annex "D", Petition).

And as far as the ownership of the accretion is concerned, the Office of the President likewise correctly held that "while it may be conceded that Lot No. 355 technically belongs to the government because it was bought from the latter under an installment plan, it cannot be rightfully concluded that the benefits of accretion must still be retained by the said seller" (Letter-Decision, 13 May 1969, p. 7, Annex "D", Petition). In so ruling, that Office acted on the authority of *Director of Lands, et al. vs. Ricardo Rizal, et al.*, 87 Phil. 806, at 810, 814 [1950]), reading in part:

"x x x When the lot bordering on a public stream is sold on installment basis by the government, said stream is made the boundary. x x x The stream may advance or recede but it will always constitute the boundary or boundaries of the lot, and the purchaser has the right to insist that the original boundaries be preserved, and all the area inside said boundaries be considered as included in the sale.

xxx xxx xxx

"x x x In the sale of a friar land, lot or parcel bordering on rivers under Act No. 1120 pending payment in full of the purchase price, altho the Government reserves title thereto, merely for its protection, the beneficial and equitable title is in the purchaser, and that any accretion by the lot even before payment of the last installment belongs to the purchaser thereof."

Since the Disputed Property no longer belonged to the Government the subdivision thereof by the Bureau of Lands into three lots, as well as the allocation of said lots to two other individuals, was beyond the scope of its authority. Under Proclamation No. 336, series of 1956, the authority of the Bureau of Lands to dispose of lots was limited to "unallocated areas." As the Letter-Decision of 28 September 1971 states: "however, it is equally true that the accretions took place after the land had been allocated and assigned to Larrabaster. Clearly, therefore, when the accretion started, Larrabaster had already acquired the beneficial and equitable title over the Lot No. 355, albeit the Government still retained the naked title thereto. Consequently, to Larrabaster and now to his assignee (Peña) belong the accretions to said lot which may no longer be allocated to others by the Government." (Letter-Decision, 28 September 1971, Annex "E", Petition). Having been thus allocated, the area within its original boundaries belong to the awardee whether the creek advances or recedes. He is entitled to all the benefits which may accrue to the land as well as suffer the losses that may befall it.

MENDOZA's filing of a Miscellaneous Sales Application over the Disputed Property with the Bureau of Lands on 6 November 1962 must similarly be held to have been inappropriate and without any legal force and effect since the same was no longer public land subject to disposition by the Government.

Contrary to the finding of respondent Appellate Court, no irregularity may be imputed to the administrative decisions by reason of the fact that allegedly a copy of the investigation report of the BOL was not among those elevated to the Trial Court or among those marked in evidence. It can be safely assumed that the Office of the President could not have relied upon said report if the same had not been before it when it rendered the questioned Decisions.

3. Finally, invariable is the rule that in reviewing administrative decisions of the Executive Branch of the government, "the findings of fact made therein must be respected, as long as they are supported by substantial evidence, even if not overwhelming or preponderant (Ang Tibay vs. Court of Industrial Relations, 69 Phil. 635 [1940]); that it is not for the reviewing court to weigh the conflicting evidence, determine the credibility of the witnesses, or otherwise substitute its own judgment for that of the administrative agency on the sufficiency of the evidence (Lao Tang Bun, et al. vs. Fabre, 81 Phil. 682[1948]); that the administrative decision in matters within the executive jurisdiction can only be set aside on proof of gross abuse of discretion, fraud, or error of law (Lovina vs. Moreno, L-17821, November 29, 1963, 9 SCRA 5576; Timbancaya vs. Vicente, L-19100, December 27, 1963, 9 SCRA 852), which we find absent herein.

To reopen the case as ordered by the Court of Appeals would open wide the doors to a protracted litigation of a controversy that has been pending for approximately nineteen (19) years now. It is high time that a finish to the case be written.

WHEREFORE, the Decision of 28 November 1986 of respondent Court of Appeals is hereby SET ASIDE and the Decision of 10 May 1985 of the Regional Trial Court, Branch 24, Koronadal, South Cotabato, in Civil Case No. 98, is hereby ordered REINSTATED.

SO ORDERED.

Paras, Padilla, Sarmiento, and Regalado, JJ., concur.

[1] Presided over by Judge Emigdio H. Lopez.

[2] Penned by Justice Jaime M. Lantin and concurred in by Justices Santiago M. Kapunan and Ricardo P. Tensuan.

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.