

**B.E. SAN DIEGO, INC., PETITIONER, VS. THE COURT OF APPEALS
(11TH (11TH DIVISION), HON. TERESITA DIZON-CAPULONG, IN HER
CAPACITY AS PRESIDING JUDGE OF BRANCH 172, REGIONAL TRIAL**

...

G.R. No. 80223. February 05, 1993

Ponente: CRUZ, J.

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CRUZ, J.:

In the civilized society, every person has the basic right to a roof over his head, to shelter him from the elements and - no less importantly - to give him a sense of self-respect as a human being. Even the carabao has its shed and the bird its nest. The homeless person is entitled to the solicitude and tenderness of the State, as the Constitution itself affirms under the social justice policy, which now specifically calls for agrarian and urban land reform and housing.

The case at bar involves the proper implementation of this policy.

On March 3, 1986, petitioner B.E. San Diego, instituted an action in the Regional Trial Court of Valenzuela, Metro Manila, against private respondent Rosalia de Jesus for recovery of possession of a parcel of land situated at Navarette St., Arkong Bato, Valenzuela, Metro Manila. [1]

In her answer, De Jesus argued that the land where her house was erected was included in the project site for Zonal Improvement Program (ZIP) of the government and therefore subject to the provisions of P.D. 2016. [2]

On September 8, 1986, she filed a motion to dismiss based on the same ground. This was denied by Judge Samilo Barlongay on November 3, 1986, thus:

The Court finds the defendant's Motion to Dismiss to be without merit. Presidential Decree No. 2016, prohibiting the eviction of the occupants-families from lands identified and proclaimed as areas for priority development or Urban Land Reform Zone is explicit in Section 2 thereof that the tenant or occupant family who cannot be evicted from or otherwise dispossessed of the land must have been residing thereat "for 10 years or more reckoned from the date of the issuance of Presidential Decree No. 1517 otherwise known as the Urban Land Reform Law."

Presidential Decree No. 1517 was promulgated on June 11, 1978, hence, 10 years from said date will be June 10, 1988. Therefore the defendant as of this time is not yet protected against eviction or dispossession from the land. The defendant's contention that the 10 years should be counted from the date of possession does not find basis in the law which she is invoking, for the law is clear that 10 years or more should be "reckoned from the date of issuance of Presidential Decree No. 1517."

On December 16, 1986, the date of the scheduled pre-trial conference, Judge Teresita Dizon-Capulong, the new presiding judge of the above-named court, granted De Jesus a 5-day extension, or until December 21, 1986, within which to file a motion for reconsideration of the order denying her motion to dismiss. [3] However, it was

only on March 5, 1987, or 73 days later, that the motion for reconsideration was finally filed. [4]

On March 25, 1987, the trial court reconsidered its order of November 3, 1986, on the following justification:

In reconsidering its Order dated November 3, 1986, this Court is guided by the clarification of the date of effectivity of P.D. 2016 by the National Housing Authority which is the alter ego of the President of the Philippines who issued Presidential Decree 2016 and Presidential Decree 1517 to which the former decree is intimately related. In the communication dated October 21, 1986 to the defendant by the General Manager of the said National Housing Authority it is stated thus:

"Please be informed that the date of issuance of PD 1517 is 1978 and ten years or more reckoned from that date is 1968. Hence, tenant families who should benefit from this Urban Land Reform Program are those who have been residing in the area for ten (10) years or more prior to the issuance of said P.D. 1517."

It further held that the private respondent was among those persons who might be protected from eviction by P.D. 2016, but it was necessary for her to show that she had been in occupancy of the subject land for ten years or longer as required by the decree.

On April 8, 1987, the petitioner moved for reconsideration of this order, but its motion was denied on April 24, 1987, for lack of merit. The petitioner then sought certiorari and prohibition with a prayer for preliminary injunction from the Court of Appeals on the ground that the orders of the trial court dated March 25, 1987, and April 8, 1987, were issued with grave abuse of discretion. [5]

On August 10, 1987, in an exhaustive and well-reasoned decision penned by now Presiding Justice Lorna Lombos-de la Fuente of the Court of Appeals, the petition was dismissed. [6]The respondent court sustained the reliance of the trial court on the interpretation of Section 2 of P.D. 2016 by the National Housing Authority regarding the computation of the ten-year period.

The respondent court said the interpretation was "a sensible one and (was) one which (would) effectuate, rather than nullify or negate, the purpose/purposes of the two above-mentioned decrees." It added that:

x x x It bears emphasis that the NHA is the very agency charged by P.D. 2016 with the duty of implementing its provisions (Secs. 4 & 8, id.). By settled jurisprudence, such an interpretation, coming as it does from the administrative agency charged with the implementation of the law in question, deserves to be accorded full faith and credence. x x x

From this decision, the present petition was filed on October 22, 1987, to raise the following issues:

(1) Whether respondent RTC's orders of March 25, 1987 and April 24, 1987, later affirmed by respondent Court of Appeals in its decision of August 10, 1987 and its subsequent Minute Resolution of October 6, 1987, are procedurally sanctioned by the Habaluyas ruling or not and, in the latter case, whether these orders are grossly abusive of discretion and/or jurisdiction vis-a-vis the Supreme Court's stern instructions in Habaluyas.

(2) Whether or not the ten-year period of occupancy mentioned in Section 2 of P.D. 2016 is to be counted backward, as all respondents contend, or forward, as petitioner contends.

On the first question, the Court holds that the respondent court did err in affirming the order of the trial court granting a 5-day extension to file a motion for reconsideration and later accepting and resolving the said motion although filed more than two months from December 21, 1986, the last day of the extended period.

The extension should not have been granted at all as it was barred by the ruling in *Habaluyas Enterprises, Inc. v. Japson*, [7] where we held:

Beginning one month after the promulgation of this Resolution, the rule shall be strictly enforced that no

motion for extension of time to file a motion for new trial or reconsideration may be filed with the Metropolitan or Municipal Trial Courts, the Regional Trial Courts, and the Intermediate Appellate Court. Such a motion may be filed only in cases pending with the Supreme Court as the court of last resort, which may in its sound discretion either grant or deny the extension requested. (May 30, 1986)

and in *Bacaya v. Intermediate Appellate Court*, [8] where we explained the prospective application of the rule and the operation of the grace period thus:

In other words, there is a one-month grace period from the promulgation on May 30, 1986 of the Court's Resolution in the clarificatory *Habaluyas* case, or up to June 30, 1986, within which the rule barring extensions of time to file motions for new trial or reconsideration is, as yet, not strictly enforceable.

In the present case, the motion for extension of time was filed on December 16, 1986, more than five months after the expiration of the grace period on June 30, 1986. As earlier noted, the 5-day extension should not have been given in the first place, following *Habaluyas*; and to make matters worse, the motion for reconsideration itself was filed more than 2 months after the said extension. Under the rules, even assuming the validity of the extension, the motion should have been denied outright for tardiness as the order sought to be reconsidered had already long become final.

All this notwithstanding, the Court will disregard the procedural lapses in this case in the interest of substantive justice. We have held in earlier cases that -

x x x (O)ne does not have any vested right in technicalities. In meritorious cases, a liberal not literal interpretation of the rules becomes imperative and technicalities should not be resorted to in derogation of the intent of the rules which is the proper and just determination of litigations. Litigations should, as much as possible be decided on their merits and not on technicality. As has been the constant ruling of this Court, every party-litigant should be afforded the amplest opportunity for the proper and just disposition of his cause free from the constraints of technicalities. [9]

x x x Strict adherence to technical adjective rules should never be unexceptionally required, specially in the context of facts from which substantial compliance with the rules may be reasonably inferred; a contrary precept would result in a failure to decide cases on their merits. It should be the function of Courts to afford parties - litigants the amplest opportunity for the proper and just determination of their causes, free from the constraint of technicalities. In the disposition of controversies, reasonable and justifiable liability in the application of procedural rules should be the guiding principle, where otherwise substantial justice would be jeopardized; inadequacies and errors of form should be overlooked when they would defeat rather than help in arriving at a just and fair result as to the essential merits of any case. [10]

Strict application of technical rules will be disregarded to obviate injustice. x x x [11]

The case before us shall be considered under the exception rather than the rule because the substantive issue raised by the private respondent deserves a close examination by the Court. Especially since it affects the social justice policy, we feel that a definitive pronouncement regarding the proper interpretation of P.D. 1517 and P.D. 2016 is advisable, if not necessary, as a guide in future similar cases.

Parenthetically, the Court notes that the petitioner has invoked the *Habaluyas* ruling only in this petition now before us. The legality of the extension for the filing of the motion for reconsideration and the subsequent tardiness of that motion were not raised in the proceedings below, which is why the respondent court did not rule upon the issue. We can only wryly observe that if the petitioner insists on the strict application of technicalities, it must be hoist by its own petard and disarmed by its earlier omission.

On the second and more vital question, we hold also for the private respondent. This is the fundamental reason

why we have chosen not to strictly apply the procedural rules in this case.

We agree that in reckoning the ten-year period under Section 2 of P.D. 2016, the trial court should count backward from 1978, the year P.D. 1517 was issued, instead of waiting until the lapse of ten years after 1978.

Section 6 of P.D. 1517, which took effect on June 11, 1978, provides:

SECTION 6. Land Tenancy in Urban Land Reform Areas. Within the Urban Zones legitimate tenants who have resided on the land for ten years or more who have built their homes on the land and residents who have legally occupied the lands by contract, continuously for the last ten years shall not be dispossessed of the land and shall be allowed the right of first refusal to purchase the same within a reasonable time and at reasonable prices, under terms and conditions to be determined by the Urban Zone Expropriation and Land Management Committee created by Section 8 of this Decree.

Section 2 of P.D. 2016, which took effect on January 23, 1986, reads:

SECTION 2. No tenant or occupant family, residing for ten years or more reckoned from the date of issuance of Presidential Decree 1517 otherwise known as the Urban Land Reform Law, in land proclaimed as Areas for Priority Development or Urban Land Reform Zones or is a project for development under the ZIP in Metro Manila and the SIR Program in the regional cities shall be evicted from the land or otherwise dispossessed.

The above-quoted provisions should not be isolated from the other provisions of P.D. 1517 and P.D. 2016. It is an accepted canon of construction that the intention of the lawmakers must be ascertained not from a consideration of a single word or a particular phrase of the law, but from the context of the whole statute, including its *whereas* clauses. [12]

We see no error in the opinion of the National Housing Authority that "tenant families who should benefit from this Urban Land Reform Program are those who have been residing in the area for ten years or more prior to the issuance of the said P.D. 1517."

The respondent Court of Appeals, in upholding this interpretation, correctly observed that -

Upon examination of the *whereas* clauses of P.D. 2016. We are informed of the premises/purposes for its issuance, namely: to supply or correct the deficiencies in the implementation of P.D. 1517 -- that despite the institution by said decree of a nationwide land reform program and the proclamation of urban land reform zones or areas for priority development "resident families" therein nonetheless "are being evicted from such lands" in violation of Section 6 of said P.D. which provides that qualified families in said zones/areas "shall not be dispossessed of the land and shall be allowed the right of first refusal to purchase the same": and that landowners of subject lands are able to go around said provision (Section 6), by offering to sell the land to occupant families at a very high price which is beyond the occupant's capacity to pay and subsequently evicting them for failure to exercise their option to buy the said land, thus rendering the said decree inoperative and of no consequence. If the interpretation suggested by petitioner were to be adopted, thus resulting in the postponement to 1988 of the operation of the prohibition found in abovesaid Section 6 against the eviction or dispossession of the qualified residents of lands in the abovementioned areas/zones, certainly the aforesaid purposes of P.D. 2016 would be defeated because the landowners would in the meanwhile be able to evict or dispossess the qualified residents in subject areas/zones.

Such an interpretation also runs counter to the express mandate of Section 9 of P.D. 2016 that the same "shall take effect immediately" (which is January 23, 1986); and even of Section 24 of P.D. 1517 which likewise declares that the said enactment "shall take effect immediately" (which is June 11, 1978).

If the ten-year period were counted forward from 1978, the qualified residents who have been in possession of the subject property for more than ten years prior to 1978 would nevertheless have been subject to eviction any time

before 1988. This interpretation would render the decree inoperative until 1988 and negate the rationale of "the rule on non-eviction (which) is to preclude unscrupulous landowners from demanding a steep price for the land from their tenants with the view of evicting the latter should they fail to exercise their right of first refusal." P.D. 2016 was obviously intended to become effective immediately, to protect qualified tenants who had at that time already occupied the subject property for ten years or more.

The case of *Nidoy v. Court of Appeals* [13] is not applicable because the main issue resolved there was whether or not apartment-dwellers were considered qualified tenants under P.D. 2016, not whether the ten-year period should be counted backward or forward from 1978.

We are convinced that the more rational reading of the said provision is that the ten-year period must be reckoned from 1968, ten years before the issuance of P.D. 1517. This interpretation would give more rights to the intended beneficiaries of the decree and thus make more meaningful the constitutional objective of decent housing for all persons, in the cities and in the farms.

WHEREFORE, the challenged decision of the Court of Appeals sustaining the interpretation of the National Housing Authority on the reckoning of the ten-year period prescribed under P.D. 2016 is AFFIRMED, and the Regional Trial Court of Valenzuela, Metro Manila, is directed to proceed with the trial of Civil Case No. 2379-V-86 to determine whether or not the private respondent is a qualified resident under P.D. 2016. No costs. SO ORDERED.

Padilla, Griño-Aquino and Bellosillo, JJ., concur.

[1] Rollo, pp. 18-20.

[2] *Ibid.*, pp. 21-25.

[3] *Id.*, p. 35.

[4] *id.*, pp. 36-38.

[5] Original Records, pp. 1-8.

[6] Rollo, pp. 53-59; *Lombos-de la Fuente, J.*, ponente, with *Francisco and Benipayo, JJ.*, concurring.

[7] 142 SCRA 208.

[8] 144 SCRA 161.

[9] *Lim v. Court of Appeals*, 188 SCRA 33.

[10] *Ambrosio v. Intermediate Appellate Court*, 181 SCRA 99.

[11] *Echaus v. Court of Appeals*, 199 SCRA 385.

[12] *Lagmay v. Court of Appeals*, 199 SCRA 501.

[13] G.R. No. 80223, September 30, 1992.

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