MELENCIO BERBOSO AND CONCEPCION BERBOSO, PETITIONERS, VS. HON. COURT OF APPEALS, BELEN CARLOS, CORAZON CARLOS, AND JKM INTERNATIONAL, RESPONDENTS.

G.R. NOS. 141593-94. July 12, 2006

Ponente: CHICO-NAZARIO, J.

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CHICO-NAZARIO, J.:

Before Us is a Petition for Review of the Decision[1] in the consolidated cases of CA-G.R. SP No. 41568 and No. 42122 of the Court of Appeals dated 29 December 1996, which affirmed the 1 March 1996 Decision of the Office of the President in O.P. Case No. 5994 and the 25 June 1996 Decision and 16 September 1996 Resolution of the Department of Agrarian Reform Adjudication Board[2] (DARAB) in DARAB Case No. 1283. In its Decision, the Court of Appeals directed the Register of Deeds, Meycauayan, Bulacan, to cancel Transfer Certificates of Title (TCTs) No. EP-149-M and No. EP-150-M and to reinstate cancelled TCTs No. T-114000 (M), 120510 (M), 102513 (M), 120514 (M), 120516 (M), and 120517 (M) in the name of herein private respondent JKM INTERNATIONAL, INC. (JKM), as well as TCTs No. 122924 (M) and 122925 (M) in the name of Wong Lee Lee.

Culled from the records are the following facts:

On 29 November 1973, herein private respondents Belen and Corazon Carlos, together with Manuel, Alberto, Antonio and Rafaelito, all surnamed Carlos, filed with the Bureau of Land Acquisition, Distribution and Development of the Department of Agrarian Reform (DAR), a joint request for the conversion of their parcel of land consisting of 48.2789 hectares of unirrigated riceland situated at Calvario, Iba, and Camalig, Meycauayan, Bulacan, and covered by TCTs No. 48182 and No. 48183 issued by the Register of Deeds of Meycauayan, Bulacan.

On 22 January 1975, DAR Secretary Conrado F. Estrella issued an Order[3] declaring the said parcels of land suitable for residential, commercial, industrial and other urban purposes. The dispositive portion thereof reads:

> In view of the foregoing, and considering the parcels of land subject hereof to be suitable for residential, commercial, industrial or other urban purposes as verified and recommended by the Department of Local Government and Community Development and the Agrarian Reform Team Leader concerned, the course and the parcels of land subject hereof are hereby declared suitable for residential, commercial,, industrial and other urban purposes subject however, to the provisions of Presidential Decree 406 and other Presidential Decrees, Letters of Instruction, Memoranda and General Orders which may hereafter be promulgated as declared by the President in his land policy speech.
>
> It is understood further, that the possession of the agricultural tenant-farmers concerned of their respective landholdings shall not be disturbed until they are duly paid and their landholdings shall already be developed for urban purposes whereby their continuous possession thereof is no longer tenable.

Pursuant to the 22 January 1975 Order, private respondents Carloses effected the payment of the compensation

due their agricultural tenants. However, herein petitioners Melencio and Concepcion Berboso, successors-in-interest of one of their original tenants, Macario Berboso, refused to vacate their landholdings.

On 1 September 1989, private respondents Carloses filed with the DARAB Region III a Petition[4] for Confirmation of the Order of Conversion and for the Determination of the Amount of Disturbance Compensation docketed as DARAB Case No. 101-Bul '89. On 7 October 1989, private respondents Carloses and Emiliano Berboso, brother of herein petitioners Berbosos and the named respondent in DARAB Case No. 101-Bul '89, filed with the DARAB a Joint Motion[5] to Determine the Amount of Disturbance Compensation due to the respondent/tenant agreeing to abide with the decision of the Board. On 16 October 1989, private respondent Corazon Carlos executed a Deed of Absolute Sale of Real Property in favor of their co-respondent herein JKM which involves one parcel of land consisting of 20,186 square meters covered by TCT No. T-225598 on even date, private respondent Belen Carlos executed another Deed of Absolute Sale of Real Property also in favor of JKM which involves one parcel of land consisting of 20,110 square meters covered by TCT No. T-58059. The said parcels of land sold by private respondents Carloses to JKM are the subjects of the dispute between the private respondents Carloses and JKM, on one hand, and petitioners Berbosos, on the other.

In its Decision[6] dated 18 December 1989, the DARAB ordered private respondents Carloses to pay Emiliano Berboso the total amount of P112,644.00 equivalent to five years disturbance compensation.

On 15 January 1990, Emiliano Berboso filed with the DARAB a Motion[7] to Set Aside the 18 December 1989 Decision of the DARAB assailing therein the amount of disturbance compensation. He, together with the other petitioners Berbosos, asserted that he is entitled to either the thirty percent (30%) physical portion of the lot, or the equivalent value thereof in cash, as disturbance compensation. He further asserted that petitioners Berbosos, being tenants of the subject land, should have been included also as parties in the Joint Motion filed in DARAB Case No. 101-Bul '89.

Private respondents Carloses presented a photocopy of Official Receipt No. 3312102[8] dated 29 January 1990 which states that the same was issued by the DAR to them upon payment of P112,644.00 as disturbance compensation pursuant to the 18 December 1989 Decision.

On 12 February 1990, Emiliano Berboso filed a Supplemental Motion in support of his earlier Motion to Set Aside the 18 December 1989 Decision which included a Joint Affidavit[9] executed by her co-petitioners which Motions were denied by the DARAB. The DARAB, upon motion of private respondents Carloses, issued a Writ of Execution[10] on 21 February 1990 to enforce the Decision dated 18 December 1989.

On 5 March 1990, Emiliano Berboso filed with the Court of Appeals a Petition for Review[11] of the 18 December 1989 Decision of the DARAB docketed as CA-G.R. SP No. 20147.

Meanwhile, on motion of private respondents Carloses, the DARAB issued a Writ of Possession[12] dated 13 September 1990 against Emiliano Berboso.

On 26 December 1990, petitioners Berbosos filed an Action for Maintenance of Peaceful Possession, Damages, and Injunction[13] against private respondents Carloses before the DARAB, docketed as DARAB Case No. 217-Bul '90, alleging therein that the enforcement of the said Writ of Possession would unjustly deprive them of possession of their land since the land being tilled and tenanted by their brother Emiliano Berboso is separate and distinct from the land they are tenanting from private respondents Carloses, and that they have their own tenanted areas of cultivation which are separate and distinct from that of their brother Emiliano Berboso.

Upon motion of private respondents Carloses, the DARAB issued on 16 May 1991 an Alias Writ of Execution[14] against Emiliano Berboso. The same, however, was not implemented because Emiliano Berboso

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refused to sign and acknowledge the Alias Writ of Execution served upon him by Sheriff Armando G. Dionisio.

On 25 March 1992, petitioners Berbosos filed a Petition[15] before the DARAB, docketed as DARAB Case No. 368-Bul '92, seeking to exercise their right of redemption under Republic Act No. 3844,[16] as amended. They similarly prayed for the reversion of the subject land to its original agricultural use contending that private respondent JKM had already started utilizing the said land by bulldozing it. Finally, they deposited with the Regional Agrarian Reform Adjudicators (RARAD) the amount of P1,000,000.00 as redemption money. DARAB Case No. 368-Bul '92 was consolidated with DARAB Case No. 217-Bul '90.

On 26 March 1992, the Court of Appeals rendered a Decision[17] in CA-G.R. SP No. 20147, denying Emiliano Berboso's Petition for Review, thus:

> WHEREFORE, the instant petition and the motion to remand the same to the DARAB are hereby DENIED for lack of merit. Accordingly, the motion for the issuance of a writ of injunction to enjoin the enforcement of the decision is likewise denied and DARAB Case No. 101-Bul '89 is hereby remanded to the public respondent for further proceedings.

On 9 December 1992, petitioners Berbosos filed before the DAR Secretary a Petition[18] for the Cancellation of the Conversion Order dated 22 January 1975 of previous DAR Secretary Estrella.

On 9 February 1993, the Provincial Agrarian Reform Adjudication Board (PARAB) rendered a Decision[19] dismissing the consolidated DARAB Cases No. 217-Bul '90 and No. 368-Bul '92. The dispositive portion reads:

> WHEREFORE, premises considered, judgment is hereby rendered:
>
> 1. Ordering the dismissal of the above-mentioned cases for lack of basis and/or for being moot and academic;
>
> 2. Ordering the plaintiffs/petitioners [petitioner Berbosos] to vacate and restore to the defendants' JKM INTERNATIONAL INC. [private respondent JKM] the portion being in their present possession; and
>
> 3. All other claims are hereby dismissed likewise, for lack of any legal and factual basis.

Petitioners Berbosos appealed the aforesaid Decision to the DARAB Head Office at Quezon City, which was docketed as DARAB Case No. 1283.

On 5 January 1994, the DAR Secretary Ernesto D. Garilao issued an Order[20] granting the Motion for Cancellation of the Conversion Order dated 22 January 1975, to wit:

> WHEREFORE, Order is hereby issued granting the Petition and the Order dated January 22, 1975 is hereby declared null and void for lack of due process. The 6.2789 hectares shall be covered by operation land transfer pursuant to Presidential Decree No. 27 which includes the 4.0 hectares portion which has been found to be still agricultural in use and tenanted by the petitioners. The corresponding Emancipation Patents shall be generated and issued in favor of petitioners Melencio Berboso and Concepcion Berboso, if they are already qualified.

Private respondents Carloses moved for the reconsideration of the aforementioned Order of DAR Secretary Garilao but the same was denied. Aggrieved, they filed an Appeal with the Office of the President which was docketed as O.P. Case No. 5994.

On 24 October 1994, petitioners Berbosos filed before the DARAB Head Office, Quezon City, a Manifestation with Motion to Withdraw Complaint for Redemption in DARAB Case No. 368-Bul '92, since there was no more need for resolution of the said case in light of the Order of DAR Secretary Garilao dated 5 January1994 finding the subject lands to be still agricultural in use and tenanted by petitioners Berbosos.

On 1 March 1996, the Office of the President rendered a Decision[21] reversing and setting aside the Order of

DAR Secretary Garilao dated 5 January 1994 and reinstating the Order of the former DAR Secretary Estrella dated 22 January 1975, the dispositive portion of which is reproduced below:

> WHEREFORE, premises considered, the Order of the Department of Agrarian Reform dated January 5, 1994 is REVERSED and SET ASIDE and the Order of then DAR Secretary Conrado F. Estrella, dated January 22, 1975 is REINSTATED.

On 25 June 1996, the DARAB Head Office, Quezon City, rendered a Decision[22] on DARAB Case No. 1283, dismissing the Appeal of petitioners Berbosos and affirming the Decision of the DARAB Region III dated 18 December 1989, ordering as follows:

> WHEREFORE, premises considered, judgment is hereby rendered DISMISSING the appeal and AFFIRMING IN TOTO the challenged decision of the Adjudicator a quo. Any emancipation patent/s issued in favor of Melencio Berboso and Concepcion Berboso, or other persons over these landholdings in dispute are hereby ordered CANCELLED.

On 21 August 1996, petitioners Berbosos filed before the Court of Appeals a Petition for Review[23] of the Decision dated 1 March 1996 of the Office of the President in O.P. Case No. 5994. This Petition was docketed as CA-G.R. SP No. 41568. Again, on 11 October 1996, petitioners Berbosos filed before the Court of Appeals a Petition for Review[24] of the Decision of DARAB Head Office, Quezon City, in DARAB Case No. 1283. This was docketed as CA-G.R. SP No. 42122. On 3 April 1997, the Court of Appeals issued a Resolution[25] which ordered the consolidation of CA-G.R. SP No. 42122 and No. 41568.

On 29 December 1999, the Court of Appeals rendered a Decision[26] dismissing both Petitions for Review, and affirming the Decisions of the Office of the President dated 1 March 1996 and the DARAB dated 25 June 1996. The dispositive portion of the said Decision reads:

> WHEREFORE, the petitions in these consolidated cases are hereby DISMISSED and the appealed decisions of the Office of the President and the DARAB are hereby AFFIRMED. Additionally, an order is hereby issued directing the Registry of Deeds, Meycauayan Branch, to cancel Transfer Certificates of Title Nos. EP-149-M and EP-150-M and to reinstate cancelled Transfer Certificates of Title Nos. T-114000 (M), 120510 (M), 102513 (M), 120514 (M), 120516 (M), and 120517 (M) in the name of respondent JKM INTERNATIONAL, INC. as well as Transfer Certificates of Title Nos. 122924 (M) and 122925 (M) in the name of Wong Lee Lee.

Undaunted, petitioners Berbosos filed the instant Petition raising the following issues:

I

> THE COURT OF APPEALS ERRED IN INVALIDATING THE TRANSFER CERTIFICATES OF TITLES OF THE PETITIONER BERBOSOS IN THE ABSENCE OF DIRECT ATTACK;
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> II
>
> THE COURT OF APPEALS ERRED IN UPHOLDING THE VALIDITY OF THE CONVERSION ORDER OF DAR SECRETARY ESTRELLA DATED 22 JANUARY 1975;
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> III
>
> THE COURT OF APPEALS ERRED IN RULING THAT THE PRIVATE RESPONDENT CARLOSESS HAVE COMPLIED WITH THE REQUIREMENTS FOR CONVERSION OF THEIR LAND UNDER SEC. 36 OF RA 3844;
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> IV

> THE COURT OF APPEALS ERRED IN RULING THAT THERE WAS OBSERVANCE OF DUE PROCESS IN APPLICATION AND ISSUANCE OF ORDER OF CONVERSION;
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> V
>
> THE COURT OF APPEALS ERRED IN RULING THAT THERE WAS NO VIOLATION OF THE SECURITY OF TENURE OF PETITIONER BERBOSOS AS FARMER-BENEFICIARIES.

Petitioners Berbosos invoked Presidential Decree No. 27.[27] They argued that, upon the promulgation of Presidential Decree No. 27 on 21 October 1972, they are automatically deemed owners of the land in question; that TCTs No. EP-150-M and No. EP-149-M which cover the subject lands, were issued in their favor by the DAR; and that said titles cannot be cancelled by the Court of Appeals in the absence of a direct attack by private respondents Carloses and JKM.

Petitioners Berbosos' arguments are without merit.

Presidential Decree No. 27, or more popularly known as the Emancipation Decree, was signed into law in view of the fact that the old concept of land ownership by a few has spawned valid and legitimate grievances that gave rise to violent conflict and tension. The law points out that reformation must start with the emancipation of the tiller from the bondage of the soil.[28] It recognized the importance of encouraging a more productive agricultural base of the nation's economy. In order to achieve this objective, the decree laid down a scheme for the purchase by small farmers of the lands they were tilling. Landowners of agricultural lands which were devoted primarily to rice and corn production and exceeded the minimum retention area were thus compelled to sell, through the intercession of the government, their lands to qualified farmers at liberal terms and conditions.[29]

Presidential Decree No. 27 does not, however, automatically vest ownership of a piece of land to a tenant farmer. The law itself provides for certain conditions and procedures before a qualified farmer can claim the right of absolute ownership over these lands, some of which are as follows:

> The total cost of the land, including interest at the rate of six (6) per centum per annum, shall be paid by the tenant in fifteen (15) years of fifteen (15) equal annual amortizations;
>
> x x x x
>
> No title to the land owned by the tenant-farmers under this Decree shall be actually issued to a tenant farmer unless and until the tenant-farmer has become a full-fledged member of a duly recognized farmer's cooperative;
>
> Title to land acquired pursuant to this Decree or the Land Reform Program of the Government shall not be transferable except by hereditary succession or to the Government in accordance with the provisions of this Decree, the Code of Agrarian Reform and other existing laws and regulations.

Under Presidential Decree No. 266[30] which provides for the mechanics of registration of ownership and/or title to land under Presidential Decree No. 27, full compliance by the grantee with the aforequoted undertakings is required for a grant of title under Presidential Decree No. 27 and the subsequent issuance of an emancipation patent in favor of the farmer/grantee. In the case of Pagtalunan v. Tamayo,[31] this Court ruled that:

> [T]he mere issuance of the certificate of land transfer does not vest in the farmer/grantee ownership of the land described therein. The certificate simply evidences governments recognition of the grantee as the party qualified to avail of the statutory mechanisms for the acquisition of ownership of the land tilled by him as provided under PD 27. Neither is this recognition permanent or irrevocable. Failure on the part of the farmer/grantee to comply with his obligation to pay his lease rentals or amortization payments when they fall due for a period of two (2) years to the landowner or agricultural lessor is a ground for forfeiture of his

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> certificate of land transfer [Section 2, Presidential Decree No. 816].
>
> Clearly, it is only after compliance with the above conditions which entitle a farmer/grantee to an emancipation patent that he acquires the vested right of absolute ownership in the landholding – a right which has become fixed and established, and is no longer open to to doubt or controversy [See definition of "vested right" or "vested interest" in Balbao vs. Farrales, 51 Phil. 498 (1928); Republic of the Philippines vs. De Porkan, G.R. No. 66866, June 18, 1987, 151 SCRA 88]. At best, the farmer/grantee, prior to compliance with these conditions, merely possesses a contingent or expectant right of ownership over the landholding." [32]

In the case at bar, petitioners Berbosos submitted as evidence TCTs No. EP-149-M and No. EP-150-M,[33] issued by the Registry of Deeds of Meycauayan, Bulacan, in their favor, to prove their claim of ownership over the subject lands. However, the manner by which petitioners Berbosos acquired such TCTs is highly irregular, which casts doubt on their validity.

Section 2 of Presidential Decree No. 266 provides that:

> If the land is previously registered under the Torrens System, the Emancipation Patent and/or Grant, if filed with the Register of Deeds, shall constitute conclusive authority for him to enter a transfer certificate of title in accordance with such patent and/or grant: Provided, however, That the Register of Deeds, before cancelling the original of the certificate of title and issuing a new one in favor of the grantee, shall require the registered owner or the party in possession thereof to surrender for cancellation the owner's duplicate within a reasonable period; and Provided, further, That if the owner or party withholding such duplicate certificate shall refuse or fail to surrender the same within thirty (30) days from and after the date of receipt of the proper notice, the Register of Deeds shall be authorized to cancel the original as well as the owner's duplicate certificate of title and issue in lieu thereof a new one, with the corresponding owner's duplicate, in favor of the grantee.

In the case at bar, there is nothing in the records which shows that the Registry of Deeds of Meycauayan, Bulacan, had required private respondent JKM, as the registered owner thereof, to surrender its titles for cancellation and for the issuance of new titles in favor of petitioners Berbosos. There was no proper notice at all given by the Register of Deeds of Meycauayan, Bulacan, to private respondent JKM as regards the cancellation of its titles and the issuance of new ones in favor of petitioners Berbosos. Indeed, the above-quoted provision was not observed. Moreover, the Court of Appeals found that:

> [I]t appears from the Manifestation filed by respondent JKM INTERNATIONAL, INC., that its Transfer Certificate of Title covering the subject landholding were cancelled and in its place Transfer Certificates of Title Nos. EP-149-M and EP-150-M were issued in the name of petitioners [Berbosos]. Such cancellation of the certificates of title [was] effected despite the pendency of these cases and while the owner's copy of the transfer certificates of title are still in the possession of respondent [Carloses]. Worse, no writ of execution was issued to implement the decision of Secretary Garilao as basis for such cancellation. This development is highly irregular and anomalous and the same should be corrected in order to prevent the judgment of this Court from being rendered ineffectual.[34]

As to the issue of whether or not there was a direct attack on the validity of the TCTs No. EP-149-M and No. EP-150-M of the petitioners Berbosos by private respondents Carloses and JKM thus allowing for the cancellation of said titles, we rule in the affirmative.

In the case of Mallilin, Jr. v. Castillo,[35] we had an occasion to discuss the issue of direct attack on the validity of titles, to wit:

> A torrens title, as a rule, is conclusive and indefeasible. Proceeding from this, P.D. No. 1529, Section 48, provides that a certificate of title shall not be subject to collateral attack and cannot be altered, modified, or cancelled except in a direct proceeding. When is an action an attack on a title? It is when the object of the

> action or proceeding is to nullify the title, and thus challenge the judgment pursuant to which the title was decreed. The attack is direct when the object of an action or proceeding is to annul or set aside such judgment, or enjoin its enforcement. On the other hand, the attack is indirect or collateral when, in an action to obtain a different relief, an attack on the judgment is nevertheless made as an incident thereof.

It can be recalled that DAR Secretary Garilao issued an Order[36] dated 5 January 1994 granting the Petition filed by petitioners Berbosos for the Cancellation of the Conversion Order[37] dated 22 January 1975 issued by former DAR Secretary Estrella. The Order dated 5 January 1994 declared as null and void, for lack of due process, the Conversion Order because petitioners Berbosos were not notified of the pendency of private respondents Carloses' Application for Conversion Order. It also directed that emancipation patents be issued in the name of petitioners Berbosos.

On 2 February 1994, private respondents Carloses filed a Motion[38] for Reconsideration to Set Aside the Order dated 5 January 1994 contending that they were denied due process since they were not notified of the filing of such a Petition, and that they were denied the opportunity to present their evidence. On 28 January 1994, private respondent JKM likewise filed a Motion to Set Aside the Order dated 5 January 1994[39] alleging that petitioners Berbosos were duly notified of the 22 January 1975 Conversion Order. Furthermore, on 16 February 1994, private respondent JKM filed a Supplement to the Motion to Set Aside[40] the 5 January 1994 Order. All these Motions were, however, denied by the DAR. Subsequently, private respondents Carloses appealed the said denial with the Office of the President, which, in turn, reversed and set aside[41] the 5 January 1994 Order, and reinstated the 22 January 1975 Conversion Order. On 5 November 1999, private respondent JKM filed a Manifestation and Motion[42] with the Court of Appeals in the consolidated cases of CA-G.R. SP No. 41568 and No. 42122, stating that the issuance of TCTs No. EP-149-M and No. EP-150-M to petitioners Berbosos was not made known to it since the Registry of Deeds of Meycauayan, Bulacan, did not send to it a written request requiring the surrender of its owner's duplicate copies of the TCTs covering the subject land for cancellation; that there was no Motion for Execution filed by petitioners Berbosos and no Writ of Execution was issued to implement the 5 January 1994 Order; that its owner's duplicate copies of the TCTs are still in its possession; and that in order to protect its rights over the subject land, it caused the registration of the "Notice of Lis Pendens" on the TCTs No. EP-149-M and No. EP-150-M of petitioners Berbosos with the Registry of Deeds, Meycauayan, Bulacan.

There is no doubt from the foregoing that private respondents Carloses and JKM have attacked and challenged the 5 January 1994 Order of DAR Secretary Garilao which directed the issuance of emancipation patents in favor of petitioners Berbosos. In fact, in its 5 November 1999 Manifestation and Motion[43] filed with the Court of Appeals, private respondent JKM specifically prayed that an order be included in its Decision in CA-G.R. SP No. 41568, directing the Register of Deeds of Meycauayan, Bulacan, to cancel TCTs No. EP-149-M and No. EP-150-M, and to reinstate cancelled TCTs No. T-114000 (M), No. 120510 (M), No. 102513 (M), No. 120514 (M), No. 120516 (M), and No. 120517 (M) in its name, as well TCTs No. 122924 (M) and No. 122925 (M) in the name of Wong Lee Lee (the person who subsequently bought a parcel of the subject land from private respondent JKM). Hence, petitioners Berbosos cannot validly claim that there was no direct attack on their titles thus barring the Court of Appeals from canceling TCTs No. EP-149-M and No. EP-150-M.

Petitioners Berbosos also contended that since private respondents Carloses were no longer owners of the subject land as of 21 October 1972 by virtue of Presidential Decree No. 27, which brought the subject land under the Operation Land Transfer, private respondents Carloses had no legal basis then to apply for conversion of the subject land in 1973.

Again, this contention is bereft of any merit.

After the Order dated 22 January 1975 was issued by then DAR Secretary Estrella, what the original tenant

therein, Macario Berboso, or his successors-in-interest, Emiliano Berboso and petitioners Berbosos, should have done was to assail the said Order by filing an appeal with the Office of the President within 30 days from their receipt of the said Order pursuant to O.P. Administrative Order No. 18, series of 1987,[44] or by filing a Petition for Review within 15 days from notice of the said Order with the Court of Appeals pursuant to our ruling in the case of Villorente v. Aplaya Laiya Corporation,[45] to wit:

> Section 1, Rule 43 of the Rules of Court provides that final orders of quasi-judicial bodies in the exercise of their quasi-judicial functions, including the DAR under Republic Act No. 6657, may be appealed to the Court of Appeals via a petition for review. Under Section 4 of the Rule, the petition should be filed within 15 days from notice of the said final order or from the date of its last publication, if publication is required by law for its effectivity, or of the denial of the petitioner's motion for reconsideration duly filed in accordance with the governing law of the court or agency a quo.

Unfortunately, they did not question the Conversion Order dated 22 January 1975 in the manner and within the period stated above. Instead, Emiliano Berboso (acting as successor-in-interest of his deceased father, Macario Berboso, and in representation of his siblings petitioners Berbosos), together with private respondents Carloses, chose to file with the DARAB a Joint Motion to Determine Amount of the Disturbance Compensation on 7 October 1989. When the DARAB rendered a Decision on 18 December 1989 fixing the amount of disturbance compensation due to Emiliano Berboso at P112,644.00, Emiliano Berboso and petitioners Berbosos contested the lawfulness of the said amount by filing a Petition for Review with the Court of Appeals. It was only on 9 December 1992, or after 17 years from the issuance of the 22 January 1975 Conversion Order that they questioned the validity of the said Conversion Order when they filed a Petition[46] with the Office of the DAR Secretary for the cancellation of the same. By then, the period for petitioners Berbosos to question the Conversion Order had long since expired. Hence, they are now barred from assailing the said Order under the doctrine of estoppel. Estoppel by laches arises from the negligence or omission to assert a right within a reasonable time, warranting a presumption that the party entitled to assert it either has abandoned or declined to assert it.[47] Once final and executory, the Conversion Order can no longer be questioned.[48]

Moreover, the 26 March 1992 Decision of the Court of Appeals, which affirmed the lawfulness of the disturbance compensation awarded by the 18 December 1989 DARAB Decision, is final and binding upon the petitioners Berbosos.

It can be recalled that Emiliano Berboso filed a Petition for Review[49] of the DARAB Decision dated 18 December 1989 with the Court of Appeals docketed as CA-G.R. SP No. 20147, questioning therein the lawfulness of the amount of disturbance compensation awarded to him and claiming that his brother and sister, herein petitioners Berbosos, should have been included as parties in the Joint Motion for Determination of Disturbance Compensation since they are also tenants of the subject land.

On 26 March 1992, the Court of Appeals rendered a Decision[50] on this Petition ruling that the amount of disturbance compensation awarded to Emiliano Berboso in DARAB Decision dated 18 December 1989 is lawful and valid. It further decreed that herein petitioners Berbosos need not be included as parties in the said Joint Motion since Emiliano Berboso was named therein merely as the representative of the deceased tenant, Macario Berboso, who was the tenant of the whole parcel of the subject land. The disturbance compensation awarded necessarily includes the disturbance compensation due to the petitioners Berbosos, who together with Emiliano Berboso, are the part tillers of the subject land succeeding to the rights of their late father.

At this point, the proper remedy of Emiliano Berboso under Section 1, Rule 52 of the Revised Rules of Court would be to file a Motion for Reconsideration with the Court of Appeals of its 26 March 1992 Decision within 15 days from notice thereof, or an Appeal by Certiorari with this Court within 15 days from notice of the assailed

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Decision pursuant to Sections 1 and 2 of Rule 45 of the Revised Rules of Court. However, after going through the records of the instant Petition, we find no evidence showing that Emiliano Berboso had indeed filed the said Motion or Appeal. Hence, under Section 2 of Rule 36 of the Revised Rules of Court, the 26 March 1992 Decision had already attained finality.

It is well-settled that a judgment which had acquired finality becomes immutable and unalterable, thus, may no longer be modified in any respect except to clerical errors or mistakes, all the issues between the parties being deemed resolved and laid to rest.[51] Since the lawfulness of the determination of the award of disturbance compensation was already settled in the 26 March 1992 Decision of the Court of Appeals in CA-G.R. SP No. 20147, we hold that the legality and validity of the 22 January 1975 Conversion Order is also settled because determination of disturbance compensation necessarily follows the Conversion Order. Simply put, there would be no determination of disturbance compensation without a Conversion Order being first validly issued.

It may be argued that the 26 March 1992 Decision of the Court of Appeals in CA-G.R. SP No. 20147 is not binding upon petitioners Berbosos since they are not the original parties therein but only Emiliano Berboso.

It is true that Emiliano Berboso is the sole petitioner in CA-G.R. SP No. 20147. Nevertheless, the 26 March 1992 Decision rendered by the Court of Appeals in the said case is also binding upon the other petitioners Berbosos because although they were not the original parties in CA-G.R. SP No. 20147, they were duly represented by their brother Emiliano Berboso, who was named a party merely in representation of their deceased father, Macario Berboso, the tenant beneficiary at the time the Conversion Order was issued on 22 January 1975. It should be emphasized that Emiliano Berboso and his siblings merely inherited and acquired the tenancy rights of their father, Macario Berboso. Petitioners Berbosos failed to establish that they had tenancy rights separate and distinct from what their brother Emiliano Berboso acquired from their father, Macario Berboso.

Petitioners Berbosos further alleged that private respondents Carloses failed to comply with the requirements stated in Section 36 of Republic Act No. 3844 as regards the conversion of the subject land; that private respondents Carloses did not, within one year from dispossession of their tenants, undertake the conversion of the subject lands from agricultural to residential, industrial and commercial purposes; and that DAR Secretary Garilao was correct in reversing and setting aside the Conversion Order issued by the previous DAR Secretary Estrella.

Since we already ruled that the 22 January 1975 Conversion Order of DAR Secretary Estrella is final and binding upon petitioners Berbosos, any issue related to the said Order is rendered moot and academic. Moreover, the foregoing allegations of petitioners Berbosos were refuted by the Office of the President in its Decision dated 1 March 1996, to wit:

> The DAR Secretary's appealed decision was anchored on the inherent authority of the Secretary to review the action of his predecessor, and on Sec. X(D) of Administrative Order No. 15 series of 1989 (Rules Governing Conversion of Private Agricultural Lands to Non-Agricultural Uses), which reads:
>
> "X. The Secretary may cancel or withdraw authorization for conversion already issued, for any of the following causes/reasons:
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> x x x x
>
> D. Failure to complete the development of the area within the time frame specified in Section IV-H above."
>
> And Section IV-H provides:
>
> "IV. Governing Principles.
>
> H. To prevent speculation, DAR shall require the petitioner to show clear and convincing proof of financial

> and organizational capability to undertake and complete the development of the area within one (1) year from date of issuance of development permit by HLURB, if the area is five (5) hectares, and the period of development shall not extend beyond one (1) year for every five (5) hectares of land authorized for conversion."
>
> x x x x
>
> Regarding the invocation of Sections IV and X of Administrative Order No. 15, the inequity of applying the deadline provided for in the Order is revealed by the following considerations:
>
> (a) Republic Act No. 3844, otherwise known as the Agricultural Reform Code of 1963, was the law existing at the time the application for conversion was filed and granted. The remedy available to tenants in the event their landowner fail to develop the property is found in Sec. 36 (1) thereof which reads:
>
> "Sec. 36. Possession of Landholdings; Exceptions.- x x x
>
> (1) x x x Provided, further, That should the landholder not cultivate the land himself for three years or fail to substantially carry out such conversion within one year after the dispossession of the tenant, it shall be presumed that he acted in bad faith and the tenant shall have the right to demand possession of the land and recover damages for any loss incurred by him because of said dispossession."
>
> From the foregoing, it is clear that the one year period commences to run only after the tenant has been dispossessed of the property. Since at no time were the Berbosos evicted from the property, the one year period deadline did not commence to run. Also, most significant is the fact that the remedy available to the dispossessed tenant is the right to demand possession of the land plus recovery of damages, and not the cancellation of the order of conversion.
>
> (b) While Administrative Order No. 15 applies to the petition for conversion filed in 1989, Sections IV-H and X-D thereof provide that the one year period commences to run only after the issuance of the development permit by the HLURB. The developer, JKM International Inc., claimed that no permit has yet been issued by the said agency. In view of the non-issuance, the one year deadline could not have operated against the rights of the appellants.[52]

This finding was affirmed by the Court of Appeals in its Decision dated 29 December 1999, is now being impugned before us.

Well-settled is the rule that findings of administrative agencies which have acquired expertise because their jurisdiction is confined only to specific matters, is accorded not only respect but finality, particularly when affirmed by the appellate tribunal.[53]

Petitioners Berbosos further claimed they were denied due process in the application, issuance and confirmation of the said Conversion Order.

This is not so.

When private respondents Carloses applied for the issuance of the Conversion Order with the DAR in 1973, one of the original tenants in the subject land was petitioners Berbosos' father, Macario Berboso. While the said application is still pending with the DAR, all tenants of private respondents Carloses, including Macario Berboso, were notified and interviewed by DAR Officer Guillermo V. Sta. Ana as regards the said application.[54] All of the said tenants, including Macario Berboso, made written declarations and manifestations with regard to the said application.[55] Despite said notices, Macario Berboso did not initiate any proceedings to contest the processing of the application and the subsequent issuance of the Conversion Order.

Even assuming for the sake of argument that petitioners Berbosos were not notified of the application for

Conversion Order filed by private respondents Carloses, this lack of notice had been cured[56] when they actively intervened and participated in the proceedings before the DARAB, the PARAB, the Office of the President, and the Court of Appeals. The petitioners Berbosos made appeals and had also repeatedly moved for the reconsideration of each decision that was adverse to them. Time and again, we ruled that what is repugnant to due process is the absolute lack of opportunity to be heard.[57] The essence of due process is simply an opportunity to be heard or, as applied to administrative proceedings, an opportunity to seek a reconsideration of the action or ruling complained of.[58] Due process is satisfied when the parties are afforded fair and reasonable opportunity to explain their side of the controversy or an opportunity to move for a reconsideration of the action or ruling complained of.[59]

Lastly, petitioners Berbosos also posited that their security of tenure as farmers-beneficiaries under Presidential Decree No. 27 was violated. According to them, the 18 December 1989 DARAB Decision fixing the amount of disturbance compensation is binding only with respect to Emiliano Berboso, and since they were never made parties therein, their security of tenure cannot be affected.

It was already ruled in the Court of Appeals Decision of 26 March 1992 in CA-G.R. SP No. 20147 that petitioners Berbosos were duly represented therein by their brother Emiliano Berboso, who was named a party in representation of their father, Macario Berboso, the tenant beneficiary at the time the 22 January 1975 Conversion Order was issued, and that the disturbance compensation awarded to Emiliano Berboso necessarily includes the disturbance compensation due to petitioners Berbosos. As we discussed earlier, this Decision is already final and binding upon petitioners Berbosos. Hence, there is no more need to determine the claim of security of tenure by petitioners Berbosos as farmers-beneficiaries.

WHEREFORE, premises considered, the Decision dated 29 December 1999 of the Court of Appeals in the consolidated cases of CA-G.R. SP No. 41568 and No. 42122 directing the Register of Deeds, Meycauayan, Bulacan, to cancel TCTs No. EP-149-M and No. EP-150-M and to reinstate cancelled TCTs No. T-114000 (M), No. 120510 (M), 102513 (M), 120514 (M), 120516 (M), and 120517 (M) in the name of private respondent JKM, as well as TCTs No. 122924 (M) and No. 122925 (M) in the name of Wong Lee Lee, is hereby AFFIRMED.

Costs against petitioners.

SO ORDERED.

Panganiban, (Chairperson), Ynares-Santiago, Austria-Martinez, and Callejo, Sr., JJ., concur

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[1] Penned by Associate Justice Artemio G. Tuquero with Associate Justices Eubulo G. Verzola and Andres B. Reyes, concurring; Rollo, pp. 33-46.

[2] CA rollo (CA-G.R. SP No. 42122), pp. 295-306.

[3] Id. at 213-216.

[4] Id. at 218-220.

[5] Id. at 233-234.

[6] Id. at 235-241.

[7] Id. at 242-243.

[8] Id. at 246.

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[9] Id. at 244-245.

[10] Id. at 247.

[11] Id. at 253-260.

[12] Id. at 248-249.

[13] Id. at 307-310.

[14] Id. at 250-251.

[15] Id. at 311-318.

[16] "AN ACT TO ORDAIN THE AGRICULTURAL LAND REFORM CODE AND TO INSTITUTE LAND REFORMS IN THE PHILIPPINES, INCLUDING THE ABOLITION OF TENANCY AND THE CHANNELING OF CAPITAL INTO INDUSTRY, PROVIDE FOR THE NECESSARY IMPLEMENTING AGENCIES, APPROPRIATE FUNDS THEREFOR AND FOR OTHER PURPOSES." (8 August 1963.)

[17] CA rollo (CA-G.R. SP No. 42122), pp. 263-271.

[18] Id. at 272-277.

[19] Id. at 278-287.

[20] CA rollo (CA G.R. SP No. 41568), pp. 110-120.

[21] CA rollo (CA G.R. SP No. 42122), pp. 288-294.

[22] Id. at 295-306.

[23] Id. at 100-137.

[24] Id. at 28-47.

[25] Id. at 148-149.

[26] Rollo, pp. 33-46.

[27] "DECREEING THE EMANCIPATION OF TENANTS FROM THE BONDAGE OF THE SOIL TRANSFERRING TO THEM THE OWNERSHIP OF THE LAND THEY TILL AND PROVIDING THE INSTRUMENTS AND MECHANISM THEREFOR." (21 October 1972.)

[28] Torres v. Ventura, G.R. No. 86044, 2 July 1990, 187 SCRA 96, 107.

[29] Pagtalunan v. Tamayo, G.R. No. 54281, 19 March 1990, 183 SCRA 252, 258.

[30] "PROVIDING FOR THE MECHANICS OF REGISTRATION OF OWNERSHIP AND/OR TITLE TO LAND UNDER PD NO. 27." (4 August 1973)

[31] Supra note 29.

[32] Supra note 27.

[33] CA rollo (CA-G.R. SP No. 42122), pp. 337-340.

[34] Rollo, p. 45.

[35] 389 Phil. 153, 165 (2000).

[36] CA rollo (CA-G.R. SP No. 42122), pp. 272-277.

[37] Id. at 213-216.

[38] CA rollo (CA-G.R. SP No. 41568), pp. 147-151.

[39] Id. at 152-168.

[40] Id. at 164-165.

[41] CA rollo (CA-G.R. SP No. 42122), pp. 278-287.

[42] Id. at.322-327.

[43] Id.

[44] Department of Agrarian Reform Administrative Order No. 01, Series of 1999 (30 March 1999): "REVISED RULES AND REGULATIONS ON THE CONVERSION OF AGRICULTURAL LANDS TO NON-AGRICULTURAL USES"

[45] G.R. No. 145013, 31 March 2005, 454 SCRA 493, 501.

[46] CA rollo (CA-G.R. SP No. 42122), pp. 272-277.

[47] Alday v. FGU Insurance Corporation, 402 Phil. 962, 970-971.

[48] CA rollo (CA-G.R. SP No. 42122), pp. 322-327.

[49] Id. at 253-259.

[50] Id. at 263-271.

[51] Ram's Studio and Photographic Equipment, Inc. v. Court of Appeals, 400 Phil. 542, 550 (2000).

[52] CA rollo (CA-G.R. SP No. 42122), pp. 290-294.

[53] Jacinto v. Court of Appeals, 346 Phil. 656, 674 (1997).

[54] CA rollo (CA-G.R. SP No. 42122), pp. 203-204.

[55] Id. at 205-212.

[56] German Management and Services, Inc. v. Court of Appeals, G.R. No. 76216, 14 September 1989, 177 SCRA 495, 500; Marvel Building Corp. v. Ople, 207 Phil. 351, 353 (1983); Ablaza v. Court of Industrial Relations, 211 Phil. 425, 432 (1983); Cruz v. Minister of Labor and Employment, G.R. No. 56591, 17 January 1983, 120 SCRA 15, 21; Ortigas and Company Limited Partnership v. Velasco, G.R. No. 109645 25 July 1994, 234 SCRA 455, 502.

[57] Capuno v. Jaramillo, A.M. No. RTJ-93-944, 20 July 1994, 234 SCRA 212, 233.

[58] Vda. de Dela Cruz v. Abille, G.R. No. 130196, 26 February 2001, 352 SCRA 691, 701.

[59] Roxas v. Vasquez, 411 Phil. 276, 287 (2001).

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