

THIRD DIVISION

[G.R. No. 166988, July 03, 2009]

**HEIRS OF EMILIANO SAN PEDRO, REPRESENTED BY
LUZVIMINDA SAN PEDRO CUNANAN, PETITIONERS, VS. PABLITO
GARCIA AND JOSE CALDERON, RESPONDENTS.**

DECISION

PERALTA, J.:

Before this Court is a Petition for Review on *Certiorari*^[1] under Rule 45 of the Rules of Court, seeking to set aside the November 17, 2004 Decision^[2] and February 8, 2005 Resolution^[3] of the Court of Appeals (CA) in CA-G.R. SP. No. 69144.

The facts of the case.

On July 1, 1991, the petitioners, Heirs of Emiliano San Pedro, represented by Ligaya San Pedro and Leonila San Pedro, filed a Complaint^[4] for "Nullification of *Kasulatan ng Bilihang Tuluyan* and *Kasulatan ng Pagkakautang* and Restoration of Tenurial Rights Covered by Operation Land Transfer" against respondents Pablito Garcia and Jose Calderon before the Provincial Adjudicator of the Department of Agrarian Reform Adjudication Board (DARAB).

It was alleged that a farm lot measuring 1.8627 hectares, situated at Dampol 2nd, Pulilan, Bulacan, originally owned by Virginia King Yap, was acquired by Emiliano San Pedro sometime in 1987 by virtue of Presidential Decree No. 27 (P.D. No. 27).^[5] A portion of said lot, however, has been assigned and conveyed by San Pedro to Calderon as early as 1980 through a *Kasulatan ng Bilihang Tuluyan*.^[6]

In 1982, San Pedro mortgaged to Garcia the landholding for P30,000.00 with the condition that one-half of the landholding should be delivered to Garcia as collateral, and that Garcia shall till the land as long as the obligation remains unsettled. The transaction between San Pedro and Garcia was reduced into writing as evidenced by a *Kasulatan ng Pagkakautang*. In the same year, Calderon sold to Garcia the portions of the land sold by San Pedro to him in 1980. Thus, Garcia currently controls and cultivates the whole landholding of San Pedro.^[7]

Petitioners, in their Complaint, prayed that the sale and mortgage entered into by San Pedro be declared null and void for violation of P.D. No. 27, and that their possession over the landholding be restored upon payment of the unpaid loan of P30,000.00 obtained by San Pedro during his lifetime.^[8]

In their Position Paper,^[9] respondents claim that Calderon was the real tenant of Virginia King Yap and not San Pedro, who was just helping Calderon till the land.

Respondents further alleged that San Pedro was only able to obtain a Certificate of Land Transfer because at that time Calderon left for Manila. Upon his return, Calderon confronted San Pedro, who then acknowledged through a Sworn Statement^[10] that Calderon was the real tenant of Virginia King Yap. Later on, both parties entered into a *Kasulatan ng Bilihang Tuluyan* ceding the entire property to Calderon. Because of San Pedro's voluntary acknowledgment of his right, Calderon rewarded San Pedro P50,000.00.^[11]

Furthermore, respondents alleged that Calderon still continued to avail of the services of San Pedro because he could not find any helper who could work with him on the land. However, sometime in October 1982, Calderon discovered that San Pedro, through a *Kasulatan ng Pagkakautang* borrowed P30,000.00 from Garcia and mortgaged one-half of the land he was working on. Calderon tried to settle the matter with Garcia, who manifested his desire to get his money back. However, because San Pedro had no money to pay, the parties brought their problem to the *Samahang Nayon* where Calderon and San Pedro suggested that Garcia could buy the land and cultivate the same. Subsequently, in a conference before the *Samahang Nayon*, Calderon and San Pedro decided to surrender the landholding to the *Samahang Nayon* to be awarded to any person who would be willing to pay the value of the land and the P30,000.00 obligation incurred by San Pedro. Garcia decided to purchase the land and in the presence of the *Samahang Nayon* officials paid Calderon P60,000.00 while the P30,000.00 obtained by San Pedro was already considered part of the purchase price. Thus, respondents claim that, as of October 1982, the *Samahang Nayon* already considered Garcia as the lawful owner and cultivator of the land in question.^[12]

On the other hand, in their Position Paper,^[13] petitioners claim in the main that the conveyances made by San Pedro are *void ab initio* for such violated the provisions of P.D. No. 27.

On September 20, 1995, the Provincial Adjudicator rendered a Decision^[14] dismissing the complaint, the dispositive portion of which reads:

WHEREFORE, premises considered, judgment is hereby rendered
DISMISSING the complaint for lack of merit.

SO ORDERED.^[15]

In said Decision, the Provincial Adjudicator concluded that San Pedro was not the real tenant of the subject landholding and that the latter had violated the provisions of P.D. No. 27 that an awardee of land under the above law shall not at anytime employ tenants in the cultivation of the land. Moreover, the Provincial Adjudicator ruled that the acts of San Pedro were tantamount to an abandonment, which thereby extinguished the tenancy relationship. Furthermore, the Provincial Adjudicator ruled that San Pedro had no more tenurial right because he had already abandoned and surrendered his right to the *Samahang Nayon*.^[16]

On October 16, 1995, petitioners, through their representative Leonila San Pedro, filed a Motion for Extension of Time to file a Motion for Reconsideration.^[17]

After a year, on October 21, 1996, respondents filed a Manifestation^[18] stating that

no motion for reconsideration was filed by petitioners despite their request for an extension, nor was an appeal interposed by them. Accordingly, respondents prayed for the issuance of an entry of judgment. Later, on November 5, 1996, respondents then filed a Motion to Issue Order of Finality.^[19]

On November 29, 1996, the Provincial Adjudicator issued an Order^[20] granting the motion of respondents, the pertinent portion of which reads:

Inasmuch as the plaintiff thru their representative, Leonila San Pedro, that as of this date, did not file any Motion for Reconsideration nor notice of appeal within the prescriptive period of fifteen (15) days, the Board's Decision dated September 20, 1995, is now FINAL.

SO ORDERED.^[21]

On February 5, 1997, petitioners filed a Notice of Appeal^[22] to which respondents in response filed an Opposition.^[23] Respondents argued that the decision of the Board was already final and executory by virtue of the November 29, 1996 Order of the Provincial Adjudicator.

Notwithstanding the belated appeal, the records of the case were elevated to the DARAB, as a matter of course, which then rendered a Decision^[24] favorable to petitioners, the dispositive portion of which reads:

WHEREFORE, premises considered, the decision of the Adjudicator *a quo* dated September 20, 1995, is hereby REVERSED and SET ASIDE. A new one is hereby rendered to read as follows:

1. Declaring the EP No. A-004783 issued to the late Emiliano San Pedro, predecessor-in-interest of plaintiffs-appellants valid and binding;
2. Declaring the "*Kasulatan ng Bilihang Tuluyan*" and "*Kasulatan ng Pagkakautang*" as null and void;
3. Ordering the defendants-appellees to turn over the physical possession of the subject landholding to herein plaintiffs-appellants;
4. Ordering the plaintiffs-appellants to pay the defendants-appellees the amount stated in the "*Kasulatan ng Bilihang Tuluyan*" and "*Kasulatan ng Pagkakautang*."

No pronouncement as to cost.

SO ORDERED.^[25]

In said Decision, the DARAB allowed the belated appeal notwithstanding that it was filed one year and five months out of time. The DARAB justified its decision by citing Section 2 of the new DARAB Rules which provides for a liberal construction of the rules.^[26] Moreover, the DARAB held that the transactions entered into by San Pedro and respondents violated P.D. No. 27.^[27]

Respondents filed a Motion for Reconsideration^[28] assailing the DARAB Decision. On January 25, 2002, the DARAB issued a Resolution^[29] denying respondents' Motion for Reconsideration.

On March 6, 2002, respondents filed with the CA a Petition for Review under Rule 43 of the Rules of Court assailing the Decision and Resolution of the DARAB.

On November 17, 2004, the CA rendered a Decision^[30] ruling in favor of respondents, the dispositive portion of which reads:

WHEREFORE, in view of the foregoing, the petition is hereby GRANTED. The January 17, 2001 Decision and the January 25, 2002 Resolution of the DARAB in DARAB Case No. 6869 are hereby SET ASIDE for lack of jurisdiction.

SO ORDERED.^[31]

In said Decision, the CA ruled that the failure to perfect an appeal within the reglementary period is not a mere technicality, but is rather, jurisdictional. The CA pointed out that the Revised Rules of the DARAB itself impose a fifteen-day reglementary period to appeal. Moreover, notwithstanding that technical rules may be relaxed in the interest of justice, the CA ruled that the delay of two years^[32] in the filing of the appeal in the case at bar no longer fits the liberality rule.^[33]

On December 8, 2004, petitioners filed a Motion for Reconsideration^[34] which was, however, denied by the CA in a Resolution^[35] dated February 8, 2005.

Hence, herein petition, with the following assignment of errors, to wit:

I.

WHETHER OR NOT PETITIONERS ARE ENTITLED TO RECOVER THE LANDHOLDING FROM THE PRIVATE RESPONDENTS.

II.

WHETHER OR NOT THE HONORABLE PUBLIC RESPONDENT COURT OF APPEALS COMMITTED GRAVE ABUSE OF AUTHORITY, GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OR EXCESS OF JURISDICTION IN GRANTING THE PETITION AND SETTING ASIDE THE DECISION DATED JANUARY 17, 2001 AND THE RESOLUTION DATED JANUARY 25, 2002 OF THE DEPARTMENT OF AGRARIAN REFORM ADJUDICATION BOARD IN DARAB CASE NO 6869.

III.

WHETHER OR NOT THE HONORABLE PUBLIC RESPONDENT COURT OF APPEALS COMMITTED ANY ERROR IN SETTING ASIDE THE DECISION AND RESOLUTION OF THE DEPARTMENT OF AGRARIAN REFORM ADJUDICATION BOARD IN DARAB CASE NO 6869.^[36]

The petition is not meritorious.

At the crux of the controversy is the determination of whether or not the DARAB may entertain an appeal filed beyond the reglementary period by invoking a liberal application of the DARAB Rules of Procedure.

This Court rules in the negative.

It is a matter of record that the Provincial Adjudicator rendered its Decision on September 20, 1995. Notwithstanding that petitioners filed a motion for extension of time, no motion for reconsideration or an appeal was filed by them. It is also a matter of record that petitioners only filed their Notice of Appeal on February 5, 1997. Thus, said appeal was filed approximately after the lapse of one year and five months from the date of the Decision of the Provincial Adjudicator.

The pertinent provisions of the DARAB Revised Rules of Procedure, which was then in force, state:

Rule I

SECTION 2. *Construction.* These Rules shall be liberally construed to carry out the objectives of agrarian reform and to promote a just, expeditious, and inexpensive adjudication and settlement of any agrarian dispute, case, matter or concern.

Rule VIII

SECTION 15. *Finality of Judgment.* The decision, order, or ruling disposing of the case on the merits by the Adjudicator shall be final after the lapse of fifteen (15) days from receipt of a copy thereof by the counsel or representative on record, or in their absence, by the party himself.

Rule XIII

SECTION 1. *Appeal to the Board.* a) An appeal may be taken from an order or decision of the Regional or Provincial Adjudicator to the Board by either of the parties or both, by giving or stating a written or oral appeal within a period of fifteen (15) days from receipt of the resolution, order or decision appealed from, and serving a copy thereof on the opposite or adverse party, if the appeal is in writing.^[37]

Petitioners contend that Section 2 of the DARAB Revised Rules of Procedure categorically states that its own rules of procedures must be liberally construed.^[38] Moreover, petitioners cite Section 3, Rule I of the Revised Rules of Procedure of the DARAB to bolster their case:

SECTION 3. *Technical Rules Not Applicable.* The Board and its Regional and Provincial Adjudicators shall not be bound by technical rules of procedure and evidence as prescribed in the Rules of Court, but shall proceed to hear and decide all agrarian cases, disputes or controversies in a most expeditious manner, employing all reasonable means to