

## EN BANC

[ G.R. No. 186432, March 12, 2019 ]

**THE HONORABLE SECRETARY OF THE DEPARTMENT OF AGRARIAN REFORM, THE DAR REGIONAL DIRECTOR, REGION VIII, THE PROVINCIAL AGRARIAN REFORM OFFICER OF PROVINCE OF LEYTE, MUNICIPAL AGRARIAN REFORM OFFICER OF TABANGO, LEYTE, THE REGISTER OF DEEDS OF LEYTE, PETITIONERS, VS. HEIRS OF REDEMTOR AND ELISA ABUCAY, NAMELY: RENA B. ABUCAY, RHEA B. ABUCAY BEDUYA, RIS B. ABUCAY BUANTE, ELVER B. ABUCAY, REDELISA ABUCAY-AGUSTIN, RHOTA B. ABUCAY, HEREIN REPRESENTED BY ATTORNEY-IN-FACT RENA B. ABUCAY, RESPONDENTS.**

[G.R. No. 186964]

**THE HONORABLE SECRETARY OF THE DEPARTMENT OF AGRARIAN REFORM, THE DAR REGIONAL DIRECTOR, REGION VIII, THE PROVINCIAL AGRARIAN REFORM OFFICER, PROVINCE OF LEYTE, PETITIONERS, VS. HEIRS OF REDEMTOR AND ELISA ABUCAY, NAMELY: RENA B. ABUCAY, RHEA B. ABUCAY BEDUYA, RIS B. ABUCAY-BUANTE, ELVER B. ABUCAY, REDELISA ABUCAY-AGUSTIN, RHOTA B. ABUCAY, RESPONDENTS.**

### DECISION

**LEONEN, J.:**

The jurisdiction over the administrative implementation of agrarian laws exclusively belongs to the Department of Agrarian Reform Secretary. This is true even if the dispute involves the cancellation of registered emancipation patents and certificates of title, which, before Republic Act No. 9700 amended Republic Act No. 6657 or the Comprehensive Agrarian Reform Law, was cognizable by the Department of Agrarian Reform Adjudication Board.

This resolves the consolidated<sup>[1]</sup> Petitions for Review on Certiorari separately filed by the Department of Agrarian Reform Regional Director for Region VIII<sup>[2]</sup> and the Provincial Agrarian Reform Officer of Leyte,<sup>[3]</sup> both assailing the Court of Appeals September 26, 2008 Decision<sup>[4]</sup> and January 30, 2009 Resolution<sup>[5]</sup> in CA-G.R. CEB-SP No. 02637. The Court of Appeals reversed and set aside the May 10, 2006 Decision<sup>[6]</sup> of the Department of Agrarian Reform Adjudication Board and reinstated the June 16, 2005 Decision<sup>[7]</sup> of the Regional Agrarian Reform Adjudicator for Region VIII, which voided the emancipation patents issued to the farmer-beneficiaries in this case.

On October 14, 1983, the Spouses Redemptor and Elisa Abucay (Spouses Abucay)

purchased<sup>[8]</sup> a 182-hectare parcel of land from Guadalupe Cabahug (Cabahug). The property is located in Leyte and is covered by Transfer Certificate of Title No. T-9814.<sup>[9]</sup> The Deed of Absolute Sale provided that the property "consists of various classifications, and is untenanted except for 39.459 hectares, and per certification of the Agrarian Reform Team No. 08-28-231 appears to be within the coverage of Operation Land Transfer as to the tenanted area of over 39 hectares."<sup>[10]</sup>

Sometime in 1986, 22.8409 hectares of the lot were declared covered under the Operation Land Transfer Program pursuant to Presidential Decree No. 27.<sup>[11]</sup> Emancipation patents were then issued to the farmer-beneficiaries.<sup>[12]</sup> Later, the Register of Deeds issued original certificates of title in their names.<sup>[13]</sup>

On June 28, 2002, Rena B. Abucay, Rhea B. Abucay-Beduya, Ris B. Abucay-Buante, Elver B. Abucay, Redelisa Abucay-Agustin, and Rhotia B. Abucay (collectively, the Heirs of Spouses Abucay) filed before the Regional Agrarian Reform Adjudicator a Complaint<sup>[14]</sup> for the proper determination of just compensation.

The Heirs of Spouses Abucay alleged that they inherited the 182-hectare property upon their parents' death and enjoyed its ownership and possession. They claimed that they did not receive any just compensation for the 22 hectares of the property that was placed under the Operation Land Transfer Program. The Certificate of Deposit worth P103,046.47-issued in 2001 by the Land Bank of the Philippines as compensation-was not only inadequate, but was also issued to Cabahug, the property's previous owner.<sup>[15]</sup> Thus, they prayed, among others, that they be paid P2,000,000.00 as just compensation.<sup>[16]</sup>

In his March 8, 2004 Decision,<sup>[17]</sup> Regional Agrarian Reform Adjudicator Felixberto M. Diloy (Regional Adjudicator Diloy) held that there was no proper valuation of the property to determine just compensation. He found that the Final Notification Letter was not sent to the property's then registered owner, Cabahug, but to her father, the deceased Sotero Cabahug. Thus, administrative due process was not followed, which nullified the coverage of the 22-hectare property under the Operation Land Transfer program.<sup>[18]</sup> Regional Adjudicator Diloy declared the emancipation patents issued to the farmer-beneficiaries void.<sup>[19]</sup>

The dispositive portion of the Decision read:

WHEREFORE, premises considered, judgment is hereby ordered[:]

1. NULLIFYING the coverage of the subject landholding in the name of Guadalupe Cabahug for lack of administrative due process;
2. DIRECTING the PARO of Leyte thru the MARO of Tabango, Leyte to effect the coverage of the property in question under P.D. No. 27/R.A. 6657 thru the herein complainants who are subrogated to the rights of their deceased parents and the original owner, Guadalupe Cabahug[;]
3. DECLARING the Original Certificates of Title/Emancipation Patents issued to the following farmer-beneficiaries of the subject landholding null and void, . . .

. . . .

with the further advi[c]e to parties to file the necessary petition for the cancellation of the said titles.

SO ORDERED.<sup>[20]</sup>

Following this, the Heirs of Spouses Abucay filed another Complaint<sup>[21]</sup> dated April 26, 2004 for the cancellation of original certificates of title and emancipation patents. This time, they also impleaded the farmer-beneficiaries as respondents.<sup>[22]</sup>

In his June 16, 2005 Decision,<sup>[23]</sup> Regional Adjudicator Diloy similarly canceled the original certificates of title and voided the emancipation patents issued to the farmer-beneficiaries. The dispositive portion of his Decision read:

WHEREFORE, premises considered, judgment is hereby rendered,

1. Declaring the following OCTs/EPs issued to private respondents [farmer-beneficiaries] null and void and without force and effect:

. . . .

2. Ordering the Register of Deeds for Leyte to effect the said cancellation of the aforementioned titles issued to private respondents;

3. Ordering the private respondents to return the owners duplicate of titles to the MARO of Tabango, Leyte;

4. In the meantime that the correct titles ([T]ransfer Certificate of Titles) (*sic*) are not yet issued, private respondents are ordered to pay the corresponding rentals to complainants subject however to the provision of E.O. No. 328 and other applicable agrarian laws and rules.

SO ORDERED.<sup>[24]</sup>

In its May 10, 2006 Decision,<sup>[25]</sup> the Department of Agrarian Reform Adjudication Board reversed Regional Adjudicator Diloy's June 16, 2005 Decision and declared itself wanting of jurisdiction over the appeal.<sup>[26]</sup> It found that the nature of the action filed by the Heirs of Spouses Abucay was an Operation Land Transfer protest,<sup>[27]</sup> an agrarian law implementation case under the primary jurisdiction of the Regional Director<sup>[28]</sup> of the Department of Agrarian Reform and the consequent appeal, to the Department of Agrarian Reform Secretary.<sup>[29]</sup>

The Department of Agrarian Reform Adjudication Board also found that when Cabahug sold the property in 1983, the farmer-beneficiaries had already owned the property they tilled pursuant to Presidential Decree No. 27. Therefore, the Heirs of Spouses Abucay were not the proper parties to question the agrarian reform coverage of the 22-hectare property.<sup>[30]</sup>

The dispositive portion of the Department of Agrarian Reform Adjudication Board Decision read:

**WHEREFORE**, premises considered[,], the assailed decision dated 16 June 2005 is hereby **REVERSED** and **SET ASIDE** [and] a new judgment is hereby issued **DISMISSING** the instant complaint for lack of merit and for lack of jurisdiction without prejudice.

**SO ORDERED.**<sup>[31]</sup> (Emphasis in the original)

The Heirs of Spouses Abucay filed a Motion for Reconsideration, which the Department of Agrarian Reform Adjudication Board denied in its February 27, 2007 Resolution.<sup>[32]</sup>

Hence, the Heirs of Spouses Abucay filed a Petition for Review<sup>[33]</sup> before the Court of Appeals.

In its September 26, 2008 Decision,<sup>[34]</sup> the Court of Appeals reversed the rulings of the Department of Agrarian Reform Adjudication Board. Citing the 2003 Rules of Procedure for Agrarian Law Implementation Cases, it held that the Regional Director had primary jurisdiction over complaints for the cancellation of emancipation patents only if these were *not yet* registered with the Register of Deeds.<sup>[35]</sup> Since the emancipation patents had already been registered with the Register of Deeds of Leyte, jurisdiction over the Complaint properly belonged to the Regional Agrarian Reform Adjudicator.<sup>[36]</sup> Consequently, the appeal's jurisdiction lies with the Department of Agrarian Reform Adjudication Board<sup>[37]</sup> under the 2003 Department of Agrarian Reform Adjudication Board Rules of Procedure.<sup>[38]</sup>

In addition, the Court of Appeals held that the Heirs of Spouses Abucay were the proper parties to file the Complaint for cancellation of original certificates of title and emancipation patents. It explained that since Cabahug had not yet been fully paid just compensation for the property in 1983, she was still its owner when she sold it to Spouses Abucay. Moreover, Cabahug validly transferred her title to the property to Spouses Abucay which, upon their death, was later transferred to their children.<sup>[39]</sup>

Essentially agreeing with Regional Adjudicator Diloy's Decision, the Court of Appeals held that Cabahug was not afforded due process during the acquisition proceedings. Thus, it declared void the property's distribution to the farmer-beneficiaries and the issuance of emancipation patents and original certificates of title.<sup>[40]</sup>

The dispositive portion of the Court of Appeals Decision read:

**WHEREFORE**, the *Decision* dated May 10, 2006 and the *Resolution* dated February 27, 2007 of the Department of Agrarian Reform Adjudication Board (DARAB), in DARAB Case No. 13978 are **REVERSED and SET ASIDE**. The Decision dated June 16, 2005 of the Regional Adjudicator is **REINSTATED**. Accordingly, the OLT coverage of petitioners' property and the corresponding emancipation patents and original certificates of title issued relative thereto are declared **NULL AND VOID**. No costs.

**SO ORDERED.**<sup>[41]</sup> (Citations omitted)

The Department of Agrarian Reform Regional Director for Region VIII and the Provincial Agrarian Reform Officer of Leyte separately filed their Motions for Reconsideration, both of which were denied in the Court of Appeals January 30, 2009 Resolution.<sup>[42]</sup>

Two (2) Petitions for Review on Certiorari were filed before this Court on April 7, 2009. One (1)<sup>[43]</sup> was filed by the Department of Agrarian Reform Regional Director for Region VIII, docketed as G.R. No. 186432. The other<sup>[44]</sup> was filed by the Provincial Agrarian Reform Officer of Leyte, docketed as G.R. No. 186964.

Since both Petitions assail the same Court of Appeals Decision, this Court resolved<sup>[45]</sup> to consolidate G.R. Nos. 186432 and 186964. Respondents, the Heirs of Spouses Abucay, then filed a Joint Comment<sup>[46]</sup> on the consolidated Petitions, after which only the Provincial Agrarian Reform Officer filed a Reply.<sup>[47]</sup>

Petitioners maintain that respondents' Complaint for cancellation of original certificates of title and emancipation patents is essentially an Operation Land Transfer protest that assails the coverage of the 22-hectare property under the Operation Land Transfer Program. The case, therefore, is an agrarian reform law implementation case under the exclusive original jurisdiction of the Regional Director; the appellate jurisdiction, under the Department of Agrarian Reform Secretary. Petitioners assert that the Department of Agrarian Reform Adjudication Board correctly refused to take cognizance of the appeal and dismissed the Complaint.<sup>[48]</sup>

Petitioners further argue that respondents had no legal personality to file the Complaint for cancellation of original certificates of title and emancipation patents. Upon the effectivity of Presidential Decree No. 27, ownership of tenanted agricultural lands was automatically transferred to the farmer-beneficiaries. It follows that Cabahug had no authority to transfer the ownership of the 22-hectare parcel of land covered by Operation Land Transfer Program to the Spouses Abucay. Thus, respondents did not inherit the 22-hectare property from their parents.<sup>[49]</sup>

Petitioners further assail the Court of Appeals' finding that Cabahug was not accorded due process during the acquisition proceedings, arguing that she was properly notified of the coverage of the 22-hectare property.

The Deed of Absolute Sale executed between her and Spouses Abucay expressly provided that portions of the 182-hectare property being sold "appears to be within the coverage of Operation Land Transfer[.]"<sup>[50]</sup> Further, petitioners claim that the Court of Appeals erred in finding that no just compensation had been paid for the property, since a Certificate of Deposit worth P103,046.47 was deposited in cash and bonds in Cabahug's name on December 13, 2001.<sup>[51]</sup>

For their part, respondents argue that the Petitions must be dismissed for being filed without authority. They contend that it is the Office of the Solicitor General, under