

THIRD DIVISION

[G.R. No. 194168, February 13, 2013]

**LAND BANK OF THE PHILIPPINES, PETITIONER, VS. SPOUSES
PLACIDO AND CLARA DY ORILLA, RESPONDENTS.**

D E C I S I O N

PERALTA, J.:

This is a petition for review on *certiorari* assailing the Decision^[1] dated April 17, 2009 of the Court of Appeals (CA) in CA-G.R. CV No. 70071, and the Resolution^[2] dated September 30, 2010 denying petitioner's Motion for Partial Reconsideration.^[3]

The factual and procedural antecedents are undisputed:

Respondents spouses Placido and Clara Orilla (respondents) were the owners of a parcel of land situated in Bohol, identified as Lot No. 1, 11-12706, containing an area of 23.3416 hectares and covered by Transfer Certificate of Title No. 18401. In the latter part of November 1996, the Department of Agrarian Reform Provincial Agrarian Reform Office (DAR-PARO) of Bohol sent respondents a Notice of Land Valuation and Acquisition dated November 15, 1996 informing them of the compulsory acquisition of 21.1289 hectares of their landholdings pursuant to the Comprehensive Agrarian Reform Law (Republic Act [RA] 6657) for P371,154.99 as compensation based on the valuation made by petitioner Land Bank of the Philippines (LBP).^[4]

However, respondents rejected the said valuation. Consequently, a summary hearing was conducted by the Provincial Department of Agrarian Reform Adjudication Board (Provincial DARAB) to determine the amount of just compensation. After the proceedings, the Provincial DARAB affirmed the valuation made by the petitioner.^[5]

Not content with the decision, respondents filed an action for the determination of just compensation before the Regional Trial Court of Tagbilaran City sitting as a Special Agrarian Court (SAC). The case was docketed as Civil Case No. 6085 and was raffled to Branch 3.

After trial on the merits, the SAC rendered a Decision dated November 20, 2000, the dispositive portion of which reads:

WHEREFORE, judgment is hereby rendered fixing the just compensation of the land of petitioner subject matter of the instant action at P7.00 per square meter, as only prayed for, which shall earn legal interest from the filing of the complaint until the same shall have been fully paid. Furthermore, respondents are hereby ordered to jointly and solidarily

indemnify the petitioners their expenses for attorney's fee and contract fee in the conduct of the appraisal of the land by a duly licensed real estate appraiser Angelo G. Fajardo of which petitioner shall submit a bill of costs therefor for the approval of the Court.

SO ORDERED.^[6]

On December 11, 2000, petitioner filed a Notice of Appeal. Subsequently, on December 15, 2000, respondents filed a Motion for Execution Pending Appeal, pursuant to Section 2, Rule 39 of the 1997 Rules of Civil Procedure and the consolidated cases of *Landbank of the Philippines v. Court of Appeals, et al.*^[7] and *Department of Agrarian Reform v. Court of Appeals, et al.*^[8] Respondents argued that the total amount of P1,479,023.00, which is equivalent to P7.00 per square meter for 21.1289 hectares, adjudged by the SAC as just compensation, could then be withdrawn under the authority of the aforementioned case.^[9]

On December 21, 2000, the SAC issued an Order granting the Motion for Execution Pending Appeal, the dispositive of which reads:

WHEREFORE, the herein motion is granted and the petitioners are hereby ordered to post bond equivalent to one-half of the amount due them by virtue of the decision in this case. The respondent Land Bank of the Philippines, is therefore, ordered to immediately deposit with any accessible bank, as may be designated by respondent DAR, in cash or in any governmental financial instrument the total amount due the petitioner-spouses as may be computed within the parameters of Sec. 18(1) of RA 6657. Furthermore, pursuant to the Supreme Court decisions in "*Landbank of the Philippines vs. Court of Appeals, et al.*" G.R. No. 118712, promulgated on October 6, 1995 and "*Department of Agrarian Reform vs. Court of Appeals, et al.*," G.R. No. 118745, promulgated on October 6, 1995, the petitioners may withdraw the same for their use and benefit consequent to their right of ownership thereof.^[10]

On December 25, 2000, respondents filed a Motion for Partial Reconsideration of the amount of the bond to be posted, but it was later denied in an Order dated January 11, 2001.^[11]

For its part, petitioner filed a Motion for Reconsideration, which was likewise denied in an Order dated December 29, 2000.^[12]

On March 13, 2001, petitioner filed with the CA a special civil action for *certiorari* and prohibition under Rule 65 of the Rules of Court with prayer for issuance of a temporary restraining order and/or preliminary injunction. It questioned the propriety of the SAC Order granting the execution pending appeal.^[13]

In its Decision dated July 29, 2002, the CA dismissed the petition on the ground that the assailed SAC Order dated December 21, 2000 granting execution pending

appeal was consistent with justice, fairness, and equity, as respondents had been deprived of the use and possession of their property, pursuant to RA 6657 and are entitled to be immediately compensated with the amount as determined by the SAC under the principle of "prompt payment" of just compensation. Petitioner filed a Motion for Reconsideration, but it was denied.^[14]

Petitioner then sought recourse before this Court in a petition docketed as G.R. No. 157206. After due proceedings, this Court rendered a Decision^[15] dated June 27, 2008, affirming the decision of the CA. The decretal portion reads:

WHEREFORE, the Decision of the Court of Appeals, dated July 29, 2002, is AFFIRMED.^[16]

Petitioner filed a Motion for Reconsideration, but was denied with finality by the Court.

Meanwhile, in CA-G.R. CV No. 70071, the CA rendered a Decision^[17] dated April 17, 2009, granting the appeal filed by the petitioner. The dispositive portion reads:

WHEREFORE, premises considered, the instant appeal is GRANTED. The assailed decision of the Regional Trial Court sitting as Special Agrarian Court is hereby SET ASIDE.

This case is **REMANDED** to the trial court for the proper determination of just compensation for the land taken.

SO ORDERED.^[18]

The CA held that there was no valid and sufficient legal basis for the SAC in fixing the just compensation for the subject property at P1,479,023.00. Thus, the CA remanded the case to the SAC for the proper determination of just compensation.

In disposing the case, the CA also took into consideration the Motion for Execution Pending Appeal that was granted earlier by the SAC and affirmed by the CA and this Court, to wit:

Finally, the petitioners-appellees filed a Manifestation for Early Resolution before this Court revealing that the petitioners-appellees filed before the SAC a motion for execution pending appeal which was granted. This Court affirmed the decision of the SAC. Ultimately, the Supreme Court affirmed the decision of the Court of Appeals. Therefore, should the SAC find upon recomputation that the just compensation previously rendered is bigger than the recomputed value, the petitioners-appellees are ordered to return the excess considering that payment may already have been given by LBP in pursuant to the finality of the motion for execution pending appeal.^[19]

Unsatisfied, petitioner filed a Motion for Partial Reconsideration.^[20] Petitioner argued that when the CA set aside the valuation of the SAC amounting to P1,479,023.00, it necessarily follows that said amount can no longer be the subject of an execution pending appeal. Petitioner theorized that by annulling the SAC decision and, consequently, remanding the case to the trial court, the latter's decision was voided and, therefore, it could no longer be executed.

On September 30, 2010, the CA issued a Resolution^[21] denying the motion. The CA held that the issue of the validity of the writ of execution was already resolved by the Supreme Court with finality in G.R. No. 157206. That was precisely the reason why it stated in the decision that "should the SAC find upon recomputation that the just compensation previously rendered is bigger than the recomputed value, the petitioners-appellees are ordered to return the excess, considering that payment may already have been given by the LBP in pursuant to the finality of the motion for execution pending appeal."^[22]

Hence, the petition assigning the lone error:

THE HONORABLE COURT OF APPEALS COMMITTED A SERIOUS ERROR OF LAW IN HOLDING THAT THE TRIAL COURT'S DECISION, WHICH WAS ANNULLED AND SET ASIDE, CAN STILL BE THE SUBJECT OF EXECUTION.

^[23]

Petitioner argues that when the CA set aside the valuation of the SAC, it necessarily means that such valuation can no longer be the subject of an execution pending appeal. It adds that the writ of execution ordering the LBP to pay respondents the amount of P1,479,023.00 remains unimplemented as of the time the CA rendered the decision annulling the aforesaid valuation.

Petitioner posits that once a decision is annulled or set aside, it is rendered without legal effect for being a void judgment. Petitioner maintains that while the issue of the validity of the writ of execution issued by the SAC had been upheld by this Court in G.R. No. 157206, the enforcement of the writ had been rendered moot and academic after the decision of the SAC was reversed and set aside by the CA.

On their part, respondents contend that having attained finality, the decision of this Court in G.R. No. 157206 could no longer be disturbed. Moreover, the reason advanced by the CA in denying the motion for partial reconsideration was merely an affirmation of the decision of this Court in the said case.

The petition is without merit.

At the onset, it should be noted that although this Court, in *Land Bank of the Philippines v. Orilla*,^[24] held that the SAC validly issued the Order granting execution pending appeal in the exercise of its sound discretion in issuing the same according to the Rules, still what this Court deemed was justified in that particular case was the propriety of the issuance of the said Order and not the amount of monetary award that respondents were entitled which, in turn, corresponds to the valuation of the subject property as determined by the SAC in its Decision. Thus,