

FIRST DIVISION

[G.R. No. 176838, June 13, 2013]

DEPARTMENT OF AGRARIAN REFORM, AS REPRESENTED BY FRITZI C. PANTOJA, IN HER CAPACITY AS THE PROVINCIAL AGRARIAN REFORM OFFICER, DAR-LAGUNA, PETITIONER, VS. PARAMOUNT HOLDINGS EQUITIES, INC., JIMMY CHUA, ROJAS CHUA, BENJAMIN SIM, SANTOS C. TAN, WILLIAM C. LEE AND STEWART C. LIM, RESPONDENTS.

D E C I S I O N

REYES, J.:

This resolves the Petition for Review^[1] filed by petitioner Department of Agrarian Reform (DAR) to assail the Decision^[2] dated October 12, 2006 and Resolution^[3] dated January 10, 2007 of the Court of Appeals (CA) in CA-G.R. SP No. 89693, which granted Paramount Holdings Equities, Inc., Jimmy Chua, Rojas Chua, Benjamin Sim, Santos C. Tan, William C. Lee and Stewart C. Lim's (respondents) appeal from the rulings of the Department of Agrarian Reform Adjudication Board (DARAB) in DARAB Case No. 12284.

The Antecedents

The case stems from the petition^[4] docketed as DARAB Case No. R 0403-0009-02, filed with the Office of the Provincial Adjudicator (PARAD) by the DAR through Provincial Agrarian Reform Officer (PARO) Felixberto Q. Kagahastian. The petition sought to nullify the sale to the respondents of several parcels of land, with details of the sale as follows:

Vendee	Title No.	Area Covered	New Title	Vendor
Jimmy C. Chua and Rojas Chua	T-37140	71,517 square meters	T-196706	Golden Mountain Agricultural Development Corporation
Paramount Holdings Equities, Inc.	T-37141	14,634 sq m	T-196705	Golden Mountain Agricultural Development Corporation
Paramount Holdings Equities, Inc.	T-37139	17,203 sq m	T-196704	Golden Mountain Agricultural

			Development Corporation
William C. Lee T-37137 and Steward C. Lim	68,078 sq m	T-196707	Green Mountain Agricultural Development Corporation
Benjamin Sim T-37138 and Santos C. Tan	66,114 sq m	T-196708	Green Mountain Agricultural Development Corporation

The PARO argued that the properties were agricultural land yet their sale was effected without DAR Clearance as required under Republic Act No. 6657 (R.A. No. 6657), otherwise known as the Comprehensive Agrarian Reform Law (CARL). Allegedly, the PARO came to know of the transactions only after he had received a directive from the Secretary of Agrarian Reform to investigate the matter, following the latter's receipt of a letter-request from persons^[5] who claimed to be the tenant-farmers of the properties' previous owners.^[6]

The respondents opposed the petition, contending that since the matter involves an administrative implementation of R.A. No. 6657, the case is cognizable by the Secretary of Agrarian Reform, not the DARAB. They also sought the petition's dismissal on the grounds of prescription, *litis pendentia*, *res judicata* and forum shopping.

The Ruling of the PARAD

On October 16, 2002, Provincial Adjudicator Virgilio M. Sorita (PA Sorita) issued a Resolution^[7] dismissing the petition for lack of jurisdiction. He explained:

Petitioner further argued that the jurisdiction of the Department of Agrarian Reform Adjudication Board includes and [is] not limited to *those involving sale, alienation, mortgage, foreclosure, preemption and redemption of agricultural lands* under the coverage of CARP or other agrarian laws. These provisions were originally lifted from Presidential Decree 946. The emphasis [is] on the phrase **under the coverage of CARP or other agrarian laws** which definitely refers to land already placed under the Comprehensive Agrarian Reform Program under R.A. 6657, lands already placed under Presidential Decree 27, landed estate acquired by Land Bank of the Philippines and administered by the Department of Agrarian Reform pursuant to the Provision of R.A. 3844 as amended and lands under the Settlement and Resettlement Project also administered by the Department of Agrarian Reform for the simple reason that disputes and controversies arising from these areas are agrarian reform matters. It does not include the sale, disposition or alienation of private lands not administered by the DAR to private individuals such [as] in this instant case.

Petitioner also argued that jurisdiction of the Adjudication Board also covers violation of the Rules and Guidelines in the implementation of the Comprehensive Agrarian Reform Program. This is true but such violation is only confined to violations committed by beneficiaries of the program not like in the instant case, otherwise, jurisdiction lies on the Regional Trial Court acting as Special Agrarian Court as clearly provided by law.^[8] (Underscoring ours)

Furthermore, PA Sorita cited the absence of any showing that the petition was filed with the knowledge and authority of the Solicitor General, as the official counsel of the government being the aggrieved party in the dispute.

The DAR's motion for reconsideration was denied, prompting the filing of an appeal with the DARAB.

The Ruling of the DARAB

The DARAB granted the appeal *via* a Decision^[9] dated August 18, 2004. The dispositive portion of the Decision reads:

WHEREFORE, premises considered, the assailed Decision is hereby REVERSED and/or SET ASIDE. A new judgment is rendered nullifying the Deeds of Sale in question dated September 5, 1989 and ordering the Register of Deeds of Laguna to cancel the aforesaid Deeds of Sale, as well as the Transfer Certificates of Title issued to the respective private respondents concerned.

SO ORDERED.^[10]

Contrary to the findings of PA Sorita, the DARAB ruled that: *first*, the failure of the parties to the sale to obtain the required clearance indicates that their transactions were fraudulent;^[11] *second*, the PARO had the personality to file the petition even in the absence of the Solicitor General's assistance, citing Memorandum Circular No. 2, series of 2001 (Circular No. 2), and the policy of DAR to "acquire and distribute all lands covered by RA 6657[,] including those subject of illegal transfers x x x";^[12] and *third*, the DARAB has the jurisdiction over the case, since its jurisdiction under Circular No. 2 covers the cancellation of deeds of conveyance and corresponding transfer certificates of title over agricultural lands.^[13]

The denial^[14] of the respondents' motion for reconsideration led to the filing of a petition with the CA.

The Ruling of the CA

On October 12, 2006, the CA rendered the assailed Decision,^[15] the dispositive portion of which reads:

WHEREFORE, the instant petition is **GRANTED**. The appealed Decision (dated August 18, 2004) and Resolution (dated March 16, 2005) of the Department of Agrarian Reform Adjudication Board-Central Office, Elliptical Road, Diliman, Quezon City are **ANNULLED** and **SET ASIDE**.

The Petition in DARAB Case No. R-0403-0009-02 is hereby **DISMISSED**.
No pronouncement as to costs.

SO ORDERED.^[16]

The CA emphasized that the DARAB's jurisdiction over the dispute should be determined by the allegations made in the petition. Since the action was essentially for the nullification of the subject properties' sale, it did not involve an agrarian suit that is within the DARAB's jurisdiction.

DAR's motion for reconsideration was denied in a Resolution^[17] dated January 10, 2007. Hence, this petition.

The Present Petition

The Court has issued on June 6, 2007 a Resolution^[18] denying the petition on the following grounds: (a) DAR's failure to attach proof of service of the petition upon the CA as required by Section 3, Rule 45 in relation to Section 5(d), Rule 56 of the Rules of Court; (b) the DAR's failure to accompany the petition with clearly legible duplicate original or certified true copies of the assailed CA decision and resolution, in violation of Sections 4(d) and 5 of Rule 45, in relation to Section 5(d) of Rule 56; (c) the petition was prepared by the DAR Region IV-Legal Assistance Division without the concurrence of the Office of the Solicitor General (OSG); and (d) the petition failed to sufficiently show that the appellate court committed any reversible error in the challenged decision and resolution as to warrant the exercise by the Court of its discretionary appellate jurisdiction.

On October 15, 2007,^[19] the Court resolved to grant DAR's motion to reconsider the dismissal, after it filed its compliance and the OSG, its appearance and manifestation that it was adopting the petition and motion for reconsideration filed by DAR.

On December 10, 2008, the Court again resolved to deny the petition on the ground of the OSG's failure to obey a lawful order of the Court, following its failure to file the required reply despite the Court's grant of its several motions for extension.^[20] On April 20, 2009, the Court resolved to grant DAR's motion for reconsideration and accordingly, reinstate the petition. ^[21]

The main issue for the Court's resolution is: Whether or not the DARAB has jurisdiction over the dispute that seeks the nullification of the subject properties' sale.

This Court's Ruling

The Court answers in the negative.

The jurisdiction of the DARAB is limited under the law, as it was created under Executive Order (E.O.) No. 129-A specifically to assume powers and functions with respect to the adjudication of agrarian reform cases under E.O. No. 229 and E.O. No. 129-A.^[22] Significantly, it was organized under the Office of the Secretary of Agrarian Reform. The limitation on the authority of it to mere agrarian reform

matters is only consistent with the extent of DAR's quasi-judicial powers under R.A. No. 6657 and E.O. No. 229, which read:

SECTION 50 [of R.A. No. 6657]. *Quasi-Judicial Powers of the DAR.*—The DAR is hereby vested with the primary jurisdiction to determine and adjudicate **agrarian reform matters** and shall have exclusive original jurisdiction over all matters involving the implementation of agrarian reform except those falling under the exclusive jurisdiction of the Department of Agriculture (DA) and the Department of Environment and Natural Resources (DENR).

SECTION 17 [of E.O. No. 229]. *Quasi-Judicial Powers of the DAR.*—The DAR is hereby vested with quasi-judicial powers to determine and adjudicate agrarian reform matters, and shall have exclusive original jurisdiction over all matters **involving implementation of agrarian reform**, except those falling under the exclusive original jurisdiction of the DENR and the Department of Agriculture (DA).

Thus, Sections 1 and 2, Rule II of the DARAB New Rules of Procedure, which was adopted and promulgated on May 30, 1994 and came into effect on June 21, 1994, identify the specific extent of the DARAB's and PARAD's jurisdiction, as they read:

SECTION 1. *Primary and Exclusive Original and Appellate Jurisdiction.*—The Board shall have primary and exclusive jurisdiction, both original and appellate, to determine and adjudicate **all agrarian disputes** involving the implementation of the Comprehensive Agrarian Reform Program (CARP) under Republic Act No. 6657, Executive Order Nos. 228, 229 and 129-A, Republic Act No. 3844 as amended by Republic Act No. 6389, Presidential Decree No. 27 and other agrarian laws and their implementing rules and regulations. Specifically, such jurisdiction shall include but not be limited to cases involving the following:

a) The rights and obligations of persons, whether natural or juridical, engaged in the management, cultivation and use of all agricultural lands covered by the CARP and other agrarian laws;

b) The valuation of land, and the preliminary determination and payment of just compensation, fixing and collection of lease rentals, disturbance compensation, amortization payments, and similar disputes concerning the functions of the Land Bank of the Philippines (LBP);

c) The annulment or cancellation of lease contracts or deeds of sale or their amendments involving lands under the administration and disposition of the DAR or LBP;

d) Those cases arising from, or connected with membership or representation in compact farms, farmers' cooperatives and other registered farmers' associations or organizations, related to lands covered by the CARP and other agrarian laws;

e) Those involving the sale, alienation, mortgage, foreclosure, pre-emption and redemption of agricultural lands under the coverage of the CARP or other agrarian laws;