

EN BANC

[G.R. No. 164195, December 04, 2009]

**APO FRUITS CORPORATION AND HIJO PLANTATION, INC.
PETITIONERS, VS. THE HON. COURT OF APPEALS AND LAND
BANK OF THE PHILIPPINES, RESPONDENTS.**

RESOLUTION

BERSAMIN, J.:

This case originated from the Third Division, which rendered its decision on February 6, 2007 in favor of petitioners Apo Fruits Corporation (AFC) and Hijo Plantation, Inc. (HPI). On December 19, 2007, however, the Third Division modified its decision upon the *motion for reconsideration* of respondent Land Bank of the Philippines (Land Bank), deleting the award of interest and attorney's fees.

For consideration and resolution is the *second motion for reconsideration (with respect to the denial of the award of legal interest and attorney's fees)* filed by AFC and HPI.

Antecedents

On October 12, 1995, AFC and HPI voluntarily offered to sell the lands subject of this case pursuant to Republic Act No. 6657 (*Comprehensive Agrarian Reform Law*, or CARL). The Department of Agrarian Reform (DAR) referred their voluntary-offer-to-sell (VOS) applications to Land Bank for initial valuation. Land Bank fixed the just compensation at P165,484.47/hectare, *that is*, P86,900,925.88, for AFC, and P164,478,178.14, for HPI. The valuation was rejected, however, prompting Land Bank, upon the advice of DAR, to open deposit accounts in the names of the petitioners, and to credit in said accounts the sums of P26,409,549.86 (AFC) and P45,481,706.76 (HPI). Both petitioners withdrew the amounts in cash from the accounts, but afterwards, on February 14, 1997, they filed separate complaints for determination of just compensation with the DAR Adjudication Board (DARAB).

When DARAB did not act on their complaints for determination of just compensation after more than three years, the petitioners filed complaints for determination of just compensation with the Regional Trial Court (RTC) in Tagum City, Branch 2, acting as a special agrarian court (SAC), docketed as Agrarian Cases No. 54-2000 and No. 55-2000. Summonses were served on May 23, 2000 to Land Bank and DAR, which respectively filed their answers on July 26, 2000 and August 18, 2000. The RTC conducted a pre-trial, and appointed persons it considered competent, qualified and disinterested as commissioners to determine the proper valuation of the properties.

Ultimately, the RTC rendered its decision on September 25, 2001, disposing thus:

WHEREFORE, consistent with all the foregoing premises, judgment is hereby rendered by this Special Agrarian Court where it has determined judiciously and now hereby fixed the just compensation for the 1,388.6027 hectares of lands and its improvements owned by the plaintiffs: APO FRUITS CORPORATION and HIJO PLANTATION, INC., as follows:

First - Hereby ordering after having determined and fixed the fair, reasonable and just compensation of the 1,338.6027 hectares of land and standing crops owned by plaintiffs - APO FRUITS CORPORATION and HIJO PLANTATION, INC., based at only P103.33 per sq. meter, ONE BILLION THREE HUNDRED EIGHTY-THREE MILLION ONE HUNDRED SEVENTY-NINE THOUSAND PESOS (P1,383,179,000.00)., Philippine Currency, under the current value of the Philippine Peso, to be paid jointly and severally to the herein PLAINTIFFS by the Defendants-Department of Agrarian Reform and its financial intermediary and co-defendant Land Bank of the Philippines, thru its Land Valuation Office;

Second - Hereby ordering Defendants - DEPARTMENT OF AGRARIAN REFORM and/or LAND BANK OF THE PHILIPPINES, thru its Land Valuation Office, to pay plaintiffs-APO FRUITS CORPORATION and HIJO PLANTATION, INC., interests on the above-fixed amount of fair, reasonable and just compensation equivalent to the market interest rates aligned with 91-day Treasury Bills, from the date of the taking in December 9, 1996, until fully paid, deducting the amount of the previous payment which plaintiffs received as/and from the initial valuation;

Third - Hereby ordering Defendants - DEPARTMENT OF AGRARIAN REFORM and/or LAND BANK OF THE PHILIPPINES, thru its Land Valuation Office, to pay jointly and severally the Commissioners' fees herein taxed as part of the costs pursuant to Section 12, Rule 67 of the 1997 Rules of Civil Procedure, equivalent to, and computed at Two and One-Half (2 ½) percent of the determined and fixed amount as the fair, reasonable and just compensation of plaintiffs' land and standing crops plus interest equivalent to the interest of the 91-Day Treasury Bills from date of taking until full payment;

Fourth - Hereby ordering Defendants - DEPARTMENT OF AGRARIAN REFORM and/or LAND BANK OF THE PHILIPPINES, thru its Land Valuation Office, to pay jointly and severally the attorney's fees to plaintiffs equivalent to, and computed at ten (10%) Percent of the determined and fixed amount as the fair, reasonable and just compensation of plaintiffs' land and standing crops, plus interest equivalent to the 91-Day Treasury Bills from date of taking until the full amount is fully paid;

Fifth - Hereby ordering Defendants - DEPARTMENT OF AGRARIAN REFORM and/or LAND BANK OF THE PHILIPPINES, thru its Land Valuation Office to deduct from the total amount fixed as fair, reasonable and just compensation of plaintiffs' properties the initial payment paid to the plaintiffs;

Sixth - Hereby ordering Defendants - DEPARTMENT OF AGRARIAN REFORM and/or LAND BANK OF THE PHILIPPINES, thru its Land Valuation Office, to pay the costs of the suit; and

Seventh- Hereby ordering Defendants - DEPARTMENT OF AGRARIAN REFORM and/or LAND BANK OF THE PHILIPPINES, thru its Land Valuation Office, to pay all the aforementioned amounts thru The Clerk of Court of this Court, in order that said Court Officer could collect for payment any docket fee deficiency, should there be any, from the plaintiffs.

Upon Land Bank's motion for reconsideration, the RTC modified the decision by promulgating its decision dated December 5, 2001, holding:

WHEREFORE, premises considered, IT IS HEREBY ORDERED that the following modifications as they are hereby made on the dispositive portion of this Court's consolidated decision be made and entered in the following manner, to wit:

On the Second Paragraph of the Dispositive Portion which now reads as follows, as modified:

Second- Hereby ordering Defendants - DEPARTMENT OF AGRARIAN REFORM and/or LAND BANK OF THE PHILIPPINES, thru its Land Valuation Office, to pay plaintiffs-APO FRUITS CORPORATION and HIJO PLANTATION, INC., interest at the rate of Twelve (12%) Percent per annum on the above-fixed amount of fair, reasonable and just compensation computed from the time the complaint was filed until the finality of this decision. After this decision becomes final and executory, the rate of TWELVE (12%) PERCENT per annum shall be additionally imposed on the total obligation until payment thereof is satisfied, deducting the amounts of the previous payments by Defendant-LBP received as initial valuation;

On the Third Paragraph of the Dispositive Portion which Now Reads As Follows, As Modified:

Third- Hereby ordering Defendants - DEPARTMENT OF AGRARIAN REFORM and/or LAND BANK OF THE PHILIPPINES, thru its Land Valuation Office, to pay jointly and severally the

Commissioners' fees herein taxed as part of the costs pursuant to Section 12, Rule 67 of the 1997 Rules of Civil Procedure, equivalent to, and computed at Two and One-Half (2 ½) percent of the determined and fixed amount as the fair, reasonable and just compensation of plaintiffs' land and standing crops and improvements;

On the Fourth Paragraph of the Dispositive Portion which Now Reads As follows, As Modified:

Fourth- Hereby ordering Defendants - DEPARTMENT OF AGRARIAN REFORM and/or LAND BANK OF THE PHILIPPINES, thru its Land Valuation Office, to pay jointly and severally the attorney's fees to plaintiffs equivalent to, and computed at ten (10%) Percent of the determined and fixed amount as the fair, reasonable and just compensation of plaintiffs' land and standing crops and improvements.

Except for the above-stated modifications, the consolidated decision stands and shall remain in full force and effect in all other respects thereof.

Land Bank appealed by notice of appeal. The RTC denied due course to the appeal, however, holding that such mode was not proper in view of the ruling in *Land Bank of the Philippines v. De Leon*,^[1] which held that the correct mode of appeal from a decision of the RTC acting as SAC was by petition for review (Rule 43). The RTC denied Land Bank's *motion for reconsideration*.

Land Bank was thus compelled to file in March 2003 a petition for *certiorari* in the Court of Appeals (CA) to assail the RTC's order denying due course to its appeal and denying its *motion for reconsideration*.

The CA granted the petition for *certiorari* on February 12, 2004, and nullified the assailed orders of the RTC.

Following the CA's denial of their *joint motion for reconsideration* on June 21, 2004, AFC and HPI appealed on *certiorari*, raising the following issues, to wit:

I.

WHETHER OR NOT THE QUESTIONED DECISION AND RESOLUTION ARE IN ACCORD WITH LAW OR WITH THE APPLICABLE DECISIONS OF THE SUPREME COURT?

II.

WHETHER OR NOT RESPONDENT LBP IS BOUND BY THE DECISION OF COURT OF APPEALS IN CA-G.R. SP NO. 74879 AND IS THEREFORE PRECLUDED FROM FILING CA-G.R. SP NO. 76222?

III.

WHETHER OR NOT THE FILING BY RESPONDENT LBP OF CA-G.R. SP NO. 76222 IS ALREADY BARRED BY RES JUDICATA?

IV.

WHETHER OR NOT THE RULING OF THE SUPREME COURT IN THE ARLENE DE LEON CASE, GIVING ONLY PROSPECTIVE EFFECT TO ITS EARLIER RESOLUTION AS TO THE PROPER MODE OF APPEAL FROM DECISIONS OF SPECIAL AGRARIAN COURTS IS APPLICABLE IN THE INSTANT CASE?

V.

WHETHER OR NOT RESPONDENT LBP WAS DEPRIVED OF DUE PROCESS AND/OR OF ITS RIGHT TO APPEAL?

VI.

WHETHER OR NOT THE SUBJECT PETITION (CA-G.R. SP NO. 76222) WAS MERELY INTERPOSED TO DELAY THE EXECUTION OF SPECIAL AGRARIAN COURT'S "DECISION" WHICH IS BASED ON EVIDENCE DULY PRESENTED AND PROVED?

AFC and HPI prayed that the decision and resolution of the CA be reversed and set aside, and that the RTC's decision dated September 25, 2001 rendered in Agrarian Cases No. 54-2000 and No. 55-2000 be declared final and executory.

In its decision dated February 6, 2007, the Third Division decreed as follows:

WHEREFORE, premises considered, the instant Petition is PARTIALLY GRANTED. While the Decision, dated 12 February 2004, and Resolution, dated 21 June 2004, of the Court of Appeals in CA-G.R. SP No. 76222, giving due course to LBP's appeal, are hereby AFFIRMED, this Court, nonetheless, RESOLVES, in consideration of public interest, the speedy administration of justice, and the peculiar circumstances of the case, to give DUE COURSE to the present Petition and decide the same on its merits. Thus, the Decision, dated 25 September 2001, as modified by the Decision, dated 5 December 2001, of the Regional Trial Court of Tagum City, Branch 2, in Agrarian Cases No. 54-2000 and No. 55-2000 is AFFIRMED. No costs.

SO ORDERED.

Land Bank sought reconsideration upon the following grounds, viz:

- A. THE HONORABLE COURT RULED IN THE FAIRLY RECENT CASE OF *LAND BANK OF THE PHILIPPINES v. CELADA*, G.R. NO. 164876 THAT SPECIAL AGRARIAN COURTS ARE NOT AT LIBERTY TO