

SECOND DIVISION

[G.R. NO. 132561, June 30, 2005]

PHILIPPINE VETERANS BANK, PETITIONER, VS. HON. COURT OF APPEALS, LAZARO CRUZ, FRANCISCO T. CRUZ, PROVINCIAL AGRARIAN REFORM OFFICER ERLINDA PEARL V. ARMADA, DAR PROVINCIAL ADJUDICATOR HON. GREGORIO D. SAPERA AND THE REGISTER OF DEEDS OF THE PROVINCE OF BULACAN, RESPONDENTS.

DECISION

CHICO-NAZARIO, J.:

The antecedent facts which gave rise to this petition are not disputed.

On 12 January 1994, Philippine Veterans Bank (PVB) received Notices of Acquisition^[1] dated 06 August 1993 from the Department of Agrarian Reform (DAR) duly signed by Provincial Agrarian Reform Officer Erlinda Pearl V. Armada, placing under the Comprehensive Agrarian Reform Law coverage PVB's properties located in Baliwag, Bulacan, classified as unirrigated agricultural lands and embraced under Transfer Certificates of Titles No. T- 226773, No. T-226774, and No. T-283864, designating among other beneficiaries, private respondents Lazaro N. Cruz and Francisco T. Cruz, and issued in their favor administrative titles denominated as Certificate of Land Ownership Award (CLOA).

On 13 October 1995, PVB filed a Petition before the Regional Trial Court (RTC) of Malolos, Bulacan, for the annulment of DAR CLOA on the ground that the subject parcels of land are outside the coverage of the Comprehensive Agrarian Reform Program (CARP). The case was docketed as Civil Case No. 691-M-95 against respondents Lazaro N. Cruz, Francisco T. Cruz, Erlinda Pearl V. Armada, Hon. Gregorio D. Saperas and the Register of Deeds of the Province of Bulacan.^[2] Earlier, private respondents filed a Complaint^[3] before the Department of Agrarian Reform Adjudication Board (DARAB) against PVB for maintenance of possession alleging that PVB caused the fencing of the properties in question, encircling the area with barbed wires and preventing private respondents from entering the premises. After PVB filed its Answer with Counterclaim,^[4] DAR Provincial Adjudicator Gregorio Saperas issued an Order dated 10 October 1995^[5] directing PVB to "cease and desist from committing any acts tending to oust, exclude and eject private respondents from the landholding in question."

On 24 October 1995, both public and private respondents filed before the RTC a Motion to Dismiss^[6] on the ground of lack of jurisdiction asserting that jurisdiction over the case is vested with the DARAB under Section 50 of Republic Act No. 6657 and Section 1, Rule II of the DARAB Rules of Procedure. The trial court orally denied the motion at the hearing held on 06 February 1996.^[7] Respondents

manifested before the trial court their desire to file a motion for reconsideration at the hearing held on 12 March 1996.

The trial court denied this manifestation prompting the respondents to file before the Court of Appeals a Petition^[8] for Certiorari and Prohibition with prayer for the issuance of a temporary restraining order and preliminary injunction under Rule 65 of the Rules of Court.^[9]

Acting on the Petition, the Court of Appeals, in a resolution^[10] dated 15 November 1996, resolved to deny due course to the petition on the ground that the DARAB "has primary and exclusive jurisdiction over cases involving cancellation of CLOAs provided that the said certificates must have been registered with the Land Registration Authority." The Court of Appeals held:

According to the DARAB rules above quoted, the DARAB has primary and exclusive jurisdiction over cases involving cancellation of CLOAs, provided however, that the said certificates must have been registered with the Land Registration Authority. In the case at bench, the petitioners failed to show, much less allege, that the CLOAs involved have been registered with the LRA. In view of this omission, the Court has no alternative but to dismiss the present petition for certiorari and to sustain the jurisdiction of the trial court.^[11]

A motion for reconsideration was filed by the petitioners which PVB duly opposed in its Comment. In a resolution dated 20 May 1997,^[12] the Court of Appeals made a turnabout of its ruling and resolved to grant the motion. Thus:

It now turns out that CLOAs subject matter of this case have been entered in the Primary Entry Book for EPs/CLOAs of the Registry of Deeds of Bulacan, and a note of such entry has been stamped at the back of each CLOA, reading as follows:

"This is to certify that this EP/CLOA has been entered in the Primary Entry Book of EPs/CLOAs and shall be signed after the reconstitution of the original copy of the title involved.

Date: 1-10-95

(Sgd.)Atty. Ramon C. Sampana
Deputy Registrar of Deeds"

Section 56 of Presidential Decree No. 1529 provides that instruments entered in the Primary Entry Book "shall be regarded as registered from the time so noted."

This changes the picture entirely. Since the subject CLOAs have been registered with the Register of Deeds of Bulacan, the DARAB has primary and exclusive jurisdiction over cases for their cancellation. Conversely, the Regional Trial Court of Bulacan has no such jurisdiction.

WHEREFORE, the petitioners' Motion for Reconsideration is hereby GRANTED. Our Resolution dated November 15, 1996 is hereby SET

ASIDE, and another one is hereby issued ANNULING the Order of the Respondent Judge dated February 6, 1996, and DISMISSING Civil Case No. 691-M-95 of the Regional Trial Court of Bulacan, Branch 18, for lack of jurisdiction.^[13]

Foreseeably aggrieved, PVB filed a motion for reconsideration which the Court of Appeals denied for lack of merit in a resolution dated 11 December 1997.^[14]

Hence, this petition for *certiorari* which this Court has treated as a petition for review under Rule 45 per Resolution^[15] dated 14 April 1998 as the principal issue raised involves a question of law.

On 20 July 1998, respondents were required to file their Comment.^[16] After Respondents filed their Comment,^[17] PVB filed its Reply^[18] in compliance with the Court's resolution dated 26 October 1998.^[19] Thereafter the parties were required in a resolution dated 24 November 2004^[20] to file their respective memoranda within thirty (30) days from notice.

The issues raised for resolution by PVB are:

A. PUBLIC RESPONDENT COURT OF APPEALS GRAVELY ABUSED ITS DISCRETION IN HOLDING THAT THE CASE INVOLVES AN AGRARIAN DISPUTE WITHIN THE EXCLUSIVE JURISDICTION OF DARAB.

B. PUBLIC RESPONDENT COURT OF APPEALS GRAVELY ABUSED ITS DISCRETION IN RULING THAT CASES FOR ANNULMENT OF CLOA FALL WITHIN THE JURISDICTION OF DARAB.

C. PUBLIC RESPONDENT COURT OF APPEALS GRAVELY ABUSED ITS DISCRETION IN HOLDING THAT THE DARAB HAS JURISDICTION NOTWITHSTANDING THAT THE DARAB ADJUDICATOR IS HIMSELF A PARTY TO THE CASE.

D. PUBLIC RESPONDENT COURT OF APPEALS GRAVELY ABUSED ITS DISCRETION IN RULING THAT THE DARAB HAS JURISDICTION NOTWITHSTANDING THE FACT THAT THE PROPERTY CEASED TO BE AGRICULTURAL.^[21]

Basic is the rule that jurisdiction is determined by the allegations in the Complaint.^[22] At the outset, it is well to state that the Complaint filed by PVB before the RTC is designated as one "for annulment of DAR certificate of land ownership award with prayer for a writ of preliminary injunction or restraining order." In its Complaint, PVB impugned the award allegedly for having been illegally and fraudulently issued and consequently prayed for its nullification. In the same Complaint, PVB claimed that the property, though unirrigated, is agricultural.^[23] Thus, from the very allegations made by PVB in its Complaint, there is no doubt that the same is mainly for annulment of CLOA. Neither can PVB deny the claim it made in its Complaint that the property is agricultural. Its subsequent claim that the property has ceased to be agricultural is a matter the veracity of which has yet to be verified.

Specific and general provision of Rep. Act No. 6657 (The Comprehensive Agrarian

Reform Law of 1988) and its implementing rules and procedure cover, to the point, the major issues above prescribed.

Not too long ago, in the case of *SSS v. DAR*,^[24] this Court resolving the same issues of (1) what constitutes an agrarian dispute, (2) what are the cases involving the issuance of CLOAs; and (3) which body has jurisdiction over controversies arising therefrom, held:

Section 1, Rule II, 2002 DARAB Rules of Procedure provides that:

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.

. . .

Specifically, such jurisdiction shall extend over but not limited to the following:

. . .

f) Cases involving the issuance of *Certificate of Land Transfer (CLT)*, *Certificate of Landownership Award (CLOA)* and *Emancipation Patent (EP)* and the administrative correction thereof; (Italics added)

Thus, taking its bearings from the above provision, *Centeno v. Centeno*^[25] explicitly and compellingly validated the jurisdiction of the DARAB over cases involving issuance of CLOAs, and went on further:

. . . under Section 50 of R.A. 6657 (the Comprehensive Agrarian Reform Law of 1988), the DAR is vested with primary jurisdiction to determine and adjudicate agrarian reform matters and shall have the exclusive jurisdiction over all matters involving the implementation of the agrarian reform program. The rule is that the DARAB has jurisdiction to try and decide any agrarian dispute or *any incident involving the implementation of the Comprehensive Agrarian Reform Program.* (Italics supplied)

Section 1, Rule II of the Revised Rules of Procedure of the DARAB provides:

Section 1. *Primary, Original and Appellate Jurisdiction.* – The Agrarian Reform Adjudication Board shall have primary jurisdiction,

both original and appellate, to determine and adjudicate all agrarian disputes, cases, controversies, and *matters or incidents involving the implementation of the Comprehensive Agrarian Reform Program* under Republic Act No. 6657, Executive Orders Nos. 229, 228 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.

In the relatively recent case of *Rivera v. Del Rosario*,^[26] this Court cited Section 1, Rule II, 2002 DARAB Rules of Procedure and reiterated that:

The DARAB has exclusive original jurisdiction over cases involving the rights and obligations of persons engaged in the management, cultivation and use of all agricultural lands covered by the Comprehensive Agrarian Reform Law.

Again in *David v. Rivera*,^[27] this Court pointed out that the jurisdiction over agrarian reform matters is now expressly vested in the DAR through the DARAB.

Indeed, Section 50 of R.A. 6657 confers on the Department of Agrarian Reform (DAR) quasi-judicial powers to adjudicate agrarian reform matters. In the process of reorganizing the DAR, Executive Order No. 129-A created the DARAB to assume the powers and functions with respect to the adjudication of agrarian reform cases. Section 1, Rule II of the DARAB Rules of Procedure enumerates the cases falling within the primary and exclusive jurisdiction of the DARAB.

In an earlier ruling rendered in the case of *Vda. de Tangub v. Court of Appeals*,^[28] reiterated in *Morta, Sr. v. Occidental*^[29] and *Heirs of the late Herman Rey Santos v. Court of Appeals*,^[30] this Court decreed:

Section 1 of Executive Order No. 229 sets out the scope of the Comprehensive Agrarian Reform Program (CARP); it states that the program –

“... shall cover, regardless of tenurial arrangement and commodity produce, all public and private agricultural land as provided in Proclamation No. 131 dated July 22, 1987, including whenever applicable in accordance with law, other lands of the public domain suitable to agriculture.”

Section 17 thereof

1) vested the Department of Agrarian Reform with “quasi-judicial powers to determine and adjudicate agrarian reform matters,” and

2) granted it “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), as well