

THIRD DIVISION

[G.R. No. 154112, September 23, 2004]

**DEPARTMENT OF AGRARIAN REFORM, PETITIONER, VS.
ROBERTO J. CUENCA AND HON. ALFONSO B. COMBONG JR., IN
HIS CAPACITY AS THE PRESIDING JUDGE OF THE REGIONAL
TRIAL COURT, BRANCH 63, LA CARLOTA CITY, RESPONDENTS.**

DECISION

PANGANIBAN, J.:

All controversies on the implementation of the Comprehensive Agrarian Reform Program (CARP) fall under the jurisdiction of the Department of Agrarian Reform (DAR), even though they raise questions that are also legal or constitutional in nature. All doubts should be resolved in favor of the DAR, since the law has granted it special and original authority to hear and adjudicate agrarian matters.

The Case

Before us is a Petition for Review^[1] under Rule 45 of the Rules of Court, assailing the March 15, 2002 Decision^[2] and the June 18, 2002 Resolution^[3] of the Court of Appeals in CA-GR SP No. 58536. In the challenged Decision, the CA disposed as follows:

"As previously stated, the principal issue raised in the court below involves a pure question of law. Thus, it being clear that the court *a quo* has jurisdiction over the nature and subject matter of the case below, it did not commit grave abuse of discretion when it issued the assailed order denying petitioner's motion to dismiss and granting private respondent's application for the issuance of a writ of preliminary injunction.

"**WHEREFORE**, premises considered, the petition is **denied due course** and is accordingly **DISMISSED**."^[4]

The assailed Resolution, on the other hand, denied petitioner's Motion for Reconsideration.

The Facts

The CA narrated the facts as follows:

"Private respondent Roberto J. Cuenca is the registered owner of a parcel of land designated as Lot No. 816-A and covered by TCT No. 1084, containing an area of 81.6117 hectares, situated in Brgy. Haguimit, La Carlota City and devoted principally to the planting of sugar cane.

"On 21 September 1999, Noe Fortunado, Municipal Agrarian Reform Officer (MARO) of La Carlota City issued and sent a NOTICE OF COVERAGE to private respondent Cuenca placing the above-described landholding under the compulsory coverage of R.A. 6657, otherwise known as the Comprehensive Agrarian Reform Program (CARP). The NOTICE OF COVERAGE also stated that the Land Bank of the Philippines (LBP) will determine the value of the subject land pursuant to Executive Order No. 405 dated 14 June 1990.

"On 29 September 1999, private respondent Cuenca filed with the Regional Trial Court, Branch 63, La Carlota City, a complaint against Noe Fortunado and Land Bank of the Philippines for 'Annulment of Notice of Coverage and Declaration of Unconstitutionality of E.O. No. 405, Series of 1990, With Preliminary Injunction and Restraining Order.' The case was docketed as Civil Case No. 713.

"In his complaint, Cuenca alleged, *inter alia*, that the implementation of CARP in his landholding is no longer with authority of law considering that, if at all, the implementation should have commenced and should have been completed between June 1988 to June 1992, as provided in the Comprehensive Agrarian Reform Law (CARL); that the placing of the subject landholding under CARP is without the *imprimatur* of the Presidential Agrarian Reform Council (PARC) and the Provincial Agrarian Reform Coordinating Committee (PARCOM) as required by R.A. 7905; that Executive Order No. 405 dated 14 June 1990 amends, modifies and/or repeals CARL and, therefore, it is unconstitutional considering that on 14 June 1990, then President Corazon Aquino no longer had law-making powers; that the NOTICE OF COVERAGE is a gross violation of PD 399 dated 28 February 1974.

"Private respondent Cuenca prayed that the Notice of Coverage be declared null and void *ab initio* and Executive Order No. 405 dated 14 June 1990 be declared unconstitutional.

"On 05 October 1999, MARO Noe Fortunado filed a motion to dismiss the complaint on the ground that the court *a quo* has no jurisdiction over the nature and subject matter of the action, pursuant to R.A. 6657.

"On 12 January 2000, the respondent Judge issued a Temporary Restraining Order directing MARO and LBP to cease and desist from implementing the Notice of Coverage. In the same order, the respondent Judge set the hearing on the application for the issuance of a writ of preliminary injunction on January 17 and 18, 2000.

"On 14 January 2000, MARO Fortunado filed a Motion for Reconsideration of the order granting the TRO contending *inter alia* that the DAR, through the MARO, in the course of implementing the Notice of Coverage under CARP cannot be enjoined through a Temporary Restraining Order in the light of Sections 55 and 68 of R.A. 6657.

"In an order dated 16 February 2000, the respondent Judge denied MARO Noe Fortunado's motion to dismiss and issued a Writ of

Preliminary Injunction directing Fortunado and all persons acting in his behalf to cease and desist from implementing the Notice of Coverage, and the LBP from proceeding with the determination of the value of the subject land.

"The Department of Agrarian Reform (DAR) [thereafter filed before the CA] a petition for certiorari under Rule 65 of the 1997 Rules of Civil Procedure, assailing the writ of preliminary injunction issued by respondent Judge on the ground of grave abuse of discretion amounting to lack of jurisdiction.

"It is the submission of the petitioner that the assailed order is 'in direct defiance... of Republic Act 6657, particularly Section 55 and 68' thereof, which read:

'SECTION 55. NO RESTRAINING ORDERS OR PRELIMINARY INJUNCTIONS – No court in the Philippines shall have jurisdiction to issue any restraining order or writ of preliminary injunction against the PARC or any of its duly authorized or designated agencies in any case, dispute or controversy arising from, necessary to, or in connection with the application, implementation, or enforcement or interpretation of this Act and other pertinent laws on agrarian reform.'

'SECTION 68 – IMMUNITY OF GOVERNMENT AGENCIES FROM COURT'S INTERFERENCE – No injunction, Restraining Order, prohibition or mandamus shall be issued by the lower court against the Department of Agrarian Reform (DAR), the Department of Agriculture (DA), the Department of Environment and Natural Resources (DENR), and the Department of Justice (DOJ) in the implementation of their program.'

"Petitioner contends that by virtue of the above provisions, all lower courts, such as the court presided over by respondent Judge, 'are barred if not prohibited by law to issue orders of injunctions against the Department of Agrarian Reform in the full implementation of the Notice of Coverage which is the initial step of acquiring lands under R.A. 6657.'

"Petitioner also contends that the nature and subject matter of the case below is purely agrarian in character over which the court *a quo* has no jurisdiction and that therefore, it had no authority to issue the assailed injunction order."^[5]

Ruling of the Court of Appeals

Stressing that the issue was not simply the improper issuance of the Notice of Coverage, but was mainly the constitutionality of Executive Order No. 405, the CA ruled that the Regional Trial Court (RTC) had jurisdiction over the case. Consonant with that authority, the court *a quo* also had the power to issue writs and processes to enforce or protect the rights of the parties.

The appellate court likewise held that petitioner's reliance on Sections 55 and 68 of RA 6657 had been misplaced, because the case was not about a purely agrarian matter. It opined that the prohibition in certain statutes against such writs pertained only to injunctions against administrative acts, to controversies involving facts, or to the exercise of discretion in technical cases. But on issues involving pure questions of law, courts were not prevented from exercising their power to restrain or prohibit administrative acts.

Hence, this Petition.^[6]

Issues

In its Memorandum, petitioner raises the following issues:

"1. The Honorable Court of Appeals committed serious error by not taking into cognizance that the issues raised in the complaint filed by the private respondent, which seeks to exclude his land from the coverage of the CARP, is an agrarian reform matter and within the jurisdiction of the DAR, not with the trial court.

"2. The Honorable Court of Appeals, with due respect, gravely abused its discretion by sustaining the writ of injunction issued by the trial court, which is a violation of Sections 55 and 68 of Republic Act No. 6657."^[7]

The Court's Ruling

The Petition has merit.

First Issue: Jurisdiction

In its bare essentials, petitioner's argument is that private respondent, in his Complaint for Annulment of the Notice of Coverage, is asking for the exclusion of his landholding from the coverage of the Comprehensive Agrarian Reform Program (CARP). According to the DAR, the issue involves the implementation of agrarian reform, a matter over which the DAR has original and exclusive jurisdiction, pursuant to Section 50 of the Comprehensive Agrarian Reform Law (RA 6657).

On the other hand, private respondent maintains that his Complaint assails mainly the constitutionality of EO 405. He contends that since the Complaint raises a purely legal issue, it thus falls within the jurisdiction of the RTC. We do not agree.

Conflicts involving jurisdiction over agrarian disputes are as tortuous as the history of Philippine agrarian reform laws. The changing jurisdictional landscape is matched only by the tumultuous struggle for, and resistance to, the breaking up and distribution of large landholdings.

Two Basic Rules

Two basic rules have guided this Court in determining jurisdiction in these cases. *First*, jurisdiction is conferred by law.^[8] And *second*, the nature of the action and

the issue of jurisdiction are shaped by the material averments of the complaint and the character of the relief sought.^[9] The defenses resorted to in the answer or motion to dismiss are disregarded; otherwise, the question of jurisdiction would depend entirely upon the whim of the defendant.^[10]

Grant of Jurisdiction

Ever since agrarian reform legislations began, litigants have invariably sought the aid of the courts. Courts of Agrarian Relations (CARs) were organized under RA 1267^[11] “[f]or the enforcement of all laws and regulations governing the relation of capital and labor on all agricultural lands under any system of cultivation.” The jurisdiction of these courts was spelled out in Section 7 of the said law as follows:

“Sec. 7. Jurisdiction of the Court. - The Court shall have original and exclusive jurisdiction over the entire Philippines, to consider, investigate, decide, and settle all questions, matters, controversies or disputes involving all those relationships established by law which determine the varying rights of persons in the cultivation and use of agricultural land where one of the parties works the land, and shall have concurrent jurisdiction with the Court of First Instance over employer and farm employee or labor under Republic Act Numbered six hundred two and over landlord and tenant involving violations of the Usury Law (Act No. 2655, as amended) and of inflicting the penalties provided therefor.”

All the powers and prerogatives inherent in or belonging to the then Courts of First Instance^[12] (now the RTCs) were granted to the CARs. The latter were further vested by the Agricultural Land Reform Code (RA 3844) with original and exclusive jurisdiction over the following matters:

“(1) All cases or actions involving matters, controversies, disputes, or money claims arising from agrarian relations: x x x

“(2) All cases or actions involving violations of Chapters I and II of this Code and Republic Act Number eight hundred and nine; and

“(3) Expropriations to be instituted by the Land Authority: x x x.”^[13]

Presidential Decree (PD) No. 946 thereafter reorganized the CARs, streamlined their operations, and expanded their jurisdiction as follows:

“Sec. 12. **Jurisdiction over Subject Matter.** - The Courts of Agrarian Relations shall have original and exclusive jurisdiction over:

a) Cases involving the rights and obligations of persons in the cultivation and use of agricultural land except those cognizable by the National Labor Relations Commission; x x x ;

b) Questions involving rights granted and obligations imposed by laws, Presidential Decrees, Orders, Instructions, Rules and Regulations issued and promulgated in relation to the agrarian reform program; Provided, however, That matters involving the administrative implementation of the transfer of the land