

## SECOND DIVISION

[ G.R. No. 196028, April 18, 2016 ]

**SAMAHAN NG MAGSASAKA AT MANGINGISDA NG SITIO NASWE,  
INC. [SAMMANA], REPRESENTED BY ROGELIO A.  
COMMENDADOR, PRESIDENT, PETITIONER, VS. TOMAS TAN,  
RESPONDENT.**

### DECISION

**BRION, J.:**

We resolve the present petition for review on *certiorari*<sup>[1]</sup> assailing the July 27, 2010 decision<sup>[2]</sup> and February 10, 2011 resolution<sup>[3]</sup> of the Court of Appeals (CA) in CA-G.R. SP No. 100926. The CA dismissed the petitioner's appeal from the decision of the Office of the President (OP), which affirmed the lifting of the Notice of Coverage from the Comprehensive Agrarian Reform Program (CARP) issued over land sequestered by the Presidential Commission on Good Governance (PCGG).

### FACTUAL BACKGROUND

The petitioner Samahan ng Magsasaka at Mangingisda ng Sitio Naswe, Inc. (*petitioner*) is an association of farmers and fishermen residing at Sitio Talaga, Barangay Ipag, Mariveles, Bataan.<sup>[4]</sup> The petitioner claimed that its members "have resided in the area for several years doing farming activities" from which they "derive their income for their daily sustenance."<sup>[5]</sup>

On April 4, 1995, the PCGG published in the newspaper an Invitation to Bid for the sale of its assets, which included 34 hectares of a 129.4227-hectare land in Barangay Ipag, Mariveles, Bataan, previously owned by Anchor Estate Corporation.<sup>[6]</sup> The PCGG sequestered the properties of Anchor Estate Corporation after it was identified to be a dummy corporation of the late President Ferdinand E. Marcos.

Respondent Tomas Tan emerged as the highest bidder in the bidding of the 34-hectare property.<sup>[7]</sup> The PCGG Committee on Privatization approved the sale and a Notice of Award was issued to the respondent on May 2, 2000. The OP, through former Executive Secretary Ronaldo B. Zamora, also approved the sale of the property to the respondent on July 16, 2000.<sup>[8]</sup> On August 1, 2000, the PCGG, representing the Republic of the Philippines, executed a Deed of Sale in the respondent's favor.<sup>[9]</sup>

On July 25, 2000, then Chairman of the PCGG Committee on Privatization Jorge V. Sarmiento wrote the Department of Agrarian Reform (DAR) requesting to stop the acquisition of the property under the CARP.<sup>[10]</sup> It appeared that, **on June 16, 1994, a Notice of Coverage had been issued over the 129.4227-hectare land**

**in Barangay Ipag, Mariveles, Bataan,<sup>[11]</sup> and that the 34 hectares sold by the PCGG to the respondent had been already identified for CARP coverage and targeted for acquisition in the year 2000.<sup>[12]</sup>**

In an Order<sup>[13]</sup> dated July 26, 2000, DAR Secretary Horacio R. Morales, Jr. granted Chairman Sarmiento's request and lifted the Notice of Coverage on the 129.4227-hectare property. Secretary Morales also ordered to stop the acquisition proceedings on the property.<sup>[14]</sup>

On October 29, 2004,<sup>[15]</sup> the petitioner filed with the DAR a Petition to Revoke Secretary Morales's July 26, 2000 Order.<sup>[16]</sup> The DAR denied both the petitioner's petition in an Order dated February 3, 2006, and its subsequent motion for reconsideration in an order dated September 26, 2006.<sup>[17]</sup> The DAR based its denial on the ground that the subject property, *being government-owned*, does not fall as 'private agricultural land' subject to the CARP. The petitioner then appealed to the OP.

In a decision dated April 10, 2007, the OP dismissed the petitioner's appeal for lack of merit and affirmed the DAR Secretary's Order lifting the subject Notice of Coverage.<sup>[18]</sup> The petitioner moved to reconsider but the OP denied its motion in a resolution dated August 6, 2007.<sup>[19]</sup> The petitioner then filed a Petition for Review under Rule 43<sup>[20]</sup> with the CA.

In a decision<sup>[21]</sup> dated July 27, 2010, the CA held that, while the lifting of the subject Notice of Coverage was irregular and erroneous, the petitioner's petition for review must be dismissed on the ground that the petitioner was not a real party in interest to the case. It held:

We, nonetheless,, find that the Petitioner is not a real party in interest in the case at bench. A real party in interest is the party who stands to be benefited or injured by the judgment in the suit, or the party entitled to the avails of the suit. All that has been alleged in the records was that the members of the Petitioner are in actual possession of the Subject Property and that farming activities were conducted thereon. Nothing, however, is stated as to them being beneficiaries, or at least potential beneficiaries, under CARP. This Court cannot be made to guess how a judgment setting aside the Assailed Decision and Assailed Resolution would positively affect the Petitioner simply because it is composed of farmers and fishermen x x x.<sup>[22]</sup> (Citations omitted)

The petitioner moved to reconsider the ruling but the CA denied its motion for reconsideration; hence, the petitioner filed the present petition for review on *certiorari* before this Court.

### **OUR RULING**

We **DENY** the present petition for review on *certiorari* as we find no reversible error committed by the CA in issuing its assailed decision and resolution.

***A. The petitioner is not a realparty-in-interest to question the July 26, 2000 DAR Order; the Constitutional right to form associations does not make the petitioner a realparty-in-interest in this case.***

Unless otherwise authorized by law or the Rules of Court, every action must be prosecuted and defended in the name of the real party-in-interest.<sup>[23]</sup> The Rules of Court defines a **real party in interest** as "the party who stands to be benefited or injured by the judgment in the suit, or the party entitled to the avails of the suit."<sup>[24]</sup> To be properly considered as such, **the party must have a real, actual, material, or substantial interest in the subject matter of the action,**<sup>[25]</sup> NOT a mere expectancy or a future, contingent, subordinate, or consequential interest.<sup>[26]</sup>

Republic Act (RA) No. 6657<sup>[27]</sup> in relation with Section 3 of the Rules of Court expressly allows farmers, farmworkers, tillers, cultivators, etc., organizations and associations, 'through their leaders, to represent their members in any proceedings before the DAR. It must be pointed out, however, that the law should be harmonized with the *interest* requirement in bringing actions and suits. " In other words, while organizations and associations may represent their members before the DAR, these members must have such real, actual; material, or substantial interest in the subject matter of the action, NOT merely' an expectancy, or a future contingent interest.

Here, the petitioner alleged that it is duly registered with the SEC acting on behalf of its farmers, and fishermen members which allegation gave it the right to represent its members. However, it failed to allege and prove that these members are **identified and registered qualified beneficiaries of the subject land**, or have already been actually **awarded portions of it**, or have been issued **Certificates of Land Ownership Award** (CLOAs) for which they could validly claim the status of the land's grantees having a *real, actual, material interest* to question the July 26, 2000 Order of the DAR Secretary lifting the Notice of Coverage. Not being identified and duly registered qualified beneficiaries, these members' interest over the subject land were at most an expectancy that, unfortunately for them, did not ripen to actual award and ownership.

In *Fortich v. Corona*,<sup>[28]</sup> the Court did not consider as real parties in interest the movants in the case who were merely *recommendee* farmer-beneficiaries. The movants in *Fortich*, who claimed to be farmer-beneficiaries of the disputed agricultural land in San Vicente, Sumilao, Bukidnon, attached to their motion' for intervention a "Master List of Farmer-Beneficiaries" to show that they are real parties in interest in the case. The document merely showed that the movants were those "Found Qualified and Recommended for Approval" as farmer-beneficiaries; thus, the Court held that they were not real parties in interest as their interest over the land in question was a *mere expectancy*.

The Court was later confronted with the same issue in *Sumalo Homeowners Association of Hermosa, Bataan v. Litton*<sup>[29]</sup> and *Samahang Magsasaka ng 53 Hektarya v. Mosquera*.<sup>[30]</sup>

In *Sumalo Homeowners Association of Hermosa, Bataan*, the Court rejected the petitioners' claim as real parties in interest in the case because, aside from their self-serving 'assertions, the records were devoid of proof that they have been identified and registered as qualified CARP beneficiaries.

Subsequently, in *Samahang Magsasaka ng 53 Hektarya*, the Court ruled that being 'mere qualified beneficiaries of the CARP' was not enough to be considered a party in interest. The Court, applying *Fortich*, held that "farmer-beneficiaries, who are not approved awardees of CARP, are not real parties in interest;"<sup>[31]</sup> that the fact that there was "x x x certification that CLOAs were already generated in their names, but were not issued because of the present dispute, does not vest any right to the farmers since the fact remains that they have not yet been approved as awardees, actually awarded lands, or granted CLOAs x x x."<sup>[32]</sup>

As earlier pointed out, the petitioner in this case merely alleged that its members, composed of farmers and fishermen, were long-time residents of Sitio Talaga, Barangay Ipag, Mariveles, Bataan, and were conducting farming activities in the area. No evidence was presented to show that the petitioner's members were approved as awardees, or were granted CLOAs over their respective portions of the disputed property. The petitioner even admits that the case folders of its members were not processed because of the DAR Secretary's July 26, 2000 Order.<sup>[33]</sup>

Thus, notwithstanding its representative capacity, the petitioner and its members are not real parties-in-interest to question the DAR's July 26, 2000 Order.

In *Department of Agrarian Reform v. Department of Education Culture and Sports*, the BARC certified the farmers-individuals who claimed to be permanent and regular farmworkers of the disputed land as potential CARP beneficiaries. Also, the Notice of Coverage issued by the MARO over the disputed land was approved by the DAR Regional Director, and finally by the DAR Secretary. On the DECS's appeal, the CA set aside the DAR Secretary's decision approving the Notice of Coverage.

The Court reversed the CA decision, declaring (on the issue of whether the farmers are qualified beneficiaries of CARP) that the identification of actual and potential beneficiaries under CARP is vested in the DAR Secretary pursuant to Section 15 of RA No. 6657. "Since the identification and selection of CARP beneficiaries are matters involving strictly the administrative implementation of the CARP, it behooves the courts to exercise great caution in substituting its own determination of the issue, unless there is grave abuse of discretion committed by the administrative agency. In this case, there was none."<sup>[34]</sup>

In contrast with the petitioner's case, its members were not identified and registered by the BARC as the subject land's beneficiaries; and the Notice of Coverage was in fact lifted by the DAR Secretary *via* the July 26, 2000 Order which Order the OP subsequently affirmed.

As the identification and selection of CARP beneficiaries are matters involving strictly the administrative implementation of the CARP which the Court generally respects, the CA's finding that the subject land is covered by RA No. 6657 (which is not even reflected in its decision's *fallo*) cannot be validly relied upon by the petitioner. At most, it is a non-binding *obiter dictum*.

DAR Administrative Order No. 9, series of 1994,<sup>[35]</sup> the rules governing the hearing of protests involving the coverage of lands under RA No. 6657 at the time the PCGG Chairman filed the letter request with the DAR Secretary, did not provide any minimum period of time within which the protest or, in this case, the PCGG letter-request must be decided. As A.O. No. 9, series of 1994 provided, the MARO or PARO shall, once the protest is filed, "comment on said protest and submit the same to the Regional Director who shall rule on the same."<sup>[36]</sup>

In short, the DAR's lifting of the Notice of Coverage issued by the MARO over the subject land one day after the PCGG letter-request was filed was not inconsistent with then existing rules and was, therefore, not irregular.

***B. The constitutional considerations:  
provisions governing agrarian  
reform program do not entail  
automatic grant of lands to  
every farmer and farmworker.***

Social justice in the land reform program also applies to landowners, not merely to farmers and farmworkers. This is precisely why the law - RA No. 6657 - and the applicable rules provide for the procedure for determining the proper beneficiaries and grantees or awardees of the lands covered or to be covered under the CARP.

These procedures ensure that; only the **qualified, identified**, and registered farmers and/or farmworkers-beneficiaries acquire the covered lands which they themselves actually till (subject to the landowners retention rights as protected by the law). Conversely, these procedures likewise ensure that landowners do not lose their lands to usurpers and other illegal settlers who wish to take advantage of the agrarian reform program to acquire lands to which they are not entitled.

In this light, for a particular land and its farmers, farmworkers, tillers, etc. to be covered under the CARP, two requisites must concur: *first*, the land should be covered by the corresponding Notice of Coverage;<sup>[37]</sup> and *second*, the beneficiaries must be qualified and registered by the DAR, in coordination with the Barangay Agrarian Reform Committee (BARC); copy of the BARC list or registry must be posted<sup>[38]</sup> in accordance with the guidelines established by the Presidential Agrarian Reform Council (PARC).<sup>[39]</sup>

In *Sumalo Homeowners Association of Hermosa, Bataan v. Litton, et al.*,<sup>[40]</sup> the Court pointed out that the "CARL is specific in its requirements for registering qualified beneficiaries." Those who have not been identified and registered as qualified beneficiaries are not real parties-in-interest.

Thus, Section 15 of the CARL explicitly provides:

SEC. 15. *Registration of Beneficiaries.* - The DAR in coordination with the Barangay Agrarian Reform Committee (BARC) as organized in this Act, shall register all agricultural lessees, tenants and farm workers who are