

FIRST DIVISION

[G.R. No. 185312, December 01, 2016]

NICANOR MALABANAN, AURORA MANAIG, RONNIE MALABANAN, VICTOR MALABANAN, SEVERINO MALABANAN, EUFROCINIA MALABANAN, EUFROCILA MALABANAN, REYNALDO MALABANAN, AND DONATA MALABANAN, PETITIONERS, V. HEIRS OF ALFREDO RESTRIVERA, REPRESENTED BY BIENVENIDO RESTRIVERA AND REMEDIOS RESTRIVERA-ESPERIDION, RESPONDENTS.

DECISION

SERENO, C.J.:

This is a Petition for Review on Certiorari assailing the Court of Appeals (CA) Decision^[1] in CA-G.R. SP No. 97787, which affirmed the Department of Agrarian Reform Adjudication Board (DARAB) Resolution dated 10 October 2006.^[2] The latter reinstated the Decision^[3] issued by the Regional Agrarian Reform Adjudication Board (RARAD), Region IV, in the Petition for Cancellation of Certificates of Land Ownership Award (CLOAs), Declaration of Nullity of Sale, Repossession and Reconveyance filed by respondents against petitioners.

RARAD directed the Cavite Provincial Agrarian Reform Officer (PARO), as well as the Register of Deeds (RD), to recall the CLOAs and the Transfer Certificates of Title (TCTs) issued to petitioners over a sequestered agricultural land previously owned by respondents' father. In lieu thereof, RARAD ordered the issuance of new certificates in favor of respondents. Petitioners argue, however, that it had no jurisdiction over the petition.

ANTECEDENT FACTS

The disputed property is an 8.839-hectare agricultural land situated in Potrero, Bancal, Carmona, Cavite. It used to be registered under the name of Alfredo Restrivera, as shown by his Original Certificate of Title (OCT) No. 0-13.^[4] In 1968, OCT No. 0-13 was cancelled by TCT No. T-28631 under the name of Independent Realty Corporation (IRC). After the ouster of the Marcos administration, the IRC voluntarily surrendered the land to the Philippine Commission on Good Government (PCGG).^[5]

The PCGG then transferred the above property to the Department of Agrarian Reform (DAR) for distribution to qualified farmer-beneficiaries of the Comprehensive Agrarian Reform Program (CARP) by virtue of the Memorandum of Agreement (MOA) on Sequestered Agricultural Lands between the PCGG and the then Ministry of Agrarian Reform (MAR),^[6] as well as Executive Order (E.O.) No. 407, Series of 1990.^[7]

In February 2002, DAR awarded the land to petitioners. Two collective CLOAs^[8] were generated and the RD eventually issued to them derivative TCT Nos. CLOA-2838^[9] and CLOA-2839.^[10]

Invoking their preferential right as farmer-beneficiaries under Section 22 of Republic Act No. (R.A.) 6657,^[11] respondents filed before the Adjudication Board for Region IV a Petition for Cancellation of CLOA, Declaration of Nullity of Sale, Repossession and Reconveyance^[12] against petitioners, Charmaine Uy, the PARO of Cavite, and the RD of Cavite in February 2003.

Respondents alleged that (1) Alfredo never transferred his title to the subject land to any entity; (2) petitioners were perpetually disqualified from benefitting from CARP because they had sold the subject land to Charmaine Uy in violation of Section 73(f) of R.A. 6657 and DAR Memorandum Circular No. 19, Series of 1996;^[13] (3) prior to the award, petitioners also executed a waiver of their rights to the subject land in favor of other potential farmer-beneficiaries; and (4) the land had a slope of 18% as shown in the DAR regional director's Investigation Report^[14] and was, therefore, exempt from CARP coverage.

The Malabanans, the DAR-Legal Assistance Division, and Charmaine Uy filed separate Answers^[15] raising these substantially similar defenses: (1) no waiver of rights or sale of the subject land had ever occurred; (2) respondents had no legal standing to file the petition, because Restrivera was not the registered owner of the property; and (3) the petition was premature because whether or not the land was exempt from CARP was an Agrarian Law Implementation (ALI)^[16] issue that needed to be resolved first by the DAR Secretary.

RULING OF RARAD

RARAD disposed of the petition as follows:

WHEREFORE, premises considered, judgment is hereby issued:

1. Declaring that the generation and the subsequent issuance of CLOA Nos. 00596619 and 00596620 registered under TCT No. CLOA 2838 and TCT 2839, respectively, covering the subject parcel of land were in violation of petitioners' preferential rights as farmer-beneficiaries under Section 22 of RA 6657 and under the Memorandum of Agreement (MOA) between DAR and the PCGG dated February 23, 1987;
2. Declaring further that the afore-cited CLOAs were issued over a property which is excluded/exempted under Section 10 RA 6657 for having more than 18 degrees slope;
3. Declaring finally that the preceding paragraphs 1 and 2 hereof warrant the cancellation of CLOA and the corresponding Transfer Certificate of Title derived therefrom registered in the name of private respondents;
4. Directing the public respondents to recall the afore-cited CLOAs and generate new ones in the name of the petitioners and submit the same to the Register of Deeds for the Province of Cavite;

5. Directing the Register of Deeds for the Province of Cavite to cause the cancellation of CLOAs and the derivative Transfer Certificate of Title above-cited and upon receipt of the newly generated CLOA as directed in paragraph 4 hereof to cause the registration of the same in place of the cancelled TCT/CLOA.^[17]

RARAD gave credence to the petitioners' denial of the supposed waiver of their rights and the sale of the subject land. Still, it sustained the claim of respondents as preferred beneficiaries and ruled that they had legal standing to assail the award of the land, since they were Alfredo's compulsory heirs.

Moreover, RARAD dismissed petitioners' theory that there were pending ALI issues that needed to be resolved by the DAR Secretary. Instead, it ruled that the regional director's Investigation Report was a conclusive finding that the land was exempt from CARP coverage; and that the issue of whether or not there was a violation of respondents' preferential right was judicial in nature.

Consequently, DAR's legal counsel^[18] filed a Motion for Reconsideration^[19] on behalf of the Malabanans, PARO, and the RD. Subsequently, he filed a Withdrawal of Appearance for Private Respondents-Farmer Beneficiaries.^[20] The Malabanans, without the assistance of counsel, filed a Notice of Appeal within the reglementary 15-day period.^[21]

Because of the pending Motion for Reconsideration, RARAD deferred its action on the Notice of Appeal.^[22] In the end, it denied the motion for lack of a new matter or substantial argument supporting a reversal of its Decision.^[23]

RULINGS OF DARAB

Upon Notice of Appeal^[24] filed by DAR's legal counsel, DARAB directed all parties to submit their respective memorandums.^[25]

In due course, DARAB rendered a Decision dated 28 April 2006,^[26] with the following dispositive portion:

WHEREFORE, the Board resolves to **SET ASIDE** the assailed decision dated August 27, 2003 and immediately **refer** this case to the Honorable Office of the DAR Secretary for its determination on prejudicial issues concerning Agrarian Law Implementation (ALI).^[27]

According to DARAB, the issues of whether the subject land was exempt from CARP coverage and whether the respondents were the preferred beneficiaries were ALI issues that had yet to be resolved by the DAR Secretary. It observed that the Investigation Report cited by respondents was not the outcome of an application for exemption or exclusion under the "Rules of Procedure for Agrarian Law Implementation (ALI) Cases." In this light, there was no basis for RARAD's cancellation of the CLOAs and the derivative TCTs on the ground that the awarded land was exempt from land distribution.

DARAB held that the adjudicator should have referred the petition to the DAR Secretary for the determination of those pending prejudicial ALI issues.

Moreover, DARAB dismissed respondents' argument that the appeal was dismissible because both the Malabanans and DAR failed to perfect their appeals. Instead, DARAB allowed the appeal in order to prevent a grave miscarriage of justice.

Upon Motion for Reconsideration^[28] by respondents, however, DARAB issued a Resolution dated 10 October 2006 disposing as follows:

WHEREFORE, premises considered, the decision of the Board dated April 28, 2006 is **SET ASIDE**. A **NEW DECISION** is hereby rendered:

1. **RECALLING** and **REINSTATING** the Decision dated August 27, 2003 rendered by the Honorable Adjudicator a quo; and
2. **DECLARING** the Decision dated August 27, 2003 and the Resolution dated November 18, 2003 rendered by the Honorable Adjudicator a quo final in view of the defective notices of appeal filed by both public and private respondents-appellants.^[29]

DARAB noted that the petition filed by respondents stemmed from their letter^[30] to the DAR Secretary requesting an inspection of the subject land. In turn, the Secretary issued a Memorandum^[31] indorsing their letter to the regional director and directing him to submit a comprehensive report on result of the latter's inspection. DARAB then ruled that the director's report was a determinative finding that the land was exempt from CARP, and that there were no pending ALI questions that needed to be resolved by the DAR Secretary.

It was further held that petitioners were indeed disqualified from benefitting from the agrarian reform program. Their waiver of their rights as farmer-beneficiaries supposedly showed that they did not possess the requisite willingness, aptitude or ability to cultivate the subject land. Therefore, the cancellation of their CLOAs and derivative TCTs was only proper.

DARAB reversed, as well, its earlier pronouncement that there was a compelling reason to relax procedural rules in this case. It ruled that the RARAD Decision had already lapsed into finality because of the failure of both the Malabanans and DAR to perfect their appeals.

RULING OF THE CA

After the DARAB's denial of their Motion for Reconsideration,^[32] petitioners filed a Petition for Review under Rule 42 before the CA.^[33]

The appellate court, however, found petitioners' appeal unmeritorious. While conceding that the legality of the transfer of the subject land to the IRC had yet to be determined before the proper forum, the CA nonetheless ruled that respondents were entitled to the property, because it was registered under their father's name prior to its transfer to the IRC. For this reason, they had legal personality to assail its award to petitioners.

The CA ruled further that the transfer by petitioners of their rights to the land was an additional ground for the cancellation of their titles. Consequently, the DARAB properly affirmed the RARAD Decision.

Lastly, the CA emphasized that only the last order or resolution completely disposing of the case can be the subject of an appeal. It noted that the subject of petitioners' appeal was only the RARAD Decision; they did not file a new notice of appeal from the Resolution denying their Motion for Reconsideration. The appellate court therefore ruled that the RARAD Decision had long become final because of the failure of petitioners to perfect their appeal.

The dispositive portion of the CA Decision reads:

WHEREFORE, the petition for review is **DENIED**. The Resolution dated October 10, 2006 as well as the Resolution dated January 10, 2007 respectively of DARAB are hereby **AFFIRMED**.^[34]

On 11 November 2008, the CA denied petitioner's Motion for Reconsideration.^[35] Hence, this Petition.

ISSUES

The essential issues to be resolved are as follows: (1) whether petitioners have the legal personality to assail the distribution of the subject land under the agrarian reform program; and (2) whether the agrarian adjudicator has jurisdiction over a petition for cancellation of title and reconveyance of agricultural land sequestered by or surrendered to the PCGG.

COURT RULING

We GRANT the petition.

Before delving into the substantive issues, we first address the procedural issue of whether the RARAD Decision has become final because of the failure of petitioners to perfect their appeal.

True, petitioners did not file a new notice of appeal after RARAD had disposed of DAR's Motion for Reconsideration. Contrary to respondents' claim, however, RARAD did not dismiss the petitioners' notice of appeal for being premature. Its Order^[36] states:

This treats of private respondents' Notice of Appeal from the Decision dated August 27, 2003 which was duly countered by petitioners with an Opposition on the ground that there is a pending motion for reconsideration, hence, the notice of appeal is premature.

Finding that the notice of appeal is too early to be acted upon, the same is **held in abeyance** until the motion for reconsideration shall have been disposed of.^[37]

Additionally, while the Motion for Reconsideration was filed on behalf of both the Malabanans and DAR, their common legal counsel subsequently withdrew his appearance for the Malabanans. His withdrawal was in light of the letter^[38] of the Malabanans informing him that they were intending to pursue their appeal separately from DAR. Notably, too, petitioners filed their Notice of Appeal after the Withdrawal of Appearance by their former legal counsel.