

SECOND DIVISION

[G.R. No. 197507, January 14, 2013]

RIVULET AGRO-INDUSTRIAL CORPORATION, PETITIONER, VS. ANTHONY PARUÑGAO, NARCISO B. NIETO, IN THEIR RESPECTIVE CAPACITY AS UNDERSECRETARIES OF LEGAL AFFAIRS AND FIELD OPERATIONS OF THE DEPARTMENT OF AGRARIAN REFORM; FELIX SERVIDAD, IN HIS CAPACITY AS PROVINCIAL AGRARIAN REFORM OFFICER II AND THE OFFICER-IN-CHARGE OF THE DEPARTMENT OF AGRARIAN REFORM PROVINCIAL OFFICE OF NEGROS OCCIDENTAL; AND JEFFERSON DESCALLAR, IN HIS CAPACITY AS POLICE CHIEF INSPECTOR OF THE PNP-NEGROS OCCIDENTAL POLICE PROVINCIAL OFFICE, RESPONDENTS.

DECISION

PERLAS-BERNABE, J.:

This is a petition for indirect contempt arising from respondents' alleged defiance of the December 15, 2010 Temporary Restraining Order^[1] (TRO) issued by the Court in G.R. No. 193585 entitled *Rivulet Agro-Industrial Corporation, petitioner v. Hon. Benedicto Ulep, in his capacity as Administrator of the Land Registration Authority and Romulo E. Gonzaga, in his capacity as Register of Deeds of Negros Occidental, respondents; Department of Agrarian Reform, intervenor*.

The Factual Antecedents

Petitioner Rivulet Agro-Industrial Corporation (Rivulet) was the registered owner of Hacienda Bacan, a 157.2992-hectare (ha.) agricultural land situated in Barangay Guintubhan, Isabela, Negros Occidental covered by Transfer Certificate of Title (TCT) No. T-105742.^[2] Despite the sale in favor of Atty. Jose Miguel Arroyo (Atty. Arroyo) in a tax delinquency sale held on April 8, 1994, title to Hacienda Bacan remained in Rivulet's name.

In April 2001, the Department of Agrarian Reform (DAR) commenced the administrative process to acquire the subject property under Republic Act (R.A.) No. 6657 (Comprehensive Agrarian Reform Law of 1988) and sent Notices of Coverage (NOC) dated April 2, 2001^[3] and May 4, 2001^[4] to Atty. Arroyo. Thereafter, the DAR Municipal Office (DARMO) of Isabela conducted field investigation and segregation survey.

Subsequently, Rivulet through its duly authorized^[5] representative, Ignacio T. Arroyo, Jr. (Mr. Ignacio) voluntarily offered for sale (VOS) to the government the subject property for the amount of P45,689,760.00.^[6] A NOC^[7] dated September 7, 2001 was likewise served to Rivulet through Mr. Ignacio. Thereafter, the DARMO

screened potential agrarian reform beneficiaries and posted the list^[8] of qualified beneficiaries on May 16 to 21, 2002.

During the pendency of the administrative process or in October 2005, the *Sangguniang Bayan* of Isabela, Negros Occidental enacted an ordinance reclassifying Hacienda Bacan from agricultural to agro-industrial.^[9]

With this development, the Provincial Agrarian Reform Officer (PARO) sought the legal opinion of the DAR Policy, Planning and Legal Affairs Office on whether or not the CARP coverage may still proceed as well as the propriety of the NOC issued to Atty. Arroyo considering that the sale to him was not annotated on Rivulet's title. On September 27, 2007, Undersecretary Nestor R. Acosta issued DAR Opinion No. 26, S. 2007^[10] finding Atty. Arroyo to be the owner of the land and declaring Rivulet's VOS through Mr. Ignacio to be ineffectual. Hence, he opined that coverage can proceed despite the reclassification of Hacienda Bacan as agro-industrial since the NOCs were served on Atty. Arroyo at the time the land was still classified as agricultural. However, the landowner is not precluded from filing an application for conversion or for retention within the bounds of law.

On April 14, 2008, Atty. Arroyo caused the annotation^[11] of a Declaration of Trust^[12] on TCT No. T-105742, declaring that he purchased the subject property as mere trustee of Rivulet and claims no interest thereon. Thereafter, Rivulet submitted to the DARMO an application for land use conversion^[13] and notice of land use conversion application^[14] which were forwarded to the DAR Provincial Office (DARPO) for review.^[15] Meanwhile, the DARMO conducted a field investigation on the subject landholding and identified the potential farmworker-beneficiaries.^[16] An updated list of agrarian reform beneficiaries^[17] was subsequently posted.^[18]

On June 20, 2008, the PARO sent a Notice of Land Valuation and Acquisition^[19] to Rivulet, through Mr. Ignacio, informing it of the government's offer of P42,310,068.17 as compensation for a 131.6459-ha. portion of the subject property. The government also valued the hacienda roads and vacant portions of the same property covering 16.5760 has. at P691,192.68,^[20] and the corresponding deposits^[21] were made in Landbank in favor of Rivulet.

Rivulet filed administrative protests^[22] against the actions of the DAR and the Landbank which culminated in the Order^[23] of the DAR Secretary dated December 8, 2010 in **Adm. Case No. A-9999-06-MS-046-10** upholding the coverage of the subject landholding under the CARP against Rivulet's claim that the CARP had already expired, and that it was denied due process.

Meantime, the PARO requested^[24] the Register of Deeds of Negros Occidental to issue title in the name of the Republic of the Philippines (*Republic*). However, the request was not processed because the Certifications of Deposit (CODs) were in the name of Rivulet while the title carried an annotation of Declaration of Trust in favor of Atty. Arroyo, hence, the need to correct the CODs.^[25] The PARO, however, reiterated her request^[26] attaching therewith a copy of the Declaration of Trust

executed by Atty. Arroyo.

For its part, Rivulet demanded the Register of Deeds not to cancel TCT No. T-105742 in its name^[27] and not to issue any certificates of land ownership award (CLOAs)^[28] in connection with the government's impending confiscation of Hacienda Bacan. No action or reply having been received, Rivulet filed before the Regional Trial Court (RTC) of La Carlota City, Negros Occidental, Branch 63 a petition^[29] for injunction with application for preliminary injunction and/or TRO seeking to enjoin the Register of Deeds of Negros Occidental and the Administrator of the Land Registration Authority (LRA Administrator) from canceling TCT No. T-105742 in Rivulet's name; issuing a new certificate of title in the name of the *Republic*; and issuing and distributing CLOAs in favor of anyone during the pendency of the case (docketed as Civil Case No. 1148). However, the same was eventually dismissed in the Orders dated November 26, 2009^[30] and June 29, 2010^[31] for lack of jurisdiction. Considering the passage of R.A. No. 9700,^[32] the RTC deferred to the primary jurisdiction of the DAR in the implementation of the CARP and acknowledged that its jurisdiction over agricultural lands is confined to the determination of just compensation and the prosecution of criminal offenses under Section 57 of R.A. No. 6657, as amended, which was fortified by Section 50-A inserted by R.A. No. 9700. On October 27, 2010, Rivulet filed a petition for review on *certiorari* before the Court arguing that R.A. No. 9700 did not divest the RTC of its jurisdiction over the controversy and that it has sufficiently established its entitlement to the injunctive relief sought. The case was docketed as G.R. No. 193585.

On October 26, 2010, Rivulet's TCT No. T-105742 was canceled and TCT No. T-281475^[33] was issued in the name of the *Republic*. CLOA No. 00916859^[34] over a portion of the subject property was likewise issued and subsequently approved by authority of *then* President Gloria Macapagal-Arroyo.

On December 15, 2010, the Court issued a TRO^[35] in G.R. No. 193585 **enjoining** the Register of Deeds of Negros Occidental and the LRA Administrator and/or all persons acting upon their orders or in their place and stead from canceling TCT No. T-105742 in Rivulet's name; issuing a new certificate of title in the name of the *Republic*; and issuing and distributing CLOAs in favor of anyone during the pendency of the case.

Incidentally, Rivulet refiled its application for land use conversion on June 15, 2010 which, however, was denied by the DAR Secretary in DARCO Order No. Case-10-02789, series of 2010^[36] dated December 1, 2010 on the grounds that the subject land had already been placed under CARP coverage nine (9) years prior to the application for land use conversion and that it remained economically feasible and sound for agricultural purposes.

On March 9, 2011, respondent Undersecretary Paruñgao sought advice from the Office of the Solicitor General (OSG) on the possibility of installing farmer beneficiaries in the subject property despite the TRO, citing that the acts sought to be enjoined had already been performed prior to its issuance and that the DAR was not among those enjoined.^[37] Respondent Undersecretary Nieto likewise sought clarification from Undersecretary Paruñgao on the same matter.^[38]

In a letter^[39] dated April 5, 2011, the OSG advised Undersecretary Paruñgao that there appears no legal obstacle to the installation of farmer-beneficiaries in Hacienda Bacan. It opined that the TRO was directed only against the Register of Deeds of Negros Occidental and the LRA Administrator and that the installation of farmer-beneficiaries was not among the acts enjoined. Moreover, the CARP Law directs the DAR to proceed with the distribution of the acquired land to the farmer-beneficiaries upon the issuance of CLOAs in their favor. Accordingly, the farmer-beneficiaries were installed in the subject landholding with the assistance of the members of the PNP.^[40]

The Petition

In the instant petition, Rivulet claims that the act of respondents in installing farmer-beneficiaries in the subject landholding constitutes an open defiance and disobedience of the Court's December 15, 2010 TRO for which they should be cited for indirect contempt of court.

In their Comment,^[41] respondents denied having committed any contumacious act based on the following justifications: a) they were not among the government officials enjoined by the subject TRO; b) the subject act was not included in the acts enjoined; and c) the acts sought to be enjoined had already been consummated prior to its issuance. They further averred that their act was in accordance with Section 24 of R.A. No. 6657, as amended by R.A. No. 9700 and Item No. IV(G)(1)^[42] of DAR Administrative Order No. 2, Series of 2009.^[43]

On July 30, 2012, the Court issued a Resolution^[44] in G.R. No. 193585 dismissing the petition for review on *certiorari* filed by Rivulet against the Register of Deeds of Negros Occidental and the LRA Administrator. It emphasized that the issuance of title in the name of the *Republic* is a ministerial duty on the part of the Register of Deeds after full payment of the compensation for the subject land in cash and in bond had been deposited in the landowner's name. Moreover, such duty cannot be enjoined except by the Court pursuant to Section 55^[45] of R.A. No. 6657, as amended by R.A. No. 9700.

The Court's Ruling

The petition lacks merit.

Contempt of court is defined as a disobedience to the court by acting in opposition to its authority, justice, and dignity, and signifies not only a willful disregard of the court's order, but such conduct which tends to bring the authority of the court and the administration of law into disrepute or, in some manner, to impede the due administration of justice. To be considered contemptuous, an act must be clearly contrary to or prohibited by the order of the court. Thus, a person cannot be punished for contempt for disobedience of an order of the Court, unless the act which is forbidden or required to be done is clearly and exactly defined, so that there can be no reasonable doubt or uncertainty as to what specific act or thing is forbidden or required.^[46]