

FIRST DIVISION

[G.R. No. 184282, April 11, 2012]

**FRANCISCO SORIANO AND DALISAY SORIANO, PETITIONERS,
VS. REPUBLIC OF THE PHILIPPINES, (REPRESENTED BY THE
OFFICE OF THE SOLICITOR GENERAL), RESPONDENT.**

D E C I S I O N

VILLARAMA, JR., J.:

Before us is a Rule 45 petition assailing the October 26, 2007 Decision^[1] and July 29, 2008 Resolution^[2] of the Court of Appeals (CA) in CA-G.R. SP No. 80551. The appellate court had set aside the Order^[3] of the Tagum City Regional Trial Court (RTC), Branch 2, acting as Special Agrarian Court (SAC), which denied the motion to dismiss of the Department of Agrarian Reform (DAR).

The facts, as culled from the records, follow:

The Spouses Francisco and Dalisay Soriano were the registered owners of two parcels of agricultural land located in Hijo, Maco, Compostela Valley Province. The first parcel had an area of 5.2723 hectares and was covered by TCT No. (T-8935) T-3120, while the second parcel had an area of 4.0887 hectares and was covered by TCT No. (T-2906) T-749.^[4]

In October 1999, the two parcels of land were compulsorily acquired by the government pursuant to Republic Act (R.A.) No. 6657 or the Comprehensive Agrarian Reform Law. The Land Bank of the Philippines (LBP) made a preliminary determination of the value of the subject lands in the amount of P351,169.34 for the first parcel and P70,729.28 for the second parcel. Petitioners, however, disagreed with the valuation and brought the matter before the Department of Agrarian Reform Adjudication Board (DARAB) for a summary administrative proceeding to fix the just compensation.^[5]

On September 30, 2000, the DARAB rendered its decisions^[6] in DARAB Case No. LV-XI-0071-DN-2000 (for the first parcel) and DARAB Case No. LV-XI-0073-DN-2000 (for the second parcel), affirming the LBP's preliminary determination. As evidenced by the return cards,^[7] notices of the two decisions were received by counsel for petitioners on March 8, 2001 and February 22, 2001, respectively. However, it was only on April 6, 2001 that petitioners filed a petition^[8] before the RTC of Tagum City, acting as SAC, for the fixing of just compensation. Thus, the DAR, through the Provincial Agrarian Reform Office (PARO) of Tagum City, filed a motion^[9] to dismiss the petition. The DAR argued that the petition was filed beyond the 15-day reglementary period provided in Section 11, Rule XIII of the 1994

DARAB Rules of Procedure.^[10] Section 11 reads:

Section 11. *Land Valuation and Preliminary Determination and Payment of Just Compensation.* – The decision of the Adjudicator on land valuation and preliminary determination and payment of just compensation shall not be appealable to the Board but shall be brought directly to the Regional Trial Courts designated as Special Agrarian Courts within fifteen (15) days from receipt of the notice thereof. Any party shall be entitled to only one motion for reconsideration.

On June 27, 2001, the RTC denied the motion to dismiss Agrarian Case No. 64-2001 and declared that the “DARAB Rules of Procedure must give way to the laws on prescription of actions as mandated by the Civil Code.”^[11] The DAR sought reconsideration of the order, but its motion was denied on September 24, 2001.^[12] Thus, the DAR lodged a petition for certiorari with the CA, alleging grave abuse of discretion on the part of the trial court.

On October 26, 2007, the CA granted the petition and dismissed Agrarian Case No. 64-2001. The CA held:

Public respondent erred in denying petitioner’s motion to dismiss. An action to fix just compensation for lands placed under R.A. No. 6657 is outside the purview of the ordinary rules on prescription as contained in Article 1146 of the Civil Code. The rule implementing R.A. No. 6657 is clear and unequivocal that after a preliminary determination by the board of the just compensation, a petition should be filed before the SAC within 15 days from receipt of the board’s decision. Considering that the petition was filed beyond the 15-day period provided by the rules, public respondent committed grave abuse of discretion amounting to lack of jurisdiction in taking cognizance of spouses Soriano’s petition. The court a quo did not acquire jurisdiction over the petition which was filed out of time.^[13]

Later, the CA likewise denied petitioners’ motion for reconsideration. Hence, petitioners filed the present petition alleging that the CA committed serious errors of law, as follows:

I.

THE 1994 DARAB PROCEDURAL RULES PROVIDING FOR A 15-DAY REGLEMENTARY PERIOD TO BRING THE DECISION OF THE ADJUDICATOR DIRECTLY TO THE SPECIAL AGRARIAN COURT (SAC) ARE NOT HARD AND FAST, AND ADMIT OF CERTAIN LEGALLY-RECOGNIZED EXCEPTIONS. AMONG OTHERS, STRONG COMPELLING REASONS SUCH AS SERVING THE ENDS OF JUSTICE AND PREVENTING A GRAVE MISCARRIAGE THEREOF, APART FROM STRONG CONSIDERATIONS OF SUBSTANTIAL JUSTICE, WARRANT THE SUSPENSION OF THE RULES IN THE EXERCISE

BY THE COURTS OF EQUITY JURISDICTION.

II.

THE PROVISION IN THE 1994 DARAB RULES [OF PROCEDURE] PROVIDING FOR A MODE OF APPEAL AND A STRINGENT REGLEMENTARY PERIOD OF 15 DAYS TO BRING THE DECISION OF THE DARAB IN A PRELIMINARY DETERMINATION OF LAND VALUATION DIRECTLY TO THE SPECIAL AGRARIAN COURT (SAC) HAS NO STATUTORY BASIS. THUS, IT IS VOID FOR BEING *ULTRA VIRES*.^[14]

Essentially, the issues for our resolution are whether the CA erred in setting aside the June 27, 2001 Order of the SAC which denied the DAR's motion to dismiss, and in finding that the trial court committed grave abuse of discretion in not dismissing Agrarian Case No. 64-2001 on the ground that it was filed late.

Petitioners admit that their petition was filed late but insist that there exist special and compelling reasons to relax the otherwise stringent application of the 15-day reglementary period to file the petition for the fixing of just compensation. They allege that the failure to file the petition in time was due to the fault or negligence of their former counsel, and that the unconscionably low valuation of the LBP, if not rectified, would unjustly result in the confiscatory deprivation of their lands through no fault of their own.^[15] They likewise contend that there is no statutory basis for the promulgation of the DARAB procedure providing for a mode of appeal, let alone for a reglementary period to appeal.

The petition lacks merit.

The appellate court correctly granted the writ of certiorari and nullified the June 27, 2001 Order of the RTC acting as SAC, as the RTC gravely abused its discretion when it denied the motion to dismiss filed by the DAR. Rule XIII, Section 11 of the 1994 DARAB Rules of Procedure, which was then applicable, explicitly provides that

Section 11. *Land Valuation and Preliminary Determination and Payment of Just Compensation.* – The decision of the Adjudicator on land valuation and preliminary determination and payment of just compensation shall not be appealable to the Board but shall be brought directly to the Regional Trial Courts designated as Special Agrarian Courts ***within fifteen (15) days from receipt of the notice thereof.*** Any party shall be entitled to only one motion for reconsideration. [Emphasis supplied.]

In *Phil. Veterans Bank v. Court of Appeals*,^[16] we explained that the consequence of the said rule is that the adjudicator's decision on land valuation attains finality after the lapse of the 15-day period. Considering that Agrarian Case No. 64-2001, filed with the SAC for the fixing of just compensation, was filed **29 days** after petitioners' receipt of the DARAB's decision in DARAB Case No. LV-XI-0071-DN-2000 for the lot covered by TCT No. (T-8935) T-3120 and **43 days** after petitioners' receipt of the DARAB's decision in DARAB Case No. LV-XI-0073-DN-2000, for the lot covered by TCT No. (T-2906) T-749, the DARAB's decisions had already attained

finality.

Petitioners contend that there is no statutory basis for the promulgation of the DARAB procedure providing for a mode of appeal and a reglementary period to appeal. On the matter of whether the DARAB Rules of Procedure laid out an appeal process and the validity of the 15-day reglementary period has already been laid to rest, the Court, in *Republic v. Court of Appeals*^[17] and subsequent cases^[18] has clarified that the determination of the amount of just compensation by the DARAB is merely a preliminary administrative determination which is subject to challenge before the SACs which have original and exclusive jurisdiction over all petitions for the determination of just compensation under Section 57, R.A. No. 6657. In *Republic v. Court of Appeals*, we ruled

[U]nder the law, the Land Bank of the Philippines is charged with the initial responsibility of determining the value of lands placed under land reform and the compensation to be paid for their taking. Through notice sent to the landowner pursuant to §16(a) of R.A. No. 6657, the DAR makes an offer. In case the landowner rejects the offer, a summary administrative proceeding is held and afterward the provincial (PARAD), the regional (RARAD) or the central (DARAB) adjudicator as the case may be, depending on the value of the land, fixes the price to be paid for the land. If the landowner does not agree to the price fixed, he may bring the matter to the RTC acting as Special Agrarian Court. This in essence is the procedure for the determination of compensation cases under R.A. No. 6657. In accordance with it, the private respondent's case was properly brought by it in the RTC, and it was error for the latter court to have dismissed the case. In the terminology of §57, the RTC, sitting as a Special Agrarian Court, has "original and exclusive jurisdiction over all petitions for the determination of just compensation to landowners." It would subvert this "original and exclusive" jurisdiction of the RTC for the DAR to vest original jurisdiction in compensation cases in administrative officials and make the RTC an appellate court for the review of administrative decisions.

Consequently, although the new rules speak of directly appealing the decision of adjudicators to the RTCs sitting as Special Agrarian Courts, **it is clear from §57 that the original and exclusive jurisdiction to determine such cases is in the RTCs. Any effort to transfer such jurisdiction to the adjudicators and to convert the original jurisdiction of the RTCs into appellate jurisdiction would be contrary to §57 and therefore would be void.** What adjudicators are empowered to do is only to determine in a preliminary manner the reasonable compensation to be paid to landowners, leaving to the courts the ultimate power to decide this question.^[19] (Emphasis supplied.)

The above ruling was reiterated in *Philippine Veterans Bank v. Court of Appeals*. In that case, petitioner landowner who was dissatisfied with the valuation made by LBP and DARAB, filed a petition for determination of just compensation in the RTC (SAC). However, the RTC dismissed the petition on the ground that it was filed beyond the 15-day reglementary period for filing appeals from the orders of the