

FIRST DIVISION

[G.R. No. 131481, March 16, 2011]

**BUKLOD NANG MAGBUBUKID SA LUPAING RAMOS, INC.,
PETITIONER, VS. E. M. RAMOS AND SONS, INC., RESPONDENT.**

[G.R. No. 131624]

**DEPARTMENT OF AGRARIAN REFORM, PETITIONER, VS. E. M.
RAMOS AND SONS, INC., RESPONDENT.**

D E C I S I O N

LEONARDO-DE CASTRO, J.:

Before the Court are consolidated Petitions for Review on *Certiorari*, under Rule 45 of the 1997 Rules of Civil Procedure, filed by the Buklod ng Maqbubukid Sa Lupaing Ramos, Inc. (Buklod) and the Department of Agrarian Reform (DAR), assailing the Decision^[1] dated March 26, 1997 and the Resolution^[2] dated November 24, 1997 of the Court of Appeals in CA G.R. SP No. 40950.

The Court of Appeals declared the parcels of land owned by E.M. Ramos and Sons, Inc. (EMRASON), located in Barangay Langkaan, Dasmariñas, Cavite (subject property), exempt from the coverage of the Comprehensive Agrarian Reform Program (CARP), thus, nullifying and setting aside the Decision^[3] dated February 7, 1996 and Resolution^[4] dated May 14, 1996 of the Office of the President (OP) in O.P. Case No. 5461.

Quoted hereunder are the facts of the case as found by the Court of Appeals:

At the core of the controversy are several parcels of unirrigated land (303.38545 hectares) which form part of a larger expanse with an area of 372 hectares situated at Barangay Langkaan, Dasmariñas, Cavite. Originally owned by the Manila Golf and Country Club, the property was acquired by the [herein respondent EMRASON] in 1965 for the purpose of developing the same into a residential subdivision known as "Traveller's Life Homes".

Sometime in 1971, the Municipal Council of Dasmariñas, Cavite, acting pursuant to Republic Act (R.A.) No. 2264, otherwise known as the "Local Autonomy Act", enacted Municipal Ordinance No. 1, hereinafter referred to as Ordinance No. 1, entitled "An Ordinance Providing Subdivision Regulation and Providing Penalties for Violation Thereof."

In May, 1972, [respondent] E.M. Ramos and Sons, Inc., applied for an authority to convert and develop its aforementioned 372-hectare

property into a residential subdivision, attaching to the application detailed development plans and development proposals from Bancom Development Corporation and San Miguel Corporation. Acting thereon the Municipal Council of Dasmariñas, Cavite passed on July 9, 1972 Municipal Ordinance No. 29-A (Ordinance "No. 29-A, for brevity), approving [EMRASON's] application. Ordinance No. 29-A pertinently reads:

"Resolved, as it is hereby resolved, to approve the application for subdivision containing an area of Three Hundred Seventy-Two (372) Hectares situated in Barrios Bocal and Langkaan, named as Traveller's Life Homes.

Resolved that the Municipal Ordinance regarding subdivision regulations existing in this municipality shall be strictly followed by the subdivision ".

Subsequently, [EMRASON] paid the fees, dues and licenses needed to proceed with property development.

It appears, however, that the actual implementation of the subdivision project suffered delay owing to the confluence of events. Among these was the fact that the property in question was then mortgaged to, and the titles thereto were in the possession of, the Overseas Bank of Manila, which during the period material was under liquidation.

On June 15, 1988, Republic Act No. 6657, otherwise known as the Comprehensive Agrarian Reform Law or CARL, took effect, ushering in a new process of land classification, acquisition and distribution.

On September 23, 1988, the Municipal Mayor of Dasmariñas, Cavite addressed a letter to [EMRASON], stating in part, as follows:

"In reply to your letter of June 2, 1988, we wish to clarify that the Municipality of Dasmariñas, Cavite, has approved the development of your property situated in Barrios Bukal and Langkaan, Dasmariñas, Cavite, with a total area of 3 72 hectares, more or less, into residential, industrial, commercial and golf course project.

This conversion conforms with the approved Development Plan of the Municipality of Dasmariñas Cavite ".

Then came the Aquino government's plan to convert the tenanted neighboring property of the National Development Company (NDC) into an industrial estate to be managed through a joint venture scheme by NDC and the Marubeni Corporation. Part of the overall conversion package called for providing the tenant-farmers, opting to remain at the NDC property, with three (3) hectares each. However, the size of the NDC

property turned out to be insufficient for both the demands of the proposed industrial project as well as the government's commitment to the tenant-farmers. To address this commitment, the Department of Agrarian Reform (DAR) was thus tasked with acquiring additional lands from the nearby areas. The DAR earmarked for this purpose the subject property of [EMRASON].

On August 29, 1990, then OAR Secretary Benjamin Leong sent out the first of four batches of notices of acquisition, each of which drew protest from [EMRASON]. All told, these notices covered 303.38545 hectares of land situated at Barangay Langkaan, Dasmariñas, Cavite owned by [EMRASON].

In the meantime, [EMRASON] filed with the Department of Agrarian Reform Adjudication Board (DARAB), Region IV, Pasig, Metro Manila, separate petitions to nullify the first three sets of the above notices. Collectively docketed as DARAB Case No. IV-Ca-0084-92, these petitions were subsequently referred to the Office of the Regional Director, Region IV, which had jurisdiction thereon. In his referral action, the Provincial Agrarian Adjudicator directed the DAR Region IV, through its Operations Division, to conduct a hearing and/or investigation to determine whether or not the subject property is covered by the Comprehensive Agrarian Reform Program (CARP) and, if not, to cancel the notices of acquisition.

Forthwith, the DAR regional office conducted an on-site inspection of the subject property.

In the course of the hearing, during which [EMRASON] offered Exhibits :A" to "UU-2" as documentary evidence, [EMRASON] received another set of notices of acquisition. As to be expected, [EMRASON] again protested.

On August 28, 1992, the Legal Division of DAR, Region IV, through Hearing Officer Victor Baguilat, rendered a decision declaring as null and void all the notices of acquisitions, observing that the property covered thereby is, pursuant to Department of Justice (DOJ) Opinion No. 44, series of 1990, exempt from CARP. The dispositive portion of the decision reads, as follows;

"WHEREFORE, in the light of the foregoing x x x, considering that the notices of acquisition dated August 29, 1990 relative to the 39 hectares partly covered by Transfer Certificate of Title No. T-19298; notices of acquisition all dated April 3, 1991 relative to the 131.41975 hectares partly covered by Transfer Certificates of Title Nos. x x x; notices of acquisition all dated August 28, 1991 relative to the 56.9201 hectares covered by Transfer Certificates of Title Nos. x x x; and notices of acquisition all dated May 15, 1992 relative to the 76.0456 covered by Transfer Certificates of Title Nos. xx, all located at Barangay Langkaan, Dasmariñas, Cavite and owned by petitioner EM RAMOS and SONS, INC. are null and void on the

ground that the subject properties are exempted from CARP coverage pursuant to DOJ Opinion No. 44, Series of 1990, therefore, the aforesaid notices of acquisition be cancelled and revoked. "

The DOJ Opinion adverted to, rendered by then Justice Secretary Franklin Drilon, clarified that lands already converted to non-agricultural uses before June 15, 1988 were no longer covered by CARP.

On September 3, 1992, the Region IV DAR Regional Director *motu proprio* elevated the case to the Office of the Agrarian Reform Secretary, it being his view that Hearing Officer Baguilat's decision ran contrary to the department's official position "*to pursue the coverage of the same properties and its eventual distribution to qualified beneficiaries particularly the Langkaan farmers in fulfillment of the commitment of the government to deliver to them the balance of thirty-nine hectares x x x*".

On January 6, 1993, the herein respondent **DAR Secretary Ernesto Garilao** [(DAR Secretary Garilao)] issued an order, the decretal portion of which partly reads:

"WHEREFORE, in the interest of law and justice, an order is hereby rendered:

1. Affirming the Notices of Acquisition dated August 29, 1990, April 3, 1991, August 28, 1991 and May 15, 1992 covering 303.38545 hectares of the property owned by the E.M. RAMOS & SONS, INC, located at Barangay Langkaan, Dasmarinas, Cavite x x x;

x x x x

3. Directing the OAR field officials concerned to pursue (he coverage under RA 6657 of the properties of E.M. Ramos & Sons, Inc. for which subject Notices of Acquisition had been issued.

SO ORDERED".

Its motion for reconsideration of the aforesaid order having been denied by the [DAR Secretary Garilao] in his subsequent order of January 6, 1993, [EMRASON] appealed to the **Office of the President** where the recourse was docketed as **O.P. Case No. 5461.**

On February 7, 1996, the **Office of the President**, through herein respondent **Deputy Executive Secretary Renato C. Corona** [(Deputy Executive Secretary Corona)], rendered the herein assailed decision x x x, dismissing [EMRASON's] appeal on the strength of the following observation:

"To recapitulate, this Office holds that [EMRASON's] property has remained AGRICULTURAL in classification and therefore falls within the coverage of the CARP, on the basis of the following:

- 1. [EMRASON] failed to comply with the mandatory requirements and conditions of Municipal Ordinance Nos. 1 and 29-A, specifically, among others, the need for approval of the National Planning Commission through the Highway District Engineer, and the Bureau of Lands before final submission to the Municipal Council and Municipal Mayor;*
- 2. [EMRASON] failed to comply with Administrative Order No. 152, dated December 16, 1968, and*
- 3. The certification of the Human Settlements Regulatory Commission (HSRC) in 1981 and the Housing and Land Use Regulatory Board (HLRB) in 1992 that the property of [EMRASON] is agricultural".*

Undaunted, [EMRASON] interposed a motion for reconsideration, followed later by another motion whereunder it invited attention to legal doctrines involving land conversion recently enunciated by no less than the **Office of the President** itself.

On May 14, 1996, the [Deputy Executive Secretary Corona] came out with his second challenged issuance denying [EMRASON's] aforementioned motion for reconsideration x x x.^[5]

From the denial of its Motion for Reconsideration by the OP, EMRASON filed a Petition for Review with the Court of Appeals, which was docketed as CA-G.R. SP No. 40950.

On July 3, 1996, the Court of Appeals issued a Temporary Restraining Order (TRO),^[6] which enjoined then DAR Secretary Ernesto Garilao and Deputy Executive Secretary Renato C. Corona from implementing the OP Decision of February 7, 1996 and Resolution of May 14, 1996 until further orders from the court. On September 17, 1996, the appellate court issued a Resolution^[8] granting the prayer of EMRASON for the issuance of a writ of preliminary injunction. The writ of preliminary injunction^[9] was actually issued on September 30, 1996 after EMRASON posted the required bond of P500,000.00.

The DAR Secretary filed a Motion for Reconsideration of the Resolution dated September 17, 1996 of the Court of Appeals, with the prayer that the writ of preliminary injunction already issued be lifted, recalled and/or dissolved.

At this juncture, the DAR had already prepared Certificates of Land Ownership Award (CLOAs) to distribute the subject property to farmer-beneficiaries. However,