

THIRD DIVISION

[G.R. No. 190660, April 11, 2011]

LAND BANK OF THE PHILIPPINES, PETITIONER, VS. COURT OF APPEALS AND ELIZABETH DIAZ, REPRESENTED BY FRANCISCA P. DE GUZMAN AS ATTORNEY-IN-FACT, RESPONDENTS.

D E C I S I O N

CARPIO MORALES, J.:

Private respondent Elizabeth P. Diaz (Elizabeth) was the registered owner of a parcel of agricultural land measuring approximately 15 hectares, situated in San Ricardo, Talavera, Nueva Ecija and covered by Transfer Certificate of Title (TCT) No. 197132. Ten hectares of the land were expropriated by the Department of Agrarian Reform (DAR) under Presidential Decree No. 27 and Executive Order No. 228.

The DAR valued the expropriated land (the land) at P54,880.59 plus increment of P143,041.59 or a total of P197,922.18. Not satisfied with the valuation, Elizabeth, through her attorney-in-fact Francisca P. De Guzman (Francisca), filed a complaint^[1] on November 28, 2001 against the Land Bank of the Philippines (Land Bank) and the DAR before the Regional Trial Court of Guimba, Nueva Ecija, Branch 33, acting as a Special Agrarian Court (SAC). The complaint, docketed as Special Agrarian Case No. 1194-G, prayed that just compensation be fixed at P350,000 per hectare or a total of P5,250,000.

Upon Elizabeth's motion, three Commissioners were appointed to determine the just compensation for the land.

By Decision of June 21, 2006,^[2] the SAC, adopted the DAR's valuation on the basis of average gross production and fixed the just compensation plus increment at P19,107.235 per hectare or a total of P197,922.29. It held that given the formula used in *Gabatin v. LBP*,^[3] the Commissioner's Report and the fair market or assessed value of the land can not be considered in the valuation.

Elizabeth's motion for reconsideration was denied by Order dated August 31, 2006,^[4] hence, she elevated the case to the Court of Appeals.^[5]

Land Bank and the DAR failed to file their appellees' brief. During the pendency of the appeal, Land Bank filed a Motion for Leave to Admit Defendant-Appellee['s] Motion to Dismiss Appeal,^[6] maintaining that the appeal should be dismissed because an ordinary appeal is the wrong remedy, the proper mode being by way of a petition for review, citing Section 60 of Republic Act No. 6657 or the Comprehensive Agrarian Reform Law. Hence, Land Bank concluded that the appellate court had no jurisdiction over the case, the SAC decision having attained finality following *Land Bank of the Philippines v. De Leon*^[7] which held that failure of

a party to file the proper remedy within fifteen (15) days from receipt of notice of the assailed decision renders it final.

By Resolution^[8] of June 2, 2009, the appellate court denied Land Bank's motion to dismiss. It faulted Land Bank for not filing an appellee's brief as directed, and for filing the motion to dismiss the appeal after the lapse of 157 days from the last day for filing the brief.

Hence, the present petition for review on certiorari,^[9] Land Bank maintaining that the SAC Decision had become final and executory and, therefore, the appellate court never acquired jurisdiction over the appeal filed by Elizabeth, a wrong mode of appeal.

Additionally, Land Bank ascribes bad faith on the part of Elizabeth for, instead of sending a copy of her motion for reconsideration before the SAC and her subsequent Notice of Appeal to Land Bank's counsel of record Atty. Graciela L. Gutierrez at her address at the Land Bank Field Office in Cabanatuan City, Elizabeth sent them to the Land Bank's main office in Malate, Manila where, it points out, the lawyers neither have control nor possession of the records of the case.

In view of the filing of the present petition, action on Elizabeth's appeal was held in abeyance by the appellate court per Resolution dated June 7, 2010.^[10]

The petition is meritorious.

Indeed, following *Land Bank of the Philippines v. De Leon*,^[11] the proper mode of appeal from decisions of Regional Trial Courts sitting as SACs is by petition for review under Rule 42 of the Rules of Court and not through an ordinary appeal under Rule 41. The Court, in the immediately cited case of *Land Bank*, observing that "before the instant case reached us, Land Bank of the Philippines had no authoritative guideline on how to appeal decisions of SACs considering the seemingly conflicting provisions of Sections 60 and 61 of RA 6657," held that "Sec. 60 of RA 6657^[12] clearly and categorically states that the said mode of appeal (petition for review) should be adopted."

First, there is no conflict between Section[s] 60 and 61 of RA 6657 inasmuch as the Rules of Court do not at all prescribe the procedure for ordinary appeals as the proper mode of appeal for decisions of Special Agrarian Courts. Section 61 in fact makes no more than a general reference to the Rules of Court and does not even mention the procedure for ordinary appeals in Section 2, Rule 41 of the 1997 Revised Rules of Civil Procedure as the appropriate method of elevating to the Court of Appeals decisions of Special method of elevating to the Court of Appeals decisions of Special Agrarian Courts in eminent domain cases.

Second, the failure to mention Special Agrarian Courts in Section 1 of Rule 43 of the Revised Rules of Civil Procedure cannot be construed to mean that a petition for review is not permissible for decisions of the said special courts. In fact, the said Rule is not relevant to determine whether a petition for review is the proper mode of appeal from decisions of