

## SECOND DIVISION

[ G.R. No. 153998, October 06, 2010 ]

**JORGE L. TIANGCO, THE HEIRS OF ENRIQUE L. TIANGCO,  
GLORIA T. BATUNGBACAL, NARCISO L. TIANGCO AND SILVINO  
L. TIANGCO, PETITIONERS, VS. LAND BANK OF THE  
PHILIPPINES, RESPONDENT.**

### D E C I S I O N

**PERALTA, J.:**

Before the Court is a special civil action for *certiorari* seeking to set aside the Resolutions dated October 5, 2001<sup>[1]</sup> and June 4, 2002<sup>[2]</sup> of the Court of Appeals (CA) in CA-G.R. CV No. 61676. The October 5, 2001 Resolution denied petitioners' Motion to Dismiss respondent's appeal, while the June 4, 2002 Resolution denied petitioners' Motion for Reconsideration.

The facts of the case are as follows:

On August 11, 1994, herein petitioners filed a Complaint<sup>[3]</sup> for "Fixing and Payment of Land Compensation and Annulment of Titles & Emancipation Patents" with the Regional Trial Court (RTC) of Bataan against the Secretary of Agrarian Reform, the Register of Deeds of Bataan and some private individuals, identified as their tenants.

The Complaint was later amended to implead as additional defendant herein respondent, Land Bank of the Philippines (LBP).<sup>[4]</sup>

Pertinent portions of petitioners' Amended Complaint alleged as follows:

3. Plaintiffs [herein petitioners] are the registered owners of a parcel of land situated at Cupang, Balanga Bataan, with an area of 141,716 square meters, more or less, covered by Transfer Certificate of Title No. T-111310 and declared for tax purposes under Tax Declaration No. 323371. x x x

x x x x

5. Private defendants LAURIANO BAUTISTA, FORTUNATO TOLENTINO, DIONISIO ALONZO, DOMINGO REYES, ALFREDO Q. ESTACAMENTO, BIENVENIDO A. VASQUEZ, JOSE BAUTISTA, MOISES G. QUIROZ and ROGELIO S. BAUTISTA were agricultural tenants on the above-described parcel of land, tilling distinct and separate portions thereof with different areas.

6. x x x, unknown to plaintiffs, Emancipation Patents (EPs) were issued

to private defendants by the Secretaries of Agrarian Reform, predecessor in office of defendant SECRETARY OF AGRARIAN REFORM, after which Transfer Certificate of Title were issued to private defendants by defendant Register of Deeds of Bataan, x x x.

7. The issuance of the Emancipation Patents and the Transfer Certificates of Title to private defendants was unlawful because plaintiffs, who are the owners of the land distributed to the tenants by defendant SECRETARY OF AGRARIAN REFORM through his predecessors in office and subsequently titled in their names by defendant REGISTER OF DEEDS OF BATAAN, and who did not consent to the transfer of possession and ownership, have not been compensated for the value of said land. x x x

x x x x

8. As a matter of fact, the reasonable value of plaintiffs' land at which they should be compensated has not even been determined, and until the same is determined and fixed, plaintiffs cannot hope to be compensated, but in the meantime, oppressively against plaintiffs-landowners, private defendants are in possession and do not pay lease rentals to plaintiffs. x x x<sup>[5]</sup>

In his Answer,<sup>[6]</sup> the Secretary of the Department of Agrarian Reform (DAR) denied the material allegations in the Amended Complaint and contended that the case should be dismissed for failure of the plaintiffs to exhaust administrative remedy. The DAR Secretary contended that petitioners failed to bring the case before the DAR Adjudication Board (DARAB) which has primary, original and appellate jurisdiction to determine and adjudicate all agrarian disputes involving the implementation of the Comprehensive Agrarian Reform Program.

On the other hand, the private individuals, who were impleaded in their capacity as tenants, contended in their Answer that the Emancipation Patents were regularly issued to them by the DAR after the land has been valued in accordance with laws, rules and regulations then prevailing, and that petitioners, as landowners, have been paid the value thereof through the LBP financing scheme. The tenants further averred that petitioners are already estopped from questioning the value of the land after they failed to challenge it when the property was being valued in accordance with laws and other guidelines.<sup>[7]</sup>

The LBP also denied the material allegations in the Amended Complaint contending that in cases of land transfer claims covered by Presidential Decree No. 27 and Executive Order No. 228, the government agency which has direct responsibility in valuing lands is the DAR and not the LBP; the reason why petitioners have not yet been paid their claims is because of their refusal to comply with the administrative requirements needed for such payment; and, contrary to petitioners' allegations, they received lease rentals from the farmer-beneficiaries named in the Emancipation Patents.<sup>[8]</sup>

After due proceedings, the RTC issued its Decision<sup>[9]</sup> dated June 9, 1998, the

dispositive portion of which reads as follows:

WHEREFORE, let the land of the plaintiffs be appraised at Thirty Pesos (P30.00), Philippine Currency, per square meter to be paid to the plaintiffs, without any pronouncement as to costs.

SO ORDERED.<sup>[10]</sup>

After their Motions for Reconsideration were denied, the LBP, the DAR and the group of tenants filed their respective appeals with the CA by filing Notices of Appeal<sup>[11]</sup> in accordance with Rule 41 of the Rules of Court.

In a Resolution<sup>[12]</sup> dated July 13, 1999, the CA dismissed the appeal of the tenants for their failure to pay the docket and other lawful fees. On the other hand, the CA required the LBP and the DAR to file their respective Appeal Briefs.<sup>[13]</sup>

The LBP and the DAR moved for extension of time to file their Briefs.<sup>[14]</sup> Their motion was granted.<sup>[15]</sup>

In its Motion<sup>[16]</sup> dated May 21, 2001, the LBP again moved for extension of time to file its Brief.

On June 25, 2001, the CA issued a Resolution<sup>[17]</sup> granting LBP's motion and giving it another extension of twenty days to file its Brief. The CA, in the same Resolution, also noted the Brief which was filed prior to the grant of the said motion.

Thereafter, herein petitioners filed a Motion for Reconsideration<sup>[18]</sup> of the June 25, 2001 Resolution of the CA contending that the appellate court committed error in granting the said motion, because at the time the LBP filed its motion for extension dated May 21, 2001, the period originally granted by the CA had already expired.

Subsequently, on July 12, 2001, herein petitioners filed a Motion to Dismiss Appeals and to Suspend Period for Filing Appellees' Brief,<sup>[19]</sup> contending that the LBP's proper mode of appeal should have been a petition for review and not an ordinary appeal, that the LBP failed to serve on petitioners two copies of its Appellant's Brief, and that the LBP failed to seasonably file the said Brief.

On August 14, 2001, the CA issued a Resolution<sup>[20]</sup> considering the appeal of DAR as abandoned and dismissed the same for the latter's failure to file its Appeal Brief within the extended period granted by the court. In the same Resolution, the LBP was required to file its Comment on petitioners' Motion to Dismiss Appeals. The LBP complied and filed its Comment.<sup>[21]</sup> Petitioners also filed their Reply.<sup>[22]</sup>

On October 5, 2001, the CA rendered the presently assailed Resolution<sup>[23]</sup> denying herein petitioners' Motion to Dismiss the appeal of the LBP.

Petitioners filed their Motion for Reconsideration, but the CA denied it in its Resolution<sup>[24]</sup> dated June 4, 2002.

Hence, the present petition for *certiorari* based on the following grounds:

I. THE APPEALED JUDGMENT HAS LONG BECOME FINAL AND EXECUTORY DUE TO RESPONDENT LBP'S FAILURE TO FILE A PETITION FOR REVIEW.

x x x x

II. RESPONDENT LBP FAILED TO SERVE ON PETITIONERS TWO (2) COPIES OF ITS APPELLANT'S BRIEF.

x x x x

III. RESPONDENT LBP MUST BE DEEMED NOT TO HAVE FILED A BRIEF BY ITS FAILURE TO FILE ONE WITHIN THE REGLEMENTARY PERIOD.<sup>[25]</sup>

Petitioners contend that the proper mode or remedy that should have been taken by the LBP in assailing the Decision of the RTC, acting as a Special Agrarian Court, is a petition for review and not an ordinary appeal.

The Court does not completely agree.

This same issue was squarely addressed and settled by the Court in *Land Bank of the Philippines v. De Leon*,<sup>[26]</sup> wherein it was ruled that a petition for review is indeed the correct mode of appeal from decisions of Special Agrarian Courts. Therein, the Court held that "Section 60 of Republic Act No. 6657 clearly and categorically states that the said mode of appeal should be adopted."

However, in a Resolution<sup>[27]</sup> issued by the Court *en banc*, dated March 20, 2003, which ruled on the motion for reconsideration filed by the LBP, the Court clarified that its decision in *De Leon* shall apply only to cases appealed from the finality of the said Resolution. The Court held:

x x x LBP pleads that the subject Decision should at least be given prospective application considering that more than 60 similar agrarian cases filed by LBP via ordinary appeal before the Court of Appeals are in danger of being dismissed outright on technical grounds on account of our ruling herein. This, according to LBP, will wreak financial havoc not only on LBP as the financial intermediary of the Comprehensive Agrarian Reform Program but also on the national treasury and the already depressed economic condition of our country. Thus, in the interest of fair play, equity and justice, LBP stresses the need for the rules to be relaxed so as to give substantial consideration to the appealed cases.

x x x x

On account of the absence of jurisprudence interpreting Sections 60 and 61 of RA 6657 regarding the proper way to appeal decisions of Special Agrarian Courts, as well as the conflicting decisions of the Court of

Appeals thereon, LBP cannot be blamed for availing of the wrong mode. Based on its own interpretation and reliance on [a ruling issued by the CA holding that an ordinary appeal is the proper mode], LBP acted on the mistaken belief that an ordinary appeal is the appropriate manner to question decisions of Special Agrarian Courts.

Hence, in the light of the aforementioned circumstances, we find it proper to emphasize the prospective application of our Decision dated September 10, 2002. A prospective application of our Decision is not only grounded on equity and fair play, but also based on the constitutional tenet that rules of procedure shall not impair substantive rights.

x x x x

We hold that our Decision, declaring a petition for review as the proper mode of appeal from judgments of Special Agrarian Courts, is a rule of procedure which affects substantive rights. If our ruling is given retroactive application, it will prejudice LBP's right to appeal because pending appeals in the Court of Appeals will be dismissed outright on mere technicality thereby sacrificing the substantial merits thereof. It would be unjust to apply a new doctrine to a pending case involving a party who already invoked a contrary view and who acted in good faith thereon prior to the issuance of said doctrine.

x x x x

WHEREFORE, the motion for reconsideration dated October 16, 2002 and the supplement to the motion for reconsideration dated November 11, 2002 are PARTIALLY GRANTED. While we clarify that the Decision of this Court dated September 10, 2002 stands, **our ruling therein that a petition for review is the correct mode of appeal from decisions of Special Agrarian Courts shall apply only to cases appealed after the finality of this Resolution.**

SO ORDERED.<sup>[28]</sup>

In the present case, the LBP filed its Notice of Appeal on September 1, 1998. Thus, pursuant to the ruling that *De Leon* shall be applied prospectively from the finality of this Court's Resolution dated March 20, 2003, the appeal of the LBP, which was filed prior to that date, could, thus, be positively acted upon.

Petitioners also assert that the LBP's appeal filed with the CA should have been dismissed on the ground that the LBP failed to serve two copies of its Appellant's Brief to petitioners. Petitioners argue that under Section 7, Rule 44 of the Rules of Court, the appellant is required to serve two copies of his Brief on the appellee and that, in relation with the said Rule, one of the grounds for dismissing an appeal under Section 1(e), Rule 50 of the same Rules is the failure of the appellant to serve and file the required number of copies of his Brief or Memorandum within the time provided by the Rules.

The Court is not persuaded.