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[G.R. NO. 169514, March 30, 2007]

CONFEDERATION OF SUGAR PRODUCERS ASSOCIATION, INC., (CONFED), NATIONAL FEDERATION OF SUGARCANE PLANTERS, INC. (NFSP), UNITED SUGAR PRODUCERS FEDERATION OF THE PHILS., INC. (UNIFED), PANAY FEDERATION OF SUGAR- CANE FARMERS, INC. (PANAYFED), FIRST FARMERS HOLDING CORPORATION, NATIONAL CONGRESS OF UNIONS IN THE SUGAR INDUSTRY OF THE PHILIPPINES (NACUSIP), LEAGUE OF MUNICIPALITIES OF THE PHILIPPINES - NEGROS OCCIDENTAL CHAPTER. PETITIONERS, VS. DEPARTMENT OF AGRARIAN REFORM (DAR), (NOW ALSO KNOWN AS DEPARTMENT OF LAND REFORM), LAND BANK OF THE PHILIPPINES (LBP), LAND REGISTRATION AUTHORITY (LRA). RESPONDENTS.

D E C I S I O N

CALLEJO, SR., J.:

Before the Court is a petition for prohibition and *mandamus* under Rule 65 of the Rules of Court with prayer for the issuance of a writ of preliminary injunction or temporary restraining order filed by the Confederation of Sugar Producers Association, Inc., *et al.* It seeks, *inter alia*, to enjoin the Department of Agrarian Reform, the Land Bank of the Philippines, and the Land Registration Authority from "subjecting the sugarcane farms of Petitioner Planters to eminent domain or compulsory acquisition without filing the necessary expropriation proceedings pursuant to the provisions of Rule 67 of the Rules of Court and/or without the application or conformity of a majority of the regular farmworkers on said farms."

The Parties

The petition is filed by the following: (1) the Confederation of Sugar Producers Association, Inc. (CONFED), a national federation of sugar planters' associations and cooperatives from Luzon, Visayas and Mindanao, which is purportedly joined by its individual member organizations;^[1] (2) the National Federation of Sugarcane Planters, Inc. (NFSP), a duly organized federation of sugar planters' associations and cooperatives from Luzon, Visayas and Mindanao, which is also purportedly joined by its individual member organizations;^[2] (3) the United Sugar Producers Federation of the Phil., Inc. (UNIFED), likewise a national federation of sugar planters' associations and cooperatives from Luzon, Visayas and Mindanao, and is purportedly joined by its individual member organizations;^[3] (4) the Panay Federation of Sugarcane Farmers, Inc. (PANAYFED), a federation of sugarcane planters' organizations and cooperatives from Panay Island, also purportedly joined by its individual member organizations;^[4] (5) the First Farmers Holding Co., a domestic corporation principally engaged in operating a sugar mill for the milling and manufacture or processing of sugarcane into sugar and the distribution of sugar and its by-products; (6) the National

Congress of Unions in the Sugar Industry of the Philippines (NACUSIP), a labor organization; and (7) the League of Municipalities of the Philippines, Negros Occidental Chapter.

For the purpose of the present petition, CONFED, NFSP, UNIFED and PANAYFED are represented by their Chairman or President, namely, Bernardo C. Trebol, Enrique D. Rojas, Manuel R. Lamata and Francis P. Trenas, respectively.

On the other hand, named as respondents are the Department of Agrarian Reform (DAR), the Land Bank of the Philippines (LBP) and the Land Registration Authority (LRA).

The Petitioners' Case

Petitioners CONFED, NFSP, UNIFED and PANAYFED claim that their members own or administer private agricultural lands devoted to sugarcane. They and their predecessors-in-interest have been planting sugarcane on their lands allegedly since time immemorial. While their petition is denominated as one for prohibition and *mandamus*, the petitioners likewise seek to nullify paragraphs (d), (e) and (f) of Section 16^[5] of Republic Act No. (RA) 6657, otherwise known as the Comprehensive Agrarian Reform Law. In other words, their arguments, which will be discussed shortly, are anchored on the proposition that these provisions are unconstitutional.

They allege the following grounds in support of their petition:

A. RESPONDENT DAR ACTED WITHOUT OR IN EXCESS OF JURISDICTION OR WITH GRAVE ABUSE OF DISCRETION BY THE COMMISSION OF THE FOLLOWING ACTS:

1. By Exercising the Power of Eminent Domain to Deprive Thousands of Landowners, including the Member-Planters of Petitioner-Federations of their Private Agricultural Lands, without Filing the Necessary Expropriation Proceedings pursuant to Rule 67 of the Rules of Court in Gross Violation of the Bill of Rights of the Constitution and in Lawless Usurpation of the Exclusive Power of the Supreme Court to Promulgate Rules of Procedure as vested by the Constitution. Paragraphs (d), (e) and (f) Section 16 of R.A. 6657 are Unconstitutional.
2. In Usurping the Powers and Functions of the Presidential Agrarian Reform Council or PARC by Promulgating and Issuing Ultra Vires Rules and Procedures Governing the Acquisition and Distribution of Agricultural Lands in Gross Violation of the Provisions of E.O. 229 and R.A. 6657 or the CARL.
3. In Unlawfully Delegating to the MAROs the Authority to Issue Notices of Coverage and Acquisition to Landowners of Private Agricultural Lands in their Respective Cities and Municipalities in violation of R.A. 6657.
4. In Subjecting the Sugar Lands of the Planters to CARP Coverage and Acquisition, Without First Ascertaining: No. 1.

Whether there are Regular Farmworkers on said lands and No.
2. Whether the Regular Farmworkers, if any, are Interested to Own, Directly or Collectively the Lands they Till.

5. In Choosing and Designating Non-Tillers, Non-Regular Farmworkers and Outsiders of the sugar lands as Beneficiaries and later, Forcibly Installing Them in said lands.

6. By Disturbing and Outlawing the Farming System of LABOR ADMINISTRATION obtaining in the Sugar Lands Knowing As it Does that Under R.A. 6657 and By the Very Definition of Agrarian Reform in said Act, Labor Administration is Recognized as an Alternative Mode of Agrarian Reform.

7. In Assuming Jurisdiction, through DARAB, over Cases and Controversies which, by virtue of the provisions of B.P. 129 or the Judiciary Reorganization Act, in relation to P.D. 946 should fall under the original jurisdiction of the Regional Trial Courts.

B. THE LAND BANK OF THE PHILIPPINES ACTED WITHOUT OR IN EXCESS OF JURISDICTION OR WITH GRAVE ABUSE OF DISCRETION.

By Making or Causing Payment, Through a Deposit or Opening a Trust Account with a Bank designated by DAR for the Alleged Compensation for the Land, without Waiting For the Final Determination of Such Compensation By the Court.

C. THE LAND REGISTRATION AUTHORITY OR LRA ACTED WITHOUT OR IN EXCESS OF JURISDICTION OR WITH GRAVE ABUSE OF DISCRETION.

By Authorizing the Registers of Deeds under its Jurisdiction to Cancel, upon being directed by DAR, the Certificates of Title of the Registered Owners without the Notice to or Consent of the latter or an Order from the Court in Gross Violation of the Property Rights of the Latter and the provisions of the Land Registration Laws.^[6]

It is the principal contention of the petitioners that, in the exercise by the State of the power of eminent domain, which in the case of RA 6657 is the acquisition of private lands for distribution to farmer-beneficiaries, expropriation proceedings, as prescribed in Rule 67 of the Rules of Court, must be strictly complied with. The petitioners rely on the case of *Visayas Refining Company v. Camus and Paredes*^[7] decided by the Court in 1919. In the said case, the Government of the Philippine Islands, through the Governor-General, instructed the Attorney-General to initiate condemnation proceedings for the purpose of expropriating a tract of land containing an area of 1,100,463 square meters to be used for military and aviation purposes. In compliance therewith, the Attorney-General filed a complaint with the Court of First Instance (CFI) and among the defendants impleaded was Visayan Refining Co. which owned a portion of the property intended to be expropriated. The CFI provisionally fixed the total value of the subject property at P600,000 and upon payment thereof as deposit, the CFI authorized that the Government be placed in

possession thereof.

Visayan Refining Co. questioned the validity of the proceedings on the ground that there was no law enacted by the Philippine Legislature authorizing the exercise of the power of eminent domain to acquire land for military or aviation purposes. The Court, speaking through Justice Street, upheld the right of the Governor-General to authorize the condemnation of the subject property for military and aviation purposes. It pointed to Sections 241 up to 253^[8] of the Code of Civil Procedure as the applicable provisions for the conduct of expropriation proceedings. It likewise pointed to Sections 2 and 3^[9] of Act No. 2826 as authorizing immediate possession when the Government is the plaintiff. Further, Article 349 of the Old Civil Code was also cited as it stated that:

ART. 349. No one may be deprived of his property unless it be by competent authority for some purpose of proven public utility and after payment of the proper compensation.

Unless this requisite has been complied with, it shall be the duty of the court to protect the owner of such property in its possession or to restore its possession to him, as the case may be.

The Court stated that "[t]aken together the laws mentioned supply a very complete scheme of judicial expropriation, deducing the authority from its ultimate source in sovereignty, providing in detail for the manner of its exercise, and making the right of the expropriator finally dependent upon the payment of the amount awarded by the court."^[10]

The petitioners also quote the following disquisition in *Visayan Refining Co.* on expropriation vis-à-vis due process of law:

Nevertheless it should be noted that the whole problem of expropriation is resolvable in its ultimate analysis into a constitutional question of due process of law. The specific provisions that just compensation shall be made is merely in the nature of a superadded requirement to be taken into account by the Legislature in prescribing the method of expropriation. Even were there no organic or constitutional provision in force requiring compensation to be paid, the seizure of one's property without payment, even though intended for a public use, would undoubtedly be held to be a taking without due process of law and a denial of the equal protection of the laws.

This point is not merely an academic one, as might superficially seem. On the contrary it has a practical bearing on the problem before us, which may be expressed by saying that, if the Legislature has prescribed a method of expropriation which provides for the payment of just compensation, and such method is so conceived and adapted as to fulfill the constitutional requisite of due process of law, any proceeding conducted in conformity with that method must be valid.^[11]

Citing *Visayan Refining Co.* as well as other cases^[12] and statutes,^[13] the petitioners thus contend that a landowner cannot be deprived of his property until expropriation proceedings are instituted in court. They insist that the expropriation proceedings to be followed are those prescribed under Rule 67 of the Revised Rules of Court. In other words, for a valid exercise of the power of eminent domain, the Government must institute the necessary expropriation proceedings in the competent court in accordance with the provisions of the Rules of Court.

In this connection, they cite Section 1 of Rule 67, which they stress is entitled EXPROPRIATION, thus:

SEC. 1. *The complaint.* - The right of eminent domain shall be exercised by the filing of a verified complaint which shall state with certainty the right and purpose of expropriation, describe the real or personal property sought to be expropriated, and join as defendants all persons owning or claiming to own, or occupying, any part thereof or interest therein, showing, so far as practicable, the separate interest of each defendant. If the title to any property sought to be expropriated appears to be in the Republic of the Philippines, although occupied by private individuals, or if the title is otherwise obscure or doubtful so that the plaintiff cannot with accuracy or certainty specify who are the real owners, averment to that effect shall be made in the complaint.

The DAR, however, according to the petitioners, particularly through the process of compulsory acquisition, has managed to operate outside of the Constitution and the Rules of Court. They alleged that the compulsory acquisition process adopted by the DAR is absolutely without any constitutional or lawful basis whatsoever. It is allegedly "utterly repugnant to the principle of eminent domain" or "expropriation" and an "unmitigated and lawless usurpation of the constitutional power of the Supreme Court to promulgate rules of procedure." As such, the process of compulsory acquisition is allegedly null and void.

The petitioners add that Section 22, Article XVII (Transitory Provisions) of the Constitution states that "[a]t the earliest possible time, the Government shall expropriate idle or abandoned lands as may be defined by law, for distribution to the beneficiaries of the agrarian reform program." The use of the word "expropriate" in this provision allegedly underscores the necessity of expropriation proceedings pursuant to Rule 67 of the Rules of Court in the acquisition of private agricultural lands.

It is the petitioners' view that the following provisions of RA 3844,^[14] as amended, remain effective:

SEC. 51. *Powers and Functions.* - It shall be the responsibility of the Department:

(1) to initiate and prosecute expropriation proceedings for the acquisition of private agricultural lands as defined in Section one hundred sixty-six of Chapter XI of this Code for the purpose of subdivision into economic family-size farm units and resale of said farm units to *bona fide* tenants, occupants and qualified farmers; *Provided*, That the powers herein granted shall apply only to private agricultural lands subject to the terms