

SECOND DIVISION

[G.R. NO. 172109, August 29, 2007]

**MARIANO DAO-AYAN AND MARJUN DAO-AYAN, PETITIONERS,
VS. THE DEPARTMENT OF AGRARIAN REFORM ADJUDICATION
BOARD (DARAB), ARANETA LANDLESS AGRARIAN REFORM
FARMERS ASSOCIATION, REP. BY CLAUDIO A. FUENTES, THE
PROVINCIAL AGRARIAN REFORM OFFICER (PARO) AND THE
REGISTER OF DEEDS OF BUKIDNON, RESPONDENTS.**

DECISION

CARPIO MORALES, J.:

Assailed via petition for review on certiorari is the December 15, 2005 decision of the Court of Appeals^[1] affirming the November 12, 2002 Decision of the Department of Agrarian Reform Adjudication Board^[2] (DARAB) which affirmed the decision dated October 5, 1998 of the Regional Agrarian Reform Adjudicator of the DARAB, Region X, Malaybalay City^[3] dismissing the complaint of herein petitioners-father and son Mariano Dao-ayan (Mariano) and Marjun Dao-ayan (Marjun) against respondents Araneta Landless Agrarian Reform Farmers Association (ALARFA), the Provincial Agrarian Reform Officer of Bukidnon, and the Register of Deeds of Bukidnon, for Annulment and Cancellation of Certificate of Title of Land Ownership Award (CLOA) No. 00371923 and TCT No. AT-9035.

After Lot No. 209 (the lot), which is located at Kahaponan, Valencia City, Bukidnon belonging to the Agricultural Research Farm Incorporated, was placed under the Comprehensive Agrarian Reform Program (CARP), Marjun filed an application before the Department of Agrarian Reform (DAR) Regional Office No. 10 as a farmer-beneficiary thereof. It appears, however, that Marjun's name as applicant was later delisted.

It turned out that ALARFA had filed a Petition for Disqualification of Mariano as Farmer-Beneficiary under the CARP on the ground that he already possessed substantial real properties to thus bar him from being a farmer-beneficiary with regard to the lot;^[4] and that acting on the petition for disqualification, DAR Regional Director Rogelio Tamin disqualified Mariano as farmer-beneficiary, he having been found to be, among other things, already a beneficiary under Operation Land Transfer of P.D. No. 27 of at least three parcels of land totaling 2.2938 hectares.^[5]

The DAR Regional Director subsequently issued to ALARFA on October 20, 1997 the CLOA bearing No. 00371923, on account of which TCT No. AT-9035 was issued in ALARFA's name, represented by Claudio A. Fuentes.^[6]

Petitioners filed a motion to stay execution of the award of the CLOA to ALARFA, claiming that they were not given notice of the Petition for Disqualification and of

the Decision of the DAR Regional Director thereon.^[7]

In the meantime, the Provincial Agrarian Reform Officer (PARO), by Installation Order of May 29, 1998, directed the Municipal Agrarian Reform Officer of Valencia, Bukidnon to install ALARFA on the lot and to order the occupants-non beneficiaries including herein petitioners to vacate the same.

Petitioners thus filed on June 22, 1998 the complaint subject of the present petition, for Annulment and Cancellation of ALARFA's CLOA against ALARFA, the PARO, and the Register of Deeds of Bukidnon.^[8]

As stated early on, the DARAB Regional Agrarian Reform Adjudicator dismissed petitioners' complaint. Held the DARAB Regional Agrarian Reform Adjudicator:

[T]he matter of identification of farmer-beneficiaries had in fact been finally determined by the DAR. What is put at issue is the alleged error committed by the DAR Regional Director in disqualifying herein plaintiff Mariano Dao-ayan, and the alleged denial of due process in the course of the administrative proceedings. Records will show however that even as plaintiffs' motion for reconsideration in the administrative proceedings was denied, he could have raised the matter to the office of the DAR Secretary, being the ultimate arbiter in such administrative proceedings. As it is, the resolution of the DAR Regional Director has already become final and executory. It must be impressed at this juncture, that both the law and the DARAB procedures deny this Board the authority to determine the identification and qualification of would be CARP beneficiaries. It is an undertaking assigned to the DAR as an administrative agency, and where its resolutions and orders are assailed, the same must be ventilated according to hierarchical ladder up to the DAR Secretary.

On the other hand, even as co-plaintiff Marjun Dao-ayan postulates himself to be the real potential- beneficiary being the alleged actual tillers of the land, his right to such a claim is considered to have been waived or abandoned as he could have intervened in said administrative proceedings or questioned its resolution being the alleged actual tiller, but he did not but [*sic*] chose to be identified by this Board which as aforesaid cannot without affront to the primary authority of the DAR to so identify.

In fine, co-plaintiff Marjun Dao-ayan who by his own admission was only entrusted to the land by his father, cannot have a better right than his father who was already officially disqualified.^[9] (Underscoring supplied)

And the DARAB affirmed the dismissal as did the Court of Appeals.

In affirming the decision of the DARAB, the appellate court held:

. . . [T]he matter of identification of farmer-beneficiaries with respect to the subject land was already resolved by the Regional Director, which resolution had already become final and executory when Petitioners failed to appeal the same to the Office of the Secretary of

Agrarian Reform. Section 22 of Administrative Order. 6, Series of 2000 explicitly provides:

SECTION 22. *Finality.* - Unless an appeal is perfected, the decision or order of the R[egional] D[irector] or approving authority shall become final and executory after the lapse of fifteen {15} days from receipt of a copy thereof by the parties or their counsels or duly authorized representatives. In all cases, the parties and their counsels shall be furnished with a copy of the decision or order.

A fortiori the Regional Director DARAB[sic]-Region 10 had already ruled that MARIANO is disqualified from becoming a farmer-beneficiary in the resolution he issued which granted the petition for disqualification filed by ALARFA against MARIANO.

Anent the 2nd assigned error, Petitioners claim that the DARAB Central Office wrongfully ruled that it did not have jurisdiction over instant case because the action filed by them is for cancellation of the CLOA which falls within the jurisdiction of the DARAB under Section 1, Rule II of the 2003 DARAB Rules of Procedure.

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. . . The Regional Director, who is vested with jurisdiction over cases concerning identification of farmer-beneficiaries, had correctly ruled on said issues by granting the CLOA in favor of ALARFA. However, **Petitioners, instead of appealing the Regional Director's resolution** granting the CLOA to ALARFA, filed a complaint for annulment and cancellation of the CLOA, supra, before the DARAB-Region 10 on 22 June 1998, which, as ruled by the DARAB Central Office, was **more than a year following the issuance of the resolution, when the same has already become final and executory.**^[10]
(Emphasis and underscoring supplied)

In their present petition, petitioners raise two issues, *viz*:

- I. Whether or not the DARAB Regional Adjudicator has jurisdiction over the annulment of registered cloas.
- II. Whether or not the decision of the DAR Regional director disqualifying PETITIONERS and the Awarding of the cloa to RESPONDENT alarfa has already become final and executory such that it may no longer be questioned in further proceedings.

It is settled that jurisdiction over the subject matter is conferred by law. R.A. 6657, otherwise known as the Comprehensive Agrarian Reform Law of 1988, vests the DAR with primary jurisdiction on agrarian reform matters and clothes it with *quasi-judicial* powers as follows:

SEC. 50. *Quasi-Judicial Powers of the DAR.* - The DAR is hereby vested with primary jurisdiction to determine and adjudicate agrarian reform matters and shall have exclusive original jurisdiction over all matters