

SECOND DIVISION

[G.R. NO. 148777, October 18, 2007]

ESTATE OF THE LATE ENCARNACION VDA. DE PANLILIO, REPRESENTED BY GEORGE LIZARES, PETITIONER, VS. GONZALO DIZON, RICARDO GUINTU, ROGELIO MUNOZ, ELISEO GUINTU, ROBERTO DIZON, EDILBERTO CATU, HERMINIGILDO FLORES, CIPRIANO DIZON, JUANARIO MANIAGO, GORGONIO CANLAS, ANTONIO LISING, CARLOS PINEDA, RENATO GOZUN, ALFREDO MERCADO, BIENVENIDO MACHADA, AND THE REGIONAL DIRECTOR OF THE DEPARTMENT OF AGRARIAN REFORM, REGION III, RESPONDENTS.

G.R. NO. 157598

REYNALDO VILLANUEVA, CENON GUINTO, CELESTINO DIZON, CARMELITA VDA. DE DAVID, FORTUNATO TIMBANG, OSCAR SANTIAGO, CELESTINO ESGUERRA, ANTONIO DIZON, AND TEODULO DIZON, PETITIONERS, VS. COURT OF APPEALS AND GEORGE LIZARES, RESPONDENTS.

D E C I S I O N

VELASCO, JR., J.:

Did the owner of two (2) lots by a subsequent affidavit validly and legally revoke the first affidavit voluntarily surrendering said lots for land acquisition under the Comprehensive Agrarian Reform Law? The answer will determine the rights of the parties in the instant petitions--the heirs of the lot owner vis-à-vis the tenants declared to be beneficiaries of the Operation Land Transfer (OLT) under Presidential Decree No. (PD) 27.^[1]

The Case

Before us are two petitions. The first is a Petition for Review on Certiorari^[2] under Rule 45 docketed as G.R. No. 148777, which seeks to set aside the November 29, 2000 Amended Decision^[3] of the Court of Appeals (CA) in CA-G.R. SP No. 47502, which affirmed the August 7, 1997 Decision^[4] of the Department of Agrarian Reform Adjudication Board (DARAB) in DARAB Case Nos. 4558-4561; and the June 26, 2001 Resolution^[5] disregarding the Motion for Reconsideration^[6] of said Amended Decision. The other is a Petition for Certiorari and Mandamus^[7] under Rule 65 docketed as G.R. No. 157598, which seeks to set aside the November 14, 2002 CA Resolution^[8] which denied petitioners' Motion for Entry of Judgment,^[9] and the January 24, 2003 CA Resolution^[10] likewise denying petitioners' Motion for Reconsideration.^[11]

Through our August 27, 2003 Resolution,^[12] these cases were consolidated as they arose out of the same factual milieu.

The Facts

Encarnacion Vda. De Panlilio is the owner of the disputed landholdings over a vast tract of land, with an aggregate area of 115.41 hectares called Hacienda Masamat located in Masamat, Mexico, Pampanga covered by Transfer Certificates of Title (TCT) Nos. 3510, 3513, 3514, 3515, 3522, 3523, 3524, 3525, 3526, 3528, 3530, 3531, 3532, 3533, RT-499 (9191), and RT-500 (11670),^[13] all of the Pampanga Registry of Deeds.

On April 19, 1961, Panlilio entered into a contract of lease over the said landholdings with Paulina Mercado, wife of Panlilio's nephew. The contract of lease was subsequently renewed on October 13, 1964^[14] and September 18, 1974,^[15] covering agricultural years from 1961 to 1979.

Sometime in 1973, pursuant to the OLT under PD 27, the Department of Agrarian Reform (DAR) issued thirty eight (38) Certificates of Land Transfer (CLTs) to Panlilio's tenants. The tenant-awardees were made defendants in the instant consolidated complaints filed by petitioner Lizares.

On November 26, 1973, lessee Paulina Mercado filed a letter-complaint with the DAR questioning the issuance of CLTs to Panlilio's tenants, alleging, among others, that the DAR should not have issued the CLTs since the land involved was principally being planted with sugar and was outside the coverage of PD 27. She claimed that respondents surreptitiously planted *palay* (rice plant) instead of sugar in order to bring the land within the purview of the law. After proper investigation, the DAR concluded that the CLTs were "properly and regularly issued."

Paulina Mercado likewise filed a similar complaint with the Court of Agrarian Relations (CAR) at San Fernando, Pampanga, docketed as CAR Case No. 1649-P'74.

On December 4, 1976, the tenants of the portion of the land planted with sugar cane petitioned the DAR to cause the reversion of their sugarland to riceland so that it may be covered by the Agrarian Reform Law. The petition was with the conformity of Panlilio.

Thus, on January 12, 1977, Panlilio executed an Affidavit, partly quoted as follows:

1. That I am the owner of an agricultural landholding situated [in] Mexico, Pampanga, with an area of 115.4 hectares, more or less, dedicated at present to the production of palay and sugarcane crops;
2. That I have been informed that 50.22 hectares comprising the portion dedicated to palay crop have been placed under the provisions and coverage of P.D. No. 27 and that Certificates of Land Transfer have been issued to the tenant-farmers thereon;

3. That as owner of the abovementioned property, I interpose no objection to the action taken by the Department of Agrarian Reform in placing the aforesaid portion dedicated to palay crop within the coverage of P.D. No. 27;
4. That lately, all the tenants of my said property including those in the sugarcane portions, have filed a petition dated December 4, 1976 with the Honorable Secretary Conrado F. Estrella, Secretary of Agrarian Reform, requesting for the reversion of the sugarcane portion of my property adverted to [the] palay land which is the original classification of my entire subject property;
5. That the aforesaid petition dated December 4, 1976 of the tenants of my property which was filed with the DAR carries my written conformity;
6. **That it is my desire that my entire subject property which is referred to as Hacienda Masamat be placed under the coverage of P.D. 27 without exception and that thereafter the same be sold to tenant-petitioners.**^[16] (Emphasis supplied.)

On January 20, 1977, by virtue of the said Affidavit, the DAR Secretary, through Director Gaudencio Besa, ordered Director Severino Santiago, Regional Director of Region III, San Fernando, Pampanga, "to distribute all land transfer certificates, in view of the desire of Encarnacion Vda. de Panlilio to place her property under the Land Transfer Program of the government."

On the basis of the action of the DAR Secretary, the CAR, on March 17, 1978, issued an Order dismissing the complaint of Paulina Mercado (lessee) in CAR Case No. 1649-P'74, thus:

With this development, the resolution of the principal issue in the instant case has become moot and academic, it being already settled in the DAR proceedings the placement of the land in question under the land transfer program of the government. Therefore, the instant case should be dismissed. Necessarily, all pending incidents should be deemed disposed of. ^[17]

On December 29, 1986, Panlilio died.

Thereafter, sometime in 1993, the DAR issued Emancipation Patents (EPs) to the following tenants of Panlilio:

	EP Nos.
Hermenegildo Flores	690774 143627
Celestino Dizon	690960 683355 45390
Gonzalo Dizon	680524
Roberto Dizon	690758

Cipriano Dizon	45260
	45256
Antonio Dizon	681072
Teodulo Dizon	45326
Juanario Maniago	143207
Celestino Esguerra	45265
	45219
Florentino Lapuz	690759
	45259
Gorgonio Canlas	143508
Carlos Pineda	197097
	45254
Renato Gozun	143208
Romeo Pangilinan	475341
Jose Serrano	475340
Wenceslao Pangilinan	476572
Guillermo del Rosario	475339
Candido Timbang	143931
	45262
	45257
Arsenio Legaspi	45266 ^[18]

Subsequently, in June 1994, the Bacolod City Regional Trial Court (RTC), Branch 49 appointed petitioner George Lizares as executor of the estate of Panlilio.^[19] Records show that petitioner Lizares is the son of the late Jesus Lizares, Panlilio's administrator of Hacienda Masamat during her lifetime.

On February 28, 1994, petitioner Lizares filed his first complaint with the Provincial Agrarian Reform Adjudicator (PARAD), Region III, San Fernando, Pampanga, docketed as DARAB Case No. 638 P'94,^[20] for annulment of coverage of landholdings under PD 27 and ejectment against Reynaldo Villanueva, et al. who filed their Answer with Counterclaim^[21] on April 12, 1994.

On April 10, 1995, petitioner filed with the PARAD three more complaints for cancellation of EPs, docketed as DARAB Case Nos. 933-P'95,^[22] 934-P'95,^[23] and 935-P'95,^[24] against the rest of respondents who filed their motions to dismiss^[25] on grounds of lack of cause of action and lack of jurisdiction. On July 13, 1995, the PARAD denied the motions.^[26] Respondents then filed their Answer with Counterclaim.^[27]

Upon petitioner's motion, all the cases were consolidated. The PARAD then directed the parties to submit their respective position papers,^[28] and, thereafter, considered the cases submitted for decision.

The three (3) complaints filed in 1995 for cancellation of EPs have the following defendants: (1) in DARAB Case No. 933-P'95, Herminigildo Flores and the Regional Director, DAR, Region III; (2) in DARAB Case No. 934-P'95, Celestino Dizon, Gonzalo Dizon, Roberto Dizon, and the Regional Director, DAR, Region III; and (3) in DARAB Case No. 935-P'95, Cipriano Dizon, Antonio Dizon, Teodulo Dizon, Juanario Maniago, Celestino Esguerra, Florentino Lapuz, Gorgonio Canlas, Antonio Lising, Carlos Pineda, Renato Gozun, Alfredo Mercado, Romeo Pangilinan, Jose Serrano, Wenceslao

Pangilinan, Guillermo del Rosario, Candido Timbang, Bienvenido Mechada, and Arsenio Legaspi, and the Regional Director, DAR, Region III.

Thus, aside from public respondent DAR Regional Director, Region III, DARAB Case No. 638-P'94 had 15 defendants, DARAB Case No. 933-P'95 had a sole defendant, DARAB Case No. 934-P'95 had three defendants, and DARAB Case No. 935-P'95 had 18 defendants. All the four (4) consolidated cases were against 37 defendants.

**The Ruling of the PARAD in DARAB Case
Nos. 638-P'94, 933-P'95, 934-P'95 and 935-P'95**

On November 14, 1995, the PARAD rendered a Joint Decision^[29] dismissing petitioner Lizares' complaint on the ground that the subject landholdings have been properly placed under the coverage of PD 27 through the January 12, 1977 Affidavit^[30] of Panlilio, unequivocally placing her entire property within the coverage of the OLT. In addition, the PARAD relied on the report of the DAR and the Bureau of Lands personnel that the subject landholding is devoted to *palay*. And, finally, the PARAD applied the equitable remedy of laches, in that Panlilio failed during her lifetime to bring to the attention of the DAR and CAR her February 3, 1977 Affidavit^[31] ostensibly revoking her previous January 12, 1977 Affidavit.

**The Ruling of the DARAB in DARAB Case Nos. 4558-4561
(DARAB Case Nos. 638-P'94, 933-P'95, 934-P'95 and 935-P'95)**

Aggrieved, petitioner Lizares appealed the PARAD decision before the DARAB, which, on August 7, 1997, rendered a Decision^[32] affirming the PARAD decision.

The DARAB likewise disregarded petitioner Lizares' Motion for Reconsideration^[33] of the August 7, 1997 Decision.

Prior to the issuance of the August 7, 1997 DARAB Decision, petitioner Lizares and defendant-appellees Wenceslao Pangilinan, Romeo Pangilinan, Jose Serrano, and Guillermo del Rosario filed their February 10, 1997 Joint Partial Motion to Dismiss^[34] with the DARAB, seeking dismissal of their respective claims in DARAB Case No. 4561 (DARAB Case No. 935-P'95) based on an Affidavit of Cancellation of *Lis Pendens* Annotation of TCT Nos. 14321, 14322, 14323, and 14324, all of the Pampanga Register of Deeds,^[35] which was executed by petitioner Lizares. Apparently, petitioner Lizares received from a certain Ms. Petronila Catap the amount of PHP 1,356,619 for the settlement of DARAB Case No. 4561 (DARAB Case No. 935-P'95) against the abovementioned defendant-appellees.^[36]

Earlier on, petitioner Lizares filed his April 19, 1996 Motion to Withdraw Appeal in favor of defendant-appellees Reynaldo Villanueva, Cenon Guinto, Carmelita Vda. de David, Oscar Santiago, Celestino Dizon, Fortunato Timbang, and Florentino Lapuz in DARAB Case No. 4558 (DARAB Case No. 638-P'94); defendant-appellee Celestino Dizon in DARAB Case No. 4559 (DARAB Case No. 933-P'95); and defendant-appellees Antonio Dizon, Teodulo Dizon, Celestino Esguerra, Florentino Lapuz, and Candido Timbang in DARAB Case No. 4561 (DARAB Case No. 935-P'95), as said defendant-appellees agreed to settle and compromise with petitioner Lizares. The motion was however resisted by other defendant-appellees through a May 27, 1996