

## THIRD DIVISION

[ G.R. No. 148267, August 08, 2002 ]

**ARMANDO C. CARPIO, PETITIONER, VS. SULU RESOURCES  
DEVELOPMENT CORPORATION, RESPONDENT.**

### D E C I S I O N

#### **PANGANIBAN, J.:**

Decisions and final orders of the Mines Adjudication Board (MAB) are appealable to the Court of Appeals under Rule 43 of the 1997 Rules of Court. Although not *expressly* included in the Rule, the MAB is unquestionably a quasi-judicial agency and stands in the same category as those enumerated in its provisions.

#### The Case

Before us is a Petition for Review on Certiorari under Rule 45 of the Rules of Court, challenging the August 31, 2000 Decision<sup>[1]</sup> and May 3, 2001 Resolution<sup>[2]</sup> of the Court of Appeals (CA) in CA-GR SP No. 46830. The Assailed Decision disposed as follows:

"WHEREFORE, premises considered, the petition for review is hereby DENIED."<sup>[3]</sup>

Reconsideration was denied in the assailed Resolution.

#### The Facts

In the challenged Decision, the CA summarized the facts of this case as follows:

"This case originated from a petition filed by respondent [Sulu Resources Development Corporation] for Mines Production Sharing Agreement (MPSA) No. MPSA-IV-131, covering certain areas in Antipolo, Rizal. Petitioner [Armando C. Carpio] filed an opposition/adverse claim thereto, alleging, inter alia, that his landholdings in Cupang and Antipolo, Rizal will be covered by respondent's claim, thus he enjoys a preferential right to explore and extract the quarry resources on his properties.

"After due proceedings were held, the Panel of Arbitrators of the Mines and Geo-Sciences Bureau of the DENR rendered a Resolution dated September 26, 1996, upholding petitioner's opposition/adverse claim. This dispositive portion of said Resolution reads:

'x x x. WHEREFORE, the opposition/adverse claims of ARMANDO C. CARPIO is hereby UPHELD. Accordingly, the properties of CARPIO are ordered excluded from the area of PMPSA-IV-131 of SULU RESOURCES DEVELOPMENT CORPORATION, and the area not covered by the adverse

claim as subject to mining locations in accordance with existing laws, rules and regulations.

‘SO ORDERED.’

“Respondent appealed the foregoing Resolution to the Mines Adjudication Board. Meanwhile, petitioner filed a motion to dismiss appeal on the ground of respondent’s failure to comply with the requirements of the New Mining Act’s Implementing Rules and Regulations.

“On June 20, 1997, the Mines Adjudication Board rendered the assailed Order dismissing petitioner’s opposition/adverse claim. The dispositive portion of the assailed Order provides:

‘WHEREFORE, in view of the foregoing premises, this Resolution of the Panel of Arbitrators of Region IV dated September 26, 1996, is hereby SET ASIDE and the adverse claim/opposition of CARPIO DISMISSED. Accordingly, the PMSPA of SULU should be given due process and evaluated subject to the pertinent provisions of RA 7942 and DAO 96-40.

‘SO ORDERED.’

“Petitioner filed a motion for reconsideration of said Order which was denied by the Board per Order dated November 24, 1997, the decretal portion of which provides:

‘WHEREFORE, the Motion for Reconsideration is hereby DENIED for lack of merit.’”<sup>[4]</sup>

#### Ruling of the Court of Appeals

Citing Section 79 of Chapter XIII of the Philippine Mining Act of 1995 (RA 7942), the CA ruled that it did not have jurisdiction to review the Decision of the Mines Adjudication Board (MAB). The adjudication of conflicting mining claims is completely administrative in nature, as held in *Pearson v. Intermediate Appellate Court*.<sup>[5]</sup> Under RA 7942, the “settlement of disputes involving rights to mining areas, mineral agreements, and surface owners, occupants and claimholders/concessionaires shall pertain exclusively to a Panel of Arbitrators in the regional office of the Department of Environment and Natural Resources, whose decisions are appealable to the Mines Adjudication Board.” Under Section 79 of RA 7942, “the findings of fact by the MAB as well as its decision or order shall be final and executory.” Inasmuch as the issue raised by petitioner relates to whether an overlap or a conflict between his properties and the area covered by the application of respondent has been proven, MAB’s finding thereon was binding and conclusive, and the Board’s Decision was already final and executory.

Hence, this Petition.<sup>[6]</sup>

#### Issue

In his Memorandum, petitioner raises this sole issue for our consideration:

“Whether or not appeals from the Decision or Final Orders of the Mines Adjudication Board should be made directly to the Supreme Court as contended by the respondent and the Court of Appeals, or such appeals

be first made to the Court of Appeals as contended by herein petitioner.”

[7]

## This Court’s Ruling

The Petition is meritorious.

Sole Issue:

*Appellate Jurisdiction over MAB Decisions*

Petitioner submits that appeals from the decisions of the MAB should be filed with the CA. *First*, the Supreme Court has authority, under Section 5(5) of Article VIII of the Philippine Constitution, to promulgate rules of procedure in all courts, including all quasi-judicial agencies such as the MAB. *Second*, Section 3 of Rule 43 of the 1997 Rules of Civil Procedure authorizes appeals to the CA from judgments or final orders of quasi-judicial tribunals by means of petitions for review. *Third*, the MAB gravely abused its discretion in “deliberately, willfully and unlawfully” disregarding petitioner’s rights to the land unduly included in the questioned application for a Mines Productive Sharing Agreement (MPSA).

*En contrario*, the CA ruled and respondent agrees that the settlement of disputes involving rights to mining areas and overlapping or conflicting claim is a purely administrative matter, over which the MAB has appellate jurisdiction. The latter’s factual findings, decisions and final orders on such matters are final and executory as provided in Section 79 of Chapter XIII of the Philippine Mining Act of 1995 and as held in *Pearson v. IAC*. Since the appeal of petitioner pertains to the factual matter of whether he was able to prove the existence of the overlap or conflict between his claimed area and that covered by respondent’s application, then the findings of the MAB should be deemed final and executory.

The CA refused to take jurisdiction over the case because, under Section 79 of the Philippine Mining Act of 1995, petitions for review of MAB decisions are to be brought directly to the Supreme Court. The provision reads in part:

“xxx xxx xxx

“A petition for review by *certiorari* and question of law may be filed by the aggrieved party with the Supreme Court within thirty (30) days from receipt of the order or decision of the Board.”

We hold that respondent’s reliance on *Pearson* is misplaced. The claimant therein sued in the then Court of First Instance (CFI) to prevent the execution of a Decision rendered by the panel of investigators of the Bureau of Mines and the Office of the President. Despite a Motion to Dismiss filed by the mining companies, the CFI ordered the creation of a committee to determine the correct tie-point of their claims. So, the mining companies went to the then Intermediate Appellate Court (IAC) via a Petition for Certiorari under Rule 65. The claimants averred that the appellate court had no jurisdiction.

In the case at bar, petitioner went to the CA through a Petition for Review on Certiorari under Rule 43, seeking a reversal of the MAB Decision. Given the difference in the reason for and the mode of appeal, it is obvious that *Pearson* is not applicable here.

Still, we can draw one lesson. Far from dismissing the case on the ground of lack of jurisdiction, Pearson expressly held that the CA had jurisdiction over the petition for certiorari, because "Section 9 of BP Blg. 129 (The Judiciary Reorganization Act of 1980), now incorporated in Section 4, Rule 65 of the 1997 Rules of Civil Procedure, vested the then IAC with original jurisdiction to issue writs of certiorari and prohibition, among other auxiliary writs x x x." However, even though the Supreme Court has concurrent jurisdiction with the CA and the Regional Trial Courts to issue a writ of mandamus, prohibition or certiorari, litigants are well advised against taking a direct recourse to this Court without initially seeking proper relief from the lower courts, in accordance with the hierarchy of courts.<sup>[8]</sup>

In Pearson, what was under review was the ruling of the CFI to take cognizance of the case which had been earlier decided by the MAB, not the MAB Decision itself which was promulgated by the CA under Rule 43. The present petitioner seeks a review of the latter.

Pearson held that the nature of the primary powers granted by law to the then secretary of agriculture and natural resources as well as to the director of mines were executive or administrative, such as "granting of license, permits, lease and contracts[;] or approving, rejecting, reinstating or canceling applications[;] or deciding conflicting applications." These powers should be distinguished from litigants' disagreements or controversies that are civil or contractual in nature, which may be adjudicated only by the courts of justice. The findings of fact of the MAB, which exercises appellate jurisdiction over decisions or orders of the panel of arbitrators, are conclusive and binding on the parties; its decisions or orders on these are final and executory. But petitions for certiorari may be filed with the appropriate courts.<sup>[9]</sup> In short, the Court held that the appellate jurisdiction of the IAC (now the CA) in Pearson fell under Rule 65 -- not 43 -- because what was being impugned was grave abuse of discretion on the part of the CFI.

Pearson, however, should be understood in the light of other equally relevant jurisprudence. In *Fabian v. Desierto*,<sup>[10]</sup> the Court clarified that appeals from judgments and final orders of quasi-judicial agencies are now required to be brought to the CA, under the requirements and conditions set forth in Rule 43. This Rule was adopted precisely to provide a uniform rule of appellate procedure from quasi-judicial agencies.<sup>[11]</sup>

Section 27 of RA 6770<sup>[12]</sup> which is similarly worded as Section 79 of the Philippine Mining Act, was struck down by *Fabian* as unconstitutional, because it had broadened the appellate jurisdiction of the Supreme Court without its consent, in violation of Section 30 of Article VI of the Constitution.<sup>[13]</sup> In short, Section 27 of RA 6770 which provides that all *administrative* decisions of the Office of the Ombudsman may be appealed to the Supreme Court, was unconstitutional.

In another case, held invalid in the light of Rule 43 of the 1997 Rules of Court was Section 3(2) of Executive Order No. 561, which had declared that decisions of the Commission on Settlement of Land Problems (COSLAP) were appealable exclusively to the Supreme Court.<sup>[14]</sup> There is no convincing reason why appeals from the COSLAP should be treated differently from those arising from other quasi-judicial bodies, the decisions of which are directly appealable to the CA under Rule 43 of the 1997 Rules.