

THIRD DIVISION

[G.R. No. 143275, September 10, 2002]

LAND BANK OF THE PHILIPPINES, PETITIONER, VS. ARLENE DE LEON AND BERNARDO DE LEON, RESPONDENTS.

D E C I S I O N

CORONA, J.:

Before us is a petition for review of the resolution,^[1] dated February 15, 2000, of the Court of Appeals^[2] dismissing the ordinary appeal of petitioner Land Bank of the Philippines (LBP, for brevity), and resolution^[3] dated May 22, 2000 denying the motion for reconsideration thereof.

The undisputed facts as found by the appellate court are as follows:

The petitioners-appellees Arlene de Leon and Bernardo de Leon are the registered owners of a parcel of land situated at San Agustin, Concepcion, Tarlac covered by TCT No. 163051 with a total area of 50.1171 hectares. The subject property was voluntarily offered for sale to the government pursuant to RA 6657 at P50,000.00 per hectare. The Department of Agrarian Reform (DAR) made a counter offer of P17,656.20 per hectare, or a total amount of P884,877.54, but the same was rejected. Another offer was made by DAR increasing the amount to P1,565,369.35. In view of the petitioners-appellees' failure to respond to the new offer made by DAR, the Department of Agrarian Reform Adjudication Board (DARAB) took cognizance of the case pursuant to Sec. 16 (d) of RA 6657. Subsequently, the DARAB issued an Order directing respondent-appellant LBP to recompute the value of the subject property in accordance with DAR Administrative Order No. 6, Series of 1992. Applying the pertinent provisions of the said DAR administrative order, respondent-appellant arrived at a recomputed land value as follows:

Land Use Area Acquired Value/hectare			Total/Land Value
Sugarland	32.4187	P61,758.85	P2,002,141.63
Riceland	16.6984	P28,449.80	P 475,066.14
Idle land	1.0000	P14,523.78	P 14,523.78

or an aggregate amount of P2,491,731.65, which was again rejected by the petitioners-appellees.

In a Petition dated October 27, 1994, filed with the Regional Trial Court, Branch 63, Tarlac, which is the designated Special Agrarian Court in the area, petitioners-appellees asked the court, among others, to fix the just compensation of the subject property.

In due time the court rendered a summary judgment on December 19, 1997 fixing the compensation of the subject property as follows:

- a. P1,260,000.00 for the 16.69 hectares of riceland;
- b. P2,957,250.00 for the 30.4160 hectares of sugarland.

Within the time allowed, respondent-appellant filed a Motion for Reconsideration which was subsequently denied by the Court.^[4]

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On March 17, 1998, the Department of Agrarian Reform filed in the Court of Appeals a petition for review of the decision of the Special Agrarian Court. The said petition, docketed as CA-G.R. SP No. 47005, was assigned to the Special Third (3rd) Division of the Court of Appeals. Petitioner LBP also initiated in the Court of Appeals an appeal of the same decision of the Special Agrarian Court by filing a notice of appeal. Docketed as CA-G.R. CV No. 60365, the said ordinary appeal was assigned to the Fourth (4th) Division of the Court of Appeals.

On November 6, 1998, the Special Third (3rd) Division of the appellate court, through then Associate Justice Minerva Gonzaga-Reyes^[5], rendered in CA-G.R. SP No. 47005 a decision^[6], the dispositive portion of which reads:

WHEREFORE, premises considered, the petition for review is GIVEN DUE COURSE. The decision dated February 9, 1998 is partially reconsidered. The trial court is ordered to recompute the compensation based on the selling price of palay at 213.00 per cavan. Petitioner is ordered to pay legal interest at 6% of the compensation so fixed from 1990 until full payment is made by the government.

SO ORDERED.^[7]

Thereafter, on February 15, 2000, the Fourth (4th) Division of the Court of Appeals dismissed petitioner LBP's ordinary appeal (CA-G.R. CV No. 60365), in a resolution dated February 15, 2000, the dispositive portion of which reads:

WHEREFORE, the appeal is DISMISSED for lack of merit.^[8]

In dismissing the ordinary appeal (CA-G.R. CV No. 60365) instituted by petitioner LBP, the appellate court reasoned that the mode of appeal followed by the petitioner was erroneous considering that Section 60 of RA 6657, otherwise known as the Comprehensive Agrarian Reform Law, mandates that appeals from decisions of Special Agrarian Courts should be by petition for review. Therefore, the notice of appeal filed by LBP was ineffectual and did not stop the running of the period of appeal. Also, the appellate court took note of the decision rendered by the Special Third (3rd) Division of the same court involving the same issue and parties, to wit:

All these notwithstanding LBP does not stand to lose anything at all. While it did suffer a setback in this instant case LBP in one way or the other still we note that it is likewise victorious in the appeal brought by the DAR (CA-G.R. SP 47005). In a decision rendered on November 6, 1998 this court ordered the trial court to recompute the compensation based on the selling price of palay at P213.00 per cavan. Thus to this

effect with more reason that we should deny the appeal – even granting the mode of appeal as availed of is correct – to avoid any contradiction of this division's with that of the other.^[9]

Petitioner LBP filed a motion for reconsideration but the same was denied in a resolution dated May 22, 2000.

Hence, this petition questioning the resolutions of the Fourth (4th) Division of the Court of Appeals on the following assignment of errors:

I

IN RULING THAT SECTION 60 OF RA 6657 PROVIDES THE PROPER MODE FOR THE REVIEW OF THE DECISIONS OF THE SPECIAL AGRARIAN COURTS DESPITE SECTION 61 OF RA 6657 WHICH EXPRESSLY MANDATES THAT THE RULES OF COURT SHALL GOVERN THE REVIEW OF THE DECISIONS OF THE SPECIAL AGRARIAN COURTS BY THE COURT OF APPEALS;

II

IN NOT RECOGNIZING THAT SECTION 61 OF RA 6657 PREVAILS OVER SECTION 60 OF RA 6657, INASMUCH AS THE MODE OF APPEAL OF A COURT'S DECISION IS A MATTER OF PROCEDURE WHICH IS COVERED BY THE EXCLUSIVE RULE-MAKING POWER OF THE SUPREME COURT UNDER SECTION 5(5), ARTICLE VIII OF THE 1987 CONSTITUTION AND IN ACCORDANCE WITH EXISTING JURISPRUDENCE;

III

IN DECLARING THAT THE SUPREME COURT MERELY MADE AN INADVERTENT "MISTAKE" IN REVISING SECTION 1, RULE 43 OF THE RULES OF COURT AND REMOVING THE DECISIONS OF THE SPECIAL AGRARIAN COURT FROM THE LIST OF THOSE APPEALABLE TO THE COURT OF APPEALS BY PETITION FOR REVIEW; AND

IV

IN DISMISSING THE APPEAL OF THE PETITIONER, DESPITE ITS RULING THAT THE SUPREME COURT MADE A MISTAKE IN ITS ADMINISTRATIVE ORDERS, RENDERING SUCH DISMISSAL AS HIGHLY UNJUST, OPPRESSIVE AND CONTRARY TO DUE PROCESS OF LAW. ^[10]

The case at bar requires an interpretation of Sections 60 and 61 of RA 6657. The said provisions provide that:

Section 60. Appeals, - An appeal may be taken from the decision of the Special Agrarian Courts by filing a petition for review with the Court of Appeals within fifteen (15) days from receipt of notice of the decision; otherwise, the decision shall become final.

Section 61.- Procedure in Review. – Review by the Court of appeals or the Supreme Court, as the case may be, shall be governed by the Rules of Court. The Court of Appeals, however, may require the parties to file simultaneous memoranda within a period of fifteen (15) days from notice, after which the case is deemed submitted for decision.

Respondent spouses point to Section 60 of RA 6657 to support their view that the mode of appeal initiated by petitioner LBP was erroneous. On the other hand, petitioner LBP believes that the mode of appeal it used is permissible under Section 61 of the same law.

What indeed is the proper mode of appeal from decisions of the Regional Trial Courts, sitting as Special Agrarian Courts, in the determination of just compensation — an appeal by way of a petition for review or an ordinary appeal?

Section 2 of Rule 41 of the 1997 Revised Rules of Civil Procedure provides for three modes of appeal, to wit:

Sec. 2. Modes of Appeal.—

(a) *Ordinary appeal.* – The appeal to the Court of Appeals in cases decided by the Regional Trial Court in the exercise of its original jurisdiction shall be taken by filing a notice of appeal with the court which rendered the judgment or final order appealed from and serving a copy thereof upon the adverse party. No record on appeal shall be required except in special proceedings and other cases or multiple or separate appeals where the law or these Rules so require. In such cases, the record on appeal shall be filed and served in like manner.

(b) *Petition for Review.* – The appeal to the Court of Appeals in cases decided by the Regional Trial Court in the exercise of its appellate jurisdiction shall be by petition for review in accordance with Rule 42.

(c) *Appeal by Certiorari.* – In all cases where only questions of law are raised or involved, the appeal shall be to the Supreme Court by petition for review on certiorari in accordance with Rule 45.

Petitioner LBP, in its bid to maintain the legitimacy of its appeal, contends that the proper mode of appeal from a decision of the Special Agrarian Court is by way of a notice of appeal due to the reference by Section 61 of RA 6657 to the Rules of Court as the governing procedure for appeals to the Court of Appeals. This being the case, the petitioner claims that the procedure for ordinary appealed cases provided for in Section 2(a) of Rule 41 of the 1997 Revised Rules of Civil Procedure must be followed, that is, a notice of appeal is required in order to perfect the appeal. According to the petitioner, this is the proper mode of appeal in the case at bar considering that the appealed decision is that of the Regional Trial Court in the exercise of its original jurisdiction. Moreover, Section 1 of Rule 43 of the 1997 Revised Rules of Civil Procedure^[11] (pertaining to appeals by way of petitions for review to the Court of Appeals of decisions of quasi-judicial agencies and the Court of Tax Appeals), does not include decisions of the Regional Trial Courts acting as Special Agrarian Courts.

We deny the petition.

A petition for review, not an ordinary appeal, is the proper procedure in effecting an appeal from decisions of the Regional Trial Courts acting as Special Agrarian Courts in cases involving the determination of just compensation to the landowners concerned. Section 60 of RA 6657 clearly and categorically states that the said mode of appeal should be adopted. There is no room for a contrary interpretation.