

SECOND DIVISION

[G.R. No. 125567, June 27, 2000]

ANTONIO (ANTONINO) SAMANIEGO, JOSE DE LA CRUZ, JOHN SAMANIEGO, ERNESTO SANTOS, MACARIO DE LA CRUZ, ANDRES PASTORIN, BENETRITO DE LA CRUZ, JESUS BATAAC AND RODOLFO LAGUISMA, PETITIONERS, VS. VIC ALVAREZ AGUILA, JOSEPHINE TAGUINOD AND SECRETARY OF THE DEPARTMENT OF AGRARIAN REFORM, RESPONDENTS.

DECISION

MENDOZA, J.:

This is a petition for review on *certiorari* of the decision^[1] of the Court of Appeals, dated January 25, 1996, denying petitioners' appeal from a decision of the Office of the President.

The sole issue in this case is whether the Office of the President is an indispensable party in an appeal from its decision and, therefore, must be impleaded pursuant to the Rules of Civil Procedure. For reasons to be discussed, we hold that it is not; accordingly, we remand the case to the Court of Appeals for review on the merits.

Petitioners are tenants in a landholding with an aggregate area of 10.4496 hectares, more or less, in Patul (now Malvar), Santiago, Isabela. The land belongs to Salud Aguila, whose children, Vic Alvarez Aguila and Josephine Taguinod, are private respondents.

It appears that the land in question was identified by the Department of Agrarian Reform (DAR)-Region 2 as covered by the Operation Land Transfer Program of the government. In 1976, Aguila, in behalf of her children, herein private respondents, filed a petition for exemption from the coverage of P.D. No. 27. Petitioners opposed the application on the ground that Aguila's transfer of the title to the lands to her children was in violation of the rules and regulations of the DAR.

In its August 21, 1991 decision, the Regional Director granted the application for exemption. On appeal to the DAR, the decision was affirmed in a decision dated September 28, 1992. However, on motion of petitioners, the DAR reversed its ruling and denied private respondents' application for exemption and declared petitioners the rightful farmer-beneficiaries of the land.

Private respondents appealed to the Office of the President which, in a decision, dated January 1, 1995, stated:

WHEREFORE, premises considered, the Order, dated January 6, 1993, of the Department of Agrarian Reform is hereby SET ASIDE. The earlier order of that Department, dated September 28, 1992, is hereby

CONFIRMED and REINSTATED with a modification that subject landholdings are not covered by the OLT program of the government pursuant to P.D. No. 27.

Petitioners appealed to the Court of Appeals, but their petition was dismissed. The appellate court held:

It is very clear from the allegations in the Petition For Review that the questioned decision and resolution were both issued by the Office of the President. As such, the Office of the President is an indispensable party to the case. Failure to implead said Office is fatal to the petitioners' cause and, hence, should be dismissed. (Cf: Sec.2, Rule 3, Revised Rules of Court.)

Time and again, it has been held that the joinder of indispensable parties is mandatory. Unless they are impleaded, the action cannot proceed and the omission is fatal to the plaintiff's cause. (United Paracale Mining Co. vs. Court of Appeals, et. al., 232 SCRA 663, 666.)

Petitioners moved for a reconsideration, contending that under Administrative Circular No. 1-95, the Office of the President need not be impleaded. However, their motion was denied.

Hence, this petition.

First. At the time petitioners brought their case to the Court of Appeals, the procedure governing appeals to said court from quasi-judicial agencies was embodied in Revised Administrative Circular No. 1-95, which provides in relevant parts:

TO: COURT OF APPEALS, COURT OF TAX APPEALS, THE SOLICITOR GENERAL, THE GOVERNMENT CORPORATE COUNSEL, ALL MEMBERS OF THE GOVERNMENT PROSECUTION SERVICE, AND ALL MEMBERS OF THE INTEGRATED BAR OF THE PHILIPPINES.

SUBJECT: RULES GOVERNING APPEALS TO THE COURT OF APPEALS FROM JUDGMENTS OR FINAL ORDERS OF THE COURT OF TAX APPEALS AND QUASI-JUDICIAL AGENCIES.

1. *Scope.*- These rules shall apply to appeals from judgments or final orders of the Court of Tax Appeals and from awards, judgments, final orders or resolutions of or authorized by any quasi-judicial agency in the exercise of its quasi-judicial functions. Among these agencies are the Civil Service Commission, Central Board of Assessment Appeals, Securities and Exchange Commission, Land Registration Authority, Social Security Commission, Office of the President, Civil Aeronautics Board, etc.

. . . .

6. *Contents of petition.* .- The petition for review shall (a) state the full names of the parties to the case, without impleading the court or agencies either as petitioners or respondents.... (Emphasis added).