

CHANROBLES PUBLISHING COMPANY

**SUPREME COURT
FIRST DIVISION**

NICANOR MARTILLANO,
Petitioner,

-versus-

**G.R. No. 148277
June 29, 2004**

**THE HONORABLE COURT OF
APPEALS and WILSON PO CHAM,**
Respondents.

X-----X

DECISION

YNARES-SANTIAGO, J.:

This is a Petition for Certiorari under Rule 65 of the 1997 Rules of Civil Procedure assailing the Decision of the Court of Appeals in CA-G.R. SP No. 49929^[1] dated September 19, 2000, and its Resolution dated March 9, 2001, which reversed and set aside the decision of the Department of Agrarian Reform Adjudication Board (DARAB)^[2] dated July 31, 1998; in effect, reinstating the Decision^[3] dated July 10, 1996 of the Provincial Adjudicator of Malolos, Bulacan, which declared private respondent Wilson Po Cham to have the right to retain the 1.3785 hectare property pursuant to Section 6 of Republic Act No. 6657.

The antecedent facts are as follows:

On April 24, 1989, Abelardo Valenzuela, Jr. instituted a complaint, docketed as DARAB Case 062-Bul '89, before the DAR Adjudication Board for the cancellation of the Certificate of Land Transfer (CLT) No. 0-042751 and/or Emancipation Patent Nos. A-308399 issued in favor of Nicanor Martillano. In his complaint, Valenzuela alleged that he is the absolute owner in fee simple of two parcels of land with an aggregate area of more or less 14,135 square meters located at Pandayan (formerly Ibayo), Meycauyan, Bulacan. He averred that he has never instituted Martillano as tenant-farmer and that the issuance of the said CLT and/or Emancipation Patents in his favor was erroneous and improper.

In answer to the complaint, Martillano claimed that he is a tenant of the Roman Catholic Church since 1972. He does not recognize the complainant as the true and lawful landowner of the land he was tilling. He further claimed that he acquired his tenurial status from his mother, Maria Martillano, and submitted in evidence a leasehold contract executed by and between the Roman Catholic Church of Meycauyan, Bulacan and Maria Martillano.

On April 4, 1990, Valenzuela sold 19 parcels of land with an aggregate land area of more or less 1.3785 hectares to private respondent Po Cham.^[4]

On April 19, 1990, the Regional Adjudication Board of the Department of Agrarian Reform, Region III, rendered a decision in DARAB Case No. 062-Bul '89 finding that Martillano was not a bona fide tenant and declaring that CLT No. 0-042751 and Emancipation Patent No. A-308399 are null and void. The dispositive portion of which reads:

WHEREFORE, premises considered, judgment is hereby rendered:

1. Declaring respondent Nicanor Martillano as not a bona fide tenant of the land in dispute, consisting of two (2) parcels known as Lot No. 18-C-1 with an area of 7,301 square meters and Lot No. 18-C-2 with an area of 6,834 square meters, situated at Pandayan (formerly

Ibayo), Meycauyan, Bulacan, owned by complainant Abelardo Valenzuela, Jr.;

2. Declaring null and void CLT No. 0-042751 and Emancipation Patent No. A-308399 generated in favor of respondent Nicanor F. Martillano for having been erroneously and improperly issued, and ordering their immediate recall and/or cancellation;
3. Ordering respondent Nicanor F. Martillano and all other persons claiming authority under him to immediately vacate subject landholding and surrender possession thereof to complainant Abelardo D. Valenzuela.

On appeal, the DARAB reversed the decision of the Regional Adjudication Board and declared Martillano as a bona fide tenant for the disputed land, and Certificate of Land Transfer No. 0-042751 and Emancipation Patent Nos. 308399 and 308400-(H) as valid. The decretal portion of the DARAB decision reads:

WHEREFORE, the Decision of the DAR Regional Adjudication Board dated April 19, 1990 is hereby REVERSED, and a new one entered:

1. Declaring the Appellant a bona fide tenant-tiller of the land in dispute;
2. Declaring and maintaining as valid the Certificate of Land Transfer numbered No. 0-042751 and the Emancipation patent Nos. 308399 and 308400-(H) issued to appellant;
3. Directing the DAR Provincial Agrarian Reform Officer (PARO) of Baliuag, Bulacan to register the said Emancipation Patents with the Register of Deed; for the Province of Bulacan and for the latter to enter the same in the Book of Registry; and

4. Denying the Motion for Reconsideration dated February 26, 1991 filed by Appellee for being moot and academic.

From this decision, no appeal was interposed by Valenzuela.

Meanwhile, as early as May 13, 1994, Valenzuela filed an application with the DAR, Region III for the retention of a portion of his landholdings with a total land area of 10.12625 hectares pursuant to Section 6 of RA 6657.^[5]

In an Order dated December 20, 1996, the DAR, Region III, thru then Regional Director Eugenio B. Bernardo, granted to Valenzuela 4.4597 hectares under TCT Nos. T-12773 (M) and T-12.774 (M) (formerly OCT No. 0-6061) as his retention area. Thus:

WHEREFORE, premises considered, an ORDER is hereby issued, as follows:

1. GRANTING Valenzuela an area of 4.4597 hectares under TCT Nos. T-12773 (M) and T-12.774 (M) (formerly OCT No. 0-6061) situated in Meycauyan, Bulacan, as his retention area;
2. DIRECTING Abelardo Valenzuela, Jr., to cause the segregation of his retained area at his own expense and to submit a copy of the segregation plan to this Office within thirty (30) days from the approval thereof; and,
3. MAINTAINING the legality and validity of the Emancipation patents of Apolinario Antonio, Severo San Felipe, Guillermo Pangilinan and Nicanor Martillano covering their respective tillages.

On March 11, 1997, William Po Cham filed a motion for intervention, claiming that he was the successor-in-interest of Abelardo Valenzuela, Jr. over a portion of 1.3785 hectares which is the subject of a Deed of Sale dated April 4, 1990.

Valenzuela's motion for reconsideration from the Order of DAR, Region III was treated as an appeal by the Department of Agrarian Reform, which declared the retained area of Valenzuela to be five hectares including the portion subject of the Deed of Absolute Sale to private respondent Po Cham consisting of 1.3785 hectares.

Earlier, on June 4, 1993, Po Cham filed a petition^[6] entitled "Wilson Po Cham vs. the MARO and Register of Deeds of Meycauyan, and PARO, all of the Province of Bulacan" before the DARAB, Region III, docketed as DARAB Case No. 512-Bul '94, for the cancellation of Emancipation Patents Nos. 308399 and 308400 in the name of Martillano. Significantly, Po Cham did not implead Nelson Martillano as one of the party-defendants in the case.^[7]

On July 10, 1996, DARAB, Region III rendered its decision, the dispositive portion of which reads:^[8]

WHEREFORE, premises considered, judgment is hereby rendered:

1. Declaring Petitioner (Wilson Po Cham) has the right to retain the 1.3785 hectare of property covered by the above-mentioned titles pursuant to Section 6, R.A. No. 6657;
2. Directing respondents PARO of Bulacan and Register of Deeds of Meycauyan, both of Bulacan to recall and cancel EP No. 308399/TCT No. EP-062 (M) and EP No. 308400 (H)/TCT No. EP-061 (M) and;
3. Directing tenant Nicanor F. Martillano be maintained in peaceful possession of the subject landholding that he is actually cultivating.

Dissatisfied, Po Cham filed an appeal before the DARAB which rendered a decision on July 31, 1998, the decretal portion of which reads:^[9]

WHEREFORE, finding reversible errors committed by the Honorable Adjudicator a quo the decision appealed from is hereby REVERSED and a new decision entered.

1. Declaring Nicanor Martillano as the lawful farmer-beneficiary and maintaining the Emancipation Patents numbered 30399 and 308400 issued in his name as valid; and
2. Maintaining Nicanor F. Martillano in peaceful possession and cultivation of the subject landholding; and
3. Declaring the conveyance of the landholding between Abelardo Valenzuela, Jr. and Plaintiff-Appellee Wilson Po Cham as null and void for being contrary to law and public policy.

Unfazed by the adverse ruling, private respondent Po Cham filed a petition for review before the Court of Appeals assailing the decision of DARAB. On September 19, 2000, the Court of Appeals rendered the challenged decision, which granted the petition and reversed and set aside the July 31, 1998 decision of the DARAB.^[10]

On March 9, 2001, the appellate court denied for lack of merit the motion for reconsideration filed by petitioner Martillano.

Hence the instant petition based on the following grounds:

I

THE RESPONDENT COURT ACTED WITHOUT JURISDICTION OR IN EXCESS OF JURISDICTION OR WITH GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OF JURISDICTION IN RENDERING THE QUESTIONED DECISION OF SEPTEMBER 19, 2000 REVERSING AND SETTING ASIDE THE DARAB DECISION OF JULY 31, 1998 AND REINSTATING THE PROVINCIAL ADUDICATOR'S DECISION OF JULY 10, 1996.

II

THE RESPONDENT COURT ACTED WITHOUT JURISDICTION OR IN EXCESS OF JURISDICTION OR WITH GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OF JURISDICTION IN ISSUING THE ASSAILED RESOLUTION OF MARCH 9, 2001 DENYING MARTILLANO'S MOTION FOR RECONSIDERATION OF THE AFORESAID QUESTIONED DECISION.^[11]

In the instant case, petitioner is appealing a final decision of the Court of Appeals by resorting to Rule 65, when his remedy should be based on Rule 45. This case should have been dismissed outright for failure by the petitioner to adopt the proper remedy. While ordinarily, certiorari is unavailing where the appeal period has lapsed, there are exceptions. Among them are (a) when public welfare and the advancement of public policy dictates; (b) when the broader interest of justice so requires; (c) when the writs issued are null and void; (d) or when the questioned order amounts to an oppressive exercise of judicial authority. Hence, in the interest of substantial justice, we deem it wise to overlook the procedural technicalities if only to demonstrate that despite the procedural infirmity, the instant petition is impressed with merit.^[12]

Petitioner contends that the failure of private respondent Po Cham to implead him as party defendant in DARAB Case No. 512-Bul '94 divested the Provincial Adjudicator of jurisdiction in rendering its decision of July 10, 1996 which cancelled the Certificate of Land Transfer and the Emancipation Patents issued in his favor. For this procedural defect, he argues that DARAB Case No. 512-Bul '94 should have been dismissed outright inasmuch as under the Rules of Civil Procedure, the Provincial Adjudicator could not proceed thereon without him being impleaded because he is an indispensable party. He reasons that in the said case, Po Cham sought the cancellation of his CLT and Emancipation Patents which directly affects his rights and interests over his landholdings. The Provincial Adjudicator should have dismissed DARAB Case No. 512-Bul '94 instead of erroneously and irregularly proceeding thereon and rendering a decision adverse to him, specifically, the cancellation of his CLT and Emancipation Patents.

Petitioner further argues that although the decision in DARAB Case No. 062-Bul '89 of the Regional Adjudication Board of the Department of Agrarian Reform, Region III on April 19, 1990 was adverse to him, the DARAB on September 18, 1992 reversed the decision of the lower body and ruled that he is a bona fide tenant in the disputed land. It further affirmed the validity of his CLT and the Emancipation Patents. He points out that since Valenzuela did not appeal from the September 18, 1992 decision, the same became final and incontestable, thus finally rendering unassailable his ownership of the subject landholdings. Since DARAB Case No. 062-Bul '89 had long become final and executory before the filing of DARAB Case No. 512-Bul '94, and considering further that both cases involve the same subject matter, i.e., his 1.3785 hectare landholding, the former case constitutes *res adjudicata* as to the latter.

Petitioner further asserts that the finality of DARAB Case No. 062-Bul '89 operates as a bar to the application by Valenzuela for retention, considering that both cases had a common objective, that is, the cancellation of his CLT and the Emancipation Patents.

The petition is meritorious. It is at once apparent from the records, as shown above, that as early as April 24, 1989, Valenzuela filed a complaint for cancellation of Certificate of Land Transfer and Emancipation Patents issued in the name of Martillano. At the first instance, the adjudication board declared Martillano to be not a bona fide tenant of the land in dispute. On appeal, however, the DARAB reversed the ruling of the adjudication board. Valenzuela did not appeal this adverse decision which, for all intents and purposes, became final and executory after the lapse of the period within which to file an appeal.

It bears noting that an administrative adjudication partakes of the nature of judicial proceedings. The Department of Agrarian Reform, through its adjudication boards, exercises quasi-judicial functions and jurisdiction on all matters pertaining to agrarian dispute or controversy and the implementation of agrarian reform laws. Its judicial determinations have the same binding effect as judgments and orders of a regular judicial body. At this juncture, reference is

made to pertinent sections of RA 6657 or the Comprehensive Agrarian Reform Law of 1988, namely:

Section 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 involving the implementation of agrarian reform, except those falling under the exclusive jurisdiction of the Department of Agriculture (DA) and the Department of Environment and Natural Resources.

Section 51. Finality of determination. – Any case or controversy before it shall be decided within thirty (30) days after it is submitted for resolution. Only one (1) motion for reconsideration shall be allowed. Any order, ruling or decision shall be final after the lapse of fifteen (15) days from receipt of a copy thereof.

Under the afore-cited sections of RA 6657, the Department of Agrarian Reform is empowered, through its adjudicating arm the regional and provincial adjudication boards, to resolve agrarian disputes and controversies on all matters pertaining to the implementation of the agrarian law. Section 51 thereof provides that the decision of the DARAB attains finality after the lapse of fifteen (15) days and no appeal was interposed therefrom by any of the parties.

In the instant case, the determination of the DARAB in DARAB Case No. 062-Bul '89, there being no appeal interposed therefrom, attained finality. Accordingly, the matter regarding the status of Martillano as a tenant farmer and the validity of the CLT and Emancipation Patents issued in his favor are settled and no longer open to doubt and controversy.

In disputing petitioner's arguments, private respondent Po Cham heavily relies on this Court's pronouncements in *Pagtalunan vs. Tamayo*^[13] where it was categorically stated that "the mere issuance of the certificate of land transfer does not vest in the farmer/grantee ownership of the land described therein." Compliance with certain pre-conditions, such as payment of his lease rentals or amortization

payments when they fall due for a period of two (2) years to the landowner, is necessary in order that the grantee can claim the right of absolute ownership over them. Prescinding therefrom, private respondent contends that the ownership of the disputed landholdings by petitioner is still contestable and subject to revocation where there is no showing that he has complied with the prescribed pre-conditions for the grant of absolute ownership.

We do not agree. Private respondent conveniently overlooks the fact that petitioner was issued both the CLT and Emancipation Patents. Both instruments have varying legal effects and implications insofar as the grantee's entitlements to his landholdings. A certificate of land transfer merely evinces that the grantee thereof is qualified to, in the words of Pagtalunan, "avail of the statutory mechanisms for the acquisition of ownership of the land tilled by him as provided under Pres. Decree No. 27." It is not a muniment of title that vests upon the farmer/grantee absolute ownership of his tillage. On the other hand, an emancipation patent, while it presupposes that the grantee thereof shall have already complied with all the requirements prescribed under Presidential Decree No. 27, serves as a basis for the issuance of a transfer certificate of title. It is the issuance of this emancipation patent that conclusively entitles the farmer/grantee of the rights of absolute ownership. Pagtalunan distinctly recognizes this point when it said that:

It is the emancipation patent which constitutes conclusive authority for the issuance of an Original Certificate of Transfer, or a Transfer Certificate of Title, in the name of the grantee.

Clearly, it is only after compliance with the above conditions which entitle a farmer/grantee to an emancipation patent that he acquires the vested right of absolute ownership in the landholding — a right which has become fixed and established, and is no longer open to doubt or controversy [See definition of "vested right" or "vested interest" in *Balbao vs. Farrales*, 51 Phil. 498 (1928); *Republic of the Philippines vs. de Porkan*, G.R. No. 66866, June 18, 1987, 151 SCRA 88]. At best, the farmer/grantee, prior to compliance with these conditions, merely possesses a contingent or expectant right of ownership over the landholding.

We recall that DARAB Case 062-Bul '89 was for the cancellation of petitioner's CLT and Emancipation patents. The same effect is sought with the institution of DARAB Case No. 512-Bul '94, which is an action to withdraw and/or cancel administratively the CLT and Emancipation Patents issued to petitioner. Considering that DARAB Case 062-Bul '89 has attained finality prior to the filing of DARAB Case No. 512-Bul '94, no strenuous legal interpretation is necessary to understand that the issues raised in the prior case, i.e., DARAB Case No. 062-Bul '89, which have been resolved with finality, may not be litigated anew.

The instant case is complicated by the failure of the complainant to include Martillano as party-defendant in the case before the adjudication board and the DARAB, although he was finally impleaded on appeal before the Court of Appeals.

The belated inclusion of Martillano as respondent in the petition will not affect the applicability of the doctrine of bar by prior judgment. What is decisive is that the issues which have already been litigated in a final and executory judgment precludes, by the principle of bar by prior judgment, an aspect of the doctrine of *res judicata*, and even under the doctrine of "law of the case", the re-litigation of the same issue in another action. It is well established that when a right or fact has been judicially tried and determined by a court of competent jurisdiction, so long as it remains unreversed, it should be conclusive upon the parties and those in privity with them. The dictum therein laid down became the law of the case and what was once irrevocably established as the controlling legal rule or decision, continues to be binding between the same parties as long as the facts on which the decision was predicated, continue to be the facts of the case before the court. Hence, the binding effect and enforceability of that dictum can no longer be resurrected anew since said issue had already been resolved and finally laid to rest, if not by the principle of *res judicata*, at least by conclusiveness of judgment.^[14]

In *Mallari vs. Court of Appeals*, we clarified that the principle of *res judicata* may not be evaded by the mere expedient of including an additional party to the first and second action, thus:^[15]

But even if the cause of action in the Second Certiorari Petition were different, the issue determined in the First Certiorari Petition, to reiterate, the validity of the Receivership Order, must, as between the same parties, be taken as conclusively established so long as the judgment in the First Certiorari Petition remains unmodified. This is the rule on conclusiveness of judgment, another aspect of res judicata doctrine, as enunciated in section 49 of the Rules of Court.

In the same case, we elucidated further on the doctrine of “the law of the case” in this wise:

And even under the “law of the case” doctrine, as aptly held in the original Decision in the Second Certiorari Petition (CA-G.R. No. 36093-R), the Receivership Order is no longer open to further re-litigation. It constitutes the controlling legal rule between the parties and cannot be modified or amended. By “law of the case” is meant that whatever is once irrevocably established as the controlling legal rule or decision between the same parties in the same case continues to be the law of the case so long as the facts on which the decision was predicated continue to be the facts of the case before the court.

As fully as public policy demands that finality be accorded to judicial controversies, public interest requires that proceedings already terminated should not be altered at every step, for the rule non quita movere dictates that what has been terminated should not be disturbed. Sound public policy dictates that, at the risk of occasional errors, we must write finis, at one time or another, to judicial disputes.

WHEREFORE, in view of the foregoing, the Petition is **GRANTED**. The assailed Decision of September 19, 2000 and the Resolution of March 9, 2001 are **SET ASIDE**. The Certificate of Land Transfer (CLT) No. 0-042751 and/or Emancipation Patents Nos. A-308399 and A-308400 issued in favor of petitioner are maintained.

SO ORDERED.

**Davide, Jr., C.J., Panganiban, Carpio, and Azcuna, JJ.,
concur.**

- [1] Decision penned by Justice Delilah Vidallon-Magtolis, concurred in by Associate Justices Teodoro P. Regino and Perlita J. Tria Tirona, Thirteenth Division Court of Appeals.
- [2] DARAB Case No. 5548.
- [3] DARAB Case No. 512-Bul. '94.
- [4] CA Records, Annexes "J"- "J-2."
- [5] Comprehensive Agrarian Reform Law of 1988.
- [6] Docketed as Case No. 512-B-93.
- [7] Rollo, p. 93.
- [8] Id., p. 105.
- [9] Id., p. 86.
- [10] Id., p. 243.
- [11] Id., p. 36.
- [12] Spouses Go vs. Court of Appeals, G.R. No. 151942, 27 November 2003; Chua, et al. vs. Court of Appeals, G.R. No. 121438, 23 October 2000, 344 SCRA 136.
- [13] G.R. No. 54281, 19 March 1990, 183 SCRA 252.
- [14] De Villa vs. Jacob, G.R. No. L-29420, 14 November 1988, 167 SCRA 303.
- [15] G.R. No. L-26467, 15 July 1981, 105 SCRA 430.