



SUPREME COURT OF THE PHILIPPINES
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Republic of the Philippines
Supreme Court
Manila

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THE HONORABLE SECRETARY OF THE DEPARTMENT OF AGRARIAN REFORM, THE DAR REGIONAL DIRECTOR, REGION VIII, THE PROVINCIAL AGRARIAN REFORM OFFICER OF PROVINCE OF LEYTE, MUNICIPAL AGRARIAN REFORM OFFICER OF TABANGO, LEYTE, THE REGISTER OF DEEDS OF LEYTE, **G.R. No. 186432**
Petitioners,

-versus-

HEIRS OF REDEMPTOR AND ELISA ABUCAY, namely: RENA B. ABUCAY, RHEA B. ABUCAY-BEDUYA, RIS B. ABUCAY-BUANTE, ELVER B. ABUCAY, REDELISA ABUCAY-AGUSTIN, RHOTA B. ABUCAY, herein represented by attorney-in-fact RENA B. ABUCAY,
Respondents.

X-----X
THE HONORABLE SECRETARY OF THE DEPARTMENT OF AGRARIAN REFORM, THE DAR REGIONAL DIRECTOR, REGION VIII, THE PROVINCIAL AGRARIAN REFORM OFFICER,

X-----X
G.R. No. 186964
Present:
BERSAMIN, C.J.,
CARPIO,

PROVINCE OF LEYTE,
Petitioners,

-versus-

**HEIRS OF REDEMPTOR AND
ELISA ABUCAY, namely: RENA B.
ABUCAY, RHEA B. ABUCAY-
BEDUYA, RIS B. ABUCAY-
BUANTE, ELVER B. ABUCAY,
REDELISA ABUCAY-AGUSTIN,
RHOTA B. ABUCAY,**
Respondents.

PERALTA,
DEL CASTILLO,
PERLAS-BERNABE,
LEONEN,
JARDELEZA,
CAGUIOA,
A. B. REYES, JR.,
GESMUNDO,
J. C. REYES, JR.,
HERNANDO,
CARANDANG, and
LAZARO JAVIER,** JJ.

Promulgated:
March 12, 2019

X-----X

DECISION

LEONEN, J.:

The jurisdiction over the administrative implementation of agrarian laws exclusively belongs to the Department of Agrarian Reform Secretary. This is true even if the dispute involves the cancellation of registered emancipation patents and certificates of title, which, before Republic Act No. 9700 amended Republic Act No. 6657 or the Comprehensive Agrarian Reform Law, was cognizable by the Department of Agrarian Reform Adjudication Board.

This resolves the consolidated¹ Petitions for Review on Certiorari separately filed by the Department of Agrarian Reform Regional Director for Region VIII² and the Provincial Agrarian Reform Officer of Leyte,³ both assailing the Court of Appeals September 26, 2008 Decision⁴ and January 30, 2009 Resolution⁵ in CA-G.R. CEB-SP No. 02637. The Court of Appeals reversed and set aside the May 10, 2006 Decision⁶ of the Department of

** No part.

¹ *Rollo* (G.R. No. 186432), p. 129 and *rollo* (G.R. No. 186964), p. 175. Resolution dated June 15, 2009.

² *Rollo* (G.R. No. 186432), pp. 12-46. Docketed as G.R. No. 186432.

³ *Rollo* (G.R. No. 186964), pp. 14-40. Docketed as G.R. No. 186964.

⁴ *Rollo* (G.R. No. 186432), pp. 47-61 and *rollo* (G.R. No. 186964), pp. 137-150. The Decision was penned by Associate Justice Amy C. Lazaro-Javier (now an Associate Justice of this Court), and concurred in by Associate Justices Francisco P. Acosta and Edgardo L. De Los Santos of the Twentieth Division, Court of Appeals, Cebu City.

⁵ *Rollo* (G.R. No. 186432), pp. 62-67 and *rollo* (G.R. No. 186964) pp. 166-171. The Resolution was penned by Associate Justice Amy C. Lazaro-Javier (now an Associate Justice of this Court), and concurred in by Associate Justices Francisco P. Acosta and Edgardo L. De Los Santos of the Former Twentieth Division, Court of Appeals, Cebu City.

⁶ *Rollo* (G.R. No. 186432), pp. 112-121 and *rollo* (G.R. No. 186964), pp. 77-89. The Decision was penned by Assistant Secretary Edgar A. Igano, and was concurred in by Officer-in-Charge Secretary Nasser C. Pangandaman, Assistant Secretary Augusto P. Quijano, Officer-in-Charge Undersecretary

Agrarian Reform Adjudication Board and reinstated the June 16, 2005 Decision⁷ of the Regional Agrarian Reform Adjudicator for Region VIII, which voided the emancipation patents issued to the farmer-beneficiaries in this case.

On October 14, 1983, the Spouses Redemptor and Elisa Abucay (Spouses Abucay) purchased⁸ a 182-hectare parcel of land from Guadalupe Cabahug (Cabahug). The property is located in Leyte and is covered by Transfer Certificate of Title No. T-9814.⁹ The Deed of Absolute Sale provided that the property “consists of various classifications, and is untenanted except for 39.459 hectares, and per certification of the Agrarian Reform Team No. 08-28-231 appears to be within the coverage of Operation Land Transfer as to the tenanted area of over 39 hectares.”¹⁰

Sometime in 1986, 22.8409 hectares of the lot were declared covered under the Operation Land Transfer Program pursuant to Presidential Decree No. 27.¹¹ Emancipation patents were then issued to the farmer-beneficiaries.¹² Later, the Register of Deeds issued original certificates of title in their names.¹³

On June 28, 2002, Rena B. Abucay, Rhea B. Abucay-Beduya, Ris B. Abucay-Buante, Elver B. Abucay, Redelisa Abucay-Agustin, and Rhota B. Abucay (collectively, the Heirs of Spouses Abucay) filed before the Regional Agrarian Reform Adjudicator a Complaint¹⁴ for the proper determination of just compensation.

The Heirs of Spouses Abucay alleged that they inherited the 182-hectare property upon their parents' death and enjoyed its ownership and possession. They claimed that they did not receive any just compensation for the 22 hectares of the property that was placed under the Operation Land Transfer Program. The Certificate of Deposit worth ₱103,046.47—issued in 2001 by the Land Bank of the Philippines as compensation—was not only

Narciso B. Nieto, Undersecretary Nestor R. Acosta, Acting Assistant Secretary Ma. Patricia Rualo-Bello, and Assistant Secretary Delfin B. Samson of the Department of Agrarian Reform Adjudication Board.

⁷ *Rollo* (G.R. No. 186432), pp. 105–108. The Decision was penned by Regional Adjudicator Felixberto M. Diloy of the Office of the Regional Adjudicator, Tacloban City.

⁸ *Rollo* (G.R. No. 186432), pp. 88–89 and *rollo* (G.R. No. 186964), pp. 44–45. Deed of Absolute Sale dated October 14, 1983.

⁹ *Rollo* (G.R. No. 186964), pp. 41–43.

¹⁰ *Rollo* (G.R. No. 186432), p. 89 and *rollo* (G.R. No. 186964), p. 45.

¹¹ Decreeing the Emancipation of Tenants from the Bondage of the Soil, Transferring to Rhem the Ownership of the Land They Till and Providing the Instruments and Mechanism Therefor.

¹² The farmer-beneficiaries were Florencio V. Cartagenas, Renato V. Cartagenas, Tomas G. Cartagenas, Manuel V. Ceneza, Abraham C. Cuervo, Federico H. Cuervo, Francisco H. Cuervo, Ricardo H. Cuervo, Lope Q. Damayo, Bartolome P. Dondon, Amparo C. Erejer, Gregorio Ihada, Victorio Malamdag, Jesus I. Noynay, Juanito M. Ostera, Rufino Quimson, Leon Rivera, Gregoria B. Tero, Frederico N. Velasco, and Francisco Velasco.

¹³ *Rollo* (G.R. No. 186432), pp. 50–51 and *rollo* (G.R. No. 186964), pp. 139–140.

¹⁴ *Rollo* (G.R. No. 186432), pp. 90–95 and *rollo* (G.R. No. 186964), pp. 46–50.

inadequate, but was also issued to Cabahug, the property's previous owner.¹⁵ Thus, they prayed, among others, that they be paid ₱2,000,000.00 as just compensation.¹⁶

In his March 8, 2004 Decision,¹⁷ Regional Agrarian Reform Adjudicator Felixberto M. Diloy (Regional Adjudicator Diloy) held that there was no proper valuation of the property to determine just compensation. He found that the Final Notification Letter was not sent to the property's then registered owner, Cabahug, but to her father, the deceased Sotero Cabahug. Thus, administrative due process was not followed, which nullified the coverage of the 22-hectare property under the Operation Land Transfer program.¹⁸ Regional Adjudicator Diloy declared the emancipation patents issued to the farmer-beneficiaries void.¹⁹

The dispositive portion of the Decision read:

WHEREFORE, premises considered, judgment is hereby ordered[:]

1. NULLIFYING the coverage of the subject landholding in the name of Guadalupe Cabahug for lack of administrative due process;

2. DIRECTING the PARO of Leyte thru the MARO of Tabango, Leyte to effect the coverage of the property in question under P.D. No. 27/R.A. 6657 thru the herein complainants who are subrogated to the rights of their deceased parents and the original owner, Guadalupe Cabahug[;]

3. DECLARING the Original Certificates of Title/Emancipation Patents issued to the following farmer-beneficiaries of the subject landholding null and void, . . .

....

with the further advi[c]e to parties to file the necessary petition for the cancellation of the said titles.

SO ORDERED.²⁰

Following this, the Heirs of Spouses Abucay filed another Complaint²¹ dated April 26, 2004 for the cancellation of original certificates

¹⁵ *Rollo* (G.R. No. 186432), pp. 91–93 and *rollo* (G.R. No. 186964), pp. 47–49.

¹⁶ *Rollo* (G.R. No. 186432), p. 94 and *rollo* (G.R. No. 186964), p. 50.

¹⁷ *Rollo* (G.R. No. 186432), pp. 96–104 and *rollo* (G.R. No. 186964), pp. 51–59.

¹⁸ *Rollo* (G.R. No. 186432), pp. 98 and 100 and *rollo* (G.R. No. 186964), pp. 53 and 55.

¹⁹ *Rollo* (G.R. No. 186432), p. 103 and *rollo* (G.R. No. 186964), p. 58.

²⁰ *Rollo* (G.R. No. 186432), pp. 102–104 and *rollo* (G.R. No. 186964), pp. 57–59.

²¹ *Rollo* (G.R. No. 186432), pp. 82–87 and *rollo* (G.R. No. 186964), pp. 60–65.

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of title and emancipation patents. This time, they also impleaded the farmer-beneficiaries as respondents.²²

In his June 16, 2005 Decision,²³ Regional Adjudicator Diloy similarly canceled the original certificates of title and voided the emancipation patents issued to the farmer-beneficiaries. The dispositive portion of his Decision read:

WHEREFORE, premises considered, judgment is hereby rendered,

1. Declaring the following OCTs/EPs issued to private respondents [farmer-beneficiaries] null and void and without force and effect:

....

2. Ordering the Register of Deeds for Leyte to effect the said cancellation of the aforementioned titles issued to private respondents;

3. Ordering the private respondents to return the owners duplicate of titles to the MARO of Tabango, Leyte;

4. In the meantime that the correct titles ([T]ransfer Certificate of Titles) (*sic*) are not yet issued, private respondents are ordered to pay the corresponding rentals to complainants subject however to the provision of E.O. No. 328 and other applicable agrarian laws and rules.

SO ORDERED.²⁴

In its May 10, 2006 Decision,²⁵ the Department of Agrarian Reform Adjudication Board reversed Regional Adjudicator Diloy's June 16, 2005 Decision and declared itself wanting of jurisdiction over the appeal.²⁶ It found that the nature of the action filed by the Heirs of Spouses Abucay was an Operation Land Transfer protest,²⁷ an agrarian law implementation case under the primary jurisdiction of the Regional Director²⁸ of the Department

²² The impleaded farmer-beneficiaries were Eliaquim V. Cartagenas, Florencio V. Cartagenas, Renato V. Cartagenas, Roman G. Cartagenas, Manuel V. Ceneza, Abraham C. Cuervo, Federico H. Cuervo, Francisco H. Cuervo, Ricardo H. Cuervo, Lope Q. Damayo, Bartolome P. Dondon, Amparo C. Erejer, Gregorio Ihada, Loreto Ihado, Victorio Malamdag, Jesus J. Noynay, Juanito M. Ostera, Rufino Quimson, Leon F. Revira, Gregorio B. Tero, Silvino L. Tero, Federico M. Velasco, and Francisco Velasco. *See rollo* (G.R. No. 186432), p. 81 and *rollo* (G.R. No. 186964), p. 60.

²³ *Rollo* (G.R. No. 186432), pp. 105–108.

²⁴ *Rollo* (G.R. No. 186432), pp. 107–108.

²⁵ *Rollo* (G.R. No. 186432), pp. 112–121 and *rollo* (G.R. No. 186964), pp. 77–89.

²⁶ *Rollo* (G.R. No. 186432), p. 120 and *rollo* (G.R. No. 186964), p. 88.

²⁷ *Rollo* (G.R. No. 186432), p. 116; and *Rollo* (G.R. No. 186964), p. 87. Department of Agrarian Reform Adm. Order No. 03 (2003), Rule I, sec. 2(2.1) provides:

SECTION 2. *ALI cases.* These Rules shall govern all cases arising from or involving:

2.1. Classification and identification of landholdings for coverage under the agrarian reform program and the initial issuance of Certificate of Land Ownership Awards (CLOAs) and Emancipation Patents (EPs), including protests or oppositions thereto and petitions for lifting of such coverage[.]

²⁸ DAR Administrative Order No. 03 (2003), Rule II, sec. 8 provides:

SECTION 8. *Jurisdiction over protests or petitions to lift coverage.* The Regional Director shall exercise primary jurisdiction over protests against CARP coverage or petitions to lift notice of coverage. If the ground for the protest or petition to lift CARP coverage is exemption or exclusion of

of Agrarian Reform and the consequent appeal, to the Department of Agrarian Reform Secretary.²⁹

The Department of Agrarian Reform Adjudication Board also found that when Cabahug sold the property in 1983, the farmer-beneficiaries had already owned the property they tilled pursuant to Presidential Decree No. 27. Therefore, the Heirs of Spouses Abucay were not the proper parties to question the agrarian reform coverage of the 22-hectare property.³⁰

The dispositive portion of the Department of Agrarian Reform Adjudication Board Decision read:

WHEREFORE, premises considered[,] the assailed decision dated 16 June 2005 is hereby **REVERSED** and **SET ASIDE** [and] a new judgment is hereby issued **DISMISSING** the instant complaint for lack of merit and for lack of jurisdiction without prejudice.

SO ORDERED.³¹ (Emphasis in the original)

The Heirs of Spouses Abucay filed a Motion for Reconsideration, which the Department of Agrarian Reform Adjudication Board denied in its February 27, 2007 Resolution.³²

Hence, the Heirs of Spouses Abucay filed a Petition for Review³³ before the Court of Appeals.

In its September 26, 2008 Decision,³⁴ the Court of Appeals reversed the rulings of the Department of Agrarian Reform Adjudication Board. Citing the 2003 Rules of Procedure for Agrarian Law Implementation Cases, it held that the Regional Director had primary jurisdiction over complaints for the cancellation of emancipation patents only if these were *not yet* registered with the Register of Deeds.³⁵ Since the emancipation patents had

the subject land from CARP coverage, the Regional Director shall either resolve the same if he has jurisdiction, or refer the matter to the Secretary if jurisdiction over the case belongs to the latter.

²⁹ DAR Administrative Order No. 03 (2003), Rule II, sec. 10 provides:

SECTION 10. *Appellate Jurisdiction.* The Secretary shall exercise appellate jurisdiction over all ALI cases, and may delegate the resolution of appeals to any Undersecretary.

³⁰ *Rollo* (G.R. No. 186432), pp. 119–120 and *rollo* (G.R. No. 186964), pp. 87–88.

³¹ *Rollo* (G.R. No. 186432), p. 120 and *rollo*, (G.R. No. 186964), p. 88.

³² *Rollo* (G.R. No. 186964), pp. 93–95. The Resolution was penned by Assistant Secretary Edgar A. Igano, and was concurred in by Officer-in-Charge Secretary Nasser C. Pangandaman, Assistant Secretary Augusto P. Quijano, Undersecretary Narciso B. Nieto, Undersecretary Nestor R. Acosta, Acting Assistant Secretary Ma. Patricia Rualo-Bello, and Assistant Secretary Delfin B. Samson of the Department of Agrarian Reform Adjudication Board.

³³ *Rollo* (G.R. No. 186964), pp. 96–125.

³⁴ *Rollo* (G.R. No. 186432), pp. 47–61 and *rollo* (G.R. No. 186964), pp. 137–150.

³⁵ DAR Administrative Order No. 03 (2003), Rule I, sec. 2(2.4) provides:

SECTION 2. *ALI cases.* These Rules shall govern all cases arising from or involving:

2.4. Recall, cancellation or provisional lease rentals, Certificates of Land Transfers (CLTs) and CARP Beneficiary Certificates (CBCs) in cases outside the purview of Presidential Decree (PD) No.

already been registered with the Register of Deeds of Leyte, jurisdiction over the Complaint properly belonged to the Regional Agrarian Reform Adjudicator.³⁶ Consequently, the appeal's jurisdiction lies with the Department of Agrarian Reform Adjudication Board³⁷ under the 2003 Department of Agrarian Reform Adjudication Board Rules of Procedure.³⁸

In addition, the Court of Appeals held that the Heirs of Spouses Abucay were the proper parties to file the Complaint for cancellation of original certificates of title and emancipation patents. It explained that since Cabahug had not yet been fully paid just compensation for the property in 1983, she was still its owner when she sold it to Spouses Abucay. Moreover, Cabahug validly transferred her title to the property to Spouses Abucay which, upon their death, was later transferred to their children.³⁹

Essentially agreeing with Regional Adjudicator Diloy's Decision, the Court of Appeals held that Cabahug was not afforded due process during the acquisition proceedings. Thus, it declared void the property's distribution to the farmer-beneficiaries and the issuance of emancipation patents and original certificates of title.⁴⁰

The dispositive portion of the Court of Appeals Decision read:

WHEREFORE, the *Decision* dated May 10, 2006 and the *Resolution* dated February 27, 2007 of the Department of Agrarian Reform Adjudication Board (DARAB), in DARAB Case No. 13978 are **REVERSED and SET ASIDE**. The Decision dated June 16, 2005 of the Regional Adjudicator is **REINSTATED**. Accordingly, the OLT coverage of petitioners' property and the corresponding emancipation patents and original certificates of title issued relative thereto are declared **NULL AND VOID**. No costs.

SO ORDERED.⁴¹ (Citations omitted)

816, including the issuance, recall, or cancellation of Emancipation Patents (EPs) or Certificates of Land Ownership Awards (CLOAs) not yet registered with the Register of Deeds[.]

³⁶ DARAB Rules of Procedure (2003), Rule II, sec. 1(1.6) provides:

SECTION 1. *Primary and Exclusive Original Jurisdiction*. — The Adjudicator shall have primary and exclusive original jurisdiction to determine and adjudicate the following cases:

....

1.6 Those involving the correction, partition, cancellation, secondary and subsequent issuances of Certificates of Land Ownership Award (CLOAs) and Emancipation Patents (EPs) which are registered with the Land Registration Authority[.]

³⁷ DARAB Rules of Procedure (2003), Rule II, sec. 2 provides:

SECTION 2. *Appellate Jurisdiction of the Board*. — The Board shall have exclusive appellate jurisdiction to review, reverse, modify, alter, or affirm resolutions, orders, and decisions of its Adjudicators.

No order of the Adjudicators on any issue, question, matter, or incident raised before them shall be elevated to the Board until the hearing shall have been terminated and the case decided on the merits.

³⁸ *Rollo* (G.R. No. 186432), pp. 54–57 and *rollo* (G.R. No. 186964), pp. 143–146.

³⁹ *Rollo* (G.R. No. 186432), pp. 57–59 and *rollo* (G.R. No. 186964), pp. 146–148.

⁴⁰ *Rollo* (G.R. No. 186432), pp. 59–60 and *rollo* (G.R. No. 186964), pp. 148–149.

⁴¹ *Rollo* (G.R. No. 186432), p. 60 and *rollo* (G.R. No. 186964), p. 149.

The Department of Agrarian Reform Regional Director for Region VIII and the Provincial Agrarian Reform Officer of Leyte separately filed their Motions for Reconsideration, both of which were denied in the Court of Appeals January 30, 2009 Resolution.⁴²

Two (2) Petitions for Review on Certiorari were filed before this Court on April 7, 2009. One (1)⁴³ was filed by the Department of Agrarian Reform Regional Director for Region VIII, docketed as G.R. No. 186432. The other⁴⁴ was filed by the Provincial Agrarian Reform Officer of Leyte, docketed as G.R. No. 186964.

Since both Petitions assail the same Court of Appeals Decision, this Court resolved⁴⁵ to consolidate G.R. Nos. 186432 and 186964. Respondents, the Heirs of Spouses Abucay, then filed a Joint Comment⁴⁶ on the consolidated Petitions, after which only the Provincial Agrarian Reform Officer filed a Reply.⁴⁷

Petitioners maintain that respondents' Complaint for cancellation of original certificates of title and emancipation patents is essentially an Operation Land Transfer protest that assails the coverage of the 22-hectare property under the Operation Land Transfer Program. The case, therefore, is an agrarian reform law implementation case under the exclusive original jurisdiction of the Regional Director; the appellate jurisdiction, under the Department of Agrarian Reform Secretary. Petitioners assert that the Department of Agrarian Reform Adjudication Board correctly refused to take cognizance of the appeal and dismissed the Complaint.⁴⁸

Petitioners further argue that respondents had no legal personality to file the Complaint for cancellation of original certificates of title and emancipation patents. Upon the effectivity of Presidential Decree No. 27, ownership of tenanted agricultural lands was automatically transferred to the farmer-beneficiaries. It follows that Cabahug had no authority to transfer the ownership of the 22-hectare parcel of land covered by Operation Land Transfer Program to the Spouses Abucay. Thus, respondents did not inherit the 22-hectare property from their parents.⁴⁹

Petitioners further assail the Court of Appeals' finding that Cabahug was not accorded due process during the acquisition proceedings, arguing that she was properly notified of the coverage of the 22-hectare property.

⁴² *Rollo* (G.R. No. 186432), pp. 62–67 and *rollo* (G.R. No. 186964), pp. 166–171.

⁴³ *Rollo* (G.R. No. 186432), pp. 12–46.

⁴⁴ *Rollo* (G.R. No. 186964), pp. 14–40.

⁴⁵ *Rollo* (G.R. No. 186432), pp. 129–130 and *rollo* (G.R. No. 186964), pp. 175–176.

⁴⁶ *Rollo* (G.R. No. 186432), pp. 141–171.

⁴⁷ *Rollo* (G.R. No. 186432), pp. 188–201 and *rollo* (G.R. No. 186964), pp. 180–193.

⁴⁸ *Rollo* (G.R. No. 186432), pp. 24–31 and *rollo* (G.R. No. 186964), pp. 32–35.

⁴⁹ *Rollo* (G.R. No. 186432), pp. 31–36 and *rollo* (G.R. No. 186964), pp. 25–28.

The Deed of Absolute Sale executed between her and Spouses Abucay expressly provided that portions of the 182-hectare property being sold “appears to be within the coverage of Operation Land Transfer[.]”⁵⁰ Further, petitioners claim that the Court of Appeals erred in finding that no just compensation had been paid for the property, since a Certificate of Deposit worth ₱103,046.47 was deposited in cash and bonds in Cabahug’s name on December 13, 2001.⁵¹

For their part, respondents argue that the Petitions must be dismissed for being filed without authority. They contend that it is the Office of the Solicitor General, under Book IV, Title III, Chapter 12 of the Administrative Code of 1987,⁵² which has the authority to represent before this Court the Department of Agrarian Reform Regional Director for Region VIII and the Provincial Agrarian Reform Officer of Leyte.⁵³

On the merits, respondents maintain that the Department of Agrarian Reform Adjudication Board had jurisdiction over the Complaint for cancellation of original certificates of title and emancipation patents. Here, the emancipation patents issued to the farmer-beneficiaries have already been registered with the Register of Deeds. Citing Section 50 of the Comprehensive Agrarian Reform Law and the 2003 Department of Agrarian Reform Adjudication Board Rules of Procedure, respondents point out that the Department of Agrarian Reform Adjudication Board has primary and exclusive original jurisdiction over actions for cancellation of emancipation patents *registered* with the Land Registration Authority.⁵⁴

According to respondents, petitioners in both cases, the Regional Director and the Provincial Agrarian Reform Officer, are already estopped from questioning the jurisdiction of Regional Adjudicator Diloy and the Department of Agrarian Reform Adjudication Board as they failed to do so at the level of the Adjudicator or even on appeal before the Board.⁵⁵

⁵⁰ *Rollo* (G.R. No. 186432), p. 39.

⁵¹ *Rollo* (G.R. No. 186432), pp. 32–33 and 36–40; and *rollo* (G.R. No. 186964), pp. 28–32.

⁵² ADM. CODE, Book IV, Title III, Chapter 12, sec. 35(1) provides:

SECTION 35. *Powers and Functions.* — The Office of the Solicitor General shall represent the Government of the Philippines, its agencies and instrumentalities and its officials and agents in any litigation, proceeding, investigation or matter requiring the services of a lawyer. When authorized by the President or head of the office concerned, it shall also represent government-owned or controlled corporations. The Office of the Solicitor General shall constitute the law office of the Government and, as such, shall discharge duties requiring the services of a lawyer. It shall have the following specific powers and functions:

(1) Represent the Government in the Supreme Court and the Court of Appeals in all criminal proceedings; represent the Government and its officers in the Supreme Court, the Court of Appeals, and all other courts or tribunals in all civil actions and special proceedings in which the Government or any officer thereof in his official capacity is a party.

⁵³ *Rollo* (G.R. No. 186432), pp. 152–153.

⁵⁴ *Rollo* (G.R. No. 186432), pp. 153–156.

⁵⁵ *Id.* at 157.

Assuming that the Department of Agrarian Reform Adjudication Board had no jurisdiction over the case, respondents argue that it should have instead referred the case to the Department of Agrarian Reform Secretary under Rule I, Section 6 of the 2003 Rules for Agrarian Law Implementation Cases.⁵⁶

On the issue of their legal personality to file the Complaint for cancellation of original certificates of title and emancipation patents, respondents maintain that they acquired a valid title to the 22-hectare property from their parents. In contrast, the property was not properly acquired through the Operation Land Transfer Program due to lack of notice and nonpayment of just compensation to Cabahug. Cabahug, then, had remained the owner of the property until she sold it to Spouses Abucay in 1983.⁵⁷

The issues for this Court's resolution are:

First, whether or not Regional Agrarian Reform Adjudicator Felixberto Diloy and the Department of Agrarian Reform Adjudication Board have jurisdiction over the Complaint for cancellation of original certificates of title and emancipation patents filed by respondents, the Heirs of Redemptor and Elisa Abucay;

Second, whether or not respondents had legal personality to file the Complaint before the Regional Adjudicator; and

Finally, whether or not the acquisition proceedings involving the 22-hectare property were void for lack of administrative due process.

The Petitions are granted.

I

It is settled that the Regional Trial Courts, sitting as special agrarian courts,⁵⁸ have original and exclusive jurisdiction over the determination of the value of just compensation. Nonetheless, the Department of Agrarian

⁵⁶ *Rollo* (G.R. No. 186432), pp. 158–159.

DAR Administrative Order No. 03, Series of 2003, Rule I, sec. 6 provides:

SECTION 6. *Referral of cases.* When a party erroneously files a case under Section 2 hereof before the DARAB, the receiving official shall refer the case to the proper DAR office for appropriate action within five (5) working days after determination that said case is within the jurisdiction of the Secretary. Likewise, when a party erroneously files a case under Section 3 hereof before any office other than the DARAB or its adjudicators, the receiving official shall, within five (5) working days, refer the case to the DARAB or its adjudicators.

⁵⁷ *Rollo* (G.R. No. 186432), pp. 162–166.

⁵⁸ Rep. Act No. 6657 (1988), sec. 57.

Reform still exercises primary jurisdiction to preliminarily determine this value.⁵⁹ This is different from determining the validity of property transfer to the farmer-beneficiaries and, consequently, the validity of the certificates of title issued to them. When the issue in a case hinges on whether a beneficiary has made insufficient or no payments for the land awarded to him or her, primary administrative jurisdiction is under the Department of Agrarian Reform.

Indeed, per the rules it has promulgated, the Department of Agrarian Reform has taken cognizance of cases involving either the issuance or cancellation of certificates of land ownership award and emancipation patents. Cases involving registered certificates of land ownership awards, emancipation patents, and titles emanating from them are agrarian reform disputes, of which the Department of Agrarian Reform Adjudication Board takes cognizance.⁶⁰ Meanwhile, cases involving unregistered ones are agrarian law implementation cases, put under the jurisdiction of the Regional Directors and the Secretary of the Department of Agrarian Reform.⁶¹

In 2009, however, Congress amended the Comprehensive Agrarian Reform Law through Republic Act No. 9700.⁶² Under the new Section 24, all cases involving the cancellation of registered emancipation patents, certificates of land ownership awards, and other titles issued under any agrarian reform program are now within the exclusive original jurisdiction of the Department of Agrarian Reform Secretary.⁶³ He or she takes jurisdiction over cases involving the cancellation of titles issued under any agrarian reform program, whether registered with the Land Registration Authority or not.

Here, the doctrine should be read amid the ambient facts and without prejudice to a future case that will deal with transfer certificates of title,

⁵⁹ See *Alfonso v. Land Bank of the Philippines*, 801 Phil. 217 (2016) [Per J. Jardeleza, En Banc].

⁶⁰ See DARAB Rules of Procedure (2003), Rule II, sec. 1, now the 2009 DARAB Rules of Procedure, Rule II, sec. 1. See also 2003 Rules of Procedure for ALI Cases, Rule I, Sec. 3.

⁶¹ See the 2003 Rules of Procedure for ALI Cases, Rule I, Sec. 2, now 2017 Rules of Procedure for ALI Cases, Rule I, Sec. 2. See also 2003 DARAB Rules of Procedure, Rule II, Sec. 3.

⁶² An Act Strengthening the Comprehensive Agrarian Reform Program (CARP), Extending The Acquisition and Distribution of All Agricultural Lands, Instituting Necessary Reforms, Amending For the Purpose Certain Provisions of Republic Act No. 6657, otherwise known as The Comprehensive Agrarian Reform Law of 1988, as amended, and Appropriating Funds Therefor.

⁶³ Rep. Act No. 9700 (2009), sec. 24 provides:

SEC. 24. *Award to Beneficiaries.* — . . .

. . . .

All cases involving the cancellation of registered emancipation patents, certificates of land ownership award, and other titles issued under any agrarian reform program are within the exclusive and original jurisdiction of the Secretary of the DAR. (Emphasis supplied)

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considering the relevant statutes,⁶⁴ as well as the equal protection⁶⁵ and social justice provisions of the Constitution.⁶⁶

II

At the time of the Complaint's filing on April 26, 2004, the 2003 Department of Agrarian Reform Adjudication Board Rules of Procedure governed the jurisdiction of the Department of Agrarian Reform Adjudication Board. Rule II provided that adjudicators have exclusive original jurisdiction over registered certificates of land ownership award and emancipation patents, while the Department of Agrarian Reform Adjudication Board has appellate jurisdiction:

RULE II

Jurisdiction of the Board and its Adjudicators

SECTION 1. *Primary and Exclusive Original Jurisdiction.* — The Adjudicator shall have primary and exclusive original jurisdiction to determine and adjudicate the following cases:

....

1.6 Those involving the correction, partition, cancellation, secondary and subsequent issuances of Certificates of Land Ownership Award (CLOAs) and Emancipation Patents (EPs) which are registered with the Land Registration Authority[;]

....

SECTION 2. *Appellate Jurisdiction of the Board.* — The Board shall have exclusive appellate jurisdiction to review, reverse, modify, alter, or affirm resolutions, orders, and decisions of its Adjudicators.

No order of the Adjudicators on any issue, question, matter, or incident raised before them shall be elevated to the Board until the hearing shall have been terminated and the case decided on the merits.

However, it is “not sufficient that the controversy [simply] involves the cancellation of a [certificate of land ownership award] already registered with the Land Registration Authority. What is of primordial consideration is the existence of an agrarian dispute between the parties.”⁶⁷ Section 3(d) of the Comprehensive Agrarian Reform Law defines agrarian dispute as those relating to tenurial arrangements, including leasehold and tenancy. Thus:

⁶⁴ Presidential Decree No. 1529 (1978). Property Registration Decree.

⁶⁵ CONST., art. III, sec. 1 provides:

SECTION 1. No person shall be deprived of life, liberty, or property without due process of law, nor shall any person be denied the equal protection of the laws.

⁶⁶ CONST., art. XIII, secs. 4, 6, 7, and 8 are devoted to agrarian and natural resources reform.

⁶⁷ See *Sutton v. Lim*, 700 Phil. 67, 74 (2012) [Per J. Perlas-Bernabe, Second Division].

SECTION 3. *Definitions.* — For the purpose of this Act, unless the context indicates otherwise:

....

(d) Agrarian Dispute refers to any controversy relating to tenurial arrangements, whether leasehold, tenancy, stewardship or otherwise, over lands devoted to agriculture, including disputes concerning farmworkers' associations or representation of persons in negotiating, fixing, maintaining, changing, or seeking to arrange terms or conditions of such tenurial arrangements.

It includes any controversy relating to compensation of lands acquired under this Act and other terms and conditions of transfer of ownership from landowners to farmworkers, tenants and other agrarian reform beneficiaries, whether the disputants stand in the proximate relation of farm operator and beneficiary, landowner and tenant, or lessor and lessee.

Indeed, the emancipation patents involved here have already been registered with the Land Registration Authority, and the grant of the Complaint filed by respondents will result in the cancellation of these registered emancipation patents. Nonetheless, respondents primarily assailed in their Complaint the land coverage under the Operation Land Transfer Program because the original owner, Cabahug, had not been properly notified of it. Specifically, they contended that the notices were erroneously sent to Cabahug's father, Sotero Cabahug. The Complaint, therefore, is essentially an Operation Land Transfer protest, which is an agrarian law implementation case belonging to the Department of Agrarian Reform Secretary's jurisdiction.⁶⁸

Tenancy is a real right that is attached to the land and survives the sale.⁶⁹ As such, when Spouses Abucay purchased the land from Cabahug, they were subrogated to the rights and obligations of Cabahug as an agricultural landowner. Respondents, being the land buyers' heirs, were

⁶⁸ The 2003 Rules for Agrarian Reform Implementation Cases, Rule II, secs. 7, 8, and 10 provide:

SECTION 7. *General Jurisdiction.* The Regional Director shall exercise primary jurisdiction over all agrarian law implementation cases except when a separate special rule vests primary jurisdiction in a different DAR office.

SECTION 8. *Jurisdiction over protests or petitions to lift coverage.* The Regional Director shall exercise primary jurisdiction over protests against CARP coverage or petitions to lift notice of coverage. If the ground for the protest or petition to lift CARP coverage is exemption or exclusion of the subject land from CARP coverage, the Regional Director shall either resolve the same if he has jurisdiction, or refer the matter to the Secretary if jurisdiction over the case belongs to the latter.

....

SECTION 10. *Appellate Jurisdiction.* The Secretary shall exercise appellate jurisdiction over all ALI cases, and may delegate the resolution of appeals to any Undersecretary.

⁶⁹ Rep. Act No. 3844 (1963), sec. 10 provides:

SECTION 10. *Agricultural Leasehold Relation Not Extinguished By Expiration of Period, etc.* — The agricultural leasehold relation under this Code shall not be extinguished by mere expiration of the term or period in a leasehold contract nor by the sale, alienation or transfer of the legal possession of the landholding. In case the agricultural lessor sells, alienates or transfers the legal possession of the landholding, the purchaser or transferee thereof shall be subrogated to the rights and substituted to the obligations of the agricultural lessor.

likewise subrogated to these rights and obligations. A tenancy relationship exists between respondents and the farmer-beneficiaries.

Still, the controversy must relate to the tenurial arrangement between the parties for the Department of Agrarian Reform Adjudication Board to properly take cognizance of the case. Here, the controversy does not involve negotiating, fixing, maintaining, changing, or seeking to arrange the tenurial arrangement's terms or conditions. Respondents alleged that emancipation patents should not have been issued to begin with since no notice of coverage was sent to Cabahug. In other words, they contend that the property was not properly acquired through the Operation Land Transfer Program. The controversy involves the administrative implementation of the agrarian reform program, which, as mentioned, is under the Department of Agrarian Reform Secretary's jurisdiction.

Since the Complaint filed by respondents involves an agrarian law implementation case, Regional Adjudicator Diloy had no jurisdiction to take cognizance of it. At that time, he should have referred the case to the proper office of the Department of Agrarian Reform for appropriate action as provided in Rule I, Section 6 of the Department of Agrarian Reform Administrative Order 03-03.⁷⁰

However, with the enactment of Republic Act No. 9700, the exclusive and original jurisdiction over cases for cancellation of registered emancipation patents now belongs to the Department of Agrarian Reform Secretary.⁷¹

In line with this, the Department of Agrarian Reform has issued Administrative Order No. 07-14, which outlines in Article III the procedure for the cancellation of registered emancipation patents, certificates of land ownership awards, and other agrarian titles. The petition for cancellation shall be filed before the Office of the Provincial Agrarian Reform Adjudicator, which would then undertake the case buildup before forwarding it to the Department of Agrarian Reform Secretary for decision.

Thus, under Administrative Order No. 07-14, the Complaint for cancellation of original certificates of title and emancipation patents filed by respondents should be referred to the Office of the Provincial Agrarian

⁷⁰ DAR Administrative Order No. 03-03 (2003), Rule I, sec. 6 provides:

SECTION 6. *Referral of cases.* When a party erroneously files a case under Section 2 hereof before the DARAB, the receiving official shall refer the case to the proper DAR office for appropriate action within five (5) working days after determination that said case is within the jurisdiction of the Secretary. Likewise, when a party erroneously files a case under Section 3 hereof before any office other than the DARAB or its adjudicators, the receiving official shall, within five (5) working days, refer the case to the DARAB or its adjudicators.

⁷¹ Rep. Act No. 9700 (2009), sec. 9, amending Rep. Act No. 6657 (1988), sec. 24.

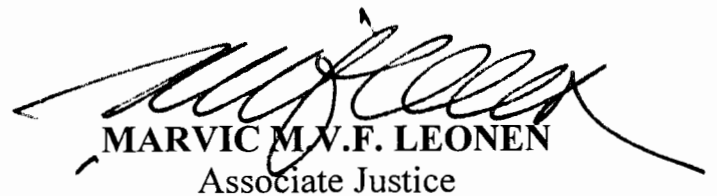
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Reform Adjudicator of Leyte for case buildup. Then, the case shall be decided by the Department of Agrarian Reform Secretary.

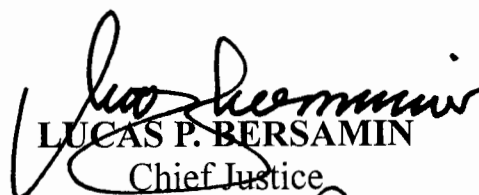
This Court makes no determination of whether the area can still be covered by agrarian reform. The character of the land as agricultural is not affected. We leave the issue of the propriety of the coverage to the executive branch for its own determination.

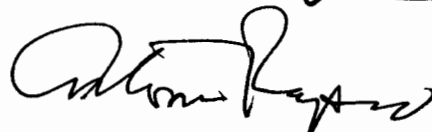
WHEREFORE, the Petitions for Review on Certiorari are **GRANTED**. The September 26, 2008 Decision of the Court of Appeals in CA-G.R. CEB-SP No. 02637, the May 10, 2006 Decision and February 27, 2007 Resolution of the Department of Agrarian Reform Adjudication Board in DARAB Case No. 13978, and the June 16, 2005 Decision of the Regional Agrarian Reform Adjudicator in DARAB Case No. R-0800-0015-04 are all **SET ASIDE**. The Complaint for cancellation of original certificates of title and emancipation patents dated April 26, 2004 is **REFERRED** to the Office of the Provincial Agrarian Reform Adjudicator of Leyte for case buildup and decision by the Department of Agrarian Reform Secretary.


SO ORDERED.


MARVIC M.V.F. LEONEN
Associate Justice


WE CONCUR:


LUCAS P. BERSAMIN
Chief Justice


ANTONIO T. CARPIO
Associate Justice


DIOSDADO M. PERALTA
Associate Justice


MARIANO C. DEL CASTILLO
Associate Justice

Please see Concurring Opinion

ESTELA M. FERLAS-BERNABE
Associate Justice

*I join
concurring
pp. 11-12
J. Bersamin*
FRANCIS H. JARDELEZA
Associate Justice

[Signature]
ALFREDO BENJAMIN S. CAGUIOA
Associate Justice

[Signature]
ANDRES B. REYES, JR.
Associate Justice

[Signature]
ALEXANDER G. GESMUNDO
Associate Justice

[Signature]
JOSE C. REYES, JR.
Associate Justice

[Signature]
RAMON PAUL L. HERNANDO
Associate Justice

[Signature]
ROSMARI D. CARANDANG
Associate Justice

No part
AMY C. LAZARO JAVIER
Associate Justice

CERTIFICATION

I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the court.

[Signature]
LUCAS P. BERSAMIN
Chief Justice

CERTIFIED TRUE COPY

[Signature]
EDGAR O. ARCHETA
Clerk of Court for Bane
Supreme Court