Republic of the Philippines
Supreme Court
Manila

THIRD DIVISION

FIL-ESTATE PROPERTIES, INC., **G.R. No. 152797**
Petitioner,

-versus-

PAULINO REYES, DANILO BAON, PACITA D. VADURIA, JULIE MONTOYA, MERCEDES RAMOS, GERONIMO DERAIN, FELICIANO D. BAON, PACIFICO DERAIN, EUTERIO SEVILLA, MAMERTO B. ESPINELI, CARMELITA GRAVADOS, AVELINO E. PASTOR, ANTONIO BUHAY, TIRZO GULFAN, JR., FELIX SOBREMONTE, ERNESTO SOBREMONTE, BEN PILIIN, PASCUAL V. DISTREZA, JACINTO P. BACALAG, ADELAIDA BAYANI, ELMERT BAYANI, EGLESIA SOBREMONTE, NICASIO TINAUGISAN, VICENTE VILLALUNA, MEYNARDO VILLALUNA, LEOPOLDO DE JOYA, LENIE DE JOYA, LIBERATO DE JOYA, CRESENCIANA DE JOYA, FRESCO CATAPANG, ROSITA CATAPANG, DOMINGO P. LIMBOC, VIRGILIO A. LIMBOC, VICENTE LIMBOC, MARIO H.

PERNO, LAZARITO CABRAL, CARLITO CAPACIA,
Respondents.

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PAULINO REYES, DANILO BAON, PACITA D. VADURIA, JULIE MONTOYA, BENIGNO BAON, BEATRIZ DERAIN, MARILOU SEVILLA, MAMERTO B. ESPINELLI, CARMELITA GRANADOS, ANTONIO BUHAY, FELIX SOBREMONTE, NICASIO TINAMISAN, CRESCENCIANA DE JOYA, FRESCO CATAPANG, SONNY CATAPANG, MARIO H. PERNO, CARLITO CAPACIA, AQUILINA BAUTISTA, FELECITO BARCELON, LUIS MANGI, BAYANI ORIONDO, BASILISA DERAIN, GUILLERMO BAUTISTA, BEATRIZ SEVILLA, NICOLAS ASAHAN, ROSITA MERCADO, LAMBERTO BAUTISTA, REXIE DINGLES, JOSE QUIROZ,
Petitioners,

-versus-

FIL-ESTATE PROPERTIES, INC.,
Respondent.

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NOLITO G. DEL MUNDO, GABRIEL A. MAULLON, MARIA L. TENORIO, NOEL G. DEL MUNDO, RACQUEL DEL MUNDO-REDUCA, TEODORICO D. AGUSTIN, represented by their Attorney-in-Fact NOMER G. DEL MUNDO,
Petitioners,

-versus-

G.R. No. 189315

G.R. No. 200684

Present:

PERALTA, *J., Chairperson,*
LEONEN,
REYES, A., JR.,
HERNANDO,* and
INTING, *JJ.*

* On leave.

THE MANILA SOUTHCOAST DEVELOPMENT CORPORATION, INC.,
Respondent.

Promulgated:
September 18, 2019
MisPDcBatt

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DECISION

LEONEN, *J.*:

The Department of Agrarian Reform is vested with primary jurisdiction to determine and adjudicate agrarian reform matters and has exclusive original jurisdiction over all matters involving the implementation of the Comprehensive Agrarian Reform Law. In carrying out its mandate, the Department of Agrarian Reform, through its Secretary, may investigate acts that are directed toward the circumvention of the law's objectives. Its findings are accorded great weight and respect, especially when supported by substantial evidence.

Before this Court are consolidated Petitions for Review on Certiorari involving Hacienda Looc in Nasugbu, Batangas. Portions of the property had previously been awarded to farmer-beneficiaries through Certificates of Land Ownership Award, but these certificates were canceled on the ground that the lands covered were excluded from the Comprehensive Agrarian Reform Program.

The Petition docketed as G.R. No. 152797[1] questions the Decision[2] of the Court of Appeals in CA-G.R. SP No. 47497, which affirmed then Agrarian Reform Secretary Ernesto D. Garilao's (Agrarian Reform Secretary Garilao) Order[3] declaring 70 hectares of the 1,219.0133 hectares of Hacienda Looc as covered land under the Comprehensive Agrarian Reform Program.

The Petition docketed as G.R. No. 189315[4] challenges the Decision[5] and Resolution[6] of the Court of Appeals in CA-G.R. SP No. 60203, which

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1 *Rollo* (G.R. No. 152797), pp. 27–97.
2 Id. at 99–114. The March 26, 2002 Decision was penned by Associate Justice Bennie A. Adefuin-De La Cruz and concurred in by Associate Justices Wenceslao I. Agnir, Jr. and Josefina Guevara-Salonga of the Twelfth Division, Court of Appeals, Manila.
3 Id. at 149–159. The Order was dated March 25, 1998.
4 *Rollo* (G.R. No. 189315), pp. 11–78.
5 Id. at 79–90. The February 27, 2009 Decision was penned by Associate Justice Edgardo P. Cruz and concurred in by Associate Justices Vicente S.E. Veloso and Ricardo R. Rosario of the Seventh Division, Court of Appeals, Manila.
6 Id. at 91–92. The August 25, 2009 Resolution was penned by Associate Justice Ricardo R. Rosario and concurred in by Associate Justices Magdangal M. De Leon and Vicente S.E. Veloso of the Special Former Seventh Division, Court of Appeals, Manila.

upheld the Office of the President's Decision affirming the same Order[7] issued by Agrarian Reform Secretary Garilao.

Finally, the Petition docketed as G.R. No. 200684[8] assails the Decision[9] and Resolution[10] of the Court of Appeals in CA-G.R. SP No. 111965, which affirmed the Department of Agrarian Reform Adjudication Board's Decision[11] upholding the cancellation of Certificates of Land Ownership Award previously granted to farmer-beneficiaries of Hacienda Looc.

Hacienda Looc is an 8,650.7778-hectare property in Nasugbu, Batangas[12] that is covered by Transfer Certificate of Title No. T-28719[13] and registered in the name of the Development Bank of the Philippines (Development Bank).[14] Development Bank acquired the property from Magdalena Estate, Inc. and the Philippine National Bank.[15]

In 1987, then President Corazon Aquino issued Executive Order No. 14, transferring Development Bank's certain assets and liabilities to the government, including Hacienda Looc. Following the conveyance, the government entered into an agreement with the Asset Privatization Trust, in which the latter was appointed as trustee of the property.[16]

On June 28, 1990, Asset Privatization Trust, through a Memorandum of Agreement,[17] offered to sell portions of Hacienda Looc to the Department of Agrarian Reform under the Voluntary Offer to Sell scheme of Republic Act No. 6657.[18]

Through this agreement, Asset Privatization Trust transferred the physical possession of Hacienda Looc to the Department of Agrarian Reform. In effect, the Department of Agrarian Reform was allowed to: (1) identify and segregate areas that were covered by the Comprehensive Agrarian Reform

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7 Id. at 273–282.
8 *Rollo* (G.R. No. 200684), pp. 8–42.
9 Id. at 43–63-A. The September 28, 2011 Decision was penned by Associate Justice Noel G. Tijam (now a retired member of this Court) and concurred in by Associate Justices Marlene Gonzales-Sison and Leoncia R. Dimagiba of the Tenth Division, Court of Appeals, Manila.
10 Id. at 64–67. The February 20, 2012 Resolution was penned by Associate Justice Noel G. Tijam (now a retired member of this Court) and concurred in by Associate Justices Marlene Gonzales-Sison and Leoncia R. Dimagiba of the Former Tenth Division, Court of Appeals, Manila.
11 Id. at 341–390. The January 25, 2005 Order was penned by Assistant Secretary Lorenzo R. Reyes and concurred in by Secretary Rene C. Villa and Undersecretaries Severino T. Madronio and Ernesto G. Ladrido III, as well as Assistant Secretaries Augusto P. Quijano, Edgar A. Igano, and Delfin B. Samson.
12 *Rollo* (G.R. No. 152797), p. 101.
13 Id. at 31.
14 *Rollo* (G.R. No. 200684), p. 15.
15 *Rollo* (G.R. No. 152797), p. 31.
16 Id. at 31.
17 Id. at 169–171.
18 Id. at 101. Otherwise known as the Comprehensive Agrarian Reform Law.

Program; (2) purchase the segregated areas; and (3) return portions of the property that were not covered.[19]

From 1991 to 1993, the Department of Agrarian Reform distributed 25 Certificates of Land Ownership Award covering 3,981.2806 hectares of land:

LOT NO.	LOCATION	CLOA NO.	AREA (Has.)
1	LOOC	6639	480.5125
2	LOOC	4795	46.0099
3	LOOC	5514	328.7855
4	LOOC	4796	46.4415
5	CALAYO	4152	117.2230
6	CALAYO	4153	50.6760
8	CALAYO	4154	4.7502
9	CALAYO	4156	21.5041
10	CALAYO	4155	0.7274
11	CALAYO	4157	135.2297
12	CALAYO	4158	133.4841
13	CALAYO	4159	79.4639
14	PAPAYA	4474	113.0728
15	PAPAYA	4476	30.6594
16	PAPAYA	4475	234.3264
17	PAPAYA	4527	79.8230
18	PAPAYA	4526	91.4672
19	PAPAYA	4478	266.8548
20	PAPAYA	4477	43.8803
21	PAPAYA	4995	48.6447
22	PAPAYA	4994	266.5072
23	BULIHAN	5373	720.6063
24	BULIHAN	5513	387.0644
31	PAPAYA	5614	195.5431
32	CALAYO	6662	58.023[20]

Meanwhile, on December 10, 1993, Asset Privatization Trust offered to sell its rights and interests in Hacienda Looc through public bidding. Bellevue Properties, Inc. (Bellevue), which emerged as the winning bidder, then assigned its right to purchase Hacienda Looc to the Manila Southcoast Development Corporation (Manila Southcoast).[21]

By virtue of the assignment, Asset Privatization Trust executed a Deed of Sale[22] transferring all its rights, claims, and benefits over Hacienda Looc to Manila Southcoast.[23] Accordingly, Transfer Certificate of Title No. T-28719 was canceled and a new certificate of title was issued in Manila Southcoast's

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19 Id. at 32.
20 Id. at 728–729.
21 Id. at 102.
22 Id. at 172–177.
23 Id. at 33–34.

name.[24] Manila Southcoast was able to register portions of Hacienda Looc in its name.[25]

On April 10, 1995, Manila Southcoast filed a Petition[26] before the Department of Agrarian Reform Adjudication Board Region IV.[27] It sought, among others, the cancellation of the 25 Certificates of Land Ownership Award, the resurvey of Hacienda Looc, and the reconveyance of the excluded areas.[28]

The Petition, which was docketed as DARAB Case No. 3468, was referred to the Provincial Agrarian Reform Adjudication Board of Batangas.[29] Provincial Adjudicator Antonio C. Cabili initially handled the case but later inhibited himself from further hearing the Petition. The case was, thus, elevated to the Regional Agrarian Reform Adjudication Board under Regional Adjudicator Fe Arche-Manalang (Regional Adjudicator Arche-Manalang).[30]

Instead of filing an answer, the farmer-beneficiaries moved for the Petition's dismissal. Manila Southcoast, in turn, opposed the motions.[31] The parties exchanged pleadings,[32] but before the pending incidents could be resolved, several of the farmer-beneficiaries entered into amicable settlements with Manila Southcoast.[33]

Between January and June 1996, Regional Adjudicator Arche-Manalang rendered three (3) Partial Summary Judgments and an Order canceling 15 Certificates of Land Ownership Award:

Judgment/Order	CLOA No.	Lot No.
First Partial Summary Judgment[34] dated January 8, 1996	4152	5
	4153	6
	4157	11
	4158	12

24 *Rollo* (G.R. No. 200684), pp. 18–19.
25 *Rollo* (G.R. No. 152797), pp. 732–733.
26 Id. at 178–201.
27 Id. at 102.
28 Id. at 198–199.
29 *Rollo* (G.R. No. 200684), pp. 271–273.
30 *Rollo* (G.R. No. 152797), pp. 733–734.
31 *Rollo* (G.R. No. 200684), pp. 370–378.
32 Id.
33 Id. at 378–379.
34 *Rollo* (G.R. No. 152797), pp. 202–218.

	4159	13
	4474	14
	4475	16
	4476	15
	4478	19
	6662	32
Order[35] dated February 16, 1996	4156	9
	4477	20
Second Partial Summary Judgment[36] dated May 16, 1996	4995	21
	5614	31
Third Partial Summary Judgment[37] dated June 14, 1996	4154	8

The Certificates of Land Ownership Award were canceled based on the waivers allegedly executed by the farmer-beneficiaries.[38]

On October 27, 1997, Agrarian Reform Undersecretary Artemio A. Adasa (Undersecretary Adasa) issued an Order[39] canceling Certificates of Land Ownership Award Nos. 6639, 5514, 4796, 4155, 4527, 4526, 4994, 5373, and 5513 from the coverage of the Comprehensive Agrarian Reform Program.[40]

Accordingly, these Certificates of Land Ownership Award were canceled by Regional Adjudicator Conchita C. Minas (Regional Adjudicator Minas) in a March 10, 1998 Order.[41]

Aggrieved, the farmer-beneficiaries appealed the case. However, this appeal was denied by the Department of Agrarian Reform Adjudication Board in its January 25, 2005 Decision.[42]

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35 Id. at 219–228.
36 *Rollo* (G.R. No. 200684), p. 309.
37 *Rollo* (G.R. No. 152797), pp. 229–233.
38 *Rollo* (G.R. No. 200684), p. 383.
39 Id. at 300–303.
40 Id. at 321.
41 Id. at 304–333.
42 Id. at 341–390.

Meanwhile, on October 17, 1995, while its Petition was still pending, Manila Southcoast entered into a joint venture agreement with Fil-Estate Properties, Inc. (Fil-Estate). The agreement was made for the development of the 10 lots covered by Certificates of Land Ownership Award Nos. 4152, 4153, 4157, 4158, 4159, 4474, 4475, 4476, 4478, and 6662, with an area totaling 1,219.0133 hectares. These were the same lots that would later be the subject of the First Partial Summary Judgment.[43]

In view of this joint venture agreement, Fil-Estate filed a Petition[44] on October 8, 1996, praying that these 10 lots be excluded from the coverage of the Comprehensive Agrarian Reform Program. It claimed that the lots had slopes of more than 18%.[45]

For their part, the affected farmer-beneficiaries questioned the validity of the cancellation proceedings presided by Regional Adjudicator Arche-Manalang, claiming that they were denied due process.[46] They also claimed that some waivers had been falsified, pointing out that the signatories were already dead at the time of execution of the waivers.[47]

Following this, Agrarian Reform Secretary Garilao instructed Undersecretary for Operations Hector D. Soliman (Undersecretary Soliman) to conduct a fact-finding investigation. Hearings were then conducted.[48]

In his Report,[49] Undersecretary Soliman recommended that a cease and desist order be issued to temporarily stop the development of the area. He also suggested that a massive information campaign be done to apprise the farmer-beneficiaries of their rights and responsibilities under the agrarian reform law. Moreover, he recommended that an investigating panel be formed to look into the allegedly falsified waivers.[50]

These recommendations were favorably acted upon by Agrarian Reform Secretary Garilao.[51]

On December 26, 1996, Department of Agrarian Reform Regional Director Remigio A. Tabones (Regional Director Tabones) issued an Order[52]

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43 *Rollo* (G.R. No. 152797), pp. 37–38.
44 Id. at 1008–1011.
45 Id. at 1009.
46 Id. at 738.
47 Id. at 1079.
48 Id. at 738–740.
49 Id. at 1068–1083.
50 Id.
51 Id. at 742 and 1084–1086.
52 Id. at 241–244.

granting Fil-Estate's Petition and ordering that the 10 lots be excluded from the coverage of the Comprehensive Agrarian Reform Program.

Thus, the affected farmer-beneficiaries appealed before the Agrarian Reform Secretary.[53]

In his March 25, 1998 Order,[54] Agrarian Reform Secretary Garilao, on the basis of Undersecretary Soliman's report and the report of three (3) other task forces, declared 70 hectares of the 1,219.0133-hectare parcel of land as covered land under the Comprehensive Agrarian Reform Program. The dispositive portion of the Order read:

> WHEREFORE, given these different recommendations of four different Committees and Task Forces, after a careful study of the proceedings of the different committees and Task Forces, this Order is hereby issued as follows:
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> 1. Coverage of the following agriculturally developed areas, re-documentation of the same under CARP acquisition and award to individual beneficiaries found to be qualified under the CARL:
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> a. Lot No. 5: 2.3029 hectares as farmlots and 0.0666 as homelots, the homelots to be awarded to actual occupants thereof. Priority for the award of the farmlot will be the claimant, UNLESS there is reason to disqualify him and said award shall not result in the claimant becoming an owner of more than three (3) hectares of agricultural land;
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> b. Lot No. 6: 12.8467 hectare farmlot. Priority for the award of the farmlot will be the claimant, UNLESS there is reason to disqualify him and said award shall not result in the claimant becoming an owner of more than three (3) hectares of agricultural land;
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> c. Lot No. 11: 1.1234 hectares farmlot and 0.6388 homelots to be awarded to actual occupants thereof. Priority for the award of the farmlot will be the claimant, UNLESS there is reason to disqualify him and said award shall not result in the claimant becoming an owner of more than three (3) hectares of agricultural land;
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> d. Lot No. 12: 13.894 hectares as farmlots. Some 2.3674 has. and .4586 has. were deducted from the claim of Mr. Jaime Sobremonte and Mr. Leonardo Caronilla, respectively, as these already exceed the three hectares award ceiling. The area has been scraped by previous bulldozing by the applicant such that it becomes impossible for the team to determine the actual agricultural development of the area. In view of this situation, the Task Force deemed it proper to award the land to the claimants as the presumption must tilt in their favor, there being no contrary evidence presented by the applicant. The award shall not exceed

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53 Id. at 742–743.

54 Id. at 149–159.

three hectares per claimant UNLESS there is reason to disqualify him and said award shall not result in the claimant becoming an owner of more than three (3) hectares of agricultural land;

e. Lot No. 13: 0.2251 hectare farmlot. Priority for the award of the farmlot will be the claimant, UNLESS there is reason to disqualify him and said award shall not result in the claimant becoming an owner of more than three (3) hectares of agricultural land;

g. (*sic*) Lot No. 15: 7.6376 hectares as farmlot. However, the coverage of the areas identified as fishponds shall be suspended until the Courts resolve the constitutionality of the law exempting fishponds from the coverage of agrarian reform. Priority for the award of the farmlot will be the claimant, UNLESS there is reason to disqualify him and said award shall not result in the claimant becoming an owner of more than three (3) hectares of agricultural land;

h. (*sic*) Lot No. 16: 14.2026 hectares as farmlots. Priority for the award of the farmlot will be the claimant, UNLESS there is reason to disqualify him and said award shall not result in the claimant becoming an owner of more than three (3) hectares of agricultural land;

i. (*sic*) Lot No. 19: 16.5695 hectares as farmlots. Priority for the award of the farmlot will be the claimant, UNLESS there is reason to disqualify him and said award shall not result in the claimant becoming an owner of more than three (3) hectares of agricultural land;

j. (*sic*) Approval of the distribution of homelots in Lots No. 9 and 20. As manifested, the total area of 65.38 hectares shall be distributed primarily as homelots to actual occupants. The area within Lot 20 which is agriculturally developed shall be subjected to further verification as to its CARPability and the same shall also be awarded as farmlots, covered by Certificates of Land Ownership Awards (CLOAs). Priority for the award of the farmlot will be the claimant, UNLESS there is reason to disqualify him and said award shall not result in the claimant becoming an owner of more than three (3) hectares of agricultural land;

2. Maintaining the coverage of some 1,197 hectares, more or less of lands under Operation Land Transfer and conducting a survey of the actual tillers of the land for purposes of awarding the same/re-allocating the same to its actual tillers in accordance with the land to the tiller principle[;]

3. On the matter of Environmental Protection. In areas that will be exempted by virtue of Section 10, of RA 6657, any development thereon, should be consistent with the intent of the law to preserve these lands for forest cover and soil conservation. It is therefore recommended that the DENR study the development of the area with this end in view in its issuance of ECCs.

Particularly, it is recommended that a buffer zone be established by the DENR to ensure protection of OLT and CARP lands from damage or erosion, as a result of any development to be implemented in excluded areas;

> 4. Re-conveyance of the exempt parcels to the Asset Privatization Trust, or its successors-in-interest, after the CLOAs are properly cancelled by the proper forum;
>
> 5. Nullifying the alleged sale or transfer of rights over the CLOAs as contrary to the provisions of agrarian law; and
>
> 6. Directing the Regional Director to post a copy of this Order, including the maps attached hereto in the baranggay (*sic*) halls of Bgys. Calayo and Papaya to afford all parties the opportunity to be notified and to cause the amendments of CLOAs issued.
>
> SO ORDERED.[55]

Following this Order, the farmer-beneficiaries moved for reconsideration and sought the issuance of a clarificatory ruling. However, their Motion was denied in Agrarian Reform Secretary Garilao's June 15, 1998 Order.[56]

For its part, Fil-Estate filed before the Court of Appeals a Petition for Partial Review[57] seeking that paragraphs 1, 2, 4, 5, and 6 be deleted from the dispositive portion of the March 25, 1998 Order. It argued that the 10 lots, which are located inside a tourist zone, were excluded from the Comprehensive Agrarian Reform Law's coverage. It further averred that Agrarian Reform Secretary Garilao erred when he awarded portions of the lots to farmer-beneficiaries who did not file an appeal. This Petition was docketed as CA-G.R. SP No. 47497.[58]

As this Petition for Partial Review was pending, the farmer-beneficiaries appealed their case before the Office of the President.[59] They also filed a Petition to Re-Open Case before the Department of Agrarian Reform Secretary,[60] but it was denied on May 17, 2000.[61]

Subsequently, in its July 5, 2000 Decision, the Office of the President dismissed the farmer-beneficiaries' appeal.[62] It upheld the Department of Agrarian Reform's findings that majority of the 1,219.0133-hectare parcel of land had an average slope of 18% and were agriculturally undeveloped.[63]

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55 Id. at 156–158.
56 Id at. 750–752.
57 The Petition was filed under Rule 43 of the Rules of Court.
58 *Rollo* (G.R. No. 152797), pp. 45–46.
59 Id. at 752.
60 Id. at 48–49.
61 Id. at 109.
62 Id. at 50.
63 *Rollo* (G.R. No. 189315), pp. 137–139.

Aggrieved, the farmer-beneficiaries filed a Petition for Review[64] before the Court of Appeals, which was docketed as CA-G.R. SP No. 60203. Among others, they argued that the Office of the President erred in limiting its scope of review to the 1,219.0133-hectare property when it should have conducted the review over the entire Hacienda Looc based on the community of interest principle. They also argued that the Office of the President erred in characterizing the property as undeveloped and in relying on the findings of the Department of Agrarian Reform, especially since the proceedings for exemption were done in secrecy.[65]

In a November 23, 2000 Resolution, however, the Court of Appeals dismissed the case on technical grounds. The farmer-beneficiaries moved for reconsideration, but the Motion was likewise denied.[66]

Thus, the farmer-beneficiaries filed a Petition for Certiorari before this Court, docketed as G.R. No. 148967.[67] In a February 9, 2007 Decision on the case entitled *Reyes v. Fil-Estate Properties, Inc.*,[68] this Court remanded the case to the Court of Appeals for it to be resolved on the merits.

As to Fil-Estate's Petition for Partial Review in CA-G.R. SP No. 47497, the Court of Appeals rendered a Decision[69] on March 26, 2002 affirming Agrarian Reform Secretary Garilao's March 25, 1998 Order *in toto*.[70]

In its ruling, the Court of Appeals declared moot the allegation that the farmer-beneficiaries committed forum shopping.[71]

As to the merits of the case, the Court of Appeals held that although Nasugbu, Batangas was declared a tourist zone under Proclamation No. 1520, none of the areas were identified by the Philippine Tourism Authority to have potential tourism value. Its classification as a tourist zone did not automatically exclude it from the coverage of the Comprehensive Agrarian Reform Program. Further, the enumeration of the excluded areas under Section 10 of Republic Act No. 6657 neither mentions nor describes areas that have been reserved as tourist zones.[72]

The Court of Appeals upheld the factual findings of Agrarian Reform Secretary Garilao regarding the lots' slope and level of development.[73] As to

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64 Id. at 538–609.
65 Id. at 584–589 and 599–605.
66 *Rollo* (G.R. No. 152797), pp. 50–51.
67 Id. at 51.
68 544 Phil. 203 (2007) [Per J. Azcuna, First Division].
69 *Rollo* (G.R. No. 152797), pp. 99–114.
70 Id. at 114.
71 Id. at 110.
72 Id. at 111–112.
73 Id. at 112–113.

the farmer-beneficiaries who did not appeal, it ruled that they may benefit from the favorable ruling of Agrarian Reform Secretary Garilao based on the community of interest principle.[74]

As to the remanded case, on February 27, 2009, the Court of Appeals rendered a Decision[75] in CA G.R. SP No. 60203 affirming the Office of the President's July 5, 2000 Decision. It ruled that its appellate jurisdiction was limited to the subject matter of the case, which only covers the 1,219.0133-hectare parcel of land, not the entire Hacienda Looc. Otherwise, the decision would affect persons not impleaded and would open issues that were not raised in the earlier proceedings.

For the substantive issues, the Court of Appeals affirmed the factual findings of Agrarian Reform Secretary Garilao on the nature of the 1,219.0133-hectare parcel of land, adhering to the rule of according great respect to administrative agencies' factual findings. It also ruled that the farmer-beneficiaries were not denied due process because they were given the opportunity to appeal and seek reconsideration.[76]

Meanwhile, six (6) farmer-beneficiaries—Nolito G. del Mundo, Maria L. Tenorio, Noel G. del Mundo, Racquel del Mundo-Reduca, Teodorico D. Agustin, and Gabriel Maullon (Del Mundo, et al.)—filed a separate Petition for Review before the Court of Appeals, which was docketed as CA-G.R. SP No. 111965. They were assailing the Department of Agrarian Reform Adjudication Board's January 25, 2005 Decision, which upheld the cancellation of their Certificate of Land Ownership Award Nos. 5373 and 5513.[77]

Del Mundo, et al. questioned the validity of the certificates' cancellation, arguing that it never attained finality as they were never notified of it. They further argued that their lands are agriculturally developed and, thus, covered under the Comprehensive Agrarian Reform Program. They insisted that while they did not appeal the March 10, 1998 Order of Regional Adjudicator Minas, they could benefit from the appeal filed by the other farmer-beneficiaries based on the community of interest principle.[78]

Manila Southcoast, the respondent in Del Mundo, et al.'s Petition, argued that the cancellation of the Certificates of Land Ownership Award had become final and executory as to their case, since they failed to appeal Regional Adjudicator Minas' March 10, 1998 Order.[79] It also pointed out that

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74 Id. at 113.
75 *Rollo* (G.R. No. 189315), pp. 79–90.
76 Id.
77 *Rollo* (G.R. No. 200684), pp. 10 and 43.
78 Id. at 57.
79 Id. at 507–510.

the lands covered under their certificates have slopes of more than 18% and are undeveloped.[80]

In its September 28, 2011 Decision,[81] the Court of Appeals affirmed the Department of Agrarian Reform Adjudication Board's January 25, 2005 Decision. It ruled that the decision[82] canceling the Certificates of Land Ownership Award of Del Mundo, et al. had attained finality as to them for their failure to appeal from Regional Adjudicator Minas' Order. It also adopted the Department of Agrarian Reform's finding that the subject lands were "mostly idle and vacant, predominantly forested, hilly and mountainous with thick growths of shrubs and grass . . . with above 18 percent slope."[83]

Moreover, the Court of Appeals rejected Del Mundo, et al.'s allegation that they were denied due process. Even if they were not notified of the cancellation proceedings, the Court of Appeals pointed out that the defect was cured when they submitted, although belatedly, an Appearance and Opposition to the Notice of Withdrawal of Appeal and Motion for Reconsideration.[84]

Del Mundo, et al. moved for reconsideration. They contended, among others, that Associate Justice Marlene Gonzales-Sison (Associate Justice Gonzales-Sison), who had concurred in the Court of Appeals Decision, should have mandatorily inhibited form the case on the ground of bias and partiality. Their Motion, however, was denied by the Court of Appeals in its February 20, 2012 Resolution.[85]

Following all of these proceedings, the parties filed different pleadings before this Court.

On May 20, 2002, Fil-Estate filed a Petition for Review on Certiorari[86] assailing the Court of Appeals' March 26, 2002 Decision in CA-G.R. SP No. 47497. To recall, the Court of Appeals affirmed Agrarian Reform Secretary Garilao's March 25, 1998 Order declaring 70 hectares of the 1,219.0133-hectare parcel of land in Hacienda Looc as covered land under the Comprehensive Agrarian Reform Program. Docketed as G.R. No. 152797, the Petition was filed against farmer-beneficiaries headed by Paulino Reyes (Reyes, et al.).

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80 Id. at 57–58.
81 Id. at 43–63-A.
82 In its Decision, the Court of Appeals cited the Third Partial Summary Judgment of Regional Adjudicator Arche-Manalang. However, it was the Order dated March 10, 1998 of Regional Adjudicator Minas that ordered the cancellation of Certificates of Land Ownership Award Nos. 5373 and 5513.
83 *Rollo* (G.R. No. 200684), p. 61.
84 Id. at 62–63.
85 Id. at 64–67.
86 *Rollo* (G.R. No. 152797), pp. 27–97.

After an exchange of pleadings, the Petition was given due course on August 13, 2003.[87] The parties filed their respective memoranda on December 1, 2003 and December 10, 2003.[88]

On October 19, 2009, Reyes, et al. filed their own Petition for Review on Certiorari,[89] docketed as G.R. No. 189315, questioning the Court of Appeals' February 27, 2009 Decision and August 25, 2009 Resolution in CA-G.R. SP No. 60203. In these assailed judgments, the Court of Appeals affirmed the Office of the President's July 5, 2000 Decision upholding Agrarian Reform Secretary Garilao's March 25, 1998 Order. Fil-Estate filed its Comment on March 3, 2010.[90]

On March 15, 2010, the Petitions were consolidated.[91]

On September 2, 2011, Reyes, et al. filed a Reply[92] to Fil-Estate's Comment in G.R. No. 189315.

Meanwhile, on April 4, 2012, Del Mundo, et al. also filed before this Court their Petition for Review on Certiorari[93] questioning the September 28, 2011 Decision and February 20, 2012 Resolution of the Court of Appeals in CA-G.R. SP No. 111965. Manila Southcoast later filed a Comment.[94] This case was docketed as G.R. No. 200684.

On August 29, 2012, all three (3) cases were consolidated.[95]

On October 2, 2014, Reyes, et al. and Fil-Estate, the parties in G.R. Nos. 152797 and 189315, later filed a Joint Motion for Partial Judgment Based on Compromise Agreement (Joint Motion for Partial Judgment).[96] Under the Compromise Agreement, the parties sought to exclude from litigation Lots 780-12 and 780-13, which are covered by Certificates of Land Ownership Award Nos. 4158 and 4159, respectively. These lots have a total land area of 212 hectares.[97]

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87 Id. at 1524.
88 Id. at 1538–1687.
89 *Rollo* (G.R. No. 189315), pp. 11–78.
90 Id. at 116–181.
91 Id. at 767–768.
92 Id. at 794–821.
93 *Rollo* (G.R. No. 200684), pp. 8–42.
94 Id. at 503–526.
95 Id. at 492.
96 *Rollo* (G.R. No. 152797), pp. 1733–1746.
97 Id.

The Compromise Agreement identified the proper claimants to Lots 780-12 and 780-13, namely:

> For Lot 780-12: Antonio Buhay, Mamerto Espineli, Carmelita Granados, Tirso Gulfan, Jr., Heirs of Avelino Pastor (represented by Felipe G. Pastor), Heirs of Benjamin Piliin (represented by Hermie M. Piliin), Felix Sobremonte, and Heirs of Egliceria Sobremonte (represented by Dionisio Sobremonte) (hereafter collectively known as the Lot 780-12 Claimants); and
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> For Lot 780-13: Adelaida S. Bayani, Elmer Bayani, Heirs of Jacinto Cabalag (represented by Lauriana Cabalag), Heirs of Pascual Destreza (represented by Eulogia D. Sobremonte), Ernesto Sobremonte, and Nicasio Tinamisan (hereafter collectively known as the Lot 780-13 Claimants).[98]

The Heirs of Francisco Mendoza, Liberato De Joya, Jocelyn Mercado Reyes, Juan Bautista, Paulino M. Mercado, Tesresita Dinglas, Heirs of Moses Carable, and Enriquito Dinglas are not parties to G.R. Nos. 152797 and 189315 but have voluntarily submitted themselves to this Court's jurisdiction to seek the approval of the Compromise Agreement.[99]

The Compromise Agreement, however, was only signed by the parties' respective counsels without a special power of attorney.[100] The Compromise Agreement also omitted other parties to G.R. Nos. 152797 and 189315.[101]

Thus, on October 21, 2015, this Court issued a Resolution[102] requiring the parties to submit a compromise agreement signed either by themselves or by their counsel with a special power of attorney. The parties were also required to include all the parties to G.R. Nos. 152797 and 189315 in the Joint Motion for Partial Judgment.[103]

On March 11, 2016, the parties in the Joint Motion for Partial Judgment submitted a Sworn Declaration with Instructions to Counsel dated September 18, 2014, individually signed by the petitioners in G.R. Nos. 152797 and 189315. They also submitted individual Special Powers of Attorney executed by the parties and their heirs.[104]

In the August 30, 2016 Resolution,[105] the parties in G.R. Nos. 152797 and 189315 were ordered to comment on the effects of the omission of Fresco Catapang, Rosita Catapang, Domingo P. Limboc, Virgilio A. Limboc, Sonny

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98 Id. at 1737–1738.
99 Id. at 1750–1751.
100 Id. at 1744–1745, 1752.
101 Id. at 1750.
102 Id. at 1747–1754.
103 Id.
104 Id. at 1761–1827.
105 Id. at 1831–1832.

Catapang, and Rexie Dingles from the Joint Motion for Partial Judgment. In compliance, the parties submitted their explanation stating that the six (6) individuals are claimants of other lots.[106]

In G.R. Nos. 152797 and G.R. No. 189315, the following arguments were raised:

Fil-Estate argues that the proper remedy from the decisions, resolutions, and orders of the Agrarian Reform Secretary is a petition for review under Rule 43 of the Rules of Court, not an appeal to the Office of the President.[107]

Fil-Estate also argues that Reyes, et al. committed willful and deliberate forum shopping. It points out that the three (3) pleadings filed by Reyes, et al. raised the same allegations and prayed for the same reliefs: (1) in their appeal before the Office of the President, seeking the denial of Fil-Estate's application for exemption; (2) in their Comment before the Court of Appeals in CA-G.R. SP No. 47497; and (3) in their Petition to Re-Open Case before the Department of Agrarian Reform.[108]

As to the substantive issues, Fil-Estate essentially asserts that the 10 lots subject of Regional Adjudicator Arche-Manalang's First Partial Summary Judgment are excluded from the coverage of the Comprehensive Agrarian Reform Program.

According to Fil-Estate, Nasugbu, Batangas was classified as a tourism zone and under the Philippine Tourism Authority's control pursuant to Proclamation No. 1520, issued by then President Ferdinand Marcos (President Marcos) on November 20, 1975. The entire coastline of Batangas was also classified as a tourism zone under Proclamation No. 1801, which was also issued by then President Marcos on March 10, 1978. The Philippine Tourism Authority even attested that Hacienda Looc has been identified as one (1) of the four (4) major tourism development areas. Therefore, the 10 lots are excluded from the coverage of the Comprehensive Agrarian Reform Program, regardless of whether they have slopes of less than 18% or whether they are agriculturally developed.[109]

In any case, Fil-Estate insists that the 10 lots are undeveloped and have slopes of 18% or over based on the certifications issued by the Community

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106 Id. at 1872.
107 Id. at 1643–1646.
108 Id. at 1646–1656.
109 Id. at 1657–1667 and *rollo* (G.R. No. 189315), pp. 165–175.

Environmental and Natural Resources Office and the Department of Agriculture.[110]

Finally, Fil-Estate claims that the Court of Appeals erred in sustaining the March 25, 1998 Order of Agrarian Reform Secretary Garilao, who adjudicated on matters that were not at issue. The only issue was the propriety of Regional Director Tabones' Order excluding the 10 lots from the Comprehensive Agrarian Reform Program, but he supposedly exceeded the scope of his review by looking at the validity of the cancellation of the 25 Certificates of Land Ownership Award.[111]

On the other hand, Reyes, et al. argue that under the doctrine of exhaustion of administrative remedies, an appeal before the Office of the President is the proper remedy against Agrarian Reform Secretary Garilao's Orders. They point out that it was Fil-Estate that sought relief from another forum by instituting a case before the Court of Appeals despite the pendency of their appeal before the Office of the President.[112]

Maintaining that the 10 lots are covered by the Comprehensive Agrarian Reform Program, Reyes, et al. rely on experts from the Institute of Environmental Science and Management, who characterized the lands in Hacienda Looc as agricultural and the 10 lots as agriculturally developed.[113] They question Agrarian Reform Secretary Garilao's basis in declaring that some areas have slopes of at least 18% and are agriculturally undeveloped. They point out that the evidence that he relied on are inaccurate and flawed since the farmer-beneficiaries were excluded from the exemption proceedings.[114]

Next, Reyes, et al. argue that Proclamation No. 1520 had already been repealed by Executive Order Nos. 448 and 506, as amended. These executive orders provide, among others, that lands reserved by virtue of proclamations or laws for specific purposes, which are suitable for agriculture but are no longer used for the purposes for which they have been reserved, shall be transferred to the Department of Agrarian Reform for distribution under the Comprehensive Agrarian Reform Program. At the time that Executive Order Nos. 448 and 506 were issued, the Philippine Tourism Authority had no existing plan to develop Hacienda Looc pursuant to Proclamation Nos. 1520 and 1801. Its "master plans" were only made sometime after the passage of the two (2) executive orders.[115]

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110 Id. at 1670–1675 and *rollo* (G.R. No. 189315), pp. 157–165.
111 Id. at 1680–1685.
112 Id. at 1581.
113 Id. at 1589–1592.
114 Id. at 1587–1589.
115 Id. at 1594–1596.

Assuming that Proclamation No. 1520 had not been repealed, Reyes, et al. argue that agrarian reform, as an aspect of social justice, outweighs the ends of tourism and should be given more consideration.[116]

Finally, Reyes, et al. argue that Agrarian Reform Secretary Garilao did not err in looking into the validity of the cancellation proceedings, as he was authorized under Section 50 of the Comprehensive Agrarian Reform Law to correct all errors that would defeat the substantive rights of farmer-beneficiaries.[117] Further insisting that the certificates' cancellation is void, they claim that the Department of Agrarian Reform Adjudication Board did not acquire jurisdiction over the farmer-beneficiaries as they were not made aware of the proceedings.[118] They further allege that the farmer-beneficiaries were deceived, threatened, and intimidated into signing blank waivers and declarations of abandonment in favor of Manila Southcoast.[119]

Reyes, et al. add that although the subject of the Petition only covers 10 lots situated in Hacienda Looc, the community of interest principle warrants a review of the application of the Comprehensive Agrarian Reform Law over the entire Hacienda Looc. They point out that Fil-Estate's plans to convert the 10 lots into a tourist haven would negatively impact the agricultural activities in other areas of Hacienda Looc.[120]

Meanwhile, the parties in G.R. No. 200684 raise the following allegations:

First, Del Mundo, et al. assert that the Court of Appeals' rulings in CA-G.R. SP No. 111965 are void, as Associate Justice Gonzales-Sison's did not inhibit from the case. They point out she had penned two (2) cases involving the same subject matter, which cast doubt on her objectivity as a magistrate.[121]

Del Mundo, et al. further claim that Undersecretary Adasa's October 27, 1997 Order, which had their lots excluded from the coverage of the Comprehensive Agrarian Reform Program, is not binding on them since they were denied due process.[122] They also assert that Regional Adjudicator Minas' March 10, 1998 Order, which had their Certificates of Land Ownership Award canceled, did not attain finality as to their case. Citing the community of interest principle, they claim that while they did not file an appeal, they should benefit from the appeal filed by the other farmer-beneficiaries.[123]

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116 Id. at 1596–1597.
117 *Rollo* (G.R. No. 189315), pp. 55–61.
118 *Rollo* (G.R. No. 152797), pp. 1601–1602.
119 *Rollo* (G.R. No. 189315), p. 52.
120 Id. at 68–70 and *rollo* (G.R. No. 152797), pp. 1602–1604.
121 *Rollo* (G.R. No. 200684), pp. 23–25.
122 Id. at 30–31.
123 Id. at 26–30.

because there is no "vinculum or juridical tie which is the efficient cause for the establishment of an obligation."[148]

The Compromise Agreement[149] states, among others, that claimants of Lots 780-12 and 780-13 acknowledge receipt of valuable and sufficient consideration in view of which, they agree to:

> . . . Waive, renounce and cede, in favor of [Fil-Estate] any and all rights to exclusive ownership or co-ownership, past, present or future, contingent or otherwise, whether or not with merit or validity, which they may have over Lot 780-12 and Lot 780-13 . . . based on CLOA No. 4158 (for Lot 780-12) and CLOA No. 4159 (for Lot 780-13)[.][150]

Republic Act No. 6657, as amended by Republic Act No. 9700, places reasonable limitations on the transferability of awarded lands. The pertinent portion of Section 27 states, in part:

> SECTION 27. Transferability of Awarded Lands. — Lands acquired by beneficiaries under this Act or other agrarian reform laws shall not be sold, transferred or conveyed except through hereditary succession, or to the government, or to the LBP, or to other qualified beneficiaries through the DAR for a period of ten (10) years: Provided, however, That the children or the spouse of the transferor shall have a right to repurchase the land from the government or LBP within a period of two (2) years.

An agrarian reform beneficiary is prohibited from alienating awarded lands for a period of 10 years, save in certain cases. In *Lebrudo v. Loyola*,[151] a waiver and transfer of rights over a property covered under the Comprehensive Agrarian Reform Program was declared invalid for violating the prohibition under Section 27 of the Comprehensive Agrarian Reform Law, as amended. In upholding the invalidity of the waiver and transfer of rights, this Court explained that:

> . . . lands awarded to beneficiaries under the Comprehensive Agrarian Reform Program (CARP) may not be sold, transferred or conveyed for a period of 10 years. The law enumerates four exceptions: (1) through hereditary succession; (2) to the government; (3) to the Land Bank of the Philippines (LBP); or (4) to other qualified beneficiaries. In short, during the prohibitory 10-year period, any sale, transfer or conveyance of land reform rights is void, except as allowed by law, in order to prevent a circumvention of agrarian reform laws.
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> . . . .

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148 Id. at 534.
149 *Rollo* (G.R. No. 152797), pp. 1736–1743.
150 Id. at 1738.
151 660 Phil. 456 (2011) [Per J. Carpio, Second Division].

> . . . The law expressly prohibits any sale, transfer or conveyance by farmer-beneficiaries of their land reform rights within 10 years from the grant by the DAR. The law provides for four exceptions and Lebrudo does not fall under any of the exceptions. In *Maylem v. Ellano*, we held that the waiver of rights and interests over landholdings awarded by the government is invalid for being violative of agrarian reform laws. Clearly, the waiver and transfer of rights to the lot as embodied in the Sinumpaang Salaysay executed by Loyola is void for falling under the 10-year prohibitory period specified in RA 6657.[152] (Citation omitted)

In this case, the claimants of Lots 780-12 and 780-13 are no longer covered by the prohibition under Section 27 of Republic Act No. 6657, as amended. The Department of Agrarian Reform issued their Certificates of Land Ownership long ago, from 1991 to 1993. With the lapse of more than 10 years, the claimants may now renounce their rights over the two (2) lots in favor of Fil-Estate.

II

Fil-Estate asserts that the proper remedy to assail Agrarian Reform Secretary Garilao's rulings is a Rule 43 petition before the Court of Appeals, following Section 54 of Republic Act No. 6657. Reyes, et al. counter that filing an appeal before the Office of the President is the appropriate remedy, pursuant to the doctrine of exhaustion of administrative remedies.

Section 54 of Republic Act No. 6657 in relation to Section 61 provides the mode of appeal from the decisions, orders, awards, or rulings of the Department of Agrarian Reform:

> SECTION 54. *Certiorari.* — Any decision, order, award or ruling of the DAR on any agrarian dispute or on any matter pertaining to the application, implementation, enforcement, or interpretation of this Act and other pertinent laws on agrarian reform may be brought to the Court of Appeals by *certiorari* except as otherwise provided in this Act within fifteen (15) days from the receipt of a copy thereof.
>
> The findings of fact of the DAR shall be final and conclusive if based on substantial evidence.
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> . . . .
>
> SECTION 61. *Procedure on 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.

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[152] Id. at 463–464.

On one (1) occasion, this Court held that the proper remedy to question the decisions of the Secretary of Agrarian Reform is a petition for *certiorari* filed before the Court of Appeals.

In *Samahang Magbubukid ng Kapdula, Inc. v. Court of Appeals*,[153] a petition for certiorari was filed before the Court of Appeals assailing the Secretary of Agrarian Reform's determination of qualified beneficiaries. It was argued that the Secretary of Agrarian Reform's decision should have first been appealed to the Department of Agrarian Reform Adjudication Board based on the doctrine of exhaustion of administrative remedies. In rejecting the argument, this Court held that the Secretary of Agrarian Reform's determination of qualified beneficiaries is a final ruling of the Department of Agrarian Reform itself, one that need not be appealed to the Department of Agrarian Reform Adjudication Board. It also ruled that only the decisions of other Agrarian Reform officials other than the Secretary may be reviewed by the Department of Agrarian Reform Adjudication Board.[154]

Later, in *Sebastian v. Morales*,[155] this Court held that Section 54 of Republic Act No. 6657 must be read in relation to Sections 60 and 61 of Republic Act No. 6657 and Republic Act No. 7902. The proper mode of appeal from the decisions, resolutions, and final orders of the Secretary of Agrarian Reform is through a petition for review on certiorari filed under Rule 43 of the Rules of Court:

> We agree with the appellate court that petitioners' reliance on Section 54 of R.A. No. 6657 "is not merely a mistake in the designation of the mode of appeal, but clearly an erroneous appeal from the assailed Orders." For in relying solely on Section 54, petitioners patently ignored or conveniently overlooked Section 60 of R.A. No. 6657, the pertinent portion of which provides that:
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> > An appeal from the decision of the Court of Appeals, or from any order, ruling or decision of the DAR, as the case may be, shall be by a petition for review with the Supreme Court, within a non-extendible period of fifteen (15) days from receipt of a copy of said decision. . . .
>
> Section 60 of R.A. No. 6657 should be read in relation to R.A. No. 7902 expanding the appellate jurisdiction of the Court of Appeals to include:
>
> > Exclusive appellate jurisdiction over all final judgments, decisions, resolutions, orders or awards of Regional Trial Courts and quasi-judicial agencies, instrumentalities, boards or commissions . . . except those falling within the appellate jurisdiction of the Supreme Court

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153 364 Phil. 622 (1999) [Per J. Purisma, Third Division].
154 Id. at 630–631.
155 445 Phil. 595 (2003) [Per J. Quisumbing, Second Division].

> in accordance with the Constitution, the Labor Code of the Philippines under Presidential Decree No. 442, as amended, the provisions of this Act, and of subparagraph (1) of the third paragraph and subparagraph (4) of the fourth paragraph of Section 17 of the Judiciary Act of 1948.
>
> With the enactment of R.A. No. 7902, this Court issued Circular 1-95 dated May 16, 1995 governing appeals from all quasi-judicial bodies to the Court of Appeals by petition for review, regardless of the nature of the question raised. Said circular was incorporated in Rule 43 of the 1997 Rules of Civil Procedure.
>
> Section 61 of R.A. No. 6657 clearly mandates that judicial review of DAR orders or decisions are governed by the Rules of Court. The Rules direct that it is Rule 43 that governs the procedure for judicial review of decisions, orders, or resolutions of the DAR Secretary. By pursuing a special civil action for *certiorari* under Rule 65 rather than the mandatory petition for review under Rule 43, petitioners opted for the wrong mode of appeal. Pursuant to the fourth paragraph of Supreme Court Circular No. 2-90, "an appeal taken to the Supreme Court or the Court of Appeals by the wrong or inappropriate mode shall be dismissed." Therefore, we hold that the Court of Appeals committed no reversible error in dismissing CA-G.R. SP No. 51288 for failure of petitioners to pursue the proper mode of appeal.[156]

This rule was further qualified in *Valencia v. Court of Appeals*.[157] The petitioner in that case appealed the Agrarian Reform Secretary's Decision to the Office of the President. As basis, he relied on Department of Agrarian Reform Memorandum Circular No. 3, series of 1994. The Court of Appeals later declared that the proper remedy from the decision of the Secretary of Agrarian Reform was a petition for review to the Court of Appeals under Rule 43 of the Rules of Court, not an appeal to the Office of the President.

This Court reversed the Court of Appeals Decision and upheld the propriety of the procedural remedy Valencia had taken:

> Interpreting and harmonizing laws with laws is the best method of interpretation. *Interpretare et concordare leges legibus est optimus interpretandi modus.* This manner of construction would provide a complete, consistent and intelligible system to secure the rights of all persons affected by different legislative and quasi-legislative acts. Where two (2) rules on the same subject, or on related subjects, are apparently in conflict with each other, they are to be reconciled by construction, so far as may be, on any fair and reasonable hypothesis. Validity and legal effect should therefore be given to both, if this can be done without destroying the evident intent and meaning of the later act. Every statute should receive such a construction as will harmonize it with the pre-existing body of laws.

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156 Id. at 606–607.

157 449 Phil. 711 (2003) [Per J. Bellosillo, Second Division].

> *Harmonizing DAR Memo. Circ. No. 3, series of 1994, with SC Adm. Circ. No. 1-95 and Sec. 54 of R.A. No. 6657 would be consistent with promoting the ends of substantial justice for all parties seeking the protective mantle of the law. To reconcile and harmonize them, due consideration must be given to the purpose for which each was promulgated. The purpose of DAR Memo. Circ. No. 3, series of 1994, is to provide a mode of appeal for matters not falling within the jurisdictional ambit of the Department of Agrarian Reform Adjudication Board (DARAB) under R.A. No. 6657 and correct technical errors of the administrative agency. In such exceptional cases, the Department Secretary has established a mode of appeal from the Department of Agrarian Reform to the Office of the President as a plain, speedy, adequate and inexpensive remedy in the ordinary course of law.* This would enable the Office of the President, through the Executive Secretary, to review technical matters within the expertise of the administrative machinery before judicial review can be resorted to by way of an appeal to the Court of Appeals under Rule 43 of the 1997 Rules on Civil Procedure.
>
> *On the other hand, the purpose of SC Adm. Circ. No. 1-95, now embodied in Rule 43 of the 1997 Rules of Civil Procedure, is to invoke the constitutional power of judicial review over quasi-judicial agencies, such as the Department of Agrarian Reform under R.A. No. 6657 and the Office of the President in other cases by providing for an appeal to the Court of Appeals.* Section 54 of R.A. No. 6657 is consistent with SC Adm. Circ. No. 1-95 and Rule 43 in that it establishes a mode of appeal from the DARAB to the Court of Appeals.
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> . . . .
>
> As a valid exercise of the Secretary's rule-making power to issue internal rules of procedure, DAR Memo. Circ. No. 3, series of 1994, expressly provides for an appeal to the Office of the President. Thus, petitioner Valencia filed on 24 November 1993 a timely appeal by way of a petition for review under Rule 43 to the Court of Appeals from the decision of the Office of the President, which was received on 11 November 1993, well within the fifteen (15)-day reglementary period.
>
> an appeal is first made by the highest administrative body in the hierarchy of the executive branch of government.[158] (Emphasis supplied, citations omitted)

This Court in *Valencia* distinguished two (2) modes of appeal that may be taken from the decisions, resolutions, and final orders of the Department of Agrarian Reform depending on the subject matter of the case. For matters falling within the jurisdiction of the Department of Agrarian Reform Adjudication Board, the appeal should be lodged before the Court of Appeals by way of a petition for review on certiorari under Rule 43 of the Rules of Court. Otherwise, the case may be elevated to the Office of the President depending on whether the rules provide for such mode of appeal.

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[158] Id. at 726–729.

The distinction made in *Valencia* is consistent with the two-fold nature of the Department of Agrarian Reform's jurisdiction[159] as set forth in Section 50 of Republic Act No. 6657:

> 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 DENR.
>
> It shall not be bound by technical rules of procedure and evidence but shall proceed to hear and decide all cases, disputes or controversies in a most expeditious manner, employing all reasonable means to ascertain the facts of every case in accordance with justice and equity and the merits of the case. Toward this end, it shall adopt a uniform rule of procedure to achieve a just, expeditious and inexpensive determination of every action or proceeding before it.
>
> It shall have the power to summon witnesses, administer oaths, take testimony, require submission of reports, compel the production of books and documents and answers to interrogatories and issue *subpoena*, and *subpoena duces tecum* and to enforce its writs through sheriffs or other duly deputized officers. It shall likewise have the power to punish direct and indirect contempts in the same manner and subject to the same penalties as provided in the Rules of Court.
>
> Responsible farmer leaders shall be allowed to represent themselves, their fellow farmers, or their organizations in any proceedings before the DAR: Provided, however, That when there are two or more representatives for any individual or group, the representatives should choose only one among themselves to represent such party or group before any DAR proceedings.
>
> Notwithstanding an appeal to the Court of Appeals, the decision of the DAR shall be immediately executory except a decision or a portion thereof involving solely the issue of just compensation.

This two-fold jurisdiction of the Department of Agrarian Reform has been delineated through various issuances.

The Secretary of Agrarian Reform has jurisdiction over all matters involving the administrative implementation of Republic Act No. 6657. At present, these matters are governed by rules outlined in Department of Agrarian Reform Administrative Order No. 03, series of 2017. Applications for exemption from coverage under Section 10 of Republic Act No. 6657 have

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[159] *Soriano v. Bravo*, 653 Phil. 72, 85 (2010) [Per J. Leonardo De Castro, First Division] *citing Sta. Rosa Realty Development Corporation v. Amante*, 493 Phil. 570 (2005) [Per J. Austria-Martinez, Special First Division].

been classified as Agrarian Law Implementation Cases, which fall under the exclusive jurisdiction of the Secretary of Agrarian Reform.[160]

Jurisdiction over agrarian disputes, on the other hand, is lodged before the Department of Agrarian Reform Adjudication Board. Agrarian Law Implementation Cases are not within its jurisdiction.[161]

The Rules for Agrarian Law Implementation Cases, both past and present, provide a mode of appeal from the decisions of the Secretary of Agrarian Reform to the Office of the President.[162] On the other hand, the Rules of Procedure of the Department of Agrarian Reform Adjudication Board states that appeals from the decisions of the Department of Agrarian Reform Adjudication Board may be brought to the Court of Appeals pursuant to the Rules of Court.[163]

Here, Fil-Estate applied for exemption from coverage under Section 10 of Republic Act No. 6657.[164] Certainly, this is a matter that fell within the exclusive jurisdiction of Agrarian Reform Secretary Garilao.

Moreover, Agrarian Reform Secretary Garilao's March 25, 1998 Order would have depended on the governing rules of procedure at that time. When Reyes, et al. received a copy of the Order, the Rules for Agrarian Law Implementation Cases had not yet been promulgated. Nevertheless, Department of Agrarian Reform Memorandum Circular No. 3, which allows parties to appeal the Agrarian Reform Secretary's rulings to the Office of the President, was still in effect.

Therefore, Reyes, et al. did not err in elevating the case to the Office of the President first before filing a petition for review before the Court of Appeals.

III

The rule on forum shopping is found in Rule 7, Section 5 of the Rules of Court:

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160 DAR Administrative Order No. 06 (2000); DAR Administrative Order No. 03 (2003); DAR Administrative Order No. 03 (2017).

161 Department of Agrarian Reform Adjudication Board New Rules of Procedure (1994); Department of Agrarian Reform Adjudication Board Rules of Procedure (2003); Department of Agrarian Reform Adjudication Board Rules of Procedure (2009).

162 DAR Administrative Order No. 06 (2000); DAR Administrative Order No. 03 (2003); DAR Administrative Order No. 03 (2017).

163 Department of Agrarian Reform Adjudication Board New Rules of Procedure (1994); Department of Agrarian Reform Adjudication Board Rules of Procedure (2003); Department of Agrarian Reform Adjudication Board Rules of Procedure (2009).

164 *Rollo* (G.R. No. 152797), p. 149 in relation to Department of Agrarian Reform Administrative Order No. 10 (1994).

RULE 7
Parts of a Pleading

> SECTION 5. Certification Against Forum Shopping. — The plaintiff or principal party shall certify under oath in the complaint or other initiatory pleading asserting a claim for relief, or in a sworn certification annexed thereto and simultaneously filed therewith: (a) that he has not theretofore commenced any action or filed any claim involving the same issues in any court, tribunal or quasi-judicial agency and, to the best of his knowledge, no such other action or claim is pending therein; (b) if there is such other pending action or claim, a complete statement of the present status thereof; and (c) if he should thereafter learn that the same or similar action or claim has been filed or is pending, he shall report that fact within five (5) days therefrom to the court wherein his aforesaid complaint or initiatory pleading has been filed.
>
> Failure to comply with the foregoing requirements shall not be curable by mere amendment of the complaint or other initiatory pleading but shall be cause for the dismissal of the case without prejudice, unless otherwise provided, upon motion and after hearing. The submission of a false certification or non-compliance with any of the undertakings therein shall constitute indirect contempt of court, without prejudice to the corresponding administrative and criminal actions. If the acts of the party or his counsel clearly constitute willful and deliberate forum shopping, the same shall be ground for summary dismissal with prejudice and shall constitute direct contempt, as well as a cause for administrative sanctions.

The provision is intended to cover only initiatory pleadings or incipient applications "asserting a claim for relief."[165] A claim for relief "that is derived only from, or is necessarily connected with, the main action or complaint"[166] such as an answer with compulsory counterclaim is not covered by the rule requiring a certification against forum shopping.[167] Likewise, a comment to a petition filed before an appellate tribunal, not being an initiatory pleading, does not require a certification against forum shopping.[168]

A comment to a petition is not an initiatory pleading or an incipient application asserting a claim for relief as contemplated in Rule 7, Section 5 of the Rules of Court. Thus, Reyes, et al. cannot be said to have committed forum shopping when they filed their Comment to Fil-Estate's Petition in CA-G.R. SP No. 47497.

Similarly, Reyes, et al. are not guilty of forum shopping when they filed a Petition to Reopen the Case before the Secretary of Agrarian Reform.

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165 *Roxas v. Court of Appeals*, 415 Phil. 430, 442 (2001) [Per J. De Leon, Jr., Second Division]. *See also Spouses Carpio v. Rural Bank of Sto. Tomas (Batangas), Inc.*, 523 Phil. 158, 162 (2006) [Per J. Sandoval-Gutierrez, Second Division].

166 *Spouses Carpio v. Rural Bank of Sto. Tomas (Batangas), Inc.*, 523 Phil. 158, 163 (2006) [Per J. Sandoval-Gutierrez, Second Division].

167 Id.

168 *Torres v. De Leon*, 778 Phil. 491, 501–502 (2016) [Per J. Peralta, Third Division].

The United States arrived later as the new colonizer. It enacted the Philippine Bill of 1902, which limited land area acquisitions into 16 hectares for private individuals and 1,024 hectares for corporations. The Land Registration Act of 1902 (Act No. 496) established a comprehensive registration of land titles called the Torrens system. This resulted in several ancestral lands being titled in the names of the settlers.

The Philippines witnessed peasant uprisings including the *Sakdalista* movement in the 1930's. During World War II, peasants and workers organizations took up arms and many identified themselves with the Hukbalahap, or *Hukbo ng Bayan Laban sa Hapon*. After the Philippine Independence in 1946, the problems of land tenure remained and worsened in some parts of the country. The Hukbalahaps continued the peasant uprisings in the 1950s.

To address the farmers' unrest, the government began initiating various land reform programs, roughly divided into three (3) stages.

The first stage was the share tenancy system under then President Ramon Magsaysay (1953-1957). In a share tenancy agreement, the landholder provided the land while the tenant provided the labor for agricultural production. The produce would then be divided between the parties in proportion to their respective contributions. On August 30, 1954, Congress passed Republic Act No. 1199 (Agricultural Tenancy Act), ensuring the "equitable division of the produce and [the] income derived from the land[.]"

Compulsory land registration was also established under the Magsaysay Administration. Republic Act No. 1400 (Land Reform Act) granted the Land Tenure Administration the power to purchase or expropriate large tenanted rice and corn lands for resale to *bona fide* tenants or occupants who owned less than six (6) hectares of land. However, Section 6 (2) of Republic Act No. 1400 set unreasonable retention limits at 300 hectares for individuals and 600 hectares for corporations, rendering President Magsaysay's efforts to redistribute lands futile.

On August 8, 1963, Congress enacted Republic Act No. 3844 (Agricultural Land Reform Code) and abolished the share tenancy system, declaring it to be against public policy. The second stage of land reform, the agricultural leasehold system, thus began under President Diosdado Macapagal (1961-1965).

Under the agricultural leasehold system, the landowner, lessor, usufructuary, or legal possessor furnished his or her landholding, while another person cultivated it until the leasehold relation was extinguished. The landowner had the right to collect lease rental from the agricultural lessee, while the lessee had the right to a homelot and to be indemnified for his or her labor if the property was surrendered to the landowner or if the lessee was ejected from the landholding.

Republic Act No. 3844 also sought to provide economic family-sized farms to landless citizens of the Philippines especially to qualified farmers. The landowners were allowed to retain as much as 75 hectares of their landholdings. Those lands in excess of 75 hectares could be expropriated by the government.

> The system finally transitioned from agricultural leasehold to one of full ownership under President Ferdinand E. Marcos (1965-1986). On September 10, 1971, Congress enacted Republic Act No. 6389 or the Code of Agrarian Reform.
>
> Republic Act No. 6389 automatically converted share tenancy into agricultural leasehold. It also established the Department of Agrarian Reform as the implementing agency for the government's agrarian reform program. Presidential Decree No. 2 proclaimed the whole country as a land reform area.
>
> On October 21, 1972, Presidential Decree No. 27, or the Tenants Emancipation Decree, superseded Republic Act No. 3844. Seeking to "emancipat[e] the tiller of the soil from his bondage," Presidential Decree No. 27 mandated the compulsory acquisition of private lands to be distributed to tenant-farmers. From 75 hectares under Republic Act No. 3844, Presidential Decree No. 27 reduced the landowner's retention area to a maximum of seven (7) hectares of land.
>
> Presidential Decree No. 27 implemented the Operation Land Transfer Program to cover tenanted rice or corn lands. According to *Daez v. Court of Appeals*, "the requisites for coverage under the [Operation Land Transfer] program are the following: (1) the land must be devoted to rice or corn crops; and (2) there must be a system of share-crop or lease-tenancy obtaining therein."
>
> . . . .
>
> Following the People Power Revolution, then President Corazon C. Aquino (1986-1992) fulfilled the promise of land ownership for the tenant-farmers. Proclamation No. 131 instituted the Comprehensive Agrarian Reform Program. Executive Order No. 129 (1987) reorganized the Department of Agrarian Reform and expanded it in power and operation. Executive Order No. 228 (1987) declared the full ownership of the land to qualified farmer beneficiaries under Presidential Decree No. 27.
>
> . . . .
>
> On June 10, 1988, Congress enacted Republic Act No. 6657, otherwise known as the Comprehensive Agrarian Reform Law, to supersede Presidential Decree No. 27.
>
> The compulsory land acquisition scheme under Republic Act No. 6657 empowers the government to acquire private agricultural lands for distribution to tenant-farmers. A qualified farmer beneficiary is given an emancipation patent, called the Certificate of Land Ownership Award, which serves as conclusive proof of his or her ownership of the land.[179] (Citations omitted)

Republic Act No. 6657 is anchored on the social justice provisions on agrarian reform found in Article XIII of the 1987 Constitution:

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[179] Id. at 985–998.

ARTICLE XIII
Social Justice and Human Rights

. . . .

Agrarian and Natural Resources Reform

SECTION 4. The State shall, by law, undertake an agrarian reform program founded on the right of farmers and regular farmworkers, who are landless, to own directly or collectively the lands they till or, in the case of other farmworkers, to receive a just share of the fruits thereof. To this end, the State shall encourage and undertake the just distribution of all agricultural lands, subject to such priorities and reasonable retention limits as the Congress may prescribe, taking into account ecological, developmental, or equity considerations, and subject to the payment of just compensation. In determining retention limits, the State shall respect the right of small landowners. The State shall further provide incentives for voluntary land-sharing.

SECTION 5. The State shall recognize the right of farmers, farmworkers, and landowners, as well as cooperatives, and other independent farmers' organizations to participate in the planning, organization, and management of the program, and shall provide support to agriculture through appropriate technology and research, and adequate financial, production, marketing, and other support services.

SECTION 6. The State shall apply the principles of agrarian reform or stewardship, whenever applicable in accordance with law, in the disposition or utilization of other natural resources, including lands of the public domain under lease or concession suitable to agriculture, subject to prior rights, homestead rights of small settlers, and the rights of indigenous communities to their ancestral lands.

The State may resettle landless farmers and farmworkers in its own agricultural estates which shall be distributed to them in the manner provided by law.

SECTION 7. The State shall protect the rights of subsistence fishermen, especially of local communities, to the preferential use of local marine and fishing resources, both inland and offshore. It shall provide support to such fishermen through appropriate technology and research, adequate financial, production, and marketing assistance, and other services. The State shall also protect, develop, and conserve such resources. The protection shall extend to offshore fishing grounds of subsistence fishermen against foreign intrusion. Fishworkers shall receive a just share from their labor in the utilization of marine and fishing resources.

SECTION 8. The State shall provide incentives to landowners to invest the proceeds of the agrarian reform program to promote industrialization, employment creation, and privatization of public sector enterprises. Financial instruments used as payment for their lands shall be honored as equity in enterprises of their choice.

Republic Act No. 6657, as amended, echoes these social justice provisions. Section 2 lists among the objectives of agrarian reform "the just distribution of all agricultural lands" subject to certain conditions. It also recognizes, among others, the participatory role of all stakeholders by allowing farmers, farmworkers, landowners, cooperatives, and other independent farmer's organizations to "participate in the planning, organization, and management" of the Comprehensive Agrarian Reform Program.

Section 50 of Republic Act No. 6657, as amended, vests the Department of Agrarian Reform with primary jurisdiction over agrarian reform matters and over all matters involving the implementation of agrarian reform. This provision is further reiterated in jurisprudence. In the recent case of *Secretary of Department of Agrarian Reform v. Heirs of Abucay*,[180] for one, this Court held that the "jurisdiction over the administrative implementation of agrarian laws exclusively belongs to the Department of Agrarian Reform Secretary."[181]

Thus, in carrying out its mandate of resolving disputes and controversies in the most expeditious manner, the Department of Agrarian Reform is not constrained by the technical rules of procedure and evidence. It may employ "all reasonable means to ascertain the facts of every case in accordance with justice and equity and the merits of the case."[182] Toward this end, it is empowered to issue the necessary rules and regulations.[183]

This Court finds that Agrarian Reform Secretary Garilao did not exceed the scope of his jurisdiction in issuing the March 25, 1998 Order. The Department of Agrarian Reform, through its Secretary, has primary jurisdiction over all matters involving the implementation of agrarian reform, including the investigation of acts that he or she believes are directed toward the circumvention of the objectives of the Comprehensive Agrarian Reform Program.

A reading of the Comprehensive Agrarian Reform Law, as a social welfare legislation, should be "more than just an inquiry into the literal meaning of the law."[184] In interpreting tenancy and labor legislations, the broad consideration is the ultimate resolution of doubts in favor of the tenant or worker.[185]

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[180] G.R. Nos. 186432 and 186964, March 12, 2019, <http://elibrary.judiciary.gov.ph/thebookshelf/showdocs/1/65171> [Per J. Leonen, En Banc].

[181] Id.

[182] Republic Act No. 6657 (1988), sec. 50.

[183] Republic Act No. 6657 (1988), sec. 49.

[184] *Vda. De Santos v. Garcia*, 118 Phil. 194, 197 (1963) [Per J. Regala, En Banc].

[185] Id.

> **A proclamation that merely recognizes the potential tourism value of certain areas within the general area declared as tourist zone clearly *does not allocate, reserve, or intend the entirety of the land area of the zone for non-agricultural purposes.* Neither does said proclamation direct that otherwise CARPable lands within the zone shall already be used for purposes other than agricultural.**
>
> Moreover, to view these kinds of proclamation as a reclassification for non-agricultural purposes of entire provinces, municipalities, barangays, islands, or peninsulas would be unreasonable as it amounts to an automatic and sweeping exemption from CARP in the name of tourism development. The same would also undermine the land use reclassification powers vested in local government units in conjunction with pertinent agencies of government.
>
> **C. There being no reclassification, it is clear that said proclamations/issuances, assuming [these] took effect before June 15, 1988, could not supply a basis for exemption of the entirety of the lands embraced therein from CARP coverage . . . .**
>
> D. . . . .

The DAR's reading into these general proclamations of tourism zones deserves utmost consideration, more especially in the present petitions which involve vast tracts of agricultural land. To reiterate, PP 1520 merely recognized the "potential tourism value" of certain areas within the general area declared as tourism zones. It did not reclassify the areas to non-agricultural use.

Apart from PP 1520, there are similarly worded proclamations declaring the whole of Ilocos Norte and Bataan Provinces, Camiguin, Puerto Prinsesa, Siquijor, Panglao Island, parts of Cebu City and Municipalities of Argao and Dalaguete in Cebu Province as tourism zones.

Indubitably, these proclamations, particularly those pertaining to the Provinces of Ilocos Norte and Bataan, did not intend to reclassify all agricultural lands into non-agricultural lands in one fell swoop. The Court takes notice of how the agrarian reform program was — and still is — implemented in these provinces since there are lands that do not have any tourism potential and are more appropriate for agricultural utilization.

Relatedly, a reference to the *Special Economic Zone Act of 1995* provides a parallel orientation on the issue. Under said Act, several towns and cities encompassing the whole Philippines were readily identified as economic zones. To uphold Roxas & Co.'s reading of PP 1520 would see a total reclassification of practically all the agricultural lands in the country to non-agricultural use. Propitiously, the legislature had the foresight to include a bailout provision in Section 31 of said Act for land conversion. The same cannot be said of PP 1520, despite the existence of Presidential Decree (PD) No. 27 or the *Tenant Emancipation Decree,* which is the precursor of the CARP.

. . . .

> Given these martial law-era decrees and considering the socio-political backdrop at the time PP 1520 was issued in 1975, it is inconceivable that PP 1520, as well as other similarly worded proclamations which are completely silent on the aspect of reclassification of the lands in those tourism zones, would nullify the gains already then achieved by PD 27.[192] (Emphasis in the original, citations omitted)

Thus, in this case, there is no merit in Fil-Estate's argument that, in light of Proclamation No. 1520, the 10 lots are excluded from the coverage of the Comprehensive Agrarian Reform Program.

In addition, the Certifications[193] issued by the Philippine Tourism Authority attached to the Petition merely reiterate the provisions of Proclamation No. 1520. There is no competent proof to show that specific geographic areas in Nasugbu have been identified by the Philippine Tourism Authority for development based on studies. There is also no proof of the existence of a tourism development plan that specifically covers the disputed areas. At best, these Certifications only recognize the passage of Proclamation No. 1520.

VI

Section 10 of Republic Act No. 6657 enumerates the types of land excluded from the coverage of the Comprehensive Agrarian Reform Program. Among the lands excluded are those with slopes of 18% and over, except if they are already developed:

> SECTION 10. *Exemptions and Exclusions.* —
>
> . . . .
>
> (c) Lands actually, directly and exclusively used and found to be necessary for national defense, school sites and campuses, including experimental farm stations operated by public or private schools for educational purposes, seeds and seedling research and pilot production center, church sites and convents appurtenant thereto, mosque sites and Islamic centers appurtenant thereto, communal burial grounds and cemeteries, penal colonies and penal farms actually worked by the inmates, government and private research and quarantine centers and *all lands with eighteen percent (18%) slope and over, except those already developed,* shall be exempt from the coverage of this Act. (Emphasis supplied)

Both parties believe that the findings of Agrarian Reform Secretary Garilao on the lots' slope and development are erroneous. Fil-Estate claims

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[192] Id. at 61–66.
[193] *Rollo* (G.R. No. 152797), pp. 248–250.

that the lots in dispute fall squarely under Section 10 of Republic Act No. 6657, as amended. On the other hand, Reyes, et al. claim that all the lots are agriculturally developed and are, hence, covered under the Comprehensive Agrarian Reform Program.

This Court sees no reason to disturb the factual findings of Agrarian Reform Secretary Garilao in his March 25, 1998 Order, which were affirmed by the Court of Appeals.

This Court is not a trier of facts;[194] we do not examine and weigh anew the probative value of the parties' evidence. As a rule, the factual findings of lower tribunals are "final, binding[,] or conclusive on the parties and upon this [c]ourt[.]"[195] The jurisdiction of this Court in Rule 45 petitions is limited in scope such that only questions of law may be raised.[196]

A question of law exists when "doubt or difference arises as to what the law is on a certain state of facts[.]"[197]

On the other hand, a question of fact exists when "doubt or difference arises as to the truth or the falsehood of alleged facts[.]"[198] It inquires into the probative value of the parties' evidence.[199]

The general rule admits of certain exceptions, which must be alleged and proved by the parties. These exceptions are:

> (1) When the conclusion is a finding grounded entirely on speculation, surmises or conjectures; (2) When the inference made is manifestly mistaken, absurd or impossible; (3) Where there is a grave abuse of discretion; (4) When the judgment is based on a misapprehension of facts; (5) When the findings of fact are conflicting; (6) When the Court of Appeals, in making its findings, went beyond the issues of the case and the same is contrary to the admissions of both appellant and appellee; (7) The findings of the Court of Appeals are contrary to those of the trial court; (8) When the findings of fact are conclusions without citation of specific evidence on which they are based; (9) When the facts set forth in the petition as well as in the petitioner's main and reply briefs are not disputed by the respondents; and (10) The finding of fact of the Court of Appeals is premised on the supposed absence of evidence

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194 *Bautista v. Puyat Vinyl Products, Inc.*, 416 Phil. 305, 308 (2001) [Per J. Pardo, First Division].

195 *Pascual v. Burgos*, 776 Phil. 167, 182 (2016) [Per J. Leonen, Second Division].

196 RULES OF COURT, Rule 45, sec. 1.

197 *Pilar Development Corporation v. Intermediate Appellate Court*, 230 Phil. 301, 307 (1986) [Per J. Paras, Second Division].

198 Id.

199 *Pascual v. Burgos*, 776 Phil. 167, 182 (2016) [Per J. Leonen, Second Division].

> and is contradicted by the evidence on record.[200] (Citation omitted)

None of these exceptions are present here.

Moreover, as a rule, the findings of administrative agencies, such as the Department of Agrarian Reform, are deemed binding and conclusive upon the appellate courts.[201] Administrative agencies possess special knowledge and expertise on "matters falling under their specialized jurisdiction."[202] Thus, their findings, when supported by substantial evidence, are accorded great respect and even finality, especially when affirmed by the Court of Appeals.[203]

In this case, to determine whether the lots should be excluded from the coverage of the Comprehensive Agrarian Reform Program, the Department of Agrarian Reform, through Agrarian Reform Secretary Garilao, created a regional task force and two (2) other fact-finding teams headed by Undersecretary Soliman. In addition, an inter-agency committee was formed, headed by Undersecretary Victor Gerardo Bulatao, together with representatives from the Department of Environment and Natural Resources, the Department of Agriculture, and the Department of Tourism. These investigating teams conducted site inspections and verifications, field surveys, and entered into dialogues with the affected stakeholders.[204]

The Department of Agrarian Reform's factual findings on the lots' slope and level of development are based on substantial evidence. There is no reason to depart from them.

VII

Judges have the duty to render just decisions, which must be done in a manner "completely free from suspicion as to its fairness and as to [their] integrity."[205] The public's faith and confidence in the justice system must always be preserved.[206] Thus, in certain instances, judges may be compelled to inhibit themselves from sitting in a case. Rule 137, Section 1 of the Rules of Court outlines these instances:

> SECTION 1. *Disqualification of judges.* — No judge or judicial officer shall sit in any case in which he, or his wife or child, is pecuniarily interested as heir, legatee, creditor or otherwise, or in which he is related to

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200 Id. at 182–183.
201 *Perez v. Cruz*, 452 Phil. 597, 606–607 (2003) [Per J. Quisumbing, Second Division].
202 *Lim v. Commission on Audit*, 447 Phil. 122, 126 (2003) [Per J. Sandoval-Gutierrez, En Banc].
203 *Villaflor v. Court of Appeals*, 345 Phil. 524, 532 (1997) [Per J. Panganiban, Third Division].
204 *Rollo* (G.R. No. 152797), pp. 149–159.
205 *Garcia v. Judge De la Peña*, 299 Phil. 817, 824 (1994) [Per Curiam, En Banc].
206 Id.

> either party within the sixth degree of consanguinity or affinity, or to counsel within the fourth degree, computed according to the rules of the civil law, or in which he has been executor, administrator, guardian, trustee or counsel, or in which he has presided in any inferior court when his ruling or decision is the subject of review, without the written consent of all parties in interest, signed by them and entered upon the record.
>
> A judge may, in the exercise of his sound discretion, disqualify himself from sitting in a case, for just or valid reasons other than those mentioned above.

The first paragraph pertains to compulsory disqualification or inhibition where it is conclusively presumed that a judge's partiality and objectivity might be questioned due to his or her relationship or interest. In *Garcia v. Judge De la Peña*:[207]

> The rule on compulsory disqualification of a judge to hear a case where, as in the instant case, the respondent judge is related to either party within the sixth degree of consanguinity or affinity rests on the salutary principle that no judge should preside in a case in which he is not wholly free, disinterested, impartial and independent. A judge has both the duty of rendering a just decision and the duty of doing it in a manner completely free from suspicion as to its fairness and as to his integrity. The law conclusively presumes that a judge cannot objectively or impartially sit in such a case and, for that reason, prohibits him and strikes at his authority to hear and decide it, in the absence of written consent of all parties concerned. The purpose is to preserve the people's faith and confidence in the courts of justice.[208] (Citations omitted)

The second paragraph of Rule 137, Section 1 refers to voluntary inhibition. Unlike the first paragraph, which enumerates specific cases where a judge should inhibit, the rule on voluntary inhibition gives judges the discretion to determine whether they should sit in a case for "just and valid reasons, with only their conscience as guide."[209] Broad as it may seem, the rule on voluntary inhibition "does not give judges the unfettered discretion to decide whether to desist from hearing a case."[210] There must be a just and valid cause or reason. An imputation of bias or partiality will not suffice absent any showing of "acts or conduct clearly indicative of arbitrariness or prejudice."[211]

Here, this Court finds no reason for Court of Appeals Associate Justice Gonzales-Sison to inhibit from sitting in CA-G.R. SP No. 111965.

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207 299 Phil. 817 (1994) [Per Curiam, En Banc].
208 Id. at 824.
209 *Pagoda Philippines. Inc. v. Universal Canning, Inc.*, 509 Phil. 339, 345 (2005) [Per J. Panganiban, Third Division].
210 Id. at 346.
211 Id.

Del Mundo, et al. simply accused her of bias and partiality for having penned two (2) cases involving the same subject matter as their Petition. This is insufficient; there must be evidence of acts or conduct indicative of the charges. In *Pagoda Philippines, Inc., v. Universal Canning, Inc.*,[212] this Court explained that:

> . . . for bias and prejudice to be considered valid reasons for the voluntary inhibition of judges, mere suspicion is not enough. Bare allegations of their partiality will not suffice "in the absence of clear and convincing evidence to overcome the presumption that a judge will undertake his noble role to dispense justice according to law and evidence and without fear or favor."[213]

Besides, Del Mundo, et al. did not even attach copies of the two (2) decisions that Associate Justice Gonzales-Sison penned which allegedly indicate her bias. Thus, she was not shown to have been motivated by bias or prejudice.

VIII

Del Mundo, et al. concede that they failed to appeal Undersecretary Adasa and Regional Adjudicator Minas' Orders. They believe, however, that this is not fatal to their cause. Citing *Dadizon v. Bernadas*,[214] they claim that the appeal filed by the other farmer-beneficiaries should be considered as an appeal of all the farmer-beneficiaries under the community of interest principle.[215]

Their argument fails to persuade.

The procedural issue in *Dadizon* was whether the requirement of impleading all indispensable parties under Rule 7, Section 3 of the Rules of Court applies to appeals. This Court ruled that the rule on indispensable parties only applies to original actions, not to appeals. The reversal of the judgment on appeal would only bind the parties in the appealed case but not those who were not made parties.

As an exception, however, this Court cited communality of interest among the parties, where a reversal of the judgment on appeal operates as a reversal to all the parties—even to those who did not appeal—if it is shown that their rights and interests are inseparable or so "interwoven and dependent

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212 509 Phil. 339 (2005) [Per J. Panganiban, Third Division].
213 Id. at 346.
214 606 Phil. 687 (2009) [Per C.J. Puno, First Division].
215 *Rollo* (G.R. No. 200684), p. 27.

on each other[.]"[216] The rule has also been held to apply in instances when an "injustice might result from a reversal as to less than all the parties."[217]

The rule on communality of interest does not apply here. The rule refers to the effect of a reversal of a judgment on parties who did not appeal. Del Mundo, et al. cannot rely upon this rule to recover an appeal which they had already lost.

Even if the rule were applicable, there is no showing that Del Mundo, et al.'s rights and interests are inseparable or so "interwoven and dependent" on the rights and interests of the parties who filed an appeal.

WHEREFORE, the consolidated Petitions are **DENIED**. The March 26, 2002 Decision of the Court of Appeals in CA-G.R. SP No. 47497, the February 27, 2009 Decision and August 25, 2009 Resolution of the Court of Appeals in CA-G.R. SP No. 60203, and the September 28, 2011 Decision and February 20, 2012 Resolution of the Court of Appeals in CA-G.R. SP No. 111965 are **AFFIRMED**.

SO ORDERED.

MARVIC M.V.F. LEONEN
Associate Justice

WE CONCUR:

DIOSDADO M. PERALTA
Associate Justice
Chairperson

ANDRES B. REYES, JR.
Associate Justice

On leave
RAMON PAUL L. HERNANDO
Associate Justice

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[216] *Dadizon v. Bernadas*, 606 Phil. 687, 694 (2009) [Per C.J. Puno, First Division]. *See also Tropical Homes, Inc. v. Fortun*, 251 Phil. 83 (1989) [Per J. Regalado, Second Division].

[217] *Lim-Bungcaras v. Commission on Elections*, 799 Phil. 642, 671 (2016) [Per J. Leonardo-De Castro, En Banc].

HENRI JEAN PAUL B. INTING
Associate Justice

ATTESTATION

I attest 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's Division.

DIOSDADO M. PERALTA
Associate Justice
Chairperson

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the Division Chairperson's Attestation, 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's Division.

ANTONIO T. CARPIO
Acting Chief Justice
(Per Special Order No. 2703)

CERTIFIED TRUE COPY

MISAEL DOMINGO C. BATTUNG III
Division Clerk of Court
Third Division
JAN 24 2020