



Republic of the Philippines
Supreme Court
Manila

THIRD DIVISION

LAND BANK OF THE
PHILIPPINES,

Petitioner,

- versus -

ESPEDITO* Q. ESCARO,
represented by MARCELO Q.
ESCARO, SR.,

Respondent.

G.R. No. 204526

Present:

LEONEN, J.,
Chairperson,
HERNANDO,
INTING,
DELOS SANTOS, and
LOPEZ, J. Y., JJ.

Promulgated:

February 10, 2021

Mis-DCBatt

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DECISION

HERNANDO, J.:

This Petition for Review on *Certiorari*¹ seeks to reverse and set aside the June 4, 2012 Decision² and November 23, 2012 Resolution³ of the Court of Appeals (CA) in CA-G.R. SP No. 112783 declaring as null and void the November 5, 2009 and January 4, 2009 Orders⁴ of the Regional Trial Court, Branch 23, Naga City, sitting as a Special Agrarian Court (RTC-SAC) in Civil Case No. 2009-0002. The November 23, 2012 Resolution of the CA denied petitioner's Motion for Reconsideration.⁵

* Expedito in some parts of the records.

¹ *Rollo*, pp. 10-29.

² *Id.* at 32-40; penned by Associate Justice Francisco P. Acosta and concurred in by Associate Justices Magdangal M. De Leon and Angelita A. Gacutan.

³ *Id.* at 43-44.

⁴ *Id.* at 92-97 and 83-85.

⁵ *Id.* at 54-63.

Factual Antecedents.

Expedito Q. Escaro, as represented herein by Marcelo Q. Escaro, Sr. (respondent), is one of the heirs of the registered owner of a parcel of land located at Sibao, Calabanga, Camarines Sur, with an area consisting, more or less, of 24.3990 hectares. On August 30, 1994,⁶ the Department of Agrarian Reform (DAR) placed 24.0467 of the 24.3990 hectares of the said parcel of land under the Compulsory Acquisition scheme pursuant to Republic Act. No. 6657 (RA 6657) or the Comprehensive Agrarian Reform Law.⁷

By virtue of its mandate under RA 6657, petitioner Land Bank of the Philippines (LBP) made an initial valuation of the property at ₱272,347.63 as indicated in a Notice of Valuation and Acquisition dated December 30, 1996.⁸

Respondent rejected petitioner's valuation. Thus, sometime in 1996,⁹ the matter was referred to the Provincial Agrarian Reform Adjudicator (PARAD) of Camarines Sur who, after conducting summary administrative proceedings for the preliminary determination of just compensation, rendered on February 23, 2002 a Decision fixing the just compensation at ₱1,555.084.00.¹⁰

Petitioner elevated the matter to the Department of Agrarian Reform Adjudication Board (DARAB) which, on December 10, 2007, reversed and set aside the February 23, 2002 Decision of the PARAD and reinstated petitioner's valuation of ₱272,347.70. Respondent received the DARAB Decision on May 7, 2008. Thereafter, on May 20, 2008, respondent moved for the reconsideration of the DARAB Decision, but the same was denied by the DARAB in its October 18, 2008 Order. Respondent received a copy of the said Order on December 16, 2008.¹¹

Thereafter, on January 5, 2009, respondent filed with the RTC-SAC a complaint¹² praying that the trial court fix the valuation of the land at ₱1,681,199.00 or approximately ₱70,000.00 per hectare.¹³

In its Answer,¹⁴ LBP interposed, among others, the following defenses: (1) that respondent failed to file a Notice of Filing of Original Action (NFOA) with the RTC-SAC as prescribed under the 2003 DARAB Rules of Procedure (DARAB Rules); and (2) that respondent had no cause of action to file an

⁶ Id. at 204.

⁷ Id.

⁸ Id. at 99.

⁹ Id.

¹⁰ Id. at 33.

¹¹ Id. at 33 and 71.

¹² Id. at 98-101.

¹³ Id. at 101.

¹⁴ Id. at 106-112.

action for determination of just compensation with the RTC-SAC considering that the case is already barred by prior judgment.¹⁵

Ruling of the Regional Trial Court:

In an Order¹⁶ dated November 5, 2009, the RTC-SAC dismissed the complaint on the ground of *res judicata*, the dispositive portion of which reads:

WHEREFORE, in view of the foregoing, this case is hereby dismissed upon the ground of *res judicata* (bar by prior judgment).

SO ORDERED.¹⁷

The RTC-SAC found that respondent committed a procedural lapse when he filed before the DARAB a motion for reconsideration to question the DARAB Decision rather than filing an original action for determination of just compensation with the RTC-SAC within 15 days from his receipt of the said decision on May 7, 2008 as prescribed under Section 7, Rule XIX of the DARAB Rules.¹⁸

Considering that the filing of a motion for reconsideration did not have the effect of tolling the period within which respondent should have filed his complaint with the RTC-SAC, the DARAB Decision had attained finality on May 22, 2007, and thus, already beyond the court's judicial review. The RTC-SAC added that respondent's failure to file a NFOA and to submit a certified true copy of the complaint to the DARAB had the effect of rendering the DARAB Decision final and executory pursuant to Section 7, Rule XIX¹⁹ of the same rules.

¹⁵ Id. at 111.

¹⁶ Id. at 92-97.

¹⁷ Id. at 97.

¹⁸ Rule XIX Preliminary Determination of Just Compensation x x x

SECTION 7. *Filing of Original Action with the Special Agrarian Court for Final Determination.* — The party who disagrees with the decision of the Board may contest the same by filing an original action with the Special Agrarian Court (SAC) having jurisdiction over the subject property within fifteen (15) days from his receipt of the Board's decision. x x x (2003 DARAB Rules of Procedure, January 17, 2003)

¹⁹ SECTION 7. *Filing of Original Action with the Special Agrarian Court for Final Determination.* — x x x Immediately upon filing with the SAC, the party shall file a Notice of Filing of Original Action with the Board, together with a certified true copy of the petition filed with the SAC.

Failure to file a Notice of Filing of Original Action or to submit a certified true copy of the petition shall render the decision of the Board final and executory. Upon receipt of the Notice of Filing of Original Action or certified true copy of the petition filed with the SAC, no writ of execution shall be issued by the Board. (2003 DARAB Rules of Procedure, January 17, 2003)

Respondent filed a motion for reconsideration of the November 5, 2009 Order²⁰ but it was denied by the RTC-SAC in its January 4, 2009 Order.²¹

Ruling of the Court of Appeals:

Respondent thus filed with the CA a petition for review under Rule 42 of the Rules of Court and, in support thereof, raised the following arguments: (1) that the very import of RA 6657 does not expressly prohibit the filing of a motion for reconsideration from the decisions, rulings or orders of the DARAB; and (2) that Section 51 of RA 6657²² allows for the filing of one motion for reconsideration of decisions of the DAR (through the DARAB) to any case or controversy raised before it.²³

On June 4, 2012, the CA rendered its assailed Decision²⁴ granting respondent's petition for review and setting aside the November 5, 2009 and January 4, 2010 Orders of the RTC-SAC. The dispositive portion of the June 4, 2012 Decision reads as follows:

WHEREFORE, premises considered, the Orders dated November 5, 2009 and January 4, 2010 of the Regional Trial Court in Civil Case No. 2009-0002 are hereby declared **NULL** and **VOID**. The RTC is hereby directed to give due course to the Complaint filed by petitioner for determination of just compensation and set the same for further proceedings.

SO ORDERED.²⁵

The CA held that the RTC-SAC should have ruled upon the merits of respondent's complaint considering that Section 57²⁶ of RA 6657 expressly vests the RTC with original and exclusive jurisdiction over all petitions for the determination of just compensation to landowners. The CA added that while the DARAB Rules provide for direct appeals to the DARAB from decisions of the PARAD in land valuation cases, such rule could not have accorded the RTCs mere appellate jurisdiction over land valuation cases.

The appellate court cited Section 11, Rule XIII²⁷ of the former 1994 DARAB Rules of Procedure where it expressly recognized the exclusive and

²⁰ *Rollo*, pp. 86-90.

²¹ *Id.* at 83-85.

²² SECTION 51. Finality of Determination. — Any case or controversy before it shall be decided within thirty (30) days after it is submitted for resolution. Only one (1) motion for reconsideration shall be allowed. Any order, ruling or decision shall be final after the lapse of fifteen (15) days from receipt of a copy thereof. (Comprehensive Agrarian Reform Law of 1988, Republic Act No. 6657, June 10, 1988)

²³ *CA rollo*, p. 10.

²⁴ *Rollo*, pp. 32-40

²⁵ *Id.* at 39.

²⁶ SECTION 57. *Special Jurisdiction*. — The Special Agrarian Courts shall have original and exclusive jurisdiction over all petitions for the determination of just compensation to landowners, and the prosecution of all criminal offenses under this Act. The Rules of Court shall apply to all proceedings before the Special Agrarian Courts, unless modified by this Act. (Comprehensive Agrarian Reform Law of 1988, Republic Act No. 6657, June 10, 1988)

²⁷ SECTION 11. Land Valuation and Preliminary Determination and Payment of Just Compensation. — The decision of the Adjudicator on land valuation and preliminary determination and payment of just

original jurisdiction of the RTCs over land valuation cases and determination of just compensation to landowners.

The CA also held that:

x x x the respondent's filing of the action for determination of just compensation before the Regional [T]rial Court sitting as a Special Agrarian Court after the receipt of the Decision of the DARAB and denial of the motion for reconsideration of the said decision cannot be regarded as barred by the filing of the latter case beyond the 15-day period prescribed under Rule XIII, Section 11 of the DARAB Rules. The procedural soundness of Agrarian Case 2009-0002 could not be made dependent on the DARAB case, for these two proceedings are separate and independent.²⁸

Petitioner sought reconsideration of the June 4, 2012 Decision of the CA, which was, however, denied by the CA in its November 23, 2012 Resolution.²⁹

Issue

Petitioner filed the instant petition raising the sole issue:

WHETHER OR NOT THE DARAB IS AUTOMATICALLY DIVESTED OF ITS JURISDICTION WHEN A PARTY TO A JUST COMPENSATION CASE FILES AN ORIGINAL ACTION WITH THE SAC EVEN IN THE ABSENCE OF A [NOTICE OF FILING OF ORIGINAL ACTION], AS COMPULSORILY REQUIRED UNDER SECTION 7, RULE XIX OF THE 2003 DARAB RULES, OR WITHOUT NEED OF FURNISHING IT A CERTIFIED COPY OF THE PETITION AS FILED.³⁰

Petitioner ultimately seeks this Court "to determine whether or not the [CA] has correctly applied the law and jurisprudence based on facts on record in its Decision dated June 4, 2012."³¹

Petitioner maintains that the CA misapplied the provisions of the 1994 DARAB Rules of Procedure considering that they were long superseded by the provisions of the new DARAB Rules. Petitioner notes that Section 7, Rule XIX thereof expressly mandates the filing of a NFOA and the submission of the petition filed with the RTC-SAC to the DARAB. In this regard, petitioner insists that respondent's non-compliance with the aforesaid requirement rendered the DARAB decision final and executory.

compensation shall not be appealable to the Board but shall be brought directly to the Regional Trial Courts designated as Special Agrarian Courts within fifteen (15) days from receipt of the notice thereof. Any party shall be entitled to only one motion for reconsideration. (1994 DARAB New Rules of Procedure, May 30, 1994)

²⁸ *Rollo*, pp. 38-39.

²⁹ *Id.* at 43-44.

³⁰ *Id.* at 17.

³¹ *Id.* at 251.

LBP also maintains that respondent's filing of a motion for reconsideration of the December 10, 2007 DARAB Decision is not allowed under RA 6657 and the DARAB Rules. Thus, the filing of the said motion with the DARAB did not toll the time for filing an action for the determination of just compensation with the RTC-SAC, which, according to petitioner, respondent should have done within 15 days from his receipt of the DARAB Decision on May 7, 2008, or no later than May 22, 2008.³²

The bank concludes that since the DARAB Decision had already become final and executory, "respondent's cause of action before the RTC-SAC is already barred by prior final judgment in line with Section 1(f) of Rule 16 of the 1997 Rules of Civil Procedure."³³

Citing Section 51 of RA 6657, and Section 14, Rule XIV³⁴ of the DARAB Rules, respondent maintains that the filing of a motion for reconsideration is not a prohibited pleading and that the filing of the said motion tolled the 15-day period within which he could file an original action for determination of just compensation with the RTC. Respondent also argues that RA 6657 itself does not require the submission of a NFOA to the DARAB. Thus, by unnecessarily adding the aforesaid jurisdictional requirement, the DARAB Rules unduly amended RA 6657, particularly, Section 57 thereof, relating to the RTC's original and exclusive jurisdiction over actions for the determination of just compensation to landowners.³⁵

On this point, we deem it proper to simplify the issues and streamline the matters raised by the parties in their respective pleadings.

Echoing the RTC's findings, and on the basis of *Philippine Veterans Bank v. Court of Appeals (Philippine Veterans Bank)*,³⁶ LBP maintains that respondent's failure to file the complaint within the prescribed 15-day period from receipt of the DARAB Decision on May 7, 2008 rendered the DARAB's valuation order final; and thus, warrants the complaint's dismissal for having been filed out of time.

Moreover, respondent's failure to file a NFOA together with the complaint with the RTC-SAC to the DARAB had rendered the DARAB

³² Id. at 255.

³³ Id. at 266.

³⁴ SECTION 14. *Finality of Decisions/Resolutions.* Decisions/resolutions/orders of the Board shall become final after the lapse of fifteen (15) days from receipt of a copy thereof by the counsel or representative on record, or by the party himself whether or not he is appearing on his own behalf, whichever is later, unless an appeal or motion for reconsideration thereof is filed within such period. In all cases, the parties themselves shall be furnished with a copy of the decision/resolution/order. (2003 DARAB Rules of Procedure, January 17, 2003)

x x x

Only one motion for reconsideration by either party shall be allowed and entertained.

³⁵ *Rollo*, pp. 213-214.

³⁶ 379 Phil. 141-149 (2000).

decision final and executory, and, consequently, beyond judicial cognizance of the RTC-SAC.

Respondent insists, however, on the propriety of his filing of a motion for reconsideration of the DARAB Decision pursuant to RA 6657 and the DARAB Rules, in which case, the period for filing of the complaint with the RTC-SAC should be counted not from the date he received the DARAB Decision on May 7, 2008, but from the date he received the DARAB's order denying his motion for reconsideration, or on December 16, 2008. Respondent further argues that the filing of the NFOA and submission of the complaint to the DARAB is not mandatory where non-compliance of which should bar the RTC-SAC from taking cognizance of the complaint filed before it.

Ultimately, the issues for this Court's consideration are the following: (1) the reckoning of the 15-day period within which respondent should have filed an action for determination of just compensation with the RTC-SAC; and (2) the legal basis of the requirement of filing of a NFOA with the DARAB together with a certified copy of the complaint filed with the RTC-SAC under the DARAB Rules.

Our Ruling

We deny the petition.

The Court's ruling in *Philippine Veterans Bank and Limkaichong v. Land Bank of the Philippines*.³⁷

The circumstances which brought about the instant controversy center on the supposed procedural lapses committed by respondent, which, perforce rendered the DARAB Decision final and conclusive, and thus served as a bar to the filing of respondent's complaint for the determination of just compensation with the RTC-SAC. On this matter, both petitioner and the RTC-SAC relied on *Philippine Veterans Bank*³⁸ where this Court essentially outlined the administrative proceedings in valuation cases, *viz.*:

x x x Under R.A. No. 6657, the Land Bank of the Philippines is charged with the preliminary determination of the value of lands placed under land reform program and the compensation to be paid for their taking. It initiates the acquisition of agricultural lands by notifying the landowner of the government's intention to acquire his land and the valuation of the same as determined by the Land Bank. Within 30 days from receipt of notice, the landowner shall inform the DAR of his acceptance or rejection of the offer. In the event the landowner rejects the offer, a summary administrative proceeding is held by the provincial (PARAD), the regional (RARAD) or the central (DARAB) adjudicator, as the

³⁷ 792 Phil. 133 (2016).

³⁸ *Supra* note 36.

case may be, depending on the value of the land, for the purpose of determining the compensation for the land. The landowner, the Land Bank, and other interested parties are then required to submit evidence as to the just compensation for the land. The DAR adjudicator decides the case within 30 days after it is submitted for decision. x x x³⁹

We also held in *Philippine Veterans Bank* that “if the landowner finds the price unsatisfactory, he may bring the matter directly to the appropriate Regional Trial Court.”⁴⁰ The same ruling was later reiterated in *Limkaichong* wherein this Court stated:

In all of the foregoing rulings of the Court as well as in subsequent ones, it could not have been overemphasized that the determination of just compensation in eminent domain is a judicial function. However, the more recent jurisprudence uphold the preeminence of the pronouncement in *Philippine Veterans Bank* to the effect that the parties only have 15 days from their receipt of the decision/order of the DAR within which to invoke the original and exclusive jurisdiction of the SAC; otherwise, the decision/order attains finality and immutability.⁴¹

Along the same lines, Section 7, Rule XIX of the DARAB Rules states the remedy and the period to assail the preliminary determination of just compensation by the DARAB, viz.:

SECTION 7. *Filing of Original Action with the Special Agrarian Court for Final Determination.* — The party who disagrees with the decision of the Board may contest the same by filing an original action with the Special Agrarian Court (SAC) having jurisdiction over the subject property within fifteen (15) days from his receipt of the Board's decision. x x x

Following the foregoing doctrinal pronouncements, a party who does not agree with the initial valuation of the adjudicator in land compensation cases has 15 days from receipt of notice thereof to bring the matter to the RTC-SAC.

Abandonment of the Court's ruling in *Philippine Veterans* and *Limkaichong* in *Land Bank of the Philippines v. Dalauta (Dalauta)*,⁴² and *Land Bank of the Philippines v. Herederos De Ciriaco Chunaco Distileria, Inc.*⁴³

³⁹ Id. at 147-148.

⁴⁰ Id. at 148.

⁴¹ Supra note 37 at 163.

⁴² 815 Phil. 740 (2017).

⁴³ G.R. No. 206992, June 11, 2018.

It is well-settled that the “valuation of property or determination of just compensation in eminent domain proceedings is essentially a judicial function which is vested with the courts and not with administrative agencies.”⁴⁴ Accordingly, RA 6657 vests the RTCs, acting as SACs, original and exclusive jurisdiction in the determination of just compensation, thus:

SECTION 56. Special Agrarian Court. — The Supreme Court shall designate at least one (1) branch of the Regional Trial Court (RTC) within each province to act as a Special Agrarian Court.

x x x

The Special Agrarian Courts shall have the powers and prerogatives inherent in or belonging to the Regional Trial Courts.

SECTION 57. Special Jurisdiction. — The Special Agrarian Courts shall have **original and exclusive jurisdiction over all petitions for the determination of just compensation to landowners**, and the prosecution of all criminal offenses under this Act. The Rules of Court shall apply to all proceedings before the Special Agrarian Courts, unless modified by this Act. (Emphasis supplied)

The Court, in *Alfonso v. Land Bank of the Philippines*,⁴⁵ expounded on the judicial function of determination of just compensation, viz.:

C. Primary jurisdiction and the judicial power/function to determine just compensation

Section 1, Article VIII of the 1987 Constitution provides that ‘judicial power includes the duty of the courts of justice to settle actual controversies involving rights which are legally demandable and enforceable.’

The right of a landowner to just compensation for the taking of his or her private property is a legally demandable and enforceable right guaranteed by no less than the Bill of Rights, under Section 9, Article III of the Constitution. The determination of just compensation in cases of eminent domain is thus an actual controversy that calls for the exercise of judicial power by the courts. This is what the Court means when it said that ‘[t]he determination of just compensation in eminent domain cases is a judicial function.’

Before RA 6657, the courts exercised the power to determine just compensation under the Rules of Court. This was true under RAs 1400 and 3844 and during the time when President Marcos in Presidential Decree No. 1533 attempted to impermissibly restrict the discretion of the courts, as would be declared void in *EPZA v. Dulay (EPZA)*. RA 6657 changed this process by providing for preliminary determination by the DAR of just compensation.

Does this grant to the DAR of primary jurisdiction to determine just compensation limit, or worse, deprive, courts of their judicial power? We hold that it does not. There is no constitutional provision, policy, principle, value or jurisprudence that places the determination of a justiciable controversy beyond

⁴⁴ Id.

⁴⁵ 801 Phil. 217 (2016).

the reach of Congress' constitutional power to require, through a grant of primary jurisdiction, that a particular controversy be first referred to an expert administrative agency for adjudication, subject to subsequent judicial review.

X X X X

More importantly, in amending Section 17 of RA 6657, Congress provided that the factors and the resulting basic formula, shall be 'subject to the final decision of the proper court.' Congress thus clearly conceded that the courts have the power to look into the 'justness' of the use of a formula to determine just compensation, and the 'justness' of the factors and their weights chosen to flow into it.

In fact, the regulatory scheme provided by Congress in fact sets the stage for a heightened judicial review of the DAR's preliminary determination of just compensation pursuant to Section 17 of RA 6657. In case of a proper challenge, SACs are actually empowered to conduct a *de novo* review of the DAR's decision. Under RA 6657, a full trial is held where SACs are authorized to (1) appoint one or more commissioners, (2) receive, hear, and retake the testimony and evidence of the parties, and (3) make findings of fact anew. In other words, in exercising its exclusive and original jurisdiction to determine the just compensation under RA 6657, the SAC is possessed with exactly the same powers and prerogatives of a Regional Trial Court (RTC) under Rule 67 of the Revised Rules of Court.⁴⁶

Notably, considering that the determination of just compensation is a judicial function, this Court, in *Dalauta* abandoned its ruling in *Philippine Veterans Bank* and in *Limkaichong*, and definitively struck down as void the 15-day prescriptive period under the DARAB Rules⁴⁷ on the finding that it unduly undermined and impeded the original and exclusive jurisdiction of the Regional Trial Courts to determine just compensation in accordance with Section 57 of RA 6657. Thus, in *Dalauta*,⁴⁸ this Court held that:

Since the determination of just compensation is a judicial function, the Court must abandon its ruling in *Veterans Bank*, *Martinez* and *Soriano* that a petition for determination of just compensation before the SAC shall be proscribed and adjudged dismissible if not filed within the 15-day period prescribed under the DARAB Rules.

To maintain the rulings would be incompatible and inconsistent with the legislative intent to vest the original and exclusive jurisdiction in the determination of just compensation with the SAC. Indeed, such rulings judicially reduced the SAC to merely an appellate court to review the administrative decisions of the DAR. This was never the intention of the Congress.

As earlier cited, in Section 57 of R.A. No. 6657, **Congress expressly granted the RTC, acting as SAC, the original and exclusive jurisdiction over all petitions for the determination of just compensation to**

⁴⁶ Id. at 291-296.

⁴⁷ *Dalauta* referred to Section 11, Rule XIII of the DARAB New Rules of Procedure (May 30, 1994), which is the counterpart provision of Sections 5,6, and 7, Rule XIX of the 2003 DARAB Rules of Procedure.

⁴⁸ Supra note 42.

landowners. Only the legislature can recall that power. The DAR has no authority to qualify or undo that. The Court's pronouncement in *Veterans Bank, Martinez, Soriano, and Limkaichong*, reconciling the power of the DAR and the SAC essentially barring any petition to the SAC for having been filed beyond the 15-day period provided in Section 11, Rule XIII of the DARAB Rules of Procedure, **cannot be sustained**. The DAR regulation simply has no statutory basis.⁴⁹ (Emphasis supplied)

Indeed, it was emphasized in *Dalauta* that the jurisdiction of the RTC-SAC in actions for determination of just compensation is original and exclusive, and not merely appellate. It is for this reason that the Court cannot recognize a procedural rule of the DARAB that requires the court to adjudge as dismissible an action (which is otherwise by law properly brought within its judicial cognizance) for having been filed beyond the 15-day period provided in the DARAB Rules.

To sanction such rule will effectively reduce the RTC-SAC to act merely as an appellate review of the administrative decisions of the DAR through its adjudicators. This clearly runs counter to Section 57 of RA 6657 and, therefore, should be considered as void and ineffectual. Similarly, this Court held in *Land Bank of the Philippines v. Montalvan*,⁵⁰ that:

x x x although the new rules speak of directly appealing the decision of adjudicators to the RTCs sitting as Special Agrarian Courts, **it is clear from Sec. 57 that the original and exclusive jurisdiction to determine such cases is in the RTCs. Any effort to transfer such jurisdiction to the adjudicators and to convert the original jurisdiction of the RTCs into appellate jurisdiction would be contrary to Sec. 57 and therefore would be void.**⁵¹ (Emphasis supplied)

Moreover, this Court held in *Dalauta*⁵² that considering that payment of just compensation is an obligation created by law, the proper prescriptive period to file a complaint for judicial determination of just compensation under RA 6657 is 10 years pursuant to Article 1144(2) of the Civil Code.⁵³ In this regard, the period to file an original action for just compensation with the RTC-SAC should be reckoned "from the time the landowner received the notice of coverage."⁵⁴

⁴⁹ Id. at 775.

⁵⁰ 689 Phil. 641, 652 (2012).

⁵¹ Id. at 652.

⁵² Supra note 42, at 775-776.

⁵³ Art. 1144. The following actions must be brought within **ten years** from the time the right of action accrues:

- (1) Upon a written contract;
- (2) **Upon an obligation created by law;**
- (3) Upon a judgment. (n)

⁵⁴ *Land Bank of the Philippines v. Dalauta*, supra note 42, at 775.

Notably, we reiterated in *Land Bank of the Philippines v. Herederos De Ciriaco Chunaco Distileria, Inc.*⁵⁵ our ruling in *Dalauta* in this wise, viz.:

Indeed, Section 57 of R.A. No. 6657 clearly vests on the RTC-SAC the original and exclusive jurisdiction over all petitions for the determination of just compensation to landowners. Any effort to transfer such jurisdiction to the adjudicators and to convert the original jurisdiction of the RTCs into appellate jurisdiction would be contrary to Section 57 and therefore would be void. The DAR has no authority to qualify or undo the RTC-SAC's jurisdiction over the determination of just compensation under R.A. No. 6657. Thus, the 15-day reglementary period under Section 11, Rule XIII of the DARAB Rules cannot be sustained. The RTC-SAC cannot simply be reduced to an appellate court which reviews administrative decisions of the DAR within a short period to appeal.

It was also determined in *Dalauta* that the proper prescriptive period to file a petition for judicial determination of just compensation under R.A. No. 6657 is ten (10) years pursuant to Article 1144 (2) of the Civil Code. Considering that payment of just compensation is an obligation created by law, it is only proper that the ten (10)-year period start from the time the landowner receives the notice of coverage under the CARP.⁵⁶

While we note that the crux of the controversy presented by the parties rests on the procedural consequences of respondent's filing of a motion for reconsideration of the DARAB Decision, it appears now the issue is deemed mooted by the Court's recent pronouncement in *Dalauta*.⁵⁷

Considering that the 15-day prescriptive period under the DARAB Rules has been struck down for being void, it would be futile for this Court to discuss the propriety or impropriety of respondent's motion for reconsideration of the DARAB Decision, and, ultimately, determine whether the 15-day period for filing of an action for determination of just compensation with the RTC-SAC should be reckoned from the time respondent received the DARAB Decision, or its order denying his motion for reconsideration. To reiterate, the correct period to file a petition for judicial determination of just compensation under RA 6657 before the RTC-SAC is 10 years pursuant to Article 1144 (2) of the Civil Code.

On Prescription.

In light of the foregoing discussion, we now go to the next crucial question: was respondent's complaint timely filed with the RTC-SAC?

The records are bereft of any showing when Agapito Escaro or respondent received a notice of coverage from the DAR. At any rate, it is undisputed that the DAR placed the property under the Compulsory

⁵⁵ Supra note 43.

⁵⁶ Id.

⁵⁷ Supra note 42.

Acquisition scheme pursuant to RA 6657 on August 30, 1994,⁵⁸ and that Agapito Escaro was issued by the DAR a Notice of Valuation and Acquisition dated December 30, 1996.⁵⁹ Significantly, when respondent rejected petitioner's initial valuation of the property, the matter was referred to the PARAD of Camarines Sur sometime in 1996 for summary administrative proceedings.

Significantly, it appears that respondent himself has filed his appearance with the PARAD.⁶⁰ From the foregoing factual antecedents, it can be safely assumed then that Agapito Escaro or respondent received or acquired knowledge of the notice of coverage of the DAR sometime between 1994 and 1996. As such, it was during this period that the 10-year prescriptive started to run against respondent.

As established from the records, respondent filed the complaint for determination of just compensation with the RTC-SAC on January 5, 2009, more than 10 years after he received or acquired knowledge of the notice of coverage from the DAR sometime between 1994 and 1996. As such, it appears that there was sufficient ground for the dismissal of respondent's complaint for having been filed out of time.

We cannot, however, hold that respondent's complaint should be barred from being tried and decided on this basis. In *Dalauta*,⁶¹ the Court held that "any interruption or delay caused by the government like proceedings in the DAR should toll the running of the prescriptive period."⁶² The reason for this is while "the statute of limitations has been devised to operate against those who slept on their rights,"⁶³ it should not be taken against "those desirous to act but cannot do so for causes beyond their control."⁶⁴

In this case, the 10-year prescriptive period was tolled by the commencement of administrative proceedings before the DAR sometime in 1996 when respondent questioned the initial valuation of the property before the PARAD, which was terminated 12 years later on May 7, 2008, or the date when respondent received the DARAB Decision reinstating petitioner's valuation of ₱272,347.70. The 10-year prescriptive period started to run again on May 7, 2008 for the reason that it was at this point that respondent may already bring the matter to the RTC-SAC for final determination of just compensation pursuant to Section 16(f) of RA 6657,⁶⁵ and Section 7 of the DARAB Rules.

⁵⁸ *Rollo*, p. 204.

⁵⁹ *Id.* at 99.

⁶⁰ *Id.*

⁶¹ *Supra* note 42.

⁶² *Id.* at 776.

⁶³ *Id.*

⁶⁴ *Id.* See also *Land Bank of the Philippines v. Herederos De Ciriaco Chunaco Distileria, Inc.*, *supra* note 43.

⁶⁵ The procedure for compulsory land acquisition and distribution is laid out in Section 16 of RA No. 6657, as amended. The provision reads in part: SECTION 16. Procedure for Acquisition [and Distribution] of Private Lands. — For purposes of acquisition of private lands, the following procedures shall be

Thus, applying the 10-year period provided in *Dalauta*, respondent had until 2016/2018 to file a complaint for determination of just compensation with the RTC-SAC. Following the Court's ruling in *Dalauta*, the complaint filed on January 5, 2009 before the RTC-SAC, which was even tolled by the proceedings before the PARAD and the DARAB, was squarely and timely filed within the 10-year prescriptive period.

On the Filing of a NFOA with the DARAB.

In this regard, Section 7, Rule XIX of the DARAB Rules states:

SECTION 7. *Filing of Original Action with the Special Agrarian Court for Final Determination.* — The party who disagrees with the decision of the Board may contest the same by filing an original action with the Special Agrarian Court (SAC) having jurisdiction over the subject property within fifteen (15) days from his receipt of the Board's decision.

Immediately upon filing with the SAC, the party shall file a Notice of Filing of Original Action with the Board, together with a certified true copy of the petition filed with the SAC.

Failure to file a Notice of Filing of Original Action or to submit a certified true copy of the petition shall render the decision of the Board final and executory. Upon receipt of the Notice of Filing of Original Action or certified true copy of the petition filed with the SAC, no writ of execution shall be issued by the Board.

Simply put, the DARAB Rules require the filing of the NFOA with the DARAB immediately after the party files an original action of determination of just compensation with the RTC-SAC, failure of which shall render the decision of the DARAB final and executory. As respondent failed to comply with the foregoing requirement, petitioner now insists on the dismissal of respondent's complaint filed before the RTC-SAC on the ground of *res judicata* in view of the finality and executory nature of the DARAB Decision.

followed: (a) After having identified the land, the landowners and the beneficiaries, the DAR shall send its notice to acquire the land to the owners thereof, by personal delivery or registered mail, and post the same in a conspicuous place in the municipal building and barangay hall of the place where the property is located. Said notice shall contain the offer of the DAR to pay a corresponding value in accordance with the valuation set forth in Sections 17, 18, and other pertinent provisions hereof. (b) Within thirty (30) days from the date of receipt of written notice by personal delivery or registered mail, the landowner, his administrator or representative shall inform the DAR of his acceptance or rejection of the offer.

x x x

(d) In case of rejection or failure to reply, the DAR shall conduct summary administrative proceedings to determine the compensation for the land requiring the landowner, the LBP and other interested parties to submit evidence as to the just compensation for the land, within fifteen (15) days from the receipt of the notice. After the expiration of the above period, the matter is deemed submitted for decision. The DAR shall decide the case within thirty (30) days after it is submitted for decision.

x x x

(f) Any party who disagrees with the decision may bring the matter to the court of proper jurisdiction for final determination of just compensation.

We disagree.

Section 9, Article III of the 1987 Constitution provides that "[p]rivate property shall not be taken for public use without just compensation." At this juncture, it must be emphasized that determination of just compensation in eminent domain cases is essentially a judicial function which cannot be vested in administrative agencies.⁶⁶

While it is true that the executive department, through the DAR, or the legislature, may make the initial determination of just compensation, it is equally true that "when a party claims a violation of the guarantee in the Bill of Rights that private property may not be taken for public use without just compensation, no statute, decree, or executive order can mandate that its own determination shall prevail over the court's findings. Much less can the courts be precluded from looking into the 'just-ness' of the decreed compensation."⁶⁷

It bears emphasis that as a matter of law, a final judgment is no longer subject to change, revision, amendment or reversal, and the courts can no longer take judicial cognizance over matters raised therein. Following this principle, it appears that DARAB decisions on cases involving determination of just compensation, which have attained finality by virtue of its rules, are unalterable and are matters beyond the Court's domain. If we were to adhere, however, to the above-contention, this would effectively subvert and undermine the *original* and *exclusive* jurisdiction of the RTC-SAC over petitions for the determination of just compensation to landowners.


Clearly, there is no statutory basis for the DARAB to promulgate rules that would derogate the jurisdiction of the RTC-SAC or impose procedural limitations which would effectively bar it from taking exclusive cognizance of matters within its jurisdiction. Any attempt to do so should be struck down for being contrary to law and the Constitution.

WHEREFORE, the petition is **DENIED**. The June 4, 2012 Decision and November 23, 2012 Resolution of the Court of Appeals in CA-G.R. SP No. 112783 are hereby **AFFIRMED**. The Regional Trial Court, Branch 23, Naga City, sitting as a Special Agrarian Court, is directed to **REINSTATE** the Complaint for Judicial Determination of Just Compensation of Expedito Q. Escaro, as represented by Marcelo Q. Escaro, Sr., and to conduct with dispatch proper proceedings thereon.


⁶⁶ *Land Bank of the Philippines v. Dalauta*, supra note 42, citing *Export Processing Zone Authority v. Dulay* 233 Phil. 313 (1987).


⁶⁷ *Export Processing Zone Authority v. Dulay*, supra at 326.

SO ORDERED.


RAMON PAUL L. HERNANDO
Associate Justice

WE CONCUR:


MARVIC M. V. F. LEONEN
Associate Justice
Chairperson



HENRI JEAN PAUL B. INTING
Associate Justice


EDGARDO L. DELOS SANTOS
Associate Justice


JHOSEP Y. LOPEZ
Associate Justice

ATTESTATION

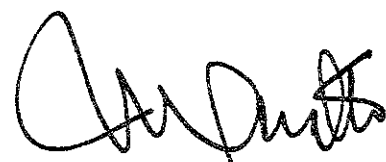
I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



MARVIC M. V. F. LEONEN
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.



DIOSDADO M. PERALTA
Chief Justice