Republic of the Philippines
Supreme Court
Manila

THIRD DIVISION

LAND BANK OF THE PHILIPPINES, Petitioner,	**G.R. No. 221636**
- versus -	Present: VELASCO, JR., *J.*, *Chairperson* PERALTA, PEREZ, REYES,* and JARDELEZA, *JJ.*
THE COURT OF APPEALS and HEIRS of MANUEL BOLAÑOS, Respondents.	Promulgated: July 11, 2016

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D E C I S I O N

JARDELEZA, *J.*:

This is a Petition for *Certiorari and Prohibition* with Prayer for a Temporary Restraining Order or Writ of Preliminary Injunction assailing the Resolutions of the Court of Appeals in CA-G.R. CV No. 100894 dated May 21, 2015[1] and October 13, 2015.[2] These Resolutions denied petitioner's motion to dismiss, which sought the dismissal of the appeal filed by private respondents for being a wrong remedy.

The Facts

The Department of Agrarian Reform (DAR) subjected the 71.4715 hectare land of private respondents to the coverage of the Comprehensive Agrarian Reform Program. Petitioner Land Bank of the Philippines (LBP) valued the property in the amount of ₱1,620,750.72 based on DAR Administrative Order (AO) No. 11, s. 1994.[3] Private respondents rejected

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* On Official Leave.

1 *Rollo,* pp. 54-56. Ponencia by Associate Justice Sesinando E. Villon, with Associate Justices Rodil V. Zalameda and Pedro B. Corales, concurring.

2 *Id.* at 36-37.

3 *Id.* at 7, 120.

the valuation but petitioner still deposited the amount in their favor. On March 11, 1996, farmer-beneficiaries were awarded with certificates of land ownership.[4]

On October 29, 1998, private respondents filed before Branch 23 of the Regional Trial Court (RTC) of Naga City, sitting as a Special Agrarian Court (SAC), a case for determination of just compensation.[5] The SAC ordered petitioner to re-value the property, which it did, coming up with a new valuation of ₱1,803,904.76 based on DAR AO No. 5, s. 1998.[6] The SAC upheld the new valuation in its May 14, 2013 Decision.[7]

Private respondents filed a notice of appeal under Rule 41 before the SAC, which gave the notice due course.[8] On September 9, 2013, the Court of Appeals (CA) required them to file their brief.[9] Petitioner filed a motion to dismiss on the ground that private respondents availed a wrong mode of appeal. The CA did not immediately resolve the motion, prompting petitioner to file its brief dated February 14, 2014 where it also reiterated the grounds raised in its motion to dismiss.[10] On May 21, 2015, the CA denied petitioner's motion to dismiss on grounds of liberality in the construction of the Rules of Court, to wit:

> Rules of procedure are tools designed not to thwart but to facilitate the attainment of justice; thus, their strict and rigid application may, for good and deserving reasons, have to give way to, and be subordinated by, the need to aptly dispense substantial justice in the normal course. It is a far better and more prudent course of action for the court to excuse a technical lapse and afford the parties a review of the case on appeal to attain the ends of justice rather than dispose of the case on technicality and cause a grave injustice to the parties, giving a false impression of speedy disposal of cases while actually resulting in more delay, if not a miscarriage of justice. Circumspect leniency will give the plaintiff-appellant "the fullest opportunity to establish the merits of his complaint rather than to lose property on technicalities."[11]

Petitioner filed a motion for reconsideration, but the CA also denied the same in a Resolution dated October 13, 2015.[12]

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4 *Id.* at 7.
5 *Id.* at 4, 7.
6 Revised Rules and Regulations Governing the Valuation of Lands Voluntarily Offered or Compusorily Acquired Pursuant to Republic Act No. 6657.
7 *Rollo,* p. 7-8.
8 *Id.* at 8, 82.
9 *Id.* at 8.
10 *Id.* at 8-9.
11 *Id.* at 55-56, citations omitted.
12 *Id.* at 36-37.

The Petition

Hence, this Petition for *Certiorari* and Prohibition with Prayer for a Temporary Restraining Order and/or Preliminary Injunction,[13] where petitioner imputes grave abuse of discretion on the CA when it arbitrarily disregarded the long-standing jurisprudence that appeals from the decision of the SAC must be via a petition for review under Rule 42[14] and not by ordinary appeal. Petitioner points out that the CA gave no justifiable reason in relaxing the rule and private respondents never explained why they did not file a petition for review. Thus, petitioner argues that the SAC decision attained finality when private respondents failed to file a petition for review.

In their Comment to the Petition,[15] private respondents argue that the exercise of liberality by the CA in allowing their ordinary appeal is in keeping with our recognition of the need of the landowner to be paid pursuant to the value for value exchange.[16] Private respondents cite the emerging trend in our rulings of affording every party litigant the amplest opportunity for the proper and just determination of his cause, free from the constraints of technicalities.

The Court's Ruling

We grant the petition.

We have already settled in *Land Bank of the Philippines v. De Leon*[17] that the proper mode of appeal from decisions of RTCs sitting as SACs is by petition for review under Rule 42 of the Rules of Court and not through an ordinary appeal under Rule 41. Section 60 of Republic Act (RA) No. 6657 clearly and categorically states that said mode of appeal should be adopted.[18] So far, we have not prescribed any rule expressly disallowing this procedure.[19]

In *Land Bank of the Philippines v. Court of Appeals,*[20] we explained that the adoption of a petition for review as the mode of appeal is justified in order to "hasten" the resolution of cases involving issues on just

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13 *Id.* at 3-30.

14 Sec. 60 of Republic Act No. 6657 or the Comprehensive Agrarian Reform Law provides:
Sec. 60. *Appeals.* — An appeal may be taken from the decision of the Special Agrarian Courts by filing a petition for review with the Court of Appeals within fifteen (15) days receipt of notice of the decision; otherwise, the decision shall become final. 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.

15 *Rollo*, pp. 119-122.

16 *Id.* at 120-121, citing *Apo Fruits Corporation v. Land Bank of the Philippines,* G.R. No. 164195, October 12, 2010, 632 SCRA 727.

17 G.R. No. 143275, September 10, 2002, 388 SCRA 537.

18 *Land Bank of the Philippines v. Court of Appeals,* G.R. No. 190660, April 11, 2011, 647 SCRA 561, 564-565.

19 *Id.* at 565.

20 G.R. No. 190660, April 11, 2011, 647 SCRA 561.

compensation of expropriated lands under RA No. 6657.[21] Citing *Land Bank of the Philippines v. De Leon,* we elaborated:

> The reason why it is permissible to adopt a petition for review when appealing cases decided by the Special Agrarian Courts in eminent domain case is the need for absolute dispatch in the determination of just compensation. Just compensation means not only paying the correct amount but also paying for the land within a reasonable time from its acquisition. Without prompt payment, compensation cannot be considered "just" for the property owner is made to suffer the consequences of being immediately deprived of his land while being made to wait for a decade or more before actually receiving the amount necessary to cope with his loss. Such objective is more in keeping with the nature of a petition for review.
>
> Unlike an ordinary appeal, a petition for review dispenses with the filing of a notice of appeal or completion of records as requisites before any pleading is submitted. A petition for review hastens the award of fair recompense to deprived landowners for the government-acquired property, an end not foreseeable in an ordinary appeal. x x x[22]

Considering, therefore, that private respondents resorted to a wrong mode of appeal, their notice of appeal did not toll the running of the reglementary period under Section 60 of RA No. 6657. Consequently, the decision of the SAC became final and executory.[23]

Although appeal is an essential part of our judicial process, it has been held, time and again, that the right thereto is not a natural right or a part of due process but is merely a statutory privilege. Thus, the perfection of an appeal in the manner and within the period prescribed by law is not only mandatory but also jurisdictional and failure of a party to conform to the rules regarding appeal will render the judgment final and executory.[24]

While it is true that we have applied a liberal application of the rules of procedure in a number of cases, we have stressed that this can be invoked only in proper cases and under justifiable causes and circumstances.[25] We agree with petitioner's contention that the CA and private respondents did not proffer a reasonable cause to justify non-compliance with the rules besides the exhortation of circumspect leniency in order to give private respondents a day in court. Private respondents failed to specifically cite any justification as to how and why a normal application of procedural rules would frustrate their quest for justice. Indeed, private respondents have not

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[21] *Id.* at 566.

[22] *Id.* Underscoring supplied.

[23] See *Land Bank of the Philippines vs. Court of Appeals, supra.*

[24] *Id.* at 567, citing *Zamboanga Forest Managers Corp. v. New Pacific Timber and Supply Co.,* G.R. No. 173342, October 13, 2010, 633 SCRA 82, 93.

[25] See *Building Care Corporation/Leopard Security & Investigation Agency v. Macaraeg,* G.R. No. 198357, December 10, 2012, 687 SCRA 643.

been forthright in explaining why they chose the wrong mode of appeal.[26] The bare invocation of "the interest of substantial justice" line is not some magic wand that will automatically compel us to suspend procedural rules. Procedural rules are not to be belittled, let alone dismissed simply because their non-observance may have resulted in prejudice to a party's substantial rights. Utter disregard of the rules cannot be justly rationalized by harping on the policy of liberal construction.[27]

WHEREFORE, the petition is **GRANTED**. The Resolutions of the Court of Appeals dated May 21, 2015 and October 13, 2015 are **SET ASIDE**.

The Decision dated May 14, 2013 of Branch 23 of the Regional Trial Court of Naga City sitting as a Special Agrarian Court in Civil Case No. 1998-4128 is deemed final and executory.

SO ORDERED.

FRANCIS H. JARDELEZA
Associate Justice

WE CONCUR:

PRESBITERO J. VELASCO, JR.
Associate Justice
Chairperson

DIOSDADO M. PERALTA
Associate Justice

JOSE PORTUGAL PEREZ
Associate Justice

(On Official Leave)
BIENVENIDO L. REYES
Associate Justice

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[26] See *Tan v. Antazo*, G.R. No. 187208, February 23, 2011, 644 SCRA 337, 346.
[27] *Id.*

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.

PRESBITERO J. VELASCO, JR.
Associate Justice
Chairperson, Third Division

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, and the Division Chairperson's attestation, it is hereby certified 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.

MARIA LOURDES P. A. SERENO
Chief Justice

CERTIFIED TRUE COPY
WILFREDO V. LAPITAN
Division Clerk of Court
Third Division
AUG 03 2016