

SECOND DIVISION

G.R. No. 196028 – SAMAHAN NG MAGSASAKA AT MANGINGISDA NG SITIO NASWE, INC. [SAMMANA], REPRESENTED BY ROGELIO A. COMMENDADOR, PRESIDENT, Petitioner, v. TOMAS TAN, Respondent.

Promulgated:
APR 18 2016



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DISSENTING OPINION

LEONEN, J.:

The ponencia affirmed the Court of Appeals Decision dismissing the Petition on the ground that petitioner was not a real party-in-interest.¹ The ponencia discussed that “the party must have a real, actual, material, or substantial interest in the subject matter of the action.”² Petitioner is not the real party-in-interest to file an action questioning the order lifting the Notice of Coverage over the 129.4227-hectare land³ in Barangay Ipag, Mariveles, Bataan since “it failed to allege and prove that [its] members are identified and registered qualified beneficiaries of the subject land, or have already been actually awarded portions of it, or have been issued Certificates of Land Ownership Award (CLOAs)[.]”⁴ The ponencia noted that “petitioner even admits that the case folders of its members were not processed because of [Department of Agrarian Reform Secretary Horacio R. Morales, Jr.’s] July 26, 2000 Order.”⁵

I

Associations have legal personality to represent their members in actions before our courts when the outcome of these actions affects the members’ vital interests.⁶ This holding has been reiterated in our jurisprudence.

*Pharmaceutical and Health Care Association of the Philippines v. Health Secretary Duque III*⁷ involves the constitutionality of the Milk

¹ Ponencia, p. 3.

² Id. at 4.

³ Id. at 2.

⁴ Id. at 4.

⁵ Id. at 5.

⁶ *Purok Bagong Silang Association, Inc. v. Judge Yuipco*, 523 Phil. 51, 64 (2006) [Per J. Callejo, Sr., First Division].

⁷ 561 Phil. 386 (2007) [Per J. Austria-Martinez, En Banc].



Code's⁸ implementing rules and regulations.⁹ In resolving the preliminary issue of whether petitioner association "representing its members that are manufacturers of breastmilk substitutes"¹⁰ is a real party-in-interest, this Court adopted the following discussion from *Executive Secretary v. Court of Appeals*:¹¹

The modern view is that an association has standing to complain of injuries to its members. This view fuses the legal identity of an association with that of its members. An association has standing to file suit for its workers despite its lack of direct interest if its members are affected by the action. An organization has standing to assert the concerns of its constituents.

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. . . We note that, under its Articles of Incorporation, the respondent was organized . . . to act as the representative of any individual, company, entity or association on matters related to the manpower recruitment industry, and to perform other acts and activities necessary to accomplish the purposes embodied therein. The respondent is, thus, the appropriate party to assert the rights of its members, because it and its members are in every practical sense identical. . . . The respondent [association] is but the medium through which its individual members seek to make more effective the expression of their voices and the redress of their grievances.¹²

This Court held that the "petitioner, whose legal identity is deemed fused with its members, should be considered as a real party-in-interest which stands to be benefited or injured by any judgment in the present action."¹³ This Court considered the petitioner's amended articles of incorporation in that it was formed "to represent directly or through approved representatives the pharmaceutical and health care industry before the Philippine Government and any of its agencies, the medical professions and the general public."¹⁴

Executive Secretary involves the constitutionality¹⁵ of certain provisions of the Migrant Workers and Overseas Filipinos Act of 1995.¹⁶ This Court took cognizance of Asian Recruitment Council Philippine Chapter, Inc.'s petition on behalf of its recruitment agencies members and discussed that "[it] is but the medium through which its individual members

⁸ Exec. Order No. 51 (1986).

⁹ *Pharmaceutical and Health Care Association of the Philippines v. Health Secretary Duque III*, 561 Phil. 386, 392 (2007) [Per J. Austria-Martinez, En Banc].

¹⁰ Id. at 394.

¹¹ 473 Phil. 27, 50–51 (2004) [Per J. Callejo, Sr., Second Division].

¹² *Pharmaceutical and Health Care Association of the Philippines v. Health Secretary Duque III*, 561 Phil. 386, 395–396 (2007) [Per J. Austria-Martinez, En Banc].

¹³ Id. at 396.

¹⁴ Id.

¹⁵ *Executive Secretary v. Court of Appeals*, 473 Phil. 27, 36–37 (2004) [Per J. Callejo, Sr., Second Division].

¹⁶ Rep. Act No. 8042 (1995).

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seek to make more effective the expression of their voices and the redress of their grievances.”¹⁷ This Court noted that the 11 licensed and registered recruitment agencies members approved separate resolutions expressly authorizing Asian Recruitment Council Philippine Chapter, Inc. to file the petition on their behalf.¹⁸

No less than our Constitution guarantees “[t]he right of the people, including those employed in the public and private sectors, to form unions, associations, or societies for purposes not contrary to law[.]”¹⁹ It is easy to discern the convenience and benefits in forming and joining associations. Labor organizations, for example, “[exist] in whole or in part for the purpose of collective bargaining or of dealing with employers concerning terms and conditions of employment.”²⁰ Those similarly situated can band together to find solutions for their common concerns based on shared experience. An association can also provide a layer of protection for individual members who have complaints and grievances against their employers or landowners, but fear being singled out, intimidated, or ignored if they raise their issues alone.

II

One of the key changes introduced in the 1987 Constitution was Article XIII on Social Justice and Human Rights. Article XIII includes provisions on the role and rights of people’s organizations,²¹ defined as “bona fide associations of citizens with demonstrated capacity to promote the public interest with identifiable leadership, membership, and structure.”²² Section 15 mandates the state to “respect the role of independent people’s organizations to enable the people to pursue and protect, within the democratic framework, their legitimate and collective interests and aspirations through peaceful and lawful means.”

Article XIII also includes provisions that specifically focus on agrarian reform. Section 4 provides:

ARTICLE XIII

.....

Agrarian and Natural Resources Reform

¹⁷ *Executive Secretary v. Court of Appeals*, 473 Phil. 27, 51 (2004) [Per J. Callejo, Sr., Second Division].

¹⁸ *Id.*

¹⁹ CONST., art. III, sec. 8.

²⁰ LABOR CODE, art. 219(g).

²¹ CONST., art. XIII, secs. 15 and 16.

²² CONST., art. XIII, sec. 15.

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 also mandates the state to “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.” Congress enacted Republic Act No. 6657, otherwise known as the Comprehensive Agrarian Reform Law of 1988,²³ pursuant to these provisions.²⁴

²³ Rep. Act No. 9700 was passed in 2009, amending Rep. Act No. 6657.

²⁴ See Rep. Act No. 6657 (1988), secs. 15 and 22 on qualified beneficiaries:

SECTION 15. Registration of Beneficiaries. — The DAR in coordination with the Barangay Agrarian Reform Committee (BARC) as organized in this Act, shall register all agricultural lessees, tenants and farmworkers who are qualified to be beneficiaries of the CARP. These potential beneficiaries with the assistance of the BARC and the DAR shall provide the following data:

- (a) names and members of their immediate farm household;
- (b) owners or administrators of the lands they work on and the length of tenurial relationship;
- (c) location and area of the land they work;
- (d) crops planted; and
- (e) their share in the harvest or amount of rental paid or wages received.

A copy of the registry or list of all potential CARP beneficiaries in the barangay shall be posted in the barangay hall, school or other public buildings in the barangay where it shall be open to inspection by the public at all reasonable hours.

SECTION 22. Qualified Beneficiaries. — The lands covered by the CARP shall be distributed as much as possible to landless residents of the same barangay, or in the absence thereof, landless residents of the same municipality in the following order of priority: (a) agricultural lessees and share tenants; (b) regular farmworkers; (c) seasonal farmworkers; (d) other farmworkers; (e) actual tillers or occupants of public lands; (f) collectives or cooperatives of the above beneficiaries; and (g) others directly working on the land. Provided, however, That the children of landowners who are qualified under Section 6 of this Act shall be given preference in the distribution of the land of their parents: and Provided, further, That actual tenant-tillers in the landholdings shall not be ejected or removed therefrom. Beneficiaries under Presidential Decree No. 27 who have culpably sold, disposed of, or abandoned their land are disqualified to become beneficiaries under this Program. A basic qualification of a beneficiary shall be his willingness, aptitude, and ability to cultivate and make the land as productive as possible. The DAR shall adopt a system of monitoring the record or performance of each beneficiary, so that any beneficiary guilty of negligence or misuse of the land or any support extended to him shall forfeit his right to continue as such beneficiary. The DAR shall submit periodic reports on the performance of the beneficiaries to the PARC. If, due to the landowner's retention rights or to the number of tenants, lessees, or workers on the land, there is not enough land to accommodate any or some of them, they may be granted ownership of other lands available for distribution under this Act, at the option of the beneficiaries. Farmers already in place and those not accommodated in the distribution of privately-owned lands will be given preferential rights in the distribution of lands from the public domain.

Farmers should not be dissuaded from availing themselves of their rights under the Constitution and agrarian reform laws. They can organize and join associations that can represent their interests not only before executive bodies, but even before our courts.

III

The Rules of Court requires that “[u]nless otherwise authorized by law or these Rules, every action must be prosecuted or defended in the name of the real party in interest[.]”²⁵ or “the party who stands to be benefited or injured by the judgment in the suit, or the party entitled to the avails of the suit.”²⁶

Samahang Magsasaka ng 53 Hektarya v. Mosquera,²⁷ discussed in the ponencia, involves the exemption of a 53-hectare land from the Comprehensive Agrarian Reform Program (CARP) coverage.²⁸ This Court harmonized Republic Act No. 6657²⁹ with the Rules of Court provisions³⁰ governing real parties-in-interest in that organizations, represented by their authorized representatives, may bring actions before the courts:

R.A. 6657 allows farmer leaders like Elvira Baladad to represent the Macabud farmers or their Samahan in the proceedings before the DAR. The law, however, should be harmonized with the provisions of the Rules of Court. Assuming that the Macabud farmers are real parties-in-interest as defined by Sec. 2 of Rule 3 [of the Rules of Court], the appeal may be brought by their representative since such is allowed by R.A. 6657. *The action may then be brought by 1) the organization represented by its authorized representative (Sec. 1) OR 2) the representative with the beneficiaries identified in the title of the case (Sec. 3). In the first option, the organization should be duly registered in order to be clothed with juridical personality (Sec. 1).* Admittedly, petitioner Samahan is not registered with the Securities and Exchange Commission. Thus, it is not a

²⁵ RULES OF COURT, Rule 3, sec. 2.

²⁶ RULES OF COURT, Rule 3, sec. 2.

²⁷ 547 Phil. 560 (2007) [Per J. Velasco, Jr., Second Division].

²⁸ *Id.* at 563–564.

²⁹ See Rep. Act No. 6657 (1988), sec. 50, as amended by Rep. Act No. 9700 (2009), sec. 18, which provides:

SEC. 50. Quasi-Judicial Powers of the DAR. — . . . Responsible farmer leaders shall be allowed to represent themselves, their fellow farmers, or their organizations in any proceedings before the DAR[.]

³⁰ *Samahang Magsasaka ng 53 Hektarya v. Mosquera*, 547 Phil. 560, 569–570 (2007) [Per J. Velasco, Jr., Second Division]. The case quoted Rule 3, secs. 1 to 3 of the Revised Rules of Court, which provide:

SECTION 1. *Who may be parties; plaintiff and defendant.* — Only natural or juridical persons, or entities authorized by law may be parties in a civil action. . . .

SEC. 2. *Parties in interest.* — A real party in interest is the party who stands to be benefited or injured by the judgment in the suit, or the party entitled to the avails of the suit. Unless otherwise authorized by law or these Rules, every action must be prosecuted or defended in the name of the real party in interest.

SEC. 3. *Representatives as parties.* — Where the action is allowed to be prosecuted or defended by a representative or someone acting in a fiduciary capacity, the beneficiary shall be included in the title of the case and shall be deemed to be the real party in interest. A representative may be a trustee of an express trust, a guardian, an executor or administrator, or a party authorized by law or these Rules[.]

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juridical person which can be a party in a case. The Rules of Court, however, does not prevent the Macabud farmers from filing an appeal since an action may be instituted in the name of their representative with each farmer-beneficiary identified in the title of the case in accordance with Sec. 3 of Rule 3. Unfortunately, petitioner also failed to comply with this simple requirement. The petition was brought by the unregistered Samahan represented by Elvira Baladad without mentioning the members of it. On this score, the petition can already be dismissed.³¹ (Emphasis supplied)

This Court held that the Samahan was not the real party-in-interest since its members “have not yet been approved as awardees, actually awarded lands, or granted CLOAs.”³² It cited *Hon. Fortich v. Hon. Corona*³³ in that mere *recommende*e farmer-beneficiaries are not real parties-in-interest.³⁴

The ponencia also discussed *Sumalo Homeowners Association of Hermosa, Bataan v. Litton*³⁵ in that those who claim to be qualified beneficiaries, by mere assertion of “clearing, tilling and planting the land under claim of ownership,”³⁶ cannot be considered as real parties-in-interest to question a parcel of land’s conversion or consequent coverage or non-coverage under the CARP.³⁷

Associations filing suits must comply with certain standards under relevant laws, jurisprudence, and rules. An association must establish that its members are the real parties-in-interest, and that it has the authority to represent its members pursuant to its Articles of Incorporation or by board resolution.

Petitioner alleged in its Motion for Extension of Time to file Petition that it “is a farmer Association duly registered with the Securities and Exchange Commission, representing its members who are actual tillers and cultivators of subject landholding located in Brgy. Ipag, Mariveles, Bataan.”³⁸ This matter was never contested by respondent Tomas Tan, who failed to file a comment despite several show cause resolutions issued by this Court requiring compliance.³⁹ This Court then required the Office of the

³¹ *Samahang Magsasaka ng 53 Hektarya v. Mosquera*, 547 Phil. 560, 570 (2007) [Per J. Velasco, Jr., Second Division].

³² *Id.* at 571.

³³ 352 Phil. 461, 484 (1998) [Per J. Martinez, Second Division]. This was also discussed in the ponencia.

³⁴ *Samahang Magsasaka ng 53 Hektarya v. Mosquera*, 547 Phil. 560, 571 (2007) [Per J. Velasco, Jr., Second Division].

³⁵ 532 Phil. 86 (2006) [Per J. Ynares-Santiago, First Division].

³⁶ *Id.* at 98.

³⁷ *Id.* at 96–98.

³⁸ *Rollo*, p. 3, Motion for Extension of Time.

³⁹ *Id.* at 46 (Supreme Court Resolution dated June 6, 2011), 59 (Supreme Court Resolution dated October 10, 2011), 63 (Supreme Court Resolution dated March 7, 2012), 67 (Supreme Court Resolution dated July 30, 2012), 71 (Supreme Court Resolution dated March 18, 2013).

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Solicitor General to file a comment.⁴⁰ The Office of the Solicitor General never questioned petitioner's allegation of its registration with the Securities and Exchange Commission.⁴¹ Instead, it argues that petitioner is not the real party-in-interest since its members have not been declared as qualified CARP beneficiaries; thus, their interest in the land grounds on a mere hope, insufficient for claiming an enforceable right before a court of law.⁴²

We apply the Comprehensive Agrarian Reform Law always within its context of social justice, to further its objective of giving the highest consideration for the welfare of the landless farmers and farmworkers.⁴³

In this case, Municipal Agrarian Reform Officer Dominador M. Delda issued a Notice of Coverage over the land in 1994,⁴⁴ even before the Presidential Commission on Good Governance (PCGG) published an Invitation to Bid its Assets, which included the land in April 4, 1995.⁴⁵ Respondent won as highest bidder and was issued a Notice of Award on May 2, 2000.⁴⁶ The Office of the President gave its approval, and by August 1, 2000, the PCGG executed a Deed of Sale with respondent.⁴⁷

Meanwhile, ocular inspection was conducted sometime in late 1999, and the land was targeted for CARP acquisition for year 2000.⁴⁸ Jorge V. Sarmiento (Commissioner Sarmiento), Chairperson of the PCGG Committee on Privatization, then wrote a letter dated July 25, 2000 requesting the Department of Agrarian Reform to stop the acquisition of the land.⁴⁹ The following day, Department of Agrarian Reform Secretary Horacio R. Morales, Jr. granted the request in the Order dated July 26, 2000, and lifted the Notice of Coverage.⁵⁰ On October 29, 2004, petitioner filed a Petition to Revoke the July 26, 2000 Order, but this, its motion for reconsideration, and its appeal to the Office of the President⁵¹ were denied.

The Court of Appeals found no indication that the property is not agricultural land and held that the property is covered under Republic Act

⁴⁰ Id. at 112, Supreme Court Resolution dated March 3, 2014.

⁴¹ Id. at 123-133, Solicitor General's Comment.

⁴² Id. at 126-127, Solicitor General's Comment.

⁴³ Rep. Act No. 6557 (1988), sec.2, as amended by Rep. Act No. 9700 (2009), sec. 1, provides:
SEC. 2. Declaration of Principles and Policies. — It is the policy of the State to pursue a Comprehensive Agrarian Reform Program (CARP). The welfare of the landless farmers and farmworkers will receive the highest consideration to promote social justice and to move the nation toward sound rural development and industrialization, and the establishment of owner cultivatorship of economic-size farms as the basis of Philippine agriculture[.]

⁴⁴ *Rollo*, pp. 25-26, Court of Appeals Decision dated July 27, 2010.

⁴⁵ Id. at 26, Court of Appeals Decision dated July 27, 2010.

⁴⁶ Id.

⁴⁷ Id.

⁴⁸ Id.

⁴⁹ Id.

⁵⁰ Id.

⁵¹ Id. at 26-27, Court of Appeals Decision dated July 27, 2010.

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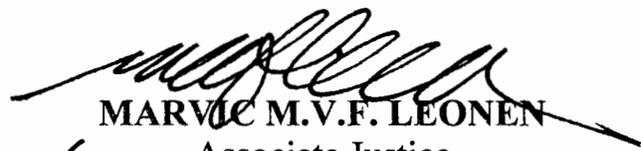
No. 6657.⁵² It found that the lifting of the Notice of Coverage merely a day after the request of Commissioner Sarmiento “seem[ed] irregular in view of [Department of Agrarian Reform]’s own rules on protests involving the coverage under CARP”;⁵³ thus, the July 26, 2000 Order cannot bind petitioner.⁵⁴ Nevertheless, the Court of Appeals dismissed the Petition upon finding that petitioner is not a real party-in-interest.⁵⁵

In *Department of Agrarian Reform v. Department of Education, Culture and Sports*,⁵⁶ this Court held that pursuant to Section 15 of Republic Act No. 6657, “the identification of actual and potential beneficiaries under CARP is vested in the Secretary of Agrarian Reform[.]”⁵⁷ In that case, the Barangay Agrarian Reform Committee found that the farmers “were potential CARP beneficiaries of the subject properties”⁵⁸ and that the Municipal Agrarian Reform Office issued a Notice of Coverage over the land.⁵⁹ Thus:

Since the identification and selection of CARP beneficiaries are matters involving strictly the administrative implementation of the CARP, it behooves the courts to exercise great caution in substituting its own determination of the issue, unless there is grave abuse of discretion committed by the administrative agency. In this case, there was none.

The Comprehensive Agrarian Reform Program (CARP) is the bastion of social justice of poor landless farmers, the mechanism designed to redistribute to the underprivileged the natural right to toil the earth, and to liberate them from oppressive tenancy. To those who seek its benefit, it is the means towards a viable livelihood and, ultimately, a decent life. The objective of the State is no less certain: “landless farmers and farmworkers will receive the highest consideration to promote social justice and to move the nation toward sound rural development and industrialization.”⁶⁰ (Emphasis supplied)

ACCORDINGLY, I vote to GRANT the Petition.


MARVIC M.V.F. LEONEN
Associate Justice

⁵² Id. at 29, Court of Appeals Decision dated July 27, 2010.

⁵³ Id. at 30–31, Court of Appeals Decision.

⁵⁴ Id. at 31, Court of Appeals Decision dated July 27, 2010.

⁵⁵ Id. at 31.

⁵⁶ 469 Phil. 1083 (2004) [Per J. Ynares-Santiago, First Division].

⁵⁷ Id. at 1094.

⁵⁸ Id.

⁵⁹ Id.

⁶⁰ Id. at 1094–1095, citing *Lercana v. Jalandoni*, 426 Phil. 319, 329 (2002) [Per J. Quisumbing, Second Division] and *Secretary of Agrarian Reform v. Tropical Homes, Inc.*, 414 Phil. 389, 396–397 (2001) [Per J. De Leon, Jr., Second Division].