

JARDELEZA, J.:

This is a Petition for Review on *Certiorari*¹ assailing the Resolutions of the Court of Appeals (CA) in CA-G.R. SP No. 01312-MIN dated November 16, 2006² and August 3, 2007.³ These resolutions dismissed the appeal filed by Spouses Loreto G. Nicolas and Lolita Sarigumba (Spouses Nicolas) from the Decision⁴ of the Department of Agrarian Reform Adjudication Board (DARAB) in DARAB Case No. 10860 due to procedural infirmities.

The Facts

Respondent Agrarian Reform Beneficiaries Association (ARBA) is the registered owner of a parcel of land, with an area of 429,314 square meters and located at Barangay Sto. Niño, Tugbok District, Davao City.⁵ The land is covered by Transfer Certificate of Title (TCT) No. CL-143 and Certificate of Land Ownership Award (CLOA) No. 00044912.⁶ The individual respondents⁷ are among the named and registered ARBA beneficiaries of the land.⁸

On August 31, 1998, petitioner Loreto G. Nicolas (Nicolas) and Olimpio R. Cruz (Cruz) filed a Petition for the "Cancellation of the Certificate of Land Ownership Award and Reinstatement of Title"⁹ (Nicolas, *et al.* Petition) with the Office of the Provincial Adjudicator of the DARAB in Davao.¹⁰ It was docketed as DARAB Case No. XI-1482-DC-98 and filed against the Department of Agrarian Reform (DAR) Secretary, DAR-Region XI Regional Director, DAR-Davao City Provincial Agrarian Reform Officer, ARBA, and the Farmers Association of Davao City-KMPI (FADC-KMPI), *et al.* Nicolas and Cruz claimed that they are the lawful owners of two (2) parcels of land covered by TCT Nos. T-162077 and T-162078, which were cancelled and included in TCT No. CL-143. Nicolas and Cruz claimed they acquired the lands in 1994 through a deed of assignment executed in their favor by Philippine Banking Corporation (PhilBanking). The lands were erroneously included in the Comprehensive Agrarian Reform Program (CARP) though they were already classified as within an urban zone and were, therefore, non-agricultural.¹¹ Thus, Nicolas and Cruz

¹ *Rollo*, pp. 4-25.

² *Id.* at 26-28. Ponencia by Associate Justice Rodrigo F. Lim, Jr., with Associate Justices Teresita Dy-Liacco Flores and Mario V. Lopez, concurring.

³ *Id.* at 29-31.

⁴ *CA rollo*, pp. 20-26.

⁵ *Id.* at 21.

⁶ *Id.*

⁷ Felipe Ramos, Hilario Pasiol, Rogelio Asuro, Arturo Atablanco, Rodrigo Atablanco, Bonifacio Atimana, Patricio Avila, Crisanto Bacus, Ernesto Donahan, Sr., Nestor Locaberte, Manilo Reyes, Andres Sarol, Sherlito Tad-I, Antonio Tangaro, Oligario Tangaro, Cristituto Tangaro, Feliciano Tangaro, Godofredo Nabasca, Wennie Alegarme, Pedro Tatoy, Jr., Felipe Umamalin, Pedro Tatoy, Sr., Antonio Yangyang, Romeo Gantuangco, Victor Alidon, Jaime Tatoy, and Jesus Tatoy, Jr.

⁸ *CA rollo*, p. 21.

⁹ DARAB records, pp. 115-122.

¹⁰ *CA rollo*, p. 21.

¹¹ DARAB records, pp. 4-5.

prayed that: (1) the compulsory acquisition proceedings relative to the lands covered by TCT Nos. T-162077 and T-162078 be declared null and void; (2) the CLOA issued to ARBA and FADC-KMPI, *et al.* be cancelled; and (3) TCT Nos. T-162077 and T-162078 be transferred in their names.¹² The Provincial Adjudicator granted the petition on May 14, 1999.¹³

ARBA and the public respondents filed their separate appeals on June 30, 1999.¹⁴ However, pending these appeals, Nicolas and Cruz were able to execute the decision of the Provincial Adjudicator.¹⁵ They were able to cause the cancellation of ARBA's TCT No. CL-143 and the reinstatement of TCT Nos. T-162077 and T-162078 in the name of PhilBanking.¹⁶ They thereafter managed to cause the cancellation of TCT Nos. T-162077 and T-162078 and have them transferred in their names and of their spouses under TCT Nos. T-320807 and T-320808.¹⁷ Subsequently, these two (2) titles were subdivided into six (6) titles: TCT Nos. T-328623, T-328624, T-328625; T-328626, T-328627, and T-328628.¹⁸ Nicolas and Cruz later sold the land covered by TCT No. T-328626 to Spouses Marciano and Judith Tapiador (Spouses Tapiador), in whose names a new title, TCT No. 332246, was issued.¹⁹

The foregoing acts of Nicolas and Cruz prompted ARBA, FADC-KMPI, and the individual respondents (ARBA, *et al.*) to file a complaint for "Nullity of the Cancellation of TCT No. CL-143; Nullity of the Reinstatement of TCT Nos. T-162077 and T-162078; Nullity of TCT Nos. T-320807 and T-320808; Nullity of TCT Nos. T-328623, T-328624, T-328625, T-328626, T-328627 and T-328628; Reinstatement of TCT No. CL-143; Damages and Attorney's Fee"²⁰ (ARBA, *et al.* Complaint). It was docketed as DARAB Case No. XI-1661-DC-2001 and filed against Spouses Nicolas, Spouses Olimpio R. Cruz and Juliana Esteban (Spouses Cruz), and the Registry of Deeds of Davao City. ARBA, *et al.* argued that the acts of Nicolas and Cruz pending the appeal of the Nicolas, *et al.* Petition are void *ab initio* or without effect.²¹ They cited that there was a violation of Rule 12, Section 1 of the New Rules of Procedure of the DARAB because there was neither a certification by the proper officer that a resolution has become final and executory nor has any been served on them or on their counsel of record.²² They also cited that there was no writ of execution issued by the Board of Adjudicator.²³ ARBA, *et al.* also argued that under Rule 36, Section 2 of the 1977 Rules of Civil Procedure, a decision will only become

¹² CA rollo, p. 21; DARAB records, pp. 4-5.

¹³ CA rollo, p. 21; DARAB records, pp. 30-36.

¹⁴ CA rollo, p. 22; DARAB records, p. 6.

¹⁵ CA rollo, p. 22.

¹⁶ CA rollo, p. 22; DARAB records, p. 6.

¹⁷ CA rollo, p. 22; DARAB records, p. 7.

¹⁸ DARAB records, p. 7.

¹⁹ CA rollo, p. 22.

²⁰ DARAB records, pp.1-10.

²¹ *Id.* at 7.

²² *Id.*

²³ *Id.* at 8.

final and executory if it is entered in the Book of Entries and a Certificate of Finality is issued by the Clerk of Court.²⁴

On July 9, 2001, the Regional Adjudicator dismissed the complaint on the grounds of *litis pendentia* and lack of jurisdiction.²⁵ The Regional Adjudicator ruled that complainants should have ventilated their case before the DARAB in the Nicolas, *et al.* Petition, which was still pending at that time. He also ruled that the case being one for annulment of judgment, jurisdiction lies before the regional trial courts.²⁶

Meanwhile, on September 24, 2001, the DARAB in the Nicolas, *et al.* Petition reversed the Provincial Adjudicator and upheld the validity of the CLOA issued in the name of ARBA and their subsequent registration with the Register of Deeds.²⁷ Nicolas and Cruz appealed before the CA (CA-G.R. SP No. 70357), which reversed and set aside the decision of the DARAB in a decision dated October 12, 2004.²⁸ The dispositive portion of the CA decision reads:

WHEREFORE, premises considered, the questioned Decision dated 24 September 2001 rendered by the public respondent **DARAB** is hereby **REVERSED** and **SET ASIDE** and a new one entered:

1. Ordering the Register of Deeds of Davao City to Cancel TCT No. CL-143 (CLOA No. 00044912);
2. Ordering the Register of Deeds of Davao City to reinstate Transfer Certificate of Title Nos. T-162077 and T-162078 in the name of PhilBanking;
3. Maintaining the private respondents members of the ARBA and Farmers Association of Davao-KMPI in their peaceful possession and cultivation over their respective landholdings in this case if they and/or predecessors[-]in-interest were already tenants over the same period to June 15, 1988[;] and
4. Declaring the parcels of land in question as exempted from the coverage of CARL.²⁹

From this decision, the DAR, ARBA, and Felipe Ramos (Ramos), representing a faction of ARBA, filed separate petitions for review on *certiorari* before us, docketed as G.R. No. 168206, G.R. No. 168394, and G.R. No. 168684, respectively.³⁰ We denied the DAR and Ramos Petitions

²⁴ *Id.* at 8.

²⁵ *Id.* at 331-332.

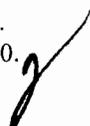
²⁶ *Id.* at 332.

²⁷ CA *rollo*, pp. 22-23.

²⁸ *Id.* at 7-8.

²⁹ *Id.* at 9-10.

³⁰ *Rollo*, p. 10.



via minute resolutions and both denials eventually attained finality.³¹ Meanwhile, the petition filed by ARBA in G.R. No. 168394 was still pending at that time.³²

On the other hand, the DARAB in the ARBA, *et al.* Complaint reversed the Regional Adjudicator and rendered a new judgment³³ on June 14, 2005 (DARAB Case No. 10860), the dispositive part of which reads:

WHEREFORE, premises considered, the appealed decision is hereby **SET ASIDE** and a **NEW JUDGMENT** is rendered as follows:

1. Declaring the cancellation of complainant-appellant ARBA's TCT No. CL-143, as null and void;
2. Declaring the reinstatement on September 28, 1999 of the previously cancelled TCT No. T-162077 and TCT No. T-162078, under the name of Philippine Banking Corporation, as null and void;
3. Declaring the transfer of TCT No. T-162077 and TCT No. 162078 under the names of respondents-appellees Loreto G. Nicolas and Olimpio R. Cruz, and their respective spouses, in TCT No. T-320807 and TCT No. T-320808, respectively, on September 1, 2000, as null and void;
4. Declaring the transfer of TCT No. T-320807 and TCT No. T-320808 under the names of respondents-appellees Loreto G. Nicolas and Olimpio R. Cruz, and their respective spouses, into six (6) titles, to wit, TCT Nos. T-328623, T-328624, T-328625, T-328626, T-328627, T-328628, on September 21, 2000, as null and void;
5. Declaring the sale or purchase of TCT No. T-328626 executed by respondents-appellees Loreto G. Nicolas and Olimpio R. Cruz, and their respective spouses, in favor of spouses Marciano and Judith Tapiador, as null and void;
6. Declaring TCT Nos. T-162077, T-162078, T-320807, T-320808, T-328623, T-328624, T-328625, T-328626, T-328627, T-328628 and T-332246, as null and void; and
7. Ordering the Registry of Deeds of Davao City to reinstate complainant-appellant ARBA's TCT No. CL-143.

SO ORDERED.³⁴

The DARAB stressed that in view of the Board's ruling dated September 24, 2001 in the Nicolas, *et al.* Petition in favor of ARBA, *et al.*,

³¹ *Id.* at 11.

³² *Id.*

³³ *Supra* note 4.

³⁴ *CA rollo*, pp. 24-25.

all of the acts committed and/or caused to be committed by Nicolas and Cruz pending appeal were contrary and should, therefore, be nullified.³⁵

Citing its 2003 Rules of Procedure, the DARAB held that it was erroneous to execute the judgment in the Nicolas, *et al.* Petition pending appeal. The DARAB found no good and urgent reason to justify the execution pending appeal, which meant that Nicolas and Cruz were in bad faith when they committed and/or caused to be committed the execution of the judgment to the prejudice of individual respondents.³⁶ Thus, Nicolas and Cruz have to suffer the adverse consequences of the reversal of the decision previously rendered in their favor.³⁷

The DARAB denied the Motion for Reconsideration filed by Spouses Nicolas, *et al.*³⁸ Spouses Nicolas filed a petition before the CA (CA-G.R. SP No. 01312-MIN), which was dismissed because of procedural infirmities.³⁹

The Petition

Spouses Nicolas now appeal the resolutions and argue that the CA erred in:

- 1) refusing due course to their petition when it was clearly apparent that the DARAB decision has already been overtaken and superseded by subsequent decisions of the Supreme Court; and
- 2) not recognizing that the issues addressed by the DARAB had already been settled by the Supreme Court and subject to the doctrines of *stare decisis* and *res judicata*.⁴⁰

Spouses Nicolas argue that the DARAB decision itself states that the only issue involved therein was the appropriateness of the execution of judgment in favor of Spouses Nicolas pending appeal.⁴¹ However, the DARAB treated its decision as final and executory, irrespective of the subsequent outcome of further proceedings in the main action, the Nicolas, *et al.* Petition, which was brought before the CA and us.⁴²

Spouses Nicolas point out the subsequent decision of the CA in their favor in the Nicolas, *et al.* Petition.⁴³ They argue that with our resolutions in G.R. No. 168206 and G.R. No. 168684 (the DAR and Ramos Petitions), we have already affirmed with finality the findings of the CA that the authority

³⁵ *Id.* at 22-23.

³⁶ *Id.* at 23-24.

³⁷ *Id.* at 24.

³⁸ *Id.* at 30-32.

³⁹ *Id.* at 39-41.

⁴⁰ *Rollo*, p. 12.

⁴¹ *Id.* at 9.

⁴² *Id.*

⁴³ *Id.*

of the DAR is limited only to all public and private agricultural lands.⁴⁴ Likewise, the DARAB decision in the ARBA, *et al.* Complaint conflicts with the decisions in the Nicolas, *et al.* Petition. Spouses Nicolas insist that the DARAB in the ARBA, *et al.* Complaint should have confined the issue as to whether the execution of judgment pending appeal was appropriate. The decretal portion of its decision, however, dwelled upon the very issues raised on appeal in the Nicolas, *et al.* Petition.⁴⁵

Issues

- 1) Whether the CA correctly dismissed the appeal of petitioners in the ARBA, *et al.* Complaint on procedural grounds.
- 2) Whether the issues addressed by the DARAB in the ARBA, *et al.* Complaint have already been superseded and settled by our ruling in G.R. No. 168394,⁴⁶ the Nicolas, *et al.* Petition.

The Court's Ruling

We grant the petition.

The CA erred in dismissing the appeal of petitioners on pure technicalities.

The CA dismissed the appeal of Spouses Nicolas on the following procedural grounds:

- 1) The petition was filed via Rule 45 of the Rules of Civil Procedure, which is cognizable only by the Supreme Court, rather than Rule 43;⁴⁷
- 2) Only photocopies, instead of duplicate original or certified true copies, of the assailed decision and resolution of DARAB were attached to the petition;⁴⁸ and
- 3) The Integrated Bar of the Philippines (IBP) Official Receipt number of their counsel indicated in the petition is not current.⁴⁹

Spouses Nicolas filed a Motion for Reconsideration and Leave of Court to File Amended Petition. They insisted that their Petition for Review was erroneously captioned "Petition for Review on *Certiorari*" and that the allegations in their pleading and the context in which it was filed show that they intended to file a Petition for Review under Rule 43.⁵⁰

⁴⁴ *Id.* at 12-13.

⁴⁵ *Id.* at 14.

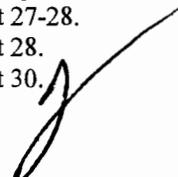
⁴⁶ *Agrarian Reform Beneficiaries Association (ARBA) v. Nicolas*, October 6, 2008, 567 SCRA 540.

⁴⁷ *Rollo*, p. 27

⁴⁸ *Id.* at 27-28.

⁴⁹ *Id.* at 28.

⁵⁰ *Id.* at 30.



Spouses Nicolas also explained that they inadvertently attached the original copies of the assailed decision and resolution to one of the duplicate copies of the petition.⁵¹ Spouses Nicolas likewise attached a certified true copy of the assailed decision of DARAB in their Amended Petition and furnished the CA a photocopy of their counsel's current IBP Official Receipt number.⁵² Spouses Nicolas implored the CA to resolve the petition on the merits and not on the formal deficiencies so as not to render nugatory our final decision in G.R. No. 168394.⁵³

Despite the explanation and compliance of Spouses Nicolas, the CA still denied their motion in its Resolution⁵⁴ dated August 3, 2007. The CA held that the Rules of Procedure of DARAB mandates that judicial review of DARAB orders or decisions are governed by the Rules of Court, specifically Rule 43. Since Spouses Nicolas availed of the wrong mode of appeal via a petition for review on *certiorari* under Rule 45, it cannot be remedied by the mere filing of an Amended Petition for Review under Rule 43. Hence, the wrong mode of appeal taken did not vest jurisdiction on the CA over the petition. Accordingly, the period within which to file the petition was not tolled.⁵⁵

Finally, the CA ruled that pursuant to Section 4 of Supreme Court Circular No. 2-90,⁵⁶ an appeal taken to the CA by the wrong or inappropriate mode shall be dismissed.⁵⁷

While we agree that Rule 43 is the correct mode of appeal for decisions, orders, or resolutions of the DAR Secretary, we find that the CA should not have easily dismissed the petition after petitioners had adequately explained and rectified their procedural lapses, which were neither gross nor inexcusable. Captioning the petition as a Rule 45 instead of a Rule 43 was a clear inadvertence. Apart from this error and the one on the attached decisions being mere photocopies, petitioners have complied with all the other requirements of a Rule 43 petition.

More importantly, the property rights at stake in this case, which will be discussed here shortly, should have merited reconsideration from the CA to entertain the petition. Dismissal of appeals purely on technical grounds is frowned upon where the policy of the court is to encourage hearings of appeals on their merits and the rules of procedure ought not to be applied in a very rigid, technical sense; rules of procedure are used only to help secure, not override substantial justice. 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

⁵¹ CA *rollo*, p. 49.

⁵² *Id.* at 112.

⁵³ *Id.* at 51.

⁵⁴ *Supra* note 3.

⁵⁵ *Rollo*, p. 31.

⁵⁶ Guidelines to be Observed in Appeals to the Court of Appeals and to the Supreme Court (1990).

⁵⁷ *Rollo*, p. 31.

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.⁵⁸

Courts have the prerogative to relax procedural rules of even the most mandatory character, mindful of the duty to reconcile both the need to speedily put an end to litigation and the parties' right to due process.⁵⁹ We further explained in *City of Dumaguete v. Philippine Ports Authority*:⁶⁰

Procedural rules were conceived to aid the attainment of justice. If a stringent application of the rules would hinder rather than serve the demands of substantial justice, the former must yield to the latter. x x x

x x x

Likewise, in *Samoso v. CA*, the Court ruled:

But time and again, the Court has stressed that the rules of procedure are not to be applied in a very strict and technical sense. The rules of procedure are used only to help secure not override substantial justice (*National Waterworks & Sewerage System vs. Municipality of Libmanan*, 97 SCRA 138 [1980]; *Gregorio v. Court of Appeals*, 72 SCRA 120 [1976]). The right to appeal should not be lightly disregarded by a stringent application of rules of procedure especially where the appeal is on its face meritorious and the interests of substantial justice would be served by permitting the appeal (*Siguenza v. Court of Appeals*, 137 SCRA 570 [1985]; *Pacific Asia Overseas Shipping Corporation v. National Labor Relations Commission, et al.*, G.R. No. 76595, May 6, 1998) x x x⁶¹ (Emphasis supplied.)

The issue in the ARBA, et al. Complaint has not been rendered moot and academic.

Preliminarily, it may seem at first blush that our ruling in G.R. No. 168394 on the *Nicolas, et al.* Petition is a supervening event that has rendered this petition moot and academic. An issue is said to have become moot and academic when it ceases to present a justiciable controversy, so that a declaration on the issue would be of no practical use or value. In such

⁵⁸ *Aguam v. Court of Appeals*, G.R. No. 137672, May 31, 2000, 332 SCRA 784, 790.

⁵⁹ *Barangay Sangalang v. Barangay Maguihan*, G.R. No. 159792, December 23, 2009, 609 SCRA 57, 68, citing *Ong Lim Sing, Jr. v. FEB Leasing & Finance Corporation*, G.R. No. 168115, June 8, 2007, 524 SCRA 333, 343.

⁶⁰ G.R. No. 168973, August 24, 2011, 656 SCRA 102.

⁶¹ *Id.* at 117-118.

cases, there is no actual substantial relief to which the plaintiff would be entitled and which would be negated by the dismissal of the complaint.⁶² Based on this definition, we hold that the petition has not been mooted.

For one, there is still a justiciable, live controversy between the parties despite our ruling in G.R. No. 168394. In *Intramuros Tennis Club, Inc. v. Philippine Tourism Authority*⁶³ we did not find that the petition was rendered moot or illusory by the fact that execution was effected and possession of the subject matter of the case was restored to private respondents. We held that the resolution of the petition requires a determination of whether the CA gravely abused its discretionary power to order execution pending appeal as prescribed in Section 2, Rule 39 of the 1997 Revised Rules of Court, and where such grave abuse of discretion is established, the execution pending appeal pursuant to the resolutions of the CA may be voided. Thus, we concluded that the petition presented a live and justiciable controversy.⁶⁴

We emphasize that the Nicolas, *et al.* Petition and the ARBA, *et al.* Complaint are two different initiatory pleadings that raise two completely different issues but which are, at the same time, intimately related. The issue in the Nicolas, *et al.* Petition is whether the parcels of land are under the compulsory coverage of the Comprehensive Agrarian Reform Law⁶⁵ (CARL). The heart of the ARBA, *et al.* Complaint, on the other hand, is whether the acts of Nicolas and Cruz pending appeal are valid and legal. We have ruled in favor of petitioners in G.R. No. 168394 and declared that the parcels of land are outside the coverage of CARL. Accordingly, we also ordered the cancellation of the CLOAs in favor of respondents and ordered the Register of Deeds to reinstate the TCTs in the name of petitioners' predecessor-in-interest, PhilBanking.⁶⁶ The DARAB in the ARBA, *et al.* Complaint, meanwhile, ruled that the execution pending appeal was invalid and so declared as void the cancellation of the CLOAs of respondents and the reinstatement of the TCTs in the name of PhilBanking. It also ordered the Register of Deeds to reinstate respondents' TCT (CLOAs). Given these conflicting declarations, what petitioners are attempting to achieve in this petition, therefore, is an annulment of the DARAB and CA decisions in the ARBA, *et al.* Complaint in order to conform to our ruling in G.R. No. 168394. The non-application of the second part of the definition of a moot and academic issue on the practical use or value of a declaration on the dispute now comes into play. A declaration from us sustaining petitioners' position and granting them their prayer for relief would still be of practical value to them. As we shall also discuss and show shortly, our ruling here will also be of practical value to respondents.

In *Pasig Printing Corporation v. Rockland Construction Company*,

⁶² *Ilusorio v. Baguio Country Club Corporation*, G.R. No. 179571, July 2, 2014, 728 SCRA 592, 598.

⁶³ G.R. No. 135630, September 26, 2000, 341 SCRA 90.

⁶⁴ *Id.* at 103.

⁶⁵ Republic Act No. 6657 (1998).

⁶⁶ *ARBA v. Nicolas*, *supra* note 46 at 547; 557.



Inc.,⁶⁷ we decided the case on the merits despite the finality of the main case because of peculiar circumstances. If we chose not to, erroneous resolutions of the CA would have remained in force and would have prejudiced the possessory rights of one of the parties.⁶⁸ We also face the same dilemma here. If we were to simply deny the petition on the ground of mootness, the conflicting decisions of Nicolas, *et al.* Petition and the ARBA, *et al.* Complaint would subsist.

Further, there is another lingering issue that demands judicial review. Our ruling in G.R. No. 168394 effectively upholds the rights of petitioners over the land and consequently, also upholds their legitimate exercise of such rights. But again, the conflicting decisions pose a problem, since the DARAB in the ARBA, *et al.* Complaint also invalidated the following acts of Nicolas and Cruz on the ground of bad faith:

1. The transfer of TCTs in the name of PhilBanking to petitioner Nicolas and Cruz and their respective spouses;
2. The transfer and subdivision of the TCTs in the names of petitioner Nicolas and Cruz and their respective spouses; and
3. The sale of a parcel of land from the subdivided property (covered by TCT No. T-328626) executed by petitioner Nicolas and Cruz and their respective spouses in favor of Spouses Tapiador.

A question now arises as to the status of these acts. Will the invalidation by the DARAB stand or must it be overturned? We note that at the same time, however, the validity of the foregoing acts is hinged on the validity of the execution pending appeal. There is, therefore, a need to settle the actual controversy surrounding these acts.

The doctrines of res judicata and stare decisis do not apply in this case.

Petitioners posit that G.R. No. 168394 has finally settled the issues addressed by the DARAB in the ARBA, *et al.* Complaint and the decision must no longer be disturbed owing to the doctrines of *stare decisis* and *res judicata*. We do not agree.

To begin with, not all elements of *stare decisis* and *res judicata* are present in this case. *Stare decisis* means that for the sake of certainty, a **conclusion reached** in one case should be applied to those that follow **if the facts are substantially the same**, even though the parties may be different. It proceeds from the first principle of justice that, absent any powerful countervailing considerations, like cases ought to be decided alike. **Thus, where the same questions relating to the same event have been put forward by the parties similarly situated as in a previous case litigated**

⁶⁷ G.R. No. 193592, February 5, 2014, 715 SCRA 466.

⁶⁸ *Id.* at 476.

and decided by a competent court, the rule of *stare decisis* is a bar to any attempt to relitigate the same issue.⁶⁹

According to the doctrine of *res judicata*, an existing final judgment or decree rendered on the merits, and without fraud or collusion, by a court of competent jurisdiction, upon any matter within its jurisdiction, is conclusive of the rights of the parties or their privies, in all other actions or suits in the same or any other judicial tribunal of concurrent jurisdiction **on the points and matters in issue in the first suit.**⁷⁰

The doctrines of *res judicata* (which means a “matter adjudged”) and *stare decisis non quieta et movere* (or simply, *stare decisis* which means “follow past precedents and do not disturb what has been settled”) are general procedural law principles which both deal with the effects of previous but factually similar dispositions to subsequent cases.⁷¹ Both doctrines speak of a first suit that has been previously decided by a court with finality. Both doctrines bar the relitigation of the same or similar issues raised in said first suit. In other words, the doctrines are applied prospectively.

Here, the first suit referred to is G.R. No. 168394, the Nicolas, *et al.* Petition, which decided with finality the issue of whether the subject parcels of land are under the compulsory coverage of CARL. The ARBA, *et al.* Complaint is not relitigating this issue and there is no subsequent suit that is attempting to do so.

The case of *Vda. De Salanga v. Alagar*⁷² is on point. In that case, a controversy also arose as a consequence of the execution pending appeal of a judgment in an ejectment case. While the ejectment case was pending appeal before the CA, the Regional Trial Court ordered the execution of the judgment of the Municipal Trial Court pending appeal. The auction sale of the properties pushed through, prompting the private respondent to file a petition for its annulment. When the ejectment case attained finality, plaintiff moved for the dismissal of the petition for annulment of the public auction sale on the ground that it has been rendered moot and academic and barred by the final and executory judgment in the ejectment case. Citing what we have laid down in *Cagayan de Oro Coliseum, Inc. v. Court of Appeals*,⁷³ we disagreed with plaintiff that there was *res judicata* between the petition for annulment of the public auction sale and the final judgment rendered in the ejectment case. We ruled that the elements of identity of subject matter and causes of action were absent. The petition for annulment of the public auction sale did not directly involve the property subject matter of the ejectment case. It was concerned with the validity of the execution

⁶⁹ *Commissioner of Internal Revenue v. The Insular Life Assurance Co., Ltd.*, G.R. No. 197192, June 4, 2014, 725 SCRA 94, 96-97. (Emphasis and underscoring supplied.)

⁷⁰ *Lee v. Lui Man Chong*, G.R. No. 209535, June 15, 2015, 757 SCRA 577, 583. (Emphasis supplied.)

⁷¹ *Belgica v. Ochoa, Jr.*, G.R. No. 208566, November 19, 2013, 710 SCRA 1, 100-101.

⁷² G.R. No. 134089, July 14, 2000, 335 SCRA 728.

⁷³ G.R. No. 129713, December 15, 1999, 320 SCRA 731.



proceedings, specifically the validity of the auction sale of private respondent's properties to satisfy the money judgment in the ejectment case. As such, said cases fail the test of identity of causes of action, *i.e.*, whether the same facts or evidence would support and establish the causes of action in each case.⁷⁴

Similarly in this case, there is no identity of causes of action. To repeat, the issue in the Nicolas, *et al.* Petition is whether the property is exempt from the coverage of CARL, while the issue in the ARBA, *et al.* Complaint is whether the acts of petitioners pending appeal of the Nicolas, *et al.* Petition are valid and legal. Clearly, they are distinct issues.

Further, our *ratio decidendi* in a number of cases⁷⁵ where we allowed the simultaneous filing of an appeal on the merits of the case and a petition for *certiorari* on the grant of an execution pending appeal may be applied here. In these cases, we have held that one party may validly question the decision in a regular appeal and at the same time assail the execution pending appeal via *certiorari* without violating the non-forum shopping rule because the merits of the case would not be addressed in the petition dealing with the execution and vice versa. We stressed that although there is identity of parties, the causes of action and the reliefs sought are different. The issue in these cases may have been whether there was forum shopping, but the logic behind our pronouncements applies here, considering that the test to determine whether a party violated the rule against forum shopping is whether the elements of *litis pendentia* are present, **or whether the final judgment in one case will amount to *res judicata* in another.**⁷⁶

The acts of Nicolas and Cruz pending appeal were done in violation of the 1994 DARAB Rules of Procedure.

Rule XII of the 1994 DARAB Rules of Procedure (the Rules) on Execution provides:

RULE XII
Execution

Sec. 1. *Execution Upon Final Order or Decision.*
Execution shall issue upon an order, resolution or decision that finally disposes of the action or proceeding. Such execution shall issue as a matter of course and upon the expiration of the period to appeal therefrom if no appeal has been duly perfected.

⁷⁴ *Id.* at 735-738.

⁷⁵ See *Paradero v. Abragan*, G.R. No. 158917, March 1, 2004, 424 SCRA 155, 161, citing *Philippine Nails and Wires Corporation v. Malayan Insurance Company, Inc.*, G.R. No. 143933, February 14, 2003, 397 SCRA 431 and *International School, Inc. (Manila) v. Court of Appeals*, G.R. No. 131109, June 29, 1999, 309 SCRA 474.

⁷⁶ *Id.* at 161-162. (Emphasis supplied.)



The Board or Adjudicator concerned may, upon certification by the proper officer that a resolution, order or decision has been served to the counsel or representative on record and to the party himself, and has become final and executory, and, upon motion or *motu proprio*, issue a writ of execution ordering the DAR Sheriff or any DAR officer to enforce the same. In appropriate cases, the Board or any of its Members or its Adjudicator shall deputize and direct the Philippine National Police, Armed Forces of the Philippines or any of their component units or other law enforcement agencies in the enforcement of any final order, resolution or decision.

Sec. 2. *Execution Pending Appeal.* Any motion for execution of the decision of the Adjudicator pending appeal shall be filed before the Board, and the same may be granted upon showing good reasons and under conditions which the Board may require.

Sec. 3. *Applicability of the Uniform Rules of Procedure of the Court of Agrarian Relations (CAR).* Rule XIX of the Uniform Rules of Procedure of the CAR, with respect to execution, shall apply insofar as they are not inconsistent with these Rules.

The Rules provides that execution shall issue as a matter of course upon the expiration of the period to appeal therefrom if no appeal has been duly perfected. Here, the Decision of the Provincial Adjudicator in the Nicolas, *et al.* Petition was not yet final and executory when Nicolas and Cruz executed the decision in their favor. ARBA, *et al.* and the DAR were able to perfect their appeals.

More importantly, the execution pending appeal was done in blatant violation of Section 2 of the Rules. Nicolas and Cruz did not file any motion for execution of the decision of the Adjudicator pending appeal before the Board. There is also no order from the Board allowing the execution pending appeal upon showing of good reasons. Simply put, the execution pending appeal was done unilaterally and extrajudicially.

To justify their acts, Nicolas and Cruz asserted in their Answer before the Regional Adjudicator that the cancellation of TCT No. CL-143 and the reinstatement and transfer of the titles were initiated by the Register of Deeds of Davao City in compliance with the decision of the Provincial Adjudicator in the Nicolas, *et al.* Petition.⁷⁷ They also faulted the DAR and ARBA for failing to provide a copy of the Notice of Appeal to the Register of Deeds of Davao City.⁷⁸

Nicolas and Cruz further argued that they acted in accordance with law in safeguarding their interest on the parcels of land after finally

⁷⁷ DARAB records, p. 221.

⁷⁸ *Id.* at 222.

acquiring full ownership of the properties. They claimed that they had to act expeditiously, but legally, to have the titles to the subject parcels of land transferred in their name to frustrate the sinister moves of ARBA, *et al.* to dissipate the asset and deny the lawful owners of taking actual possession of the property. According to Nicolas and Cruz, the issuance of new titles in their name was the only viable option that will provide them adequate protection against the bad intentions of ARBA, *et al.* They alleged that ARBA, *et al.* have already demonstrated their capacity for committing illegal acts as evidenced by the rampant selling of rights over the areas of cultivation awarded to them by their respective organizations, which started in 1992 or not even a year after they were erroneously awarded the lands under CARP and have been going on over the years. Nicolas and Cruz feared that if they will not have the titles registered in their names, it is not far-fetched that the illegal selling of rights by ARBA, *et al.* will continue, and that the buyers will flock the area and occupy the lands to the detriment of the legitimate owners.⁷⁹

We find the justifications of Nicolas and Cruz unacceptable. Execution of a judgment pending appeal is only an exception to the general rule. Being an exception, the existence of “good reasons” is essential. “Good reasons” has been held to consist of compelling circumstances justifying the immediate execution lest judgment becomes illusory. Such reasons must constitute superior circumstances demanding urgency which will outweigh the injury or damages should the losing party secure a reversal of the judgment. The rules do not specify the “good reasons” to justify execution pending appeal; thus, it is the discretion of the court to determine what may be considered as such.⁸⁰

We have allowed execution pending appeal in the following cases:

The execution of a judgment before becoming final by reason of appeal is recognized. However, this highly exceptional case must find itself firmly founded upon good reasons warranting immediate execution. For instance, execution pending appeal was granted by this Court where the prevailing party is of advanced age and in a precarious state of health and the obligation in the judgment is non-transmissible, being for support, or where the judgment debtor is insolvent. Execution pending appeal was also allowed by this Court where defendants were exhausting their income and have no other property aside from the proceeds of the subdivision lots subject of the action.⁸¹

The justifications cited by Nicolas and Cruz do not meet the definition of “good reasons” for they are not compelling enough. First, they cannot fault the DAR and ARBA for failing to provide a copy of the Notice of

⁷⁹ *Id.* at 226.

⁸⁰ *Flexo Manufacturing Corporation v. Columbus Foods, Incorporated*, G.R. No. 164857, April 11, 2005, 455 SCRA 272, 279-280.

⁸¹ *Land Bank of the Philippines v. Gallego, Jr.*, G.R. No. 173226, January 20, 2009, 576 SCRA 680, 694.



Appeal to the Register of Deeds of Davao City. The Rules provides that to perfect an appeal, the Notice of Appeal must be served on the adverse party.⁸² It is not required to serve a copy on the Register of Deeds. Moreover, the Register of Deeds cannot, on his own initiative, cancel TCT No. CL-143, reinstate the titles in the name of PhilBanking, and finally transfer the titles in the names of Spouses Nicolas, Spouses Cruz and third persons. The DARAB or Adjudicator concerned must issue a writ of execution ordering the DAR Sheriff or any DAR officer to execute the decision.⁸³

Additionally, the fear of Nicolas and Cruz—that if they will not have the titles registered in their names, ARBA, *et al.* shall sell their rights over the property and the buyers shall occupy the lots to the detriment of the lawful owners—is not a “superior circumstance demanding urgency which will outweigh the injury or damages should the losing party secure a reversal of the judgment.”⁸⁴ In this case, both parties stand to lose the ownership of the subject parcels of land. If Nicolas and Cruz wanted to protect their interest over the property, they could have recorded a notice of *lis pendens* in the Registry of Deeds. What they did, on the contrary, were the very acts they feared ARBA, *et al.* would do: Nicolas and Cruz themselves hastily subdivided the properties and sold a parcel to third parties.

The execution pending appeal having been done in violation of the Rules, the acts taken pursuant to it are, therefore, void and of no effect. We have ruled in *Carpio v. Court of Appeals*:⁸⁵

In any case, we proceed to rule that because the writ of execution was void, all actions and proceedings conducted pursuant to it were also void and of no legal effect. To recall, this Court affirmed the Decision of the CA in CA-G.R. SP No. 84632, annulling the RTC’s Omnibus Order granting the Motion for Immediate Execution pending appeal. We affirmed the CA Decision because of the RTC’s failure to state any reason, much less good reason, for the issuance thereof as required under Section 2, Rule 39. In the exercise by the trial court of its discretionary power to

⁸² Sec. 5, Rule XIII, 1994 DARAB Rules of Procedure. Section 5 reads:

Sec. 5. *Requisites and Perfection of the Appeal.*

a) The Notice of Appeal shall be filed within the reglementary period as provided for in Section 1 of this Rule. It shall state the date when the appellant received the order or judgment appealed from and the proof of service of the notice of the adverse party x x x. (Underscoring supplied.)

⁸³ Sec. 1, Rule XII, 1994 DARAB Rules of Procedure. Section 1 reads:

Sec. 1. *Execution Upon Final Order or Decision.* x x x

The Board or Adjudicator concerned may, upon certification by the proper officer that a resolution, order or decision has been served to the counsel or representative on record and to the party himself, and has become final and executory, and, upon motion or *motu proprio*, issue a writ of execution ordering the DAR Sheriff or any DAR officer to enforce the same. In appropriate cases, the Board or any of its Members or its Adjudicator shall deputize and direct the Philippine National Police, Armed Forces of the Philippines or any of their component units or other law enforcement agencies in the enforcement of any final order, resolution or decision.

⁸⁴ *Flexo Manufacturing Corporation v. Columbus Foods, Incorporated*, *supra* note 80.

⁸⁵ G.R. No. 183102, February 27, 2013, 692 SCRA 162.



issue a writ of execution pending appeal, we emphasize the need for strict compliance with the requirement for the statement of a good reason, because execution pending appeal is the exception rather than the rule.

Since the writ of execution was manifestly void for having been issued without compliance with the rules, it is without any legal effect. In other words, it is as if no writ was issued at all. Consequently, all actions taken pursuant to the void writ of execution must be deemed to have not been taken and to have had no effect. Otherwise, the Court would be sanctioning a violation of the right to due process of the judgment debtors-respondent-spouses herein.⁸⁶

The foregoing, notwithstanding, we are aware of our decisions concerning the Nicolas, *et al.* Petition in G.R. No. 168206, G.R. No. 168684, and G.R. No. 168394. Specifically, in G.R. No. 168394, we recognized Nicolas and Cruz as the lawful assignees and successors-in-interest of PhilBanking, the original owner of the lands included in TCT No. CL-143. We agreed with the CA that these lands are outside the coverage of CARL. Thus, we affirmed the decision of the CA, which had the following disposition:

1. Ordering the Register of Deeds of Davao City to cancel TCT No. CL-143 (CLOA No. 00044912);
2. Ordering the Register of Deeds of Davao City to reinstate Transfer Certificate of Title Nos. T-162077 and T-162078 in the name of PhilBanking;
3. Maintaining the private respondents members of the ARBA and Farmers Association of Davao-KMPI in their peaceful possession and cultivation over their respective landholdings in this case if they and/or predecessors-in-interest were already tenants over the same prior to June 15, 1988; and
4. Declaring the parcels of land in question as exempted from the coverage of CARL.⁸⁷

Being final and executory, G.R. No. 168394 must now be respected. While the execution pending appeal by Nicolas and Cruz was correctly declared invalid by the DARAB, to sustain its disposition in the ARBA, *et al.* Complaint would run counter to G.R. No. 168394 and ultimately prejudice the rights of Spouses Tapiador, who may be innocent purchasers for value. Thus, we are constrained to reverse and set aside the decision of the DARAB in the ARBA, *et al.* Complaint.

ARBA, et al. are entitled to nominal damages.

Article 2221 of the Civil Code provides that nominal damages may be

⁸⁶ *Id.* at 172.

⁸⁷ *ARBA v. Nicolas, supra* note 46 at 547.



awarded in order that the plaintiff's right, which has been violated or invaded by the defendant, may be vindicated or recognized and not for the purpose of indemnifying the plaintiff for any loss suffered. We have laid down the concept of nominal damages in the following wise:

Nominal damages are 'recoverable where a legal right is technically violated and must be vindicated against an invasion that has produced no actual present loss of any kind or where there has been a breach of contract and no substantial injury or actual damages whatsoever have been or can be shown.'⁸⁸

In *Locsin v. Hizon*,⁸⁹ we awarded the petitioner nominal damages in the amount of Seventy-five Thousand Pesos (₱75,000.00) after recognizing that she was unduly deprived of her ownership rights over the disputed property, and was compelled to litigate for almost ten (10) years. We considered the amount of ₱75,000.00 as sufficient nominal damages, after taking into account the length of time petitioner was deprived of her property and the bad faith attending respondents' actuations in the case.⁹⁰ Similarly in this case, petitioners acted in bad faith when they caused the execution of the ruling of the Provincial Adjudicator pending appeal before the DARAB without any recourse to the legal rules and procedure. With this blatant violation of the Rules on execution pending appeal, petitioners trampled on the due process rights of ARBA, *et al.*, to say the least. Worse, the execution enabled them to prematurely subdivide the properties and sell them to third persons. This fraudulent sale equally trampled on the potential property rights of ARBA, *et al.*, which, at that time, were the subject of a pending litigation.

Thus, considering the bad faith petitioners exhibited in this case, we find them liable for nominal damages in the amount of ₱75,000.00, which is in line with *Locsin*. Moreover, they are liable for attorney's fees in the amount of ₱75,000.00 and the costs of suit.

WHEREFORE, in view of the foregoing, the petition is hereby **GRANTED**. The Resolutions of the Court of Appeals in CA-G.R. SP No. 01312-MIN dated November 16, 2006 and August 3, 2007 are **REVERSED** and **SET ASIDE**. Accordingly, the Decision of the Department of Agrarian Reform Adjudication Board in DARAB Case No. 10860 is hereby **ANNULLED** and **SET ASIDE**. Spouses Loreto G. Nicolas and Lolita Sarigumba are further **ORDERED** to pay respondents Seventy-five Thousand Pesos (₱75,000.00) as nominal damages, ₱75,000.00 as attorney's fees, and the costs of suit.

SO ORDERED.

⁸⁸ *Seven Brothers Shipping Corporation v. DMC-Construction Resources, Inc.*, G.R. No. 193914, November 26, 2014, 743 SCRA 33, 43.

⁸⁹ G.R. No. 204369, September 17, 2014, 735 SCRA 547.

⁹⁰ *Id.* at 567.

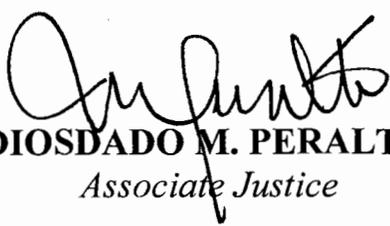


FRANCIS H. JARDELEZA
Associate Justice

WE CONCUR:



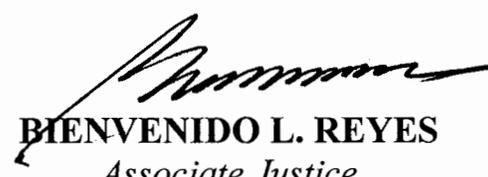
PRESBITERO J. VELASCO, JR.
Associate Justice
Chairperson



DIOSDADO M. PERALTA
Associate Justice



JOSE PORTUGAL PEREZ
Associate Justice



BIENVENIDO L. REYES
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.



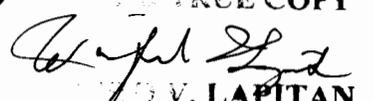
PRESBITERO J. VELASCO, JR.
Associate Justice
Chairperson, Third Division

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

TRUE COPY

JOSE V. LAPITAN
Clerk of Court
Third Division
NOV 11 2016