



Republic of the Philippines  
**Supreme Court**  
 Manila

FIRST DIVISION

SPOUSES DIONISIO DUADUA SR. and CONSOLATRIZ DE PERALTA DUADUA, substituted by their heirs GLICERIA DUADUA TOMBOC, DIONISIO P. DUADUA, JR., BIENVENIDO P. DUADUA, PAUL P. DUADUA, SAMUEL P. DUADUA, and MOISES P. DUADUA,  
 Petitioners,

G.R. No. 247816

Members:

PERALTA, *CJ.*, Chairperson,  
 CAGUIOA,  
 J. REYES, JR.,  
 LAZARO-JAVIER, and  
 LOPEZ, *JJ.*

-versus-

R.T. DINO DEVELOPMENT CORPORATION represented by its President ROLANDO T. DINO, Spouses ESTEBAN FERNANDEZ, JR. and ROSE FERNANDEZ, and the DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS represented by ENGR. TOMAS D. RODRIGUEZ as the Officer-in-Charge-District Engineer of Sultan Kudarat Engineering District, Isulan, Sultan Kudarat,

Promulgated:

JUL 15 2020

Respondents.

x-----x

DECISION

LAZARO-JAVIER, *J.*:

### The Case

This petition for review on *certiorari*<sup>1</sup> seeks to reverse the Amended Decision<sup>2</sup> dated May 10, 2019 of the Court of Appeals in CA-G.R. CV No. 04404-MIN, which granted respondent R.T. Dino Development Corporation's (R.T. Dino) motion for reconsideration and ultimately dismissed petitioners' complaint.

### Antecedents

Spouses Dionisio and Consolatriz Duadua (Spouses Duadua) were granted a parcel of land under Homestead Patent No. V-24359 covering a 49,889 square meter parcel of land located in Tacurong, Sultan Kudarat. On January 25, 1954, they were issued Original Certificate of Title (OCT) No. (V-2866) P-2220.<sup>3</sup>

On May 14, 1996, Spouses Duadua sold the land to respondent R.T. Dino Development Corporation for P200,000.00 in whose name Transfer Certificate of Title (TCT) No. 34211 was subsequently issued.<sup>4</sup>

On July 28, 1999, Spouses Duadua informed R.T. Dino of their intent to exercise their right to repurchase pursuant to Commonwealth Act 141, otherwise known as the Public Land Act. R.T. Dino declined. Thus, Spouses Duadua sued R.T. Dino to compel the latter to accept their offer of repurchase.<sup>5</sup>

In its answer, R.T. Dino argued that Spouses Duadua should not be allowed to repurchase the land because their real intent was not to retain the property within the family as provided under the Public Land Act, but to dispose of the same for a bigger profit coming from the Department of Public Works and Highways (DPWH) which had been offering compensation for the lots situated in the area. In any case, Spouses Duadua cannot repurchase the land for P200,000.00 only. While the deed of sale reflected a purchase price of P200,000.00 only, it actually paid Spouses Duadua P1,100,000.00. Besides, the land had already been mortgaged to Spouses Esteban Fernandez, Jr. and Rose Fernandez to secure its P3,000,000.00 loan. If Spouses Duadua truly desired to repurchase the land, they should pay it P3,000,000.00.<sup>6</sup>

---

<sup>1</sup> *Rollo*, pp. 6-48.

<sup>2</sup> Penned by Associate Justice Oscar V. Badelles and concurred in by Associate Justice Loida S. Posadas-Kahulugan and Associate Justice Florencio M. Mamauag, Jr., *id.* at 65-68.

<sup>3</sup> *Id.* at 55.

<sup>4</sup> *Id.*

<sup>5</sup> *Id.*

<sup>6</sup> *Id.* at 55-56.

The complaint was later amended to implead Spouses Fernandez and the DPWH as party defendants.<sup>7</sup>

### **Ruling of the Regional Trial Court**

After due proceedings, the Regional Trial Court, Branch 20, Tacurong City, by Judgment dated September 26, 2012, dismissed the complaint, *viz.*:

Wherefore, upon all the foregoing considerations, judgment is hereby rendered:

1. Dismissing the complaint as well as the counterclaim interposed by R.T. Dino Development Corporation and the cross claim and counterclaim by (S)ouses Dr. Esteban Fernandez, Jr. and Roselyn Fernandez for lack of merit;

2. Declaring the mortgage over Lot 643, Buluan Pls-73 between R.T. Dino Development Corporation and Dr. Esteban Fernandez, Jr. void;

3. Ordering R.T. Dino Development Corporation to pay additional capital gains and documentary stamp taxes based on the difference between P1,100,000.00 and P200,000.00 and to show compliance hereof within thirty (30) days from finality of judgment,

No costs.

**IT IS SO ORDERED.**<sup>8</sup>

The trial court held that Spouses Duadua were not land destitutes as to entitle them to homestead patent under the Public Land Act since they owned another parcel of land other than subject land. If they were allowed to repurchase subject land, they would altogether own more than five (5) hectares, which is above the retention limit under Republic Act 6657 (RA 6657) otherwise known as the Comprehensive Agrarian Reform Law of 1988 (CARL). In any event, Spouses Duadua failed to prove that the purpose of the proposed repurchase was for their home and cultivation.<sup>9</sup>

In its Order dated June 21, 2013, the trial court granted the respective Motions for Substitution dated October 15, 2012 and December 22, 2012 filed by petitioners heirs Gliceria Duadua Tomboc, Dionisio P. Duadua, Jr., Bienvenido P. Duadua, Paul P. Duadua, Samuel P. Duadua, and Moises P. Duadua.<sup>10</sup>

---

<sup>7</sup> *Id.* at 56.

<sup>8</sup> *Id.* at 56-57.

<sup>9</sup> *Id.* at 56.

<sup>10</sup> *Id.* at 57.

In yet another Order dated September 3, 2015, the trial court denied petitioners' subsequent motion for reconsideration of the Judgment dated September 26, 2012.<sup>11</sup>

### Ruling of the Court of Appeals

On petitioners' appeal, the Court of Appeals reversed under its Decision<sup>12</sup> dated August 30, 2018, *viz.*:

**ACCORDINGLY**, the instant appeal is **GRANTED**. The Judgment dated September 26, 2012 of the Regional Trial Court, Branch 20, Tacurong City in Civil Case No. 562 is **SET ASIDE**. R.T. Dino Development Corporation is ordered to allow the heirs of spouses Dionisio and Consolatriz Duadua to repurchase the homestead lot identified as Lot No. 643, Buluan, Pls 73 covered by TCT No. 34211.

Further, R.T. Dino Development Corporation is ordered to pay additional capital gains and documentary stamp taxes, including the corresponding surcharge and interest, based on the difference between Php1,100,000.00 and Php200,000.00. In consequence thereto, R.T. Dino Development Corporation must show compliance hereof within thirty (30) days from finality of this Decision.

SO ORDERED.<sup>13</sup>

The Court of Appeals held that the Public Land Act expressly gives the homesteader or his or her heirs the right to repurchase the homestead land within five (5) years from conveyance. It noted that R.T. Dino failed to prove its allegation that the repurchase sought was only for profit. It did not even present the purported offer of compensation from the DPWH. Assuming there was really such an offer, only 6,750 square meters out of the 49,889 square meters shall be affected by the government's proposed project. This meant that should Spouses Duadua decide at all to sell to DPWH, the profit, if any, would be very negligible. The fact, too, that Spouses Duadua had acquired another land after the homestead grant did not disqualify them from exercising their right to repurchase under the law. There is nothing in the Public Land Act which proscribes homesteaders from exercising their right to repurchase on this ground. More, the trial court erred when it applied the five (5) hectare retention limit under RA 6657 considering that said law does not apply to homestead lands granted prior to its enactment.<sup>14</sup>

<sup>11</sup> *Id.*

<sup>12</sup> Penned by Associate Justice Tita Marilyn Payoyo-Villordon and concurred in by Associate Justice Romulo V. Borja and Associate Justice Oscar V. Badelles, *id.* at 54-63.

<sup>13</sup> *Id.* at 62-63.

<sup>14</sup> *Id.* at 59-61.

Through its assailed Amended Decision<sup>15</sup> dated May 10, 2019, however, the Court of Appeals granted R.T. Dino's motion for reconsideration<sup>16</sup> and dismissed petitioners' appeal, *viz.*:

WHEREFORE, in view of the foregoing, R.T. Dino Development Corporation's Motion for Reconsideration is hereby GRANTED. The Decision of this Court dated August 30, 2018 is hereby REVERSED and SET ASIDE and a new one be entered DISMISSING the appeal by the Spouses Dionisio, Sr. and Consolatriz de Peralta Duadua as substituted by their heirs. The Decision dated September 26, 2012 of the Regional Trial Court, 12<sup>th</sup> Judicial Region, Branch 20, Tacurong City in Civil Case No. 562 for Repurchase Under Section 119 of Commonwealth Act No. 141, as Amended with Damages and Attorney's Fees, Injunction with Prayer for Issuance of A Writ of Temporary Restraining Order, is hereby REINSTATED and AFFIRMED.

SO ORDERED.<sup>17</sup>

This time, the Court of Appeals held that petitioners' purpose in seeking to repurchase the land is only for sentimental reasons which does not fall within the purpose, spirit, and meaning of the Public Land Act, that is, to preserve and keep in the family of the homesteader the portion of public land granted by the State. Too, Spouses Duadua were allegedly no longer land destitutes. Petitioners themselves admitted that they are no longer staying on the land and have already found residence in another barangay.<sup>18</sup>

### The Present Petition

Petitioners now seek affirmative relief from the Court and pray that the Amended Decision dated May 10, 2019 of the Court of Appeals be reversed and set aside.<sup>19</sup>

Petitioners assert that during their lifetime, their parents, Spouses Duadua, had no other lot aside from that one untitled lot located in San Emmanuel, Tacurong City. There is no law or jurisprudence which supports the Court of Appeals' conclusion that their parents were disqualified to repurchase the land because they were eventually able to also acquire an untitled lot.<sup>20</sup> What law and jurisprudence support is that Spouses Duadua,

---

<sup>15</sup> Penned by Associate Justice Oscar V. Badelles and concurred in by Associate Justice Loida S. Posadas-Kahulugan and Associate Justice Florencio M. Mamauag, Jr., *supra* note 2.

<sup>16</sup> *Id.* at 75-79.

<sup>17</sup> *Id.* at 67.

<sup>18</sup> *Id.* at 67.

<sup>19</sup> *Supra* note 1.

<sup>20</sup> *Id.* at 24.

and they, as their parents' heirs, have the right to repurchase the homestead land.<sup>21</sup> There was even no showing that aside from this land, they own another parcel of land.<sup>22</sup>

Should they be allowed to repurchase the land, the price should be P200,000.00 as reflected in the deed of sale that their parents executed with R.T. Dino.<sup>23</sup> Also, contrary to R.T. Dino's claim, they should not be held liable for the P3,000,000.00 mortgage the former received from Spouses Fernandez.<sup>24</sup>

In their Comment<sup>25</sup> dated October 21, 2019, respondents aver that the arguments raised by petitioners are mere rehash of the issues already raised before and ruled upon by the Court of Appeals.

### Issues

1. Did the Court of Appeals err when it held that petitioners and their deceased parents had lost their right to repurchase the homestead land?
2. In the event that petitioners are allowed to repurchase the land, how much should they pay R.T. Dino?

### Ruling

The homestead land here was awarded to Spouses Duadua under the Public Land Act. Section 119 states:

**Section 119.** Every conveyance of land acquired under the free patent or homestead provisions, when proper, shall be subject to repurchase by the applicant, his widow, or legal heirs, within a period of five years from the date of the conveyance.

As expressly ordained, in case of conveyance, the homesteader and his or her legal heirs may repurchase the land within five (5) years from conveyance.

Here, Spouses Duadua was granted subject the homestead land in the 1950s. They subsequently conveyed the land to R.T. Dino on May 14, 1996. Three (3) years later, they notified R.T. Dino of their intention to repurchase it.

---

<sup>21</sup> *Id.* at 28-32.

<sup>22</sup> *Id.* at 33.

<sup>23</sup> *Id.* at 38.

<sup>24</sup> *Id.* at 45-46.

<sup>25</sup> *Id.* at 142-145.

Verily, Spouses Duadua invoked their right to repurchase within the prescribed five (5) year period. R.T. Dino, however, declined. The trial court sustained R.T. Dino's refusal on ground that: (a) Spouses Duadua had acquired another parcel of land in another barangay which supposedly removed them from the coverage of the Public Land Act; (b) allowing them to repurchase the land would have the effect of giving them more than the five (5) hectares altogether, hence, beyond the retention limit under the CARL; and (c) they failed to show that the purpose of the intended repurchase was for home and cultivation.

The Court of Appeals, in its assailed Amended Decision dated May 10, 2019, affirmed on ground that: (a) petitioners have already found another residence in another barangay; (b) neither Spouses Duadua nor petitioners resided in nor cultivated the land; and (c) they seek to repurchase the land merely for sentimental reasons.

We grant the petition.

As cited, Section 119 of the Public Land Act gives the homesteader and his or her heirs the right to repurchase the land awarded him or her. The only condition is that the right to repurchase be exercised within five (5) years from conveyance. Spouses Duadua complied with this condition when on July 28, 1999, or just a little over three (3) years from conveyance on May 14, 1996, they gave notice to R.T. Dino of their intention to repurchase the land.

That Spouses Duadua had allegedly acquired another property in the meantime does not preclude them or their heirs from exercising their right to repurchase. This is not a disqualifying factor under the Public Land Act. In its original Decision dated August 30, 2018, the Court of Appeals itself aptly held, *viz.*:

x x x x Evidently, the law, itself, allows applicants to be granted a homestead lot so long as they do not own more than 24 hectares of land. Thus, the mere fact that (S)ouples Duadua were able to acquire another lot after they were granted a homestead cannot be a valid basis for the denial of their right to repurchase the subject lot. Moreover, if this Court would follow the ratiocination of the RTC, it would, in effect, mean that grantees are proscribed to progress in themselves by denying them of the property previously granted to them if they happen to acquire another property in (the meantime). Such interpretation is not only illogical, but also contrary to the purpose of CA 141, which is to alleviate the situation of the poor.<sup>26</sup>

In any event, the records are bereft of any document showing that aside from the homestead land, Spouses Duadua had actually acquired another property in their name. The only property mentioned in the records

---

<sup>26</sup> *Id.* at 61.

is their residence situated in another barangay, which itself was not shown to truly belong to them.<sup>27</sup> Suffice it to state that Consolatriz Duadua herself testified before the trial court that she and her husband had not acquired any other properties aside from the homestead land.<sup>28</sup> Respondent was unable to disprove this testimony.

At any rate, when Spouses Duadua sold the homestead land to R.T. Dino, they had to find another place to live in. This does not and should not at all bar them from exercising their right to repurchase under the law.

As for petitioners, there is also no showing that they own another piece of land apart from the homestead land. In fact, in their motion for reconsideration and motion to substitute heirs, petitioners attached certifications from the Office of the City Assessor of Tacurong City that they had no lands registered in their names.<sup>29</sup>

We now address the so-called “sentimental value” of the homestead land being harped upon by the Court of Appeals as unacceptable reason to allow Spouses Duadua to repurchase the land.

When the law grants a homestead holder of the right to repurchase the land awarded him or her, the State intends that the holder and his or her family keep the land as their home and their source of livelihood at the same time. The State recognizes not only the social and economic value of this small piece of land to the beneficiaries but in fact demands of them to give utmost importance to this grant that is meant precisely to give them quality life, to uphold their dignity, and to even out the gross inequalities in our society. If this is what sentimental value means for the Court of Appeals, so must it be. For sure, having this in petitioners’ heart does not in any way disqualify them from exercising their right to repurchase under the law.

In any case, the plain intent of Section 119 of the Public Land Act is to give the homesteader or patentee every chance to preserve and keep in the family the land that the State has gratuitously given him or her as a reward for his or her labor in cleaning, developing, and cultivating it.<sup>30</sup> For the Court of Appeals then to peremptorily conclude that preserving and keeping the land in the family is not what petitioners had in mind is unfounded, if not totally speculative. At any rate, there is a sharp contradiction when on one hand, the Court of Appeals said petitioners’ intention to repurchase was only impelled by sentimental reasons, and on the other hand, that petitioners were not impelled by any intention to preserve and keep the property in the family.

---

<sup>27</sup> *Id.* at 67.

<sup>28</sup> *Id.* at 21.

<sup>29</sup> *Id.* at 33-34.

<sup>30</sup> *Development Bank of the Philippines v. Gagarani, et al.*, 587 Phil. 323, 328-329 (2008).

Be that as it may, the homestead grant was never intended to be used to serve the business interest of corporations or other artificial persons. They were meant to uplift the lives of small people like petitioners and their deceased parents by way of social justice. Between the business interest of R.T. Dino and the well-being and social amelioration of petitioners as the real beneficiaries of the Homestead Law, the latter prevails.

Thus, in *Rural Bank of Davao City, Inc. v. The Honorable Court of Appeals, et al.*,<sup>31</sup> we emphasized that the conservation of a family home is the purpose of homestead laws. The policy of the state is to foster families as the factors of society, and thus promote general welfare. The sentiment of patriotism and independence, the spirit of free citizenship, the feeling of interest in public affairs, are cultivated and fostered more readily when the citizen lives permanently in his own home, with a sense of its protection and durability.

As for the repurchase price, petitioners insist they must only pay P200,000.00 as this is the purchase price reflected in their parents' deed of sale with R.T. Dino. The company, however, asserts that should petitioners be allowed to repurchase the land, they ought to pay at least P1,100,000.00, the supposed amount they actually paid to petitioners' parents or P3,000,000.00, the mortgage loan on the land which the company incurred from Spouses Fernandez.

We rule that the purchase price which petitioners ought to pay back to R.T. Dino is P1,100,000.00 the actual purchase price paid by R.T. Dino and received by Spouses Duadua. As noted by the Court of Appeals in its original Decision dated August 30, 2018, R.T. Dino offered in evidence receipts to prove this amount, receipt of which Spouses Duadua did not deny.<sup>32</sup> Indeed, for petitioners now to insist paying back the lesser amount of P200,000.00 would result in *their unjust enrichment*.

On this score, both the trial court and the Court of Appeals properly directed R.T. Dino to pay additional capital gains and documentary stamp taxes for the difference between the amount reflected on the deed of sale and the actual price it paid on the land, including surcharges, interest, and penalties. Notably, this directive has long become final and executory as R.T. Dino did not seek its reconsideration nor appeal therefrom.

With respect to the mortgage amount of P3,000,000.00, the same is exclusively between R.T. Dino and Spouses Fernandez. Neither petitioners nor their deceased parents were privies to this contract. Hence, there is no rhyme or reason for R.T. Dino to demand from them its payment.

---

<sup>31</sup> 217 Phil. 554, 564-565 (1993), citing *Jacson vs. Soriano*, 45 Phil. 375, 378-79 (1923).

<sup>32</sup> *Id.* at 62.

All told, the Court of Appeals committed reversible error when it rendered its Amended Decision dated May 10, 2019.

**ACCORDINGLY**, the petition is **GRANTED**. The Amended Decision dated May 10, 2019 of the Court of Appeals in CA-G.R. CV No. 04404-MIN, is **REVERSED and SET ASIDE**. Petitioners Heirs of Spouses Dionisio, Sr. and Consolatriz Duadua are declared to be rightfully entitled to repurchase the land covered by Original Certificate of Title (OCT) No. (V-2866) P-2220 (now TCT No. T-34211) from R.T. Dino Development Corporation. R.T. Dino Development Corporation is required to reconvey the land to petitioners Heirs of Spouses Dionisio, Sr. and Consolatriz Duadua upon payment by the latter of P1,100,000.00.

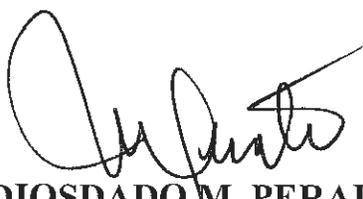
Further, R.T. Dino Development Corporation is ordered to pay the Bureau of Internal Revenue additional capital gains and documentary stamp taxes, including surcharge, interest, and penalties, based on the difference between P1,100,000.00 and P200,000.00. For this purpose, R.T. Dino Development Corporation must submit its compliance within thirty (30) days from finality of this Decision.

**SO ORDERED.**



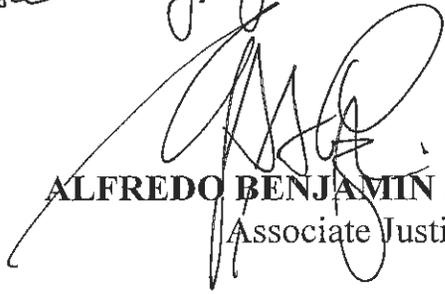
**AMY C. LAZARO-JAVIER**  
Associate Justice

**WE CONCUR :**

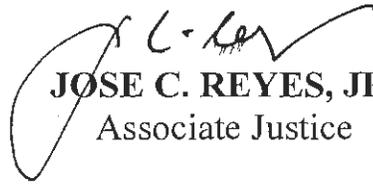


**DIOSDADO M. PERALTA**  
Chief Justice  
Chairperson – First Division

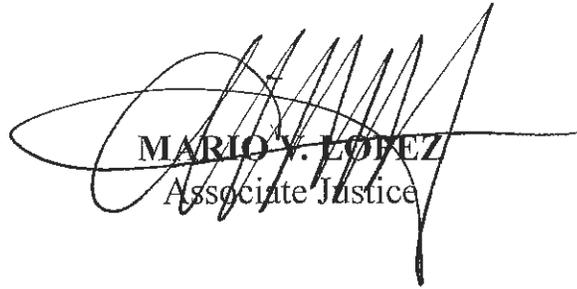
*Plene Se Concurre Opiniones*



**ALFREDO BENJAMIN S. CAGUIOA**  
Associate Justice



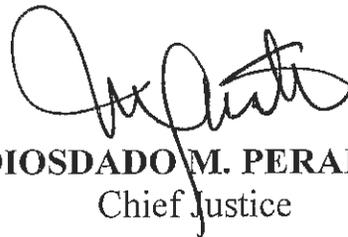
**JOSE C. REYES, JR.**  
Associate Justice



**MARIO V. LOPEZ**  
Associate Justice

**CERTIFICATION**

Pursuant to Section 13, Article VIII of the Constitution, 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

