Republic of the Philippines
Supreme Court
Manila

SECOND DIVISION

HERMAN LUCERO and VIRGILIO LUCERO, Petitioners,	**G.R. No. 208191**
	Present:
- versus -	PERLAS-BERNABE, *S.A.J., Chairperson,* HERNANDO, GAERLAN, ROSARIO,* *and* DIMAAMPAO, *JJ.*
RORY DELFINO and ISABELITA DELFINO, Respondents.	Promulgated: SEP 29 2021

x----------x

DECISION

GAERLAN, *J.*:

Before this Court is a Petition for Review on *Certiorari*[1] dated July 29, 2013 filed by petitioners Herman Lucero and Virgilio Lucero (the Luceros) assailing the Decision[2] dated March 26, 2013, and the Resolution[3] dated July 3, 2013 of the Court of Appeals (CA) in the case entitled, "*Herman Lucero and Virgilio Lucero v. Rory Delfino and Isabelita Delfino,*" docketed as CA-G.R. SP. No. 121755.

The factual antecedents, as summarized by the CA, are as follows:

> The controversy involves a parcel of land, consisting of 13.0926 hectares, located at Macabling, Sta. Rosa, Laguna, formerly covered by Transfer Certificate of Title (TCT) No. 48718 in the names of Rory

---

* Designated additional Member per Raffle dated September 22, 2021 vice Inting, J. who took no part due to his sister's, then Associate Justice Socorro B. Inting, prior action action in the Court of Appeals.

1 *Rollo*, pp. 3-23.

2 Id. at 33-40. Penned by Associate Justice Mario V. Lopez (now a Member of this Court) and concurred in by Associate Justices Jose C. Reyes, Jr. (a retired Member of this Court) and Socorro B. Inting.

3 Id. at 24.

Delfino and Isabelita Delfino (Delfinos). On 7 September 1988, the Delfinos sold 3.0926 hectares of the lot to Zenecita Barrinuevo. TCT No. 48718 was canceled and TCT No. 172655 was issued in the names of Zenecita and the Delfinos. On 20 January 1994, the three co-owners executed a Deed of Partition of the lot. TCT No. T-172655 was cancelled and TCT No. 324615 covering 5 hectares was issued in Rory's name; TCT No. 324614 covering 5 hectares in Isabelita's name; and TCT No. 324613 covering 3.0926 hectares in Zenecita's name.

On 9 August 1994, the entire property was placed under the Comprehensive Agrarian Reform Program (CARP) via a Notice of Coverage issued by the Municipal Agrarian Reform Officer (MARO) of Sta. Rosa, Laguna. Luis Delfino, the father of Rory and Isabelita, wrote a letter seeking exclusion of the subject lot as this was within the retention limits.

On 11 January 1995, the Provincial Agrarian Reform Officer (PARO) of Laguna, together with Herman Lucero and Virgilio Lucero who both claim to be tenants, filed a petition for the annulment of sale of the subject land before the Provincial Agrarian Reform Adjudicator (PARAD) of Laguna. According to them, the sale to Zenecita was without the requisite DAR clearance. The Provincial Adjudicator dismissed the petition. On appeal, the DARAB rendered a decision (1) nullifying the sale, (2) ordering the cancellation of the TCTs of [Zenecita] and the [Delfinos] and the reinstatement of the original TCT No. 48718; (3) declaring Herman and Virgilio as tenants/lessees of the lot and ordering the Delfinos to recognize the lessee's right of preemption without prejudice to Zenecita's right of retention. The case was elevated to the Court of Appeals via a petition for review but this was denied in a Decision dated 27 October 2008. Recourse to the Supreme Court was likewise denied for failure to show that the Court of Appeals committed any reversible error. Also, their motion for reconsideration was denied. This Decision attained finality on [1 July 2009] and a corresponding Entry of Judgment was issued on [11 August 2009].

Meanwhile, in August 1995, Zenecita and the Delfinos applied for retention of their land. In an order dated 9 April 2002, the Regional Director granted the Delfinos a retained area of 3.4557 hectares each out of their respective 5-hectare lots and directed the segregation of the balance – an area of 1.5463 hectares each – to be placed under CARP coverage for distribution to qualified farmer beneficiaries. The Delfinos filed a motion for reconsideration but was denied. Pending appeal, the Regional Director issued an order of implementation dated 9 September 2002 granting the Luceros their respective Certificate of Land Ownership Award (CLOAs). Consequently, TCT No. CLO-1802 covering 6,537 square meters was issued to Herman Lucero, Sr. while TCT No. CLO-1803 covering 8,926 square meters was issued to Virgilio B. Lucero.[4]

Petition for Cancellation of the CLOAs before the Provincial Adjudicator and the

---

4 Id. at 33-35.

Department of Agrarian Reform Adjudication Board

On May 2, 2007, respondents Rory and Isabelita Delfino (the Delfinos) filed a Petition for Cancellation of the Certificates of Land Ownership Award (CLOAs) issued in favor of the Luceros.[5] In their Petition,[6] the Delfinos argued that the rules of procedure for placing a parcel of land under the coverage of the Comprehensive Agrarian Reform Program (CARP) were not complied with. Particularly, the Delfinos sought to cancel the CLOAs issued in favor of the Luceros because of: (1) lack of due process in the issuance of the CLOAs; (2) lack of compensation; and (3) the Delfinos' failure to exercise their right of choice for their retention area.[7]

On June 30, 2008, the Provincial Adjudicator (PARAD) issued his Decision,[8] the dispositive portion of which, reads:

> WHEREFORE, premises considered judgment is hereby rendered as follows:
>
> 1) TCT No. CLO-1802 containing CLOA No. 00699956 with an area of 6537 square meters and TCT No. CLO-1804 containing CLOA No. 00699958 with an area of 1.5463 hectares registered in favor of private respondent Herman Lucero are hereby declared CANCELLED and have no force and legal effects;
>
> 2) TCT No. CLO-1803 containing CLOA No. 00699957 with an area of 8926 square meters registered in favor of private respondent Virgilio Lucero is hereby declared CANCELLED and have no force and legal effects;
>
> 3) ORDERING both private respondents to surrender the aforementioned CLOAs (Owner's Duplicate Copy of Title) to this Office within five (5) days from the finality of this Decision;
>
> 4) DIRECTING the Register of Deeds of the Province of Laguna to:
>
> a) Cause the cancellation of the above-mentioned Transfer Certificate of Titles and CLOAs registered in the names of private respondents and
>
> b) Reinstate the original area for Transfer Certificate of Title Nos. T-324615 registered in the name of Rory Delfino and T-

---

5 Id. at 35.
6 Id. at 125-137.
7 Id. at 88.
8 Id. at 83-93.

> 324614 registered in the name [of] Isabelita Delfino, which titles had been partially cancelled due to the CARP coverage and/or appropriate alternative measure.
>
> 5) All other claims and counter-claims are hereby dismissed for lack of basis to render judgment thereon.
>
> SO ORDERED.[9]

In ordering for their cancellation, the PARAD noted that prior to the issuance of such CLOAs, it was incumbent upon the Agrarian Reform Officers to show conformity as to the Delfinos' choice of the retained area or in case of the Delfinos' failure to exercise their right of choice of the retained area, that due notification was made to inform them about the selected area of retention. However, the PARAD found that when the CLOAs were issued in favor of the Luceros, the Delfinos were never consulted on the choice of area for retention. Further, it was likewise found that the notification requirement concerning the selected retention area was not adequately complied with.[10] Thus, the PARAD declared:

> With the prevailing circumstances and the seeming unreasonable dispatch in which the assailed CLOAs were generated, registered and distributed, some procedures which gives due recognition to the right of retention (which includes the right of choice) of the petitioners were clearly disregarded, violated and not observed. This has given rise to a serious cause of action for the petitioners to seek cancellation of the CLOAs issued. x x x The CARL was not intended to take away property without due process of law. The exercise of the power of eminent domain requires that due process be observed in the taking of private property. x x x Hence[,] the petition to cancel the assailed CLOAs are impressed with merit.[11]

Thereafter, the Luceros appealed the PARAD's Decision before the Department of Agrarian Reform Adjudication Board (DARAB). However, in its Decision[12] dated March 9, 2010, the DARAB dismissed the appeal and affirmed the PARAD's Decision. According to the DARAB, when the Delfinos applied for the retention of their land, they had already exercised the right of retention, and the subsequent issuance of the CLOAs covering the retained areas necessitates their cancellation.[13]

---

9 Id. at 92-93.
10 Id. at 89-90.
11 Id. at 91-92.
12 Id. at 73-82.
13 Id. at 81.

The Luceros then moved for the reconsideration of the DARAB's Decision, but such motion was ultimately denied by the DARAB in its Resolution[14] dated September 19, 2011.

Proceedings before the CA

On October 18, 2011, the Luceros filed a Petition for Review[15] before the CA, where the following issues were raised:

> I. The Honorable Board as well as the Provincial Adjudicator erred and gravely abused its discretion in ordering the cancellation of the Certificates of Land Ownership Award (CLOAs) issued in the names of petitioners.[16]
>
> II. The Honorable Board as well as the Provincial Adjudicator erred and gravely abused its discretion when it failed to consider the final and executory Order of the DAR Regional Director dated 9 April 2002.[17]

Thus, the Luceros argued that both the PARAD and the DARAB erred when they took cognizance of the case because such case is supposedly under the jurisdiction of the Department of Agrarian Reform (DAR) Secretary. Furthermore, the Luceros alleged that the CLOAs issued in their favor can no longer be cancelled because of the doctrine of conclusiveness of judgment, considering that the Delfinos supposedly failed to appeal the DAR Regional Director's Order[18] dated April 9, 2002 concerning the Delfinos' application for retention and identification of landholdings for CARP coverage. Accordingly, the Luceros asserted that such Order has attained finality, and the CLOAs issued in their favor are already considered indefeasible.[19]

On March 26, 2013, the CA issued its Decision,[20] which dismissed the Luceros' Petition for Review. In dismissing the same, the CA emphasized that cases involving the cancellation of CLOAs registered with the Register of Deeds are within the jurisdiction of the DARAB, and since the subject CLOAs have already been registered with the Register of Deeds, the PARAD and the DARAB properly took cognizance of the case.[21]

---

14 Id. at 66-69.
15 Id. at 53-65.
16 Id. at 59.
17 Id. at 62.
18 Id. at 95-97.
19 Id. at 62-63.
20 Id. at 33-40.
21 Id. at 37-38.

Meanwhile, as regards Luceros' invocation of the doctrine of conclusiveness of judgment, the CA found the same without merit. According to the CA, the records reveal that the Delfinos timely filed their appeal, and without any order dismissing the Delfinos' appeal for non-perfection, such appeal remains pending. Thus, the Order of the Regional Director dated April 9, 2002 cannot be considered to have attained finality, and the doctrine of conclusiveness of judgment cannot be applied in the instant case.[22]

Unsatisfied with the CA Decision, the Luceros filed their Motion for Reconsideration[23] dated April 22, 2013. However, the same was denied by the CA in its Resolution[24] dated July 3, 2013.

The Instant Petition

In view of the adverse rulings of the CA, the Luceros filed the instant Petition where they raised the following issues:

> **I. THE HONORABLE COURT OF APPEALS COMMITTED SERIOUS REVERSIBLE ERROR IN NOT TAKING COGNIZANCE OF THE WANT OF JURISDICTION BY THE PROVINCIAL ADJUDICATOR AND THE DARAB OVER THE NATURE AND SUBJECT MATTER OF THE ACTION.**
>
> **II. THE HONORABLE COURT OF APPEALS COMMITTED SERIOUS REVERSIBLE ERROR WHEN IT AFFIRMED THE DECISION DATED 9 MARCH 2010 AND RESOLUTION DATED 19 SEPTEMBER 2011 BY THE DARAB IN COMPLETE DISREGARD OF LAW AND UNDISPUTED FINDINGS OF FACTS BY THE REGIONAL DIRECTOR IN HIS ORDER DATED 9 APRIL 2002 CONTRARY TO THE TIME-HONORED DOCTRINE OF CONCLUSIVENESS /IMMUTABILITY OF FINAL JUDGMENTS.**
>
> **III. THE HONORABLE COURT OF APPEALS COMMITTED SERIOUS REVERSIBLE ERROR**

---

22 Id. at 38-39.
23 Id. at 25-32.
24 Id. at 24.

WHEN IT FAILED TO CONSIDER THAT THE SUBJECT CLOAS, BEING TITLES BROUGHT UNDER THE OPERATION OF THE TORRENS SYSTEM ENJOY INDEFEASIBILITY AS PROVIDED UNDER PRESIDENTIAL DECREE NO. 1529.[25]

The Luceros' Arguments

In fine, the Luceros principally argued the following:

First, there is no tenurial arrangement between the Luceros and the Delfinos, thus, negating the existence of an agrarian dispute, which is required for the exercise of the DARAB's jurisdiction.[26] Not being an agrarian dispute, the case falls under the jurisdiction of the DAR Secretary since it merely involves issues of retention and non-coverage of a land under agrarian reform.[27]

Second, the issuance of the CLOAs in their favor can no longer be assailed. The Delfinos failed to appeal the Regional Director's Order dated April 9, 2002 which ruled on the identification of landholdings for coverage and the Delfinos' right of retention, including the area and location of the property to be retained. It is on the basis of such final and executory Order that the CLOAs were issued in favor of the Luceros.[28]

Since the Delfinos failed to file an appeal, the Order of the Regional Director attained finality, and the issue of whether the property should be placed under CARP may no longer be re-litigated. Thus, the doctrine on conclusiveness and immutability of judgment applies, and the PARAD and the DARAB should have denied outright the cancellation case filed by the Delfinos.[29]

Third, the laws on land registration provide that a certificate of title becomes indefeasible upon the expiration of one year from and after the date of entry of the decree of registration. Considering that the petition for cancellation was filed three years after the date of registration of the subject CLOAs, the same are already considered indefeasible and can no longer be cancelled.[30]

---

25 Id. at 11.
26 Id. at 11, 16.
27 Id. at 14-16.
28 Id. at 16-17.
29 Id. at 20-21.
30 Id.

The Delfinos' Arguments

On December 16, 2013, the Delfinos filed their Comment (on the Petition for Review on Certiorari dated 29 July 2013)[31] where they stated that the issue on lack of jurisdiction was only raised by the Luceros for the first time in their appeal before the CA. Considering the Luceros' active participation in the proceedings before the PARAD and the DARAB, the Luceros are estopped from questioning their jurisdiction.[32]

The Delfinos likewise asserted that the CA correctly ruled that the PARAD and the DARAB have jurisdiction over the case since the applicable rules of the DAR during the time material to the case confer upon the PARAD the primary and exclusive original jurisdiction to cancel registered CLOAs.[33]

As to the issue of conclusiveness of judgment, the Delfinos argued that the same is without merit since the Regional Director's Order dated April 9, 2002 is still on appeal and pending resolution before the Office of the DAR Secretary.[34]

Relatedly, with regard to the issue of the identification of the Delfinos' retained area, the Delfinos stressed that the Luceros themselves acknowledge that the Delfinos are entitled to five hectares each, which is contrary to the Regional Director's Order dated April 9, 2002, giving the Delfinos only 3.4557 hectares each. Being entitled to five hectares each, the Delfinos, thus, have the right to choose which portions of their landholdings to retain. Considering that, as correctly ruled by the DARAB, the Delfinos have already exercised their right of retention and choice when they filed their application for retention, the issuance of the CLOAs covering the Delfinos' retained areas are erroneous and should thereby be cancelled.[35]

Finally, as to the issue of the supposed indefeasibility of the CLOAs, the Delfinos contended that such CLOAs may be cancelled if agrarian laws, rules, and regulations were violated in their issuance.[36] Since the CLOAs issued in favor of the Luceros were done in violation of the Delfinos' right to due process, such CLOAs are null and void, and an action to cancel the same does not prescribe.[37]

---

31 Id. at 101-124.
32 Id. at 109.
33 Id. at 110.
34 Id. at 116.
35 Id. at 118-120.
36 Id. at 120.
37 Id. at 121.

Our Ruling

The *Petition* is bereft of merit.

In agrarian disputes, jurisdiction for the cancellation of registered CLOAs lies with the DARAB.

To reiterate, the Luceros contend that the PARAD and the DARAB should have dismissed the cancellation case outright for lack of jurisdiction because: (1) there is no tenurial relationship between the parties, and thus, the case does not involve an agrarian dispute which is required for the DARAB's exercise of jurisdiction; and (2) the case merely pertains to the administrative implementation of agrarian reform laws, which is cognizable by the DAR Secretary. Meanwhile, the Delfinos maintain that the CA correctly found that the case is cognizable by the DARAB since the 2003 DARAB Rules of Procedure provides that jurisdiction lies with the PARAD and the DARAB when CLOAs sought to be cancelled are already registered with the Register of Deeds.

To resolve the issue on jurisdiction, it is worthy to note that our agrarian reform laws provide that both the DAR Secretary and the DARAB have jurisdiction to resolve cases involving the cancellation of CLOAs.

Under the 2003 DARAB Rules of Procedure, the applicable rules during the time material to the case, the DARAB and its adjudicators shall have primary and exclusive jurisdiction for cases involving the cancellation of registered CLOAs. Pertinently, Section 1.6, Rule II, of the 2003 DARAB Rules of Procedure provides:

> **RULE II**
> *Jurisdiction of the Board and its Adjudicators*
>
> SECTION 1. *Primary and Exclusive Original Jurisdiction.* — The Adjudicator shall have primary and exclusive original jurisdiction to determine and adjudicate the following cases:
>
> x x x x
>
> 1.6. Those involving the correction, partition, cancellation, secondary and subsequent issuances of Certificates of Land Ownership Award (CLOAs) and Emancipation Patents (EPs) which are **registered** with the Land Registration Authority[.] (Emphasis and underscoring supplied)

Meanwhile, under Rule II, Section 3 of the same Rules, the DARAB and its adjudicators are divested of jurisdiction over matters involving the administrative implementation of agrarian reform laws since such powers are granted unto the DAR Secretary:

> SECTION 3. *Agrarian Law Implementation Cases.* — The Adjudicator or the Board shall have no jurisdiction over matters involving the administrative implementation of RA No. 6657, otherwise known as the Comprehensive Agrarian Reform Law (CARL) of 1988 and other agrarian laws as enunciated by pertinent rules and administrative orders, which shall be under the exclusive prerogative of and cognizable by the Office of the Secretary of the DAR in accordance with his issuances, to wit:
>
> 3.1 Classification and identification of landholdings for coverage under the agrarian reform program and the initial issuance of CLOAs and EPs, including protests or oppositions thereto and petitions for lifting of such coverage;
>
> x x x x
>
> 3.4 Recall, or cancellation of provisional lease rentals, Certificates of Land Transfers (CLTs) and CARP Beneficiary Certificates (CBCs) in cases outside the purview of Presidential Decree (PD) No. 816, including the issuance, recall, or cancellation of EPs or CLOAs **not yet registered with the Register of Deeds**[.] (Emphasis and underscoring supplied)

Clearly, the 2003 DARAB Rules of Procedure empowers both the DARAB and the DAR Secretary to resolve cases involving cancellation of CLOAs. For registered CLOAs, the DARAB has jurisdiction to resolve the cancellation case. On the other hand, for CLOAs which have not yet been registered, it is the DAR Secretary which has jurisdiction to resolve the cancellation case.

Nevertheless, it must be emphasized that the DARAB's jurisdiction to resolve cases involving cancellation of CLOAs does not solely rely on whether the CLOAs are registered or not. In a long line of cases, this Court has already clarified that the DARAB's jurisdiction over petitions for cancellation of registered CLOAs **is confined to agrarian disputes.**

On this point, the case of *Sutton v. Lim,*[38] is instructive:

> While the DARAB may entertain petitions for cancellation of CLOAs, as in this case, **its jurisdiction is, however, confined only to agrarian disputes**. As explained in the case of *Heirs of Dela Cruz v. Heirs of Cruz* and reiterated in the recent case of *Bagongahasa v. Spouses*

38 700 Phil. 67 (2012).

Cesar Caguin, **for the DARAB to acquire jurisdiction, the controversy must relate to an agrarian dispute between the landowners and tenants in whose favor CLOAs have been issued by the DAR Secretary**, to wit:

> The Court agrees with the petitioners' contention that, under Section 2(f), Rule II of the DARAB Rules of Procedure, the DARAB has jurisdiction over cases involving the issuance, correction and cancellation of CLOAs which were registered with the LRA. **However, for the DARAB to have jurisdiction in such cases, they must relate to an agrarian dispute between landowner and tenants to whom CLOAs have been issued by the DAR Secretary**. The cases involving the issuance, correction and cancellation of the CLOAs by the DAR in the administrative implementation of agrarian reform laws, rules and regulations to parties who are not agricultural tenants or lessees are within the jurisdiction of the DAR and not the DARAB. x x x
>
> Thus, **it is not sufficient that the controversy involves the cancellation of a CLOA already registered with the Land Registration Authority. What is of primordial consideration is the existence of an agrarian dispute between the parties.**[39] (Emphasis supplied; citations omitted)

Such ruling is reiterated in *Heirs of Santiago Nisperos v. Nisperos-Ducusin*,[40] where this Court emphasized that "it is not enough that the controversy involves the cancellation of a CLOA registered with the Land Registration Authority for the DARAB to have jurisdiction. What is of primordial consideration is the existence of an agrarian dispute between the parties."

Relevantly, Section 3(d) of Republic Act No. 6657, otherwise known as the Comprehensive Agrarian Reform Law of 1988, defines an agrarian dispute as those controversies involving tenurial arrangements, *viz.*:

> (d) Agrarian Dispute refers to any controversy relating to **tenurial arrangements**, whether leasehold, tenancy, stewardship or otherwise, over lands devoted to agriculture, including disputes concerning farmworkers' associations or representation of persons in negotiating, fixing, maintaining, changing, or seeking to arrange terms or conditions of such tenurial arrangements.
>
> It includes any controversy relating to compensation of lands acquired under this Act and other terms and conditions of transfer of ownership from landowners to farmworkers, tenants and other agrarian

---

39 Id. at 74.

40 715 Phil. 691, 701 (2013).

> reform beneficiaries, whether the disputants stand in the proximate relation of farm operator and beneficiary, landowner and tenant, or lessor and lessee. (Emphasis supplied)

From all the foregoing, it is clear that **the DARAB may only exercise jurisdiction over a case involving the cancellation of CLOAs if it is first established that an agrarian dispute exists**. In other words, the DARAB only has jurisdiction over a petition for cancellation of CLOA if there exists a **tenancy relationship** between the parties.

In the instant case, the Luceros assert that no allegation was made concerning any supposed tenancy relationship between the parties. This assertion is misleading.

In the Decision of the CA, the CA noted that the Luceros themselves claimed that they were tenants of the subject lands when they sought to annul the sale between the Delfinos and Zenecita Barrinuevo.[41] Even more, in their own submissions, the Luceros categorically declared that they are tenants of the subject lands. Particularly, in their Memorandum[42] dated June 1, 2012 filed before the CA, the Luceros stated that they were the rightful tenants of the subject lands:

> On January 11, 1995, the DAR represented by the Provincial Agrarian Reform Officer (PARO) of Laguna and the herein petitioners-appellants filed a Petition for Annulment of the Deed of Sale over a portion of TCT No. T-48718 and for the redemption of the aforesaid land by the herein petitioners-appellants as **rightful tenants** before the Office of the Provincial Adjudicator, San Pablo City docketed as DARAB Case No. R-0403-0472-96.[43] (Emphasis supplied)

Likewise, in their Appeal Memorandum[44] dated February 16, 2009 filed before the DARAB, the Luceros stated that they are Agrarian Reform Beneficiaries and tenants of the subject land:

> Rory Delfino and Isabelita Delfino were the owners of a parcel of land located at Macabling, Sta. Rosa, Laguna consisting an area of ONE HUNDRED THIRTY THOUSAND NINE HUNDRED TWENTY[-]SIX (130,926) SQUARE METERS, more or less. On September 7, 1988, Petitioners sold to Zenecita Barrinuevo the THREE THOUSAND NINE HUNDRED TWENTY[-]SIX (3,926) SQUARE METERS. This said sale became the subject of a case for annulment by reason of sale devoid of DAR Clearance which the Regional Director issued an Order upholding

---

41 *Rollo*, p. 34.
42 Id. at 41-52.
43 Id. at 42.
44 Id. at 152-164.

> said coverage with finality. The case eventually reached the Court of Appeals where the Higher Court affirmed its annulment. **On July 23, 2004, three (3) CLOAs were issued in favor of the two tenants (Agrarian Reform Beneficiaries) namely Herman Lucero and Virgilio Lucero**. And this in turn became the subject (now on appeal) of these instant cases before the DARAB of San Pablo City.[45] (Emphasis supplied)

Clearly, the Luceros themselves categorically admit that they are tenants of the subject lands and that a tenancy relationship exists between the Luceros and the Delfinos. As such, the case involves an agrarian dispute which brings the issue of the cancellation of the CLOAs within the jurisdiction of the DARAB.

All said, We affirm the findings of the CA that the DARAB has jurisdiction to resolve the case involving the cancellation of the subject CLOAs considering that the same have already been registered with the Register of Deeds.

The CLOAs may be cancelled for being issued in violation of Agrarian Reform Laws.

As discussed above, the Luceros likewise argue in their Petition that the CLOAs issued in their favor can no longer be cancelled because they already come within the purview of the Torrens System, and therefore, are already considered indefeasible.

On this note, We agree that CLOAs are entitled to be as indefeasible as certificates of title issued in registration proceedings. This is exhaustively explained in *Polo Plantation Agrarian Reform Multipurpose Cooperative (POPARMUCO) v. Inson*:[46]

> This Court sustained the validity of the transfer certificates of title and emancipation patents. It held that certificates of title issued pursuant to emancipation patents are as indefeasible as transfer certificates of title issued in registration proceedings. Further, it ruled that the transfer certificates of title issued to the petitioners became indefeasible upon the expiration of one (1) year from the issuance of the emancipation patents. Thus:
>
> *Ybañez v. Intermediate Appellate Court*, provides that **certificates of title issued in administrative**

---

45 Id. at 155.

46 G.R. No. 189162, January 30, 2019.

proceedings are as indefeasible as certificates of title issued in judicial proceedings:

x x x x

The same confusion, uncertainty and suspicion on the distribution of government-acquired lands to the landless would arise if the possession of the grantee of an EP would still be subject to contest, just because his certificate of title was issued in an administrative proceeding. The silence of Presidential Decree No. 27 as to the indefeasibility of titles issued pursuant thereto is the same as that in the Public Land Act where Prof. Antonio Noblejas commented:

> Inasmuch as there is no positive statement of the Public Land Law, regarding the titles granted thereunder, such silence should be construed and interpreted in favor of the homesteader who come into the possession of his homestead after complying with the requirements thereof. Section 38 of the Land Registration Law should be interpreted to apply by implication to the patent issued by the Director of Lands, duly approved by the Minister of Natural Resources, under the signature of the President of the Philippines, in accordance with law.

After complying with the procedure, therefore, in Section 105 of Presidential Decree No. 1529, otherwise known as the Property Registration Decree (where the DAR is required to issue the corresponding certificate of title after granting an EP to tenant-farmers who have complied with Presidential Decree No. 27), the TCTs issued to petitioners pursuant to their EPs acquire the same protection accorded to other TCTs. "The certificate of title becomes indefeasible and incontrovertible upon the expiration of one year from the date of the issuance of the order for the issuance of the patent, . . . Lands covered by such title may no longer be the subject matter of a cadastral proceeding, nor can it be decreed to another person."

x x x x

The EPs themselves, ***like the Certificates of Land Ownership Award (CLOAs) in Republic Act No. 6657 (the Comprehensive Agrarian Reform Law of 1988), are enrolled in the Torrens system of registration****. The Property Registration Decree in fact devotes Chapter IX on the subject of EPs.* ***Indeed, such EPs and CLOAs are, in themselves, entitled to be as indefeasible as certificates of title issued in registration proceedings.*** x x x

In *Heirs of Nuñez, Sr. v. Heirs of Villanoza*, where the issue was the retention limit of the purported heirs of the landowner, this Court held:

> Finally, the issuance of the title to Villanoza could no longer be revoked or set aside by Secretary Pangandaman. Acquiring the lot in good faith, Villanoza registered his Certificate of Land Ownership Award title under the Torrens system. He was issued a new and regular title, TCT No. NT-299755, in fee simple; that is to say, it is an absolute title, without qualification or restriction.
>
> *Estribillo v. Department of Agrarian Reform* has held that "**certificates of title issued in administrative proceedings are as indefeasible as [those] issued in judicial proceedings.**" Section 2 of Administrative Order No. 03-09 provides that "[t]he State recognizes the indefeasibility of [Certificate of Land Ownership Awards], [Emancipation Patents] and other titles issued under any agrarian reform program."
>
> Here, a Certificate of Land Ownership Award title was already issued and registered in Villanoza's favor on December 7, 2007. Villanoza's Certificate of Land Ownership Award was titled under the Torrens system on November 24, 2004. After the expiration of one (1) year, the certificate of title covering the property became irrevocable and indefeasible. Secretary Pangandaman's August 8, 2007 Order, which came almost three (3) years later, was thus ineffective. (Emphasis supplied; citations omitted)

Notwithstanding this Court's categorical pronouncement in the *Polo Plantation* case that CLOAs are considered indefeasible, the same cannot be applied in the instant case because of the difference in factual context.

In the *Polo Plantation* case, the Order from which the issuance of the CLOAs was based was already final and executory, and thus, can no longer be modified or reversed. In stark contrast, here, the Regional Director's Order dated April 9, 2002 from which the Luceros' CLOAs are based cannot be considered as final and executory, as it cannot be disputed that such Order is still subject of an appeal.

Moreover, even assuming that the Regional Director's Order dated April 9, 2002 has attained finality, it bears emphasis that the ***Polo Plantation*** case also recognizes that **CLOAs may be forfeited if they were issued in violation of agrarian reform laws**:

> Here, by the time the Petition for Inclusion/Exclusion was filed on June 30, 2009, the September 3, 2008 Decision declaring the validity of

> CLOA No. 00114438 had attained finality and TCT No. T-802 had already become incontrovertible. As registered property owners, petitioner's members were entitled to the protection given to every Torrens title holder. **Their rights may only be forfeited in case of violations of agrarian laws, as well as noncompliance with the restrictions and conditions under the Comprehensive Agrarian Reform Law.**[47] (Emphasis supplied)

Pertinently, in *Daez v. Court of Appeals*,[48] this Court likewise elucidated that **CLOAs may be cancelled if the same were issued in violation of agrarian reform laws, such as a landowner's right of retention**:

> *Finally*. Land awards made pursuant to the government's agrarian reform program are subject to the exercise by a landowner, who is so qualified, of his right of retention.
>
> Under P.D. No. 27, beneficiaries are issued CLTs to entitle them to possess lands. Thereafter, they are issued Emancipation Patents (EPs) after compliance with all necessary conditions. Such EPs, upon their presentation to the Register of Deeds, result in the issuance of the corresponding transfer certificates of title (TCT) in favor of the beneficiaries mentioned therein.
>
> Under R.A. No. 6657, the procedure has been simplified. Only Certificates of Land Ownership Award (CLOAs) are issued, in lieu of EPs, after compliance with all prerequisites. Thereafter, upon presentation of the CLOAs to the Register of Deeds, TCTs are issued to the designated beneficiaries. CLTs are no longer issued.
>
> **The issuance of EPs or CLOAs to beneficiaries does not absolutely bar the landowner from retaining the area covered thereby. Under Administrative Order No. 2, series of 1994, an EP or CLOA may be cancelled if the land covered is later found to be part of the landowner's retained area.**
>
> A certificate of title accumulates in one document a comprehensive statement of the status of the fee held by the owner of a parcel of land. As such, it is a mere evidence of ownership and it does not constitute the title to the land itself. **It cannot confer title where no title has been acquired by any of the means provided by law.**
>
> Thus, we had, in the past, sustained the nullification of a certificate of title issued pursuant to a homestead patent because the land covered was not part of the public domain and as a result, the government had no authority to issue such patent in the first place. Fraud in the issuance of the patent, is also a ground for impugning the validity of a certificate of title. **In other words, the invalidity of the patent or title is sufficient basis**

---

47 Id.

48 382 Phil. 742 (2000).

> **for nullifying the certificate of title since the latter is merely an evidence of the former.**[49] (Emphasis supplied; citations omitted)

From the foregoing, it is clear that CLOAs which have been issued in violation of agrarian reform laws, are not covered by the rule on indefeasibility of title. In fact, as seen above, DAR Administrative Order No. 2, series of 1994, expressly provides for grounds for the cancellation of registered CLOAs, including a violation of a landowner's right of retention, and a circumvention of laws relating to the implementation of the agrarian reform program.[50]

In this case, the Delfinos' cancellation case was hinged on the violation of their right to due process, lack of compensation, and the denial to exercise their right of choice as to what to retain among their landholdings. Clearly, these are valid grounds to invoke in a case for the cancellation of CLOAs. Accordingly, the PARAD and the DARAB took cognizance of the case, and after due consideration, found that indeed, the Delfinos' right to due process vis-à-vis their right of retention was violated. Therefore, the cancellation of the CLOAs issued in favor of the Luceros was warranted.

All in all, We find no reason to disturb the findings of the CA, which affirmed the rulings of both the PARAD and the DARAB.

WHEREFORE, the instant Petition for Review on *Certiorari* dated July 29, 2013 filed by Herman Lucero and Virgilio Lucero is **DENIED**. The Decision dated March 26, 2013, and the Resolution dated July 3, 2013 of the Court of Appeals in the case entitled, "*Herman Lucero and Virgilio Lucero v. Rory Delfino and Isabelita Delfino,*" docketed as CA-G.R. SP. No. 121755, are hereby **AFFIRMED**.

SO ORDERED.

SAMUEL H. GAERLAN
Associate Justice

---

49 Id. at 755-756.
50 DAR Administrative Order No. 2, series of 1994 Rule IV (B)(9) and (10).

WE CONCUR:

ESTELA M. PERLAS-BERNABE
Senior Associate Justice

RAMON PAUL L. HERNANDO
Associate Justice

RICARDO R. ROSARIO
Associate Justice

JAPAR B. DIMAAMPAO
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.

ESTELA M. PERLAS-BERNABE
Senior Associate Justice
Chairperson, Second Division

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the Division Chairperson's Attestation, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

ALEXANDER G. GESMUNDO
Chief Justice