



Republic of the Philippines

## Department of Land Reform

### DAR Memorandum Circular

No. **02**

Series of 2005

**TO :** The Undersecretary for Field Operations  
The Undersecretary for Policy, Planning and Legal Affairs  
Regional Directors  
Provincial Agrarian Reform Officers  
Municipal Agrarian Reform Officers  
All concerned

**SUBJECT :** FULL IMPLEMENTATION AND CONTINUATION OF  
THE LAND ACQUISITION AND DISTRIBUTION  
PROCESS PURSUANT TO THE PROVISIONS OF DAR  
MEMORANDUM CIRCULAR NOS. 6 AND 9, SERIES OF  
2004 AND THE SUPREME COURT RULING IN THE  
CUENCA CASE

On 03 March 2004, DAR Memorandum Circular No. 6, Series of 2004 [Clarificatory Guidelines on the Effect of Injunctions and Temporary Restraining Orders Issued by the Regular Courts on Acquisition and Distribution of Lands Under the Comprehensive Agrarian Reform Program (CARP)] was issued in response to well-founded and verified information that the availment of injunctions and temporary restraining orders (TROs) before the regular courts has been unduly utilized as a strategy to obstruct, impede, delay or otherwise render ineffective the implementation of the Comprehensive Agrarian Reform Program to the detriment of the concerned farmer-beneficiaries.

Said guideline affirmed the policy against the issuance by regular courts of TROs and injunctions directed against the PARC or any of its duly authorized or designated agencies in any case, dispute or controversy arising from, necessary to, or in connection with the application, implementation, enforcement, or interpretation of the Comprehensive Agrarian Reform Law (CARL) and other pertinent laws on agrarian reform, as enunciated under Section 55 of R.A. 6657.

In view thereof, it enjoined that all concerned DAR officials and employees should continue with the acquisition and distribution process despite the threat of, or actual issuance of temporary restraining orders or injunctions issued by the regular courts in order to obstruct, impede, delay or otherwise render ineffective the said process.

On 13 May 2004, DAR Memorandum Circular No. 9, Series of 2004 (Supplemental Guidelines to Memorandum Circular No. 06, Series of 2004, Providing Legal Assistance to DAR Officials and Employees Unjustly Charged in Court or Other Government Bodies in the Performance of their Duties, and Creating the Legal Support Fund for the Purpose) was subsequently issued bolstering DAR M.C. No. 6, Series of 2004. It further clarified the effect of injunctions and temporary restraining orders issued by regular courts on the acquisition and distribution of lands under the CARP. mp

However, notwithstanding the two (2) aforementioned guidelines, CARP implementors continue to be apprehensive in fully implementing the acquisition and distribution process for fear of retaliatory or contempt actions by the landowners and regular court judges who issued the TROs and/or injunctions.

The issue has now been laid to rest with the issuance of the Supreme Court Ruling in **DAR vs. Cuenca** (G.R. No. 154112 dated 23 September 2004) which has already become final and executory by virtue of the Entry of Judgment dated 09 March 2005, the adjudicatory and dispositive portion of which provide, to wit:

*"Having declared the RTCs to be without jurisdiction over the instant case, it follows that the RTC of La Carlota City (Branch 63) was devoid of authority to issue the assailed Writ of Preliminary Injunction. That Writ must perforce be stricken down as a nullity. Such nullity is particularly true in the light of the express prohibitory provisions of the CARP and this Court's Administrative Circular Nos. 29-2002 and 38-2002. These Circulars enjoin all trial judges to strictly observe Section 68 of RA 6657, which reads:*

*Section 68. Immunity of Government Agencies from Undue Interference. – No injunction, restraining order, prohibition or mandamus shall be issued by the lower courts against the Department of Agrarian Reform (DAR), the Department of Agriculture (DA), the Department of Environment and Natural Resources (DENR) and the Department of Justice (DOJ) in their implementation of the program.*

***WHEREFORE**, the Petition is hereby **GRANTED**, and the challenged Decision and Resolution **REVERSED AND SET ASIDE**. Accordingly, the February 16, 2000 Order of the Regional Trial Court of La Carlota City (Branch 63) is **ANNULLED** and a new one entered, **DISMISSING** the Complaint in Civil Case 713. The Writ of Preliminary Injunction issued therein is also expressly **VOIDED**. No costs.*

***SO ORDERED.**"*

WHEREFORE, the aforementioned Ruling of the Supreme Court in **DAR vs. Cuenca** is hereby **INVOKED**, thus, you are hereby **DIRECTED TO CONTINUE** the acquisition and distribution process of lands subject of CARP coverage despite the threat of, or actual issuance of temporary restraining orders or injunctions issued by the regular courts in order to obstruct, impede, delay or otherwise render ineffective the said process.

This Memorandum Circular amends or repeals all issuances inconsistent herewith.

Strict compliance is hereby enjoined

Done in Diliman, Quezon City, 16 September 2005.

  
**NASSER C. PANGANDAMAN**  
OIC-Secretary



**DAR Memorandum Circular**

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NASSER C. PANGANDAMAN  
OIC-Secretary  


THIRD DIVISION

DEPARTMENT OF AGRARIAN  
REFORM,

G.R. No. 154112

Petitioner,

Present:

- versus -

Panganiban, J.,  
Chairman,  
Sandoval-Gutierrez,  
Corona, and  
Carpio Morales, JJ

ROBERTO J. CUENCA and  
Hon. ALFONSO B. COMBONG JR.,  
in His Capacity as the Presiding Judge  
of the Regional Trial Court,  
Branch 63, La Carlota City,

Promulgated:

Respondents. September 23, 2004

X ----- X

DECISION

PANGANIBAN, J.:

**A**ll controversies on the implementation of the Comprehensive Agrarian Reform Program (CARP) fall under the jurisdiction of the Department of Agrarian Reform (DAR), even though they raise questions that are also legal or constitutional in nature. All doubts should be resolved in favor of the DAR, since the law has granted it special and original authority to hear and adjudicate agrarian matters.

The Case

Before us is a Petition for Review<sup>1[1]</sup> under Rule 45 of the Rules of Court, assailing the March 15, 2002 Decision<sup>2[2]</sup> and the June 18, 2002 Resolution<sup>3[3]</sup> of the Court of Appeals in CA-GR SP No. 58536. In the challenged Decision, the CA disposed as follows:

“As previously stated, the principal issue raised in the court below involves a pure question of law. Thus, it being clear that the court *a quo* has jurisdiction over the nature and subject matter of the case below, it did not

<sup>1[1]</sup> Rollo, pp. 9-27.

<sup>2[2]</sup> Penned by Justice Wenceslao I. Aguir Jr. and concurred in by Justices B. A. Adefuin-de la Cruz (chair, Twelfth Division) and Josefina Guevara-Salonga.

<sup>3[3]</sup> Rollo, pp. 39-40.



commit grave abuse of discretion when it issued the assailed order denying petitioner's motion to dismiss and granting private respondent's application for the issuance of a writ of preliminary injunction.

**"WHEREFORE, premises considered, the petition is denied due course and is accordingly DISMISSED."**<sup>441</sup>

The assailed Resolution, on the other hand, denied petitioner's Motion for Reconsideration.

## The Facts

The CA narrated the facts as follows:

"Private respondent Roberto J. Cuenca is the registered owner of a parcel of land designated as Lot No. 816-A and covered by TCT No. 1084, containing an area of 81.6117 hectares, situated in Brgy. Haguimit, La Carlota City and devoted principally to the planting of sugar cane.

"On 21 September 1999, Noe Fortunado, Municipal Agrarian Reform Officer (MARO) of La Carlota City issued and sent a NOTICE OF COVERAGE to private respondent Cuenca placing the above-described landholding under the compulsory coverage of R.A. 6657, otherwise known as the Comprehensive Agrarian Reform Program (CARP). The NOTICE OF COVERAGE also stated that the Land Bank of the Philippines (LBP) will determine the value of the subject land pursuant to Executive Order No. 405 dated 14 June 1990.

"On 29 September 1999, private respondent Cuenca filed with the Regional Trial Court, Branch 63, La Carlota City, a complaint against Noe Fortunado and Land Bank of the Philippines for 'Annulment of Notice of Coverage and Declaration of Unconstitutionality of E.O. No. 405, Series of 1990, With Preliminary Injunction and Restraining Order.' The case was docketed as Civil Case No. 713.

"In his complaint, Cuenca alleged, *inter alia*, that the implementation of CARP in his landholding is no longer with authority of law considering that, if at all, the implementation should have commenced and should have been completed between June 1988 to June 1992, as provided in the Comprehensive Agrarian Reform Law (CARL); that the placing of the subject landholding under CARP is without the *imprimatur* of the Presidential Agrarian Reform Council (PARC) and the Provincial Agrarian Reform Coordinating Committee (PARCOM) as required by R.A. 7905; that Executive Order No. 405 dated 14 June 1990 amends, modifies and/or repeals CARL and, therefore, it is unconstitutional considering that on 14 June 1990, then President Corazon Aquino no longer had law-making powers; that the NOTICE OF COVERAGE is a gross violation of PD 399 dated 28 February 1974.

"Private respondent Cuenca prayed that the Notice of Coverage be declared null and void *ab initio* and Executive Order No. 405 dated 14 June 1990 be declared unconstitutional.

"On 05 October 1999, MARO Noe Fortunado filed a motion to dismiss the complaint on the ground that the court *a quo* has no jurisdiction over the nature and subject matter of the action, pursuant to R.A. 6657.

"On 12 January 2000, the respondent Judge issued a Temporary Restraining Order directing MARO and LBP to cease and desist from implementing the Notice of Coverage. In the same order, the respondent Judge set the hearing on the application for the issuance of a writ of preliminary

<sup>441</sup> CA Decision, p. 7; *id.*, p. 36

injunction on January 17 and 18, 2000.

"On 14 January 2000, MARO Fortunado filed a Motion for Reconsideration of the order granting the TRO contending inter alia that the DAR, through the MARO, in the course of implementing the Notice of Coverage under CARP cannot be enjoined through a Temporary Restraining Order in the light of Sections 55 and 68 of R.A. 6657.

"In an order dated 16 February 2000, the respondent Judge denied MARO Noe Fortunado's motion to dismiss and issued a Writ of Preliminary Injunction directing Fortunado and all persons acting in his behalf to cease and desist from implementing the Notice of Coverage, and the LBP from proceeding with the determination of the value of the subject land.

"The Department of Agrarian Reform (DAR) [thereafter filed before the CA] a petition for certiorari under Rule 65 of the 1997 Rules of Civil Procedure, assailing the writ of preliminary injunction issued by respondent Judge on the ground of grave abuse of discretion amounting to lack of jurisdiction.

"It is the submission of the petitioner that the assailed order is 'in direct defiance... of Republic Act 6657, particularly Section 55 and 68' thereof, which read:

'SECTION 55. NO RESTRAINING ORDERS OR PRELIMINARY INJUNCTIONS - No court in the Philippines shall have jurisdiction to issue any restraining order or writ of preliminary injunction against the PARC or any of its duly authorized or designated agencies in any case, dispute or controversy arising from, necessary to, or in connection with the application, implementation, or enforcement or interpretation of this Act and other pertinent laws on agrarian reform.'

'SECTION 68 - IMMUNITY OF GOVERNMENT AGENCIES FROM COURT'S INTERFERENCE - No injunction, Restraining Order, prohibition or mandamus shall be issued by the lower court against the Department of Agrarian Reform (DAR), the Department of Agriculture (DA), the Department of Environment and Natural Resources (DENR), and the Department of Justice (DOJ) in the implementation of their program.'

"Petitioner contends that by virtue of the above provisions, all lower courts, such as the court presided over by respondent Judge, 'are barred if not prohibited by law to issue orders of injunctions against the Department of Agrarian Reform in the full implementation of the Notice of Coverage which is the initial step of acquiring lands under R.A. 6657.'

"Petitioner also contends that the nature and subject matter of the case below is purely agrarian in character over which the court *a quo* has no jurisdiction and that therefore, it had no authority to issue the assailed injunction order."<sup>5[5]</sup>

### **Ruling of the Court of Appeals**

Stressing that the issue was not simply the improper issuance of the Notice of Coverage, but was mainly the constitutionality of Executive Order No. 405, the CA ruled that the Regional Trial Court (RTC) had jurisdiction over the case. Consonant with that authority, the court *a quo* also had the power to issue writs and processes to enforce or

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<sup>5[5]</sup> Id., pp. 1-4 & 30-33.

protect the rights of the parties.

The appellate court likewise held that petitioner's reliance on Sections 55 and 68 of RA 6657 had been misplaced, because the case was not about a purely agrarian matter. It opined that the prohibition in certain statutes against such writs pertained only to injunctions against administrative acts, to controversies involving facts, or to the exercise of discretion in technical cases. But on issues involving pure questions of law, courts were not prevented from exercising their power to restrain or prohibit administrative acts.

Hence, this Petition.<sup>6[6]</sup>

### **Issues**

In its Memorandum, petitioner raises the following issues:

"1. The Honorable Court of Appeals committed serious error by not taking into cognizance that the issues raised in the complaint filed by the private respondent, which seeks to exclude his land from the coverage of the CARP, is an agrarian reform matter and within the jurisdiction of the DAR, not with the trial court.

"2. The Honorable Court of Appeals, with due respect, gravely abused its discretion by sustaining the writ of injunction issued by the trial court, which is a violation of Sections 55 and 68 of Republic Act No. 6657."<sup>7[7]</sup>

### **The Court's Ruling**

The Petition has merit. -

#### **First Issue:** **Jurisdiction**

In its bare essentials, petitioner's argument is that private respondent, in his Complaint for Annulment of the Notice of Coverage, is asking for the exclusion of his landholding from the coverage of the Comprehensive Agrarian Reform Program (CARP). According to the DAR, the issue involves the implementation of agrarian reform, a matter over which the DAR has original and exclusive jurisdiction, pursuant to Section 50 of the Comprehensive Agrarian Reform Law (RA 6657).

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<sup>6[6]</sup> The Petition was deemed submitted for decision on June 18, 2003, upon the Court's receipt of petitioner's Supplemental Memorandum signed by Atty. Girlie B. Rocha of the Bureau of Agrarian Legal Assistance, Department of Agrarian Reform. Petitioner filed its Memorandum, also signed by Atty. Rocha, on May 22, 2003; while the Court received private respondent's Memorandum signed by Atty. Jose J. Diaz on June 4, 2003.

<sup>7[7]</sup> Petitioner's Memorandum, p. 5; rollo, p. 161. Original in upper case.



On the other hand, private respondent maintains that his Complaint assails mainly the constitutionality of EO 405. He contends that since the Complaint raises a purely legal issue, it thus falls within the jurisdiction of the RTC. We do not agree.

Conflicts involving jurisdiction over agrarian disputes are as tortuous as the history of Philippine agrarian reform laws. The changing jurisdictional landscape is matched only by the tumultuous struggle for, and resistance to, the breaking up and distribution of large landholdings.

### **Two Basic Rules**

Two basic rules have guided this Court in determining jurisdiction in these cases. *First*, jurisdiction is conferred by law.<sup>8[8]</sup> And *second*, the nature of the action and the issue of jurisdiction are shaped by the material averments of the complaint and the character of the relief sought.<sup>9[9]</sup> The defenses resorted to in the answer or motion to dismiss are disregarded; otherwise, the question of jurisdiction would depend entirely upon the whim of the defendant.<sup>10[10]</sup>

### **Grant of Jurisdiction**

Ever since agrarian reform legislations began, litigants have invariably sought the aid of the courts. Courts of Agrarian Relations (CARs) were organized under RA 1267<sup>11[11]</sup> “[f]or the enforcement of all laws and regulations governing the relation of capital and labor on all agricultural lands under any system of cultivation.” The jurisdiction of these courts was spelled out in Section 7 of the said law as follows:

“Sec. 7. Jurisdiction of the Court. - The Court shall have original and exclusive jurisdiction over the entire Philippines, to consider, investigate, decide, and settle all questions, matters, controversies or disputes involving all those relationships established by law which determine the varying rights of persons in the cultivation and use of agricultural land where one of the parties works the land, and shall have concurrent jurisdiction with the Court of First Instance over employer and farm employee or labor under Republic Act Numbered six

<sup>8[8]</sup> *Aleamar's (Sibal & Sons), Inc. v. CA*, 350 SCRA 333, 339, January 26, 2001; *Saura v. Saura Jr.*, 313 SCRA 465, 472, September 1, 1999; *Salva v. CA*, 364 Phil. 281, 303, March 11, 1999.

<sup>9[9]</sup> *Unilongo v. CA*, 365 Phil. 105, 114, April 5, 1999; *Abrin v. Campos*, 203 SCRA 420, 423, November 12, 1991; *Spouses De la Cruz v. Bautista*, 186 SCRA 517, 525, June 14, 1990.

<sup>10[10]</sup> *Unilongo v. CA*, *supra*; *Garcia v. CA*, 339 Phil. 433, 441-442, June 10, 1997.

<sup>11[11]</sup> June 14, 1955.

hundred two and over landlord and tenant involving violations of the Usury Law (Act No. 2655, as amended) and of inflicting the penalties provided therefor.”

All the powers and prerogatives inherent in or belonging to the then Courts of First Instance<sup>12[12]</sup> (now the RTCs) were granted to the CARs. The latter were further vested by the Agricultural Land Reform Code (RA 3844) with original and exclusive jurisdiction over the following matters:

“(1) All cases or actions involving matters, controversies, disputes, or money claims arising from agrarian relations: x x x

“(2) All cases or actions involving violations of Chapters I and II of this Code and Republic Act Number eight hundred and nine; and

“(3) Expropriations to be instituted by the Land Authority: x x x.”<sup>13[13]</sup>

Presidential Decree (PD) No. 946 thereafter reorganized the CARs, streamlined their operations, and expanded their jurisdiction as follows:

“Sec. 12. **Jurisdiction over Subject Matter.** - The Courts of Agrarian Relations shall have original and exclusive jurisdiction over:

a) Cases involving the rights and obligations of persons in the cultivation and use of agricultural land except those cognizable by the National Labor Relations Commission; x x x;

b) Questions involving rights granted and obligations imposed by laws, Presidential Decrees, Orders, Instructions, Rules and Regulations issued and promulgated in relation to the agrarian reform program; Provided, however, That matters involving the administrative implementation of the transfer of the land to the tenant-farmer under Presidential Decree No. 27 and amendatory and related decrees, orders, instructions, rules and regulations, shall be exclusively cognizable by the Secretary of Agrarian Reform, namely:

(1) classification and identification of landholdings;

(2) x x x;

(3) parcellary mapping;

(4) x x x;

x x x

x x x

x x x

m) Cases involving expropriation of all kinds of land in furtherance of the agrarian reform program;

<sup>12[12]</sup> §155 of RA 3844 provides:

“Sec. 155. Powers of the Court; Rules and Procedures. - The Courts of Agrarian Relations shall have all the powers and prerogatives inherent in or belonging to the Court of First Instance.

“The Courts of Agrarian Relations shall be governed by the Rules of Court: Provided, That in the hearing, investigation and determination of any question or controversy pending before them, the Courts without impairing substantial rights, shall not be bound strictly by the technical rules of evidence and procedure, except in expropriation cases.”

<sup>13[13]</sup> §154 of RA 3844.



p) Ejectment proceedings instituted by the Department of Agrarian Reform and the Land Bank involving lands under their administration and disposition, except urban properties belonging to the Land Bank;

q) Cases involving violations of the penal provisions of Republic Act Numbered eleven hundred and ninety-nine, as amended, Republic Act Numbered thirty eight hundred and forty-four, as amended, Presidential Decrees and laws relating to agrarian reform; Provided, however, That violations of the said penal provisions committed by any Judge shall be tried by the courts of general jurisdiction; and

r) Violations of Presidential Decrees Nos. 815 and 816.

The CARs were abolished, however, pursuant to Section 44<sup>14[14]</sup> of Batas Pambansa Blg. 129<sup>15[15]</sup> (approved August 14, 1981), which had fully been implemented on February 14, 1983. Jurisdiction over cases theretofore given to the CAR's was vested in the RTCs.<sup>16[16]</sup>

Then came Executive Order No. 229.<sup>17[17]</sup> Under Section 17 thereof, the DAR shall exercise "quasi-judicial powers to determine and adjudicate agrarian reform matters, and shall have exclusive jurisdiction over all matters involving implementation of agrarian reform, except those falling under the exclusive original jurisdiction of the DENR and the Department of Agriculture [DA]." The DAR shall also have the "powers to punish for contempt and to issue subpoena, subpoena duces tecum and writs to enforce its orders or decisions."

In *Quismundo v. CA*,<sup>18[18]</sup> this provision was deemed to have repealed Section 12 (a) and

<sup>14[14]</sup> §44 of BP 129 reads:

"Sec. 44. Transitory provisions. - The provisions of this Act shall be immediately carried out in accordance with an Executive Order to be issued by the President. The Court of Appeals, the Courts of First Instance, the Circuit Criminal Courts, the Juvenile and Domestic Relations Courts, the *Courts of Agrarian Relations*, the City Courts, the Municipal Courts, and the Municipal Circuit Courts *shall continue to function as presently constituted and organized, until the completion of the reorganization provided in this Act as declared by the President. Upon such declaration, the said courts shall be deemed automatically abolished and the incumbents thereof shall cease to hold office.* The cases pending in the old Courts shall be transferred to the appropriate Courts constituted pursuant to this Act, together with the pertinent functions, records, equipment, property and the necessary personnel.

x x x

x x x

x x x" (Italics supplied)

<sup>15[15]</sup> Otherwise known as the Judiciary Reorganization Act.

<sup>16[16]</sup> §19(7) of BP 129. See also *Pagara v. CA*, 325 Phil. 66, 80, March 12, 1996; and *Philippine National Bank v. Florendo*, 206 SCRA 582, 587, February 26, 1992.

<sup>17[17]</sup> Providing the Mechanisms for the Implementation of the Comprehensive Agrarian Reform Program.

<sup>18[18]</sup> 201 SCRA 609, 613-614, September 13, 1991, per Regalado, J. (cited in *Machete v. CA*, 320 Phil. 227, 233-234, November 20, 1995).

(b) of Presidential Decree No. 946, which vested the then Courts of Agrarian Relations with "original exclusive jurisdiction over cases and questions involving rights granted and obligations imposed by presidential issuances promulgated in relation to the agrarian reform program."

Under Section 4 of Executive Order No. 129-A, the DAR was also made "responsible for implementing the Comprehensive Agrarian Reform Program." In accordance with Section 5 of the same EO, it possessed the following powers and functions:

"(b) Implement all agrarian laws, and for this purpose, punish for contempt and issue subpoena, subpoena duces tecum, writs of execution of its decisions, and other legal processes to ensure successful and expeditious program implementation; the decisions of the Department may in proper cases, be appealed to the Regional Trial Courts but shall be immediately executory notwithstanding such appeal;

x x x

x x x

x x x

"(h) Provide free legal services to agrarian reform beneficiaries and resolve agrarian conflicts and land-tenure related problems as may be provided for by law;

x x x

x x x

x x x

"(l) Have exclusive authority to approve or disapprove conversion of agricultural lands for residential, commercial, industrial, and other land uses as may be provided x x x."

The above grant of jurisdiction to the DAR covers these areas:

(a) adjudication of all matters involving implementation of agrarian reform;

(b) resolution of agrarian conflicts and land tenure related problems; and

(c) approval or disapproval of the conversion, restructuring or readjustment of agricultural lands into residential, commercial, industrial, and other non-agricultural uses.

The foregoing provision was as broad as those "theretofore vested in the Regional Trial Court by Presidential Decree No. 946," as the Court ruled in *Vda. de Tangub v. CA*,<sup>19[19]</sup> which we quote:

"x x x. The intention evidently was to transfer original jurisdiction to the Department of Agrarian Reform, a proposition stressed by the rules formulated and promulgated by the Department for the implementation of the executive

<sup>19[19]</sup> 191 SCRA 885, December 3, 1990.



orders just quoted. The rules included the creation of the Agrarian Reform Adjudication Board designed to exercise the adjudicatory functions of the Department, and the allocation to it of —

'x x x [O]riginal and exclusive jurisdiction over the subject matter vested upon it by law, and all cases, disputes, controversies and matters or incidents involving the implementation of the Comprehensive Agrarian Reform Program under Executive Order No. 229, Executive Order No. 129-A, Republic Act No. 3844, as amended by Republic Act No. 6289, Presidential Decree No. 27 and other agrarian laws and their implementing rules and regulations.'

'The implementing rules also declare that '(s)pecifically, such jurisdiction shall extend over but not be limited to x x x (that theretofore vested in the Regional Trial Courts, i.e.) (c)ases involving the rights and obligations of persons engaged in the cultivation and use of agricultural land covered by the Comprehensive Agrarian Reform Program (CARP) and other agrarian laws x x x.<sup>20(20)</sup>

In the same case, the Court also held that the jurisdictional competence of the DAR had further been clarified by RA 6657 thus:

'x x x. The Act [RA 6657] makes references to and explicitly recognizes the effectivity and applicability of Presidential Decree No. 229. More particularly, the Act echoes the provisions of Section 17 of Presidential Decree No. 229, *supra*, investing the Department of Agrarian Reform with original jurisdiction, generally, over all cases involving agrarian laws, although, as shall shortly be pointed out, it restores to the Regional Trial Court, limited jurisdiction over two groups of cases. Section 50 reads as follows:

'SEC. 50. Quasi-Judicial Powers of the DAR. — The DAR is hereby vested with primary jurisdiction to determine and adjudicate agrarian reform matters and shall have exclusive original jurisdiction over all matters involving the implementation of agrarian reform, except those falling under the exclusive jurisdiction of the Department of Agriculture [DA] and the Department of Environment and Natural Resources [DENR].

x x x

x x x

x x x

'It shall have the power to summon witnesses, administer oaths, take testimony, require submission of reports, compel the production of books and documents and answers to interrogatories and issue subpoena and subpoena duces tecum and to enforce its writs through sheriffs or other duly deputized officers. It shall likewise have the power to punish direct and indirect contempt in the same manner and subject to the same penalties as provided in the Rules of Court.'<sup>21(21)</sup>

Nonetheless, we have held that the RTCs have not been completely divested of jurisdiction over agrarian reform matters. Section 56 of RA 6657 confers special jurisdiction on "Special Agrarian Courts," which are actually RTCs designated as such by

<sup>20(20)</sup> Id., pp. 888-890, per Narvasa, J. (later C.J.).

<sup>21(21)</sup> Id., pp. 890-892.

the Supreme Court.<sup>22[22]</sup> Under Section 57 of the same law, these Special Agrarian Courts have original and exclusive jurisdiction over the following matters:

- “1) ‘all petitions for the determination of just compensation to land-owners,’ and
- “2) ‘the prosecution of all criminal offenses under x x x [the] Act.’”

The above delineation of jurisdiction remains in place to this date. Administrative Circular No. 29-2002<sup>23[23]</sup> of this Court stresses the distinction between the quasi-judicial powers of the DAR under Sections 50 and 55 of RA 6657 and the jurisdiction of the Special Agrarian Courts referred to by Sections 56 and 57 of the same law.

### **Allegations of the Complaint**

A careful perusal of respondent’s Complaint<sup>24[24]</sup> shows that the principal averments and reliefs prayed for refer -- not to the “pure question of law” spawned by the alleged unconstitutionality of EO 405 -- but to the annulment of the DAR’s Notice of Coverage. Clearly, the main thrust of the allegations is the propriety of the Notice of Coverage, as may be gleaned from the following averments, among others:

“6. This implementation of CARP in the landholding of the [respondent] is contrary to law and, therefore, violates [respondent’s] constitutional right not to be deprived of his property without due process of law. The coverage of [respondent’s] landholding under CARP is NO longer with authority of law. *If at all, the implementation of CARP in the landholding of [respondent] should have commenced and [been] completed between June 1988 to June 1992 as provided for in CARL, to wit: x x x;*

“7. Moreover, the placing of [respondent’s] landholding under CARP as of 21 September 1999 is without the imprimatur of the Presidential Agrarian Reform Council (PARC) and the Provincial Agrarian Reform Coordinating Committee (PARCOM) as mandated and required by law pursuant to R.A. 7905 x x x;

x x x

x x x

x x x

“9. Under the provisions of CARL, it is the PARC and/or the DAR, and not x x x Land Bank, which is authorized to preliminarily determine the value of the lands as compensation therefor, thus -- x x x;

x x x

x x x

x x x

<sup>22[22]</sup> Id., p. 892; *Machete v. CA*, supra, p. 235.

<sup>23[23]</sup> Issued on July 1, 2002. The Circular seeks the avoidance of conflict of jurisdiction over cases under the Comprehensive Agrarian Reform Law of 1988 (RA No. 6657).

<sup>24[24]</sup> The case caption is “Annulment of Notice of Coverage and Declaration of Unconstitutionality of E.O. No. 405, Series of 1990 with Preliminary Injunction and Restraining Order.” Rollo, pp. 40-A to 53.



"12. That the aforementioned NOTICE OF COVERAGE with intentment and purpose of acquiring [respondent's] aforementioned land is a gross violation of law (PD 399 dated 28 February 1974 which is still effective up to now) inasmuch as [respondent's] land is traversed by and a road frontage as admitted by the DAR's technician and defendant FORTUNADO (MARO) x x x."

"13. That as reflected in said Pre-Ocular Inspection Report, copy of which is hereto attached as annex 'D' forming part hereof, [respondent's] land is above eighteen percent (18%) slope and therefore, automatically exempted and excluded from the operation of Rep. Act 6657, x x x.<sup>25[25]</sup> (Italics supplied)

In contrast, the 14-page Complaint touches on the alleged unconstitutionality of EO 405 by merely making these two allegations:

"10. Executive Order No. 405 dated 14 June 1990 (issued by the then President Corazon Aquino) is unconstitutional for it plainly amends, modifies and/or repeals CARL. On 14 June 1990, then President Corazon Aquino had no longer law-making powers as the Philippine Congress was by then already organized, existing and operational pursuant to the 1987 Constitution. A copy of the said Executive Order is hereto attached as Annex 'B' forming part hereof.

"11. Our constitutional system of separation of powers renders the said Executive Order No. 405 unconstitutional and all valuations made, and to be made, by the defendant Land Bank pursuant thereto are null and void and without force and effect. Indispensably and ineludibly, all related rules, regulations, orders and other issuances issued or promulgated pursuant to said Executive Order No. 405 are also null and void ab initio and without force and effect."<sup>26[26]</sup>

We stress that the main subject matter raised by private respondent before the trial court was not the issue of compensation (the subject matter of EO 405<sup>27[27]</sup>). Note that no amount had yet been determined nor proposed by the DAR. Hence, there was no

<sup>25[25]</sup> Complaint, pp. 3-7; rollo, pp. 41-45.

<sup>26[26]</sup> Id., pp. 5-6 & 43-44.

<sup>27[27]</sup> The pertinent provisions of EO 405 provide:

"Sec. 1. The Land Bank of the Philippines shall be primarily responsible for the determination of the land valuation and compensation for all private lands suitable for agriculture under either the Voluntary Offer to Sell (VOS) or Compulsory Acquisition (CA) arrangement as governed by Republic Act No. 6657. The Department of Agrarian Reform shall make use of the determination of the land valuation and compensation by the Land Bank of the Philippines, in the performance of its functions.

After effecting the transfer of titles from the landowner to the Republic of the Philippines, the Land Bank of the Philippines shall inform the Department of Agrarian Reform of such fact in order that the latter may proceed with the distribution of the lands to the qualified agrarian reform beneficiaries within the time specified by law.

"Sec. 2. The Department of Agrarian Reform shall continue to perform its functions under Republic Act No. 6657, particularly in the identification of the priority landholdings for coverage under the Comprehensive Agrarian Reform Program.

x x x x x x x

"Sec. 4. This Executive Order shall not be construed to diminish the rights and remedies of the landowners and agrarian reform beneficiaries under Republic Act No. 6657."

occasion to invoke the court's function of determining just compensation.<sup>28[28]</sup>

To be sure, the issuance of the Notice of Coverage<sup>29[29]</sup> constitutes the first necessary step towards the acquisition of private land under the CARP. Plainly then, the propriety of the Notice relates to the implementation of the CARP, which is under the quasi-judicial jurisdiction of the DAR. Thus, the DAR could not be ousted from its authority by the simple expediency of appending an allegedly constitutional or legal dimension to an issue that is clearly agrarian.

In view of the foregoing, there is no need to address the other points pleaded by respondent in relation to the jurisdictional issue. We need only to point that in case of doubt, the jurisprudential trend is for courts to refrain from resolving a controversy involving matters that demand the special competence of administrative agencies, "even if the question[s] involved [are] also judicial in character,"<sup>30[30]</sup> as in this case.

### Second Issue:

#### Preliminary Injunction

Having declared the RTCs to be without jurisdiction over the instant case, it follows that the RTC of La Carlota City (Branch 63) was devoid of authority to issue the assailed Writ of Preliminary Injunction. That Writ must perforce be stricken down as a

<sup>28[28]</sup> *Association of Small Landowners in the Philippines, Inc. v. Secretary of Agrarian Reform*, 175 SCRA 343, 380, July 14, 1989. See also Section 57 of RA 6657 regarding the jurisdiction of the Special Agrarian Courts.

<sup>29[29]</sup> §16 of RA 6657 outlines the procedure for acquisition of private lands. The pertinent provisions provide:

"(a) After having identified the land, the landowners and the beneficiaries, the DAR shall send its notice to acquire the land to the owners thereof, by personal delivery or registered mail, and post the same in a conspicuous place in the municipal building and barangay hall of the place where the property is located. Said notice shall contain the offer of the DAR to pay a corresponding value in accordance with the valuation set forth in Sections 17, and 18, and other pertinent provisions hereof."

x x x

x x x

x x x

"(d) In case of rejection or failure to reply, the DAR shall conduct summary administrative proceedings to determine the compensation for the land requiring the landowner, the LBP and other interested parties to submit evidence as to the just compensation for the land, within fifteen (15) days from the receipt of the notice. After the expiration of the above period, the matter is deemed submitted for decision. The DAR shall decide the case within thirty (30) days after it is submitted for decision." (Italics supplied)

<sup>30[30]</sup> *Villasflor v. CA*, 345 Phil. 524, 559, October 9, 1997, per Panganiban, J.



nullity. Such nullity is particularly true in the light of the express prohibitory provisions of the CARP and this Court's Administrative Circular Nos. 29-2002 and 38-2002. These Circulars enjoin all trial judges to strictly observe Section 68 of RA 6657, which reads:

"Section 68. Immunity of Government Agencies from Undue Interference. – No injunction, restraining order, prohibition or mandamus shall be issued by the lower courts against the Department of Agrarian Reform (DAR), the Department of Agriculture (DA), the Department of Environment and Natural Resources (DENR) and the Department of Justice (DOJ) in their implementation of the program."

WHEREFORE, the Petition is hereby **GRANTED**, and the challenged Decision and Resolution **REVERSED AND SET ASIDE**. Accordingly, the February 16, 2000 Order of the Regional Trial Court of La Carlota City (Branch 63) is **ANNULLED** and a new one entered, **DISMISSING** the Complaint in Civil Case 713. The Writ of Preliminary Injunction issued therein is also expressly **VOIDED**. No costs.

SO ORDERED.

**ARTEMIO V. PANGANIBAN**  
Associate Justice  
Chairman, Third Division

**W E C O N C U R :**

**ANGELINA SANDOVAL-GUTIERREZ**  
Associate Justice

**RENATO C. CORONA**  
Associate Justice

**CONCHITA CARPIO MORALES**  
Associate Justice

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**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.

**ARTEMIO V. PANGANIBAN**  
Associate Justice  
Chairman, Third Division

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution; and the Division Chairman'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.

**HILARIO G. DAVIDE JR.**  
Chief Justice

Republic of the Philippines  
SUPREME COURT  
Manila

THIRD DIVISION

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DEPARTMENT OF AGRARIAN REFORM,  
Petitioner,

versus

G.R. No. 154112

ROBERTO J. CUENCA and HON. ALONSO  
B. COMBONG, JR. in His capacity as  
the Presiding Judge of the Regional  
Trial Court, Branch 63, La Carlota City,  
Respondents.

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ENTRY OF JUDGMENT

This is to certify that on September 23, 2004 a decision rendered in the  
above-entitled case was filed in this Office the dispositive part of which reads as follows:

"WHEREFORE, the Petition is hereby **GRANTED**, and  
the challenged Decision and Resolution **REVERSED AND  
SET ASIDE**. Accordingly, the February 6, 2000 Order of  
the Regional Trial Court of La Carlota City (Branch  
63) is **ANNULLED** and a new one entered **DISMISSING** the  
Complaint in Civil Case 713. The Writ of Preliminary  
Injunction issued therein is also expressly **VOIDED**.  
No costs.

SO ORDERED."

and that the same has, on March 9, 2005 become final and executory and is hereby  
recorded in the Book of Entries of Judgments.

Manila, Philippines.

By:

The Clerk of Court

  
TERESITA G. DIMAISIP  
Deputy Clerk of Court &  
Chief  
Judicial Records Office



SUPREME COURT OF THE PHILIPPINES  
MANILA

Judicial Records Office  
JUDGMENT DIVISION

Bureau of Agrarian Legal  
Assistance  
Dept. of Agrarian Reform  
Elliptical Road, Diliman  
1104 Quezon City

Attys. Pablo P. Garcia  
& Pablo John F. Garcia  
2091 Andres Abella cor.  
Singson Village  
Guadalupe, 6000 Cebu City

The Presiding Judge  
Regional Trial Court, Br. 63  
6130 La Carlota City  
Negros Occidental

Atty. Jose Diaz  
Suite 3 & 9 LD Center cor.  
7<sup>th</sup> -Lacson Sts., 6100 Bacolod City

Mr. Eduardo Hilario, et al.  
Hda. Nahilao-Espinos, Brgy. Kales  
La Castellana, 6131 Negros Occidental

JADOC & QUEVENCO  
Ground Flr., Valdevia Annex Bldg.  
Burgos St., Silay City  
6116 Negros Occidental

The Clerk of Court  
Court of Appeals  
Manila

Re: G.R. No. 154112 (Dept. of Agrarian Reform, etc.  
vs. Roberto J. Cuenca, et al.)

Sir/Madam:

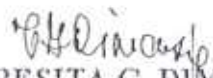
For your information and guidance, we are sending you herewith a copy of the  
ENTRY OF JUDGMENT made in the above-entitled case.

Please acknowledge receipt hereof  
July 19, 2005

Very truly yours,

THE CLERK OF COURT

By:

  
TERESITA G. DIMASIP  
Deputy Clerk of Court &  
Chief  
Judicial Records Office