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is *prision correccional* minimum (6 months and 1 day to 2 years and 4 months) to *prision correccional* medium (2 years, 4 months and 1 day to 4 years and 2 months). Thus, the appellate court correctly modified the minimum period of appellant's sentence to 4 years and 2 months of *prision correccional*.

WHEREFORE, the appeal is **PARTLY GRANTED**. Appellant Melissa Chua, *a.k.a.* Clarita Ng Chua is **ACQUITTED** of one count of *estafa* filed by private complainant Roylan Ursulum in Criminal Case No. 03-217999-403.

The Decision dated September 15, 2008 of the Court of Appeals in CA-G.R. CR-H.C. No. 01006 is **AFFIRMED** *with* **MODIFICATION** in that the appellant is ordered to pay a fine of ₱1,000,000 and to indemnify each of the private complainants Alberto A. Aglanao, Billy R. Danan and Rey P. Tajadao in the amount of ₱80,000.

With costs against the accused-appellant.

SO ORDERED.

Sereno, C.J. (Chairperson), Leonardo-de Castro, Bersamin, and *Reyes, JJ.,* concur.

FIRST DIVISION

[G.R. No. 187801. September 13, 2012]

HEIRS OF LEONARDO BANAAG, namely: MARTA R. BANAAG, TERESITA B. MENDOZA, HONORATO R. BANAAG, IMELDA R. BANAAG, DIOSDADO R. BANAAG, PRECIOSA B. POSADAS, and ANTONIO R. BANAAG, SPOUSES PEDRO MENDOZA and TERESITA MENDOZA and HONORATO R. BANAAG, *petitioners, vs.* **AMS FARMING CORPORATION and LAND BANK OF THE PHILIPPINES,** *respondents.*

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SYLLABUS

1. REMEDIAL LAW; CIVIL PROCEDURE; DISMISSAL OF AN ACTION; NOT PROPER WHERE THE PETITION DOES NOT SPECIFY THE RULE BY WHICH IT WAS FILED; PETITION MAY BE CONSIDERED AS PURSUED UNDER RULE 45.— The fact that the present petition did not specify the rule by which it was filed does not *ipso facto* merit its outright dismissal. As ruled in *Mendoza v. Villas,* the Court has the discretion to determine whether a petition was filed under Rule 45 or 65 of the Rules of Court in accordance with the liberal spirit permeating the Rules of Court and in the interest of justice. The Court cannot treat the instant petition as filed under Rule 65 of the Rules of Court as such would breach the principle of hierarchy of courts[.] x x x While a direct invocation of the Court's power to issue a writ of *certiorari* may be allowed on special and important reasons, none of such instances, however, are obtaining in the petition at hand. Nonetheless, the petition may be considered pursued under Rule 45. Three (3) modes of appeal are available to a party aggrieved by a decision of the RTC rendered in the exercise of its original jurisdiction, to wit: (1) by ordinary appeal or appeal by writ of error under Rule 41 taken to the CA on questions of fact or mixed questions of fact and law; (2) by petition for review under Rule 42 to the CA on questions of fact, of law, or mixed questions of fact and law; and (3) by petition for review on *certiorari* to the Supreme Court under Rule 45 only on questions of law. Clearly, direct recourse to the Court, as in the instant case, is allowed for petitions filed under Rule 45 when only questions of law are raised. There is a question of law if the issue raised is capable of being resolved without need of reviewing the probative value of the evidence. The issue to be resolved must be limited to determining what the law is on a certain set of facts. A perusal of the arguments in the petition shows that the only question posed is with respect to the jurisdiction of the DARAB over the determination of ownership of standing crops and improvements introduced by the lessee of an agricultural land placed under CARP coverage. The question is evidently one of law as it invites the examination and interpretation of the provisions of the Comprehensive Agrarian Reform Law (CARL) and that of the Civil Code provisions on lease *vis-à-vis* the

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lease contract between the petitioners and AMS. It does not require a calibration of any evidence for its resolution.

2. ID.; ID.; ID.; FEW DAYS LATE IN THE FILING OF THE PETITION DOES NOT WARRANT DISMISSAL THEREOF.— On June 16, 2009 or six (6) days from the expiration of the extended period, the petitioners lodged the present petition. For such belated filing, LBP proffers that the petition should be dismissed. Again, the Court takes a liberal stance. Oft-repeated is the rule that being a few days late in the filing of the petition for review does not automatically warrant the dismissal thereof. Moreover, strong considerations of substantial justice manifest in the petition deem it imperative for the Court to relax the stringent application of technical rules in the exercise of its equity jurisdiction. After all, the policy of our judicial system is to encourage full adjudication of the merits of an appeal. A definitive settlement of the ownership over the contested crops and improvements is essential to the effective implementation of the CARL particularly, the payment of just compensation. Such compensation entails an enormous amount of money from the coffers of the government and it is only proper for the Court to ensure that such amount is paid to the rightful owner. Courts should not be so strict about procedural lapses that do not really impair the proper administration of justice. The higher objective of procedural rule is to insure that the substantive rights of the parties are protected. Litigations should, as much as possible, be decided on the merits and not on technicalities.

3. ID.; ID.; ID.; FORUM SHOPPING; EXPLAINED.— Forum-shopping is the "institution of two (2) or more actions or proceedings grounded on the same cause on the supposition that one or the other court would make a favorable disposition" or "the act of a party against whom an adverse judgment has been rendered in one forum, of seeking another (and possibly favorable) opinion in another forum other than by appeal or the special civil action of *certiorari*." The test to determine whether forum-shopping exists is whether the elements of *litis pendencia* are present or where a final judgment in one case will amount to *res judicata* in the other. *Res judicata,* on the other hand, means a matter or thing adjudged, judicially acted upon or decided, or settled by judgment. Its requisites are:

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(1) the former judgment or order must be final; (2) the judgment or order must be one on the merits; (3) it must have been rendered by a court having jurisdiction over the subject matter and parties; and (4) between the first and second actions, there must be identity of parties, subject matter, and causes of action.

4. ID.; ID.; ID.; ID.; THE PARTIES DID NOT COMMIT FORUM-SHOPPING AS THE DECISION IN THE DARAB CASE WILL NOT CONSTITUTE *RES JUDICATA* TO THE CIVIL CASE BEFORE THE RTC.— The [Land Bank] doctrines may be applied in interpreting the legal efficacy of the declarations made by the DARAB in its Consolidated Decisions dated October 17, 2005 and December 11, 2006 notwithstanding that the same were decreed two (2) to three (3) years before *Land Bank*. Judicial decisions, as part of the law they interpret, are covered by the rule on the prospective application of statutes. Retroactivity is, however, permissible if the decision neither: (1) overrules a previous doctrine; (2) adopts a different view; or (3) reverses an old construction, none of which characterize the pronouncement in *Land Bank*. The DARAB, therefore, has no jurisdiction to pass upon the issue of ownership over standing crops and improvements between a landowner and a lessee. This is the clear import of the above-stated doctrines declaring that the right of a lessor and lessee over the improvements introduced by the latter is not an agrarian dispute within the meaning of the CARL. Consequently, there is no doubt that the DARAB cannot adjudicate the ownership over standing crops and improvements installed by AMS in the subject agricultural parcels of land and as such, the DARAB Consolidated Decisions dated October 17, 2005 and December 11, 2006 cannot serve as *res judicata* to Civil Case No. 3867 filed by the petitioners with the RTC. Further, the subject DARAB decisions are not final determinations of the valuation made on the just compensation for the raw lands and the standing crops and improvements thereon as **these are only preliminary in nature**. Settled is the rule that only the RTC, sitting as a SAC, could make the final determination of just compensation. Moreover, it must be stressed that just compensation for the crops and improvements is inseparable from the valuation of the raw lands as the former are part and parcel of the latter. Even if separately valued, these must be awarded to the

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landowner irrespective of the nature of ownership of the said crops and installations. Any valuation made by the DARAB is limited only to that — a mere valuation. The tribunal is not concerned with the nature of the ownership of the crops and improvements. In fine, the RTC erred in dismissing the complaint filed by the petitioners on the ground of forum-shopping.

APPEARANCES OF COUNSEL

Mojica Dalumpines Law Firm for petitioners.

Cesar M. Dureza and *Edwin O. Mendoza* for AMS Farming Corp.

LBP Legal Services for Land Bank of the Phils.

D E C I S I O N

REYES, *J.*:

Before the Court is a petition[1] dated June 15, 2009 praying for the reversal of the Orders dated July 7, 2008[2] and March 23, 2009[3] of the Regional Trial Court (RTC), Tagum City, Davao Del Norte, Branch 30, in Civil Case No. 3867 entitled *Heirs of Leonardo Banaag, et al. v. AMS Farming Corporation and Land Bank of the Philippines.* The assailed Order dated July 7, 2008, dismissed the complaint for the determination of ownership over the standing crops and improvements on several parcels of agricultural land, on the ground of forum-shopping. The assailed Order dated March 23, 2009, on the other hand, denied reconsideration.

The Antecedent Facts

The petitioners were the owners and/or heirs of the owners of several parcels of land located at Sampao, Kapalong, Davao Del Norte, detailed as follows:

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[1] *Rollo*, pp. 50-84.

[2] Under the sala of Judge Rowena Apao-Adlawan; *id.* at 16-19.

[3] *Id.* at 43-46.

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Name of Landowner	Transfer Certificate of Title No.	Land Area (in hectares)
TERESITA MENDOZA	T-9891	10
TERESITA MENDOZA	T-7778	34
LEONARDO BANAAG	(T-16604) T-7775	54.1748
TERESITA AND PEDRO MENDOZA	(T-16748) T-7894	10
HONORATO BANAAG	(T-16605) T-7776	25.5123[4]

From 1970 to 1995, the lands were leased to respondent AMS Farming Corporation (AMS), which devoted and developed the same to the production of exportable Cavendish bananas, and introduced thereon the necessary improvements and infrastructures for such purpose.[5] When the lease contract expired, it appears that a Memorandum of Agreement (MOA) was executed by the parties extending the term of the lease until September 30, 2002.

In 1999, the lands were placed under the coverage of the Compulsory Acquisition Scheme of the Comprehensive Agrarian Reform Program (CARP). Pursuant to its mandate, the Land Bank of the Philippines (LBP) determined the value of the raw lands as follows:

Transfer Certificate of Title No.	Land Area in hectares	LBP Valuation
T-9891	10	[₱] 689,865.62
T-7775	54.1748	3,880,041.73
T-7778	28.4207	1,798,523.29
T-7894	10	668,043.17
T-7776	19.1197	1,375,153.12[6]

When the petitioners rejected the valuation, the matter was referred for summary administrative proceedings for the fixing of just compensation to the Office of the Regional Agrarian

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[4] *Id.* at 241.

[5] *Id.* at 120-153.

[6] *Id.* at 339.

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Reform Adjudicator (RARAD), Davao del Norte.[7] On July 31, 2000, the RARAD rendered a Decision adopting the amount of just compensation determined by the LBP.[8]

The present controversy arose when the petitioners, as landowners, and AMS, as lessee, both demanded for just compensation over the standing crops and improvements planted and built on the lands.

The Claim of AMS

In the same RARAD proceedings, AMS filed on June 10, 2003, an *Urgent Motion to Value the Standing Crops and Improvements*[9] alleging that it is the owner of the crops and improvements on the land by virtue of its MOA with the petitioners. On June 29, 2004, the RARAD issued an order directing LBP to submit a valuation of the standing crops. In compliance therewith, LBP manifested the amount of ₱32,326,218.82.[10]

The petitioners sought to intervene with their own claim for ownership but their *Motion for Leave to File Complaint-In-Intervention*[11] was denied by the RARAD on July 8, 2004, for the reason that the valuation of the standing crops in favor of AMS has long been resolved. However, the petitioners were instructed to instead plead their claim for valuation of the improvements in an appropriate initiatory proceeding.[12]

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[7] The cases were docketed respectively for each of the above-described parcels of land as DCN LV-XI-0021-DN-2000, DCN LV-XI-0022-DN-2000, DCN LV-XI-0042-DN-2000, DCN LV-XI-0043-DN-2000, and DCN LV-XI-0156-DN-2000 and were assigned to RARAD Norberto P. Sinsona.

[8] *Rollo*, pp. 100-107.

[9] *Id.* at 85-99.

[10] *Id.* at 320-324.

[11] *Id.* at 198-210.

[12] *Id.* at 211-213.

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On December 11, 2006, the RARAD issued a Consolidated Decision[13] setting aside its earlier Decision dated July 31, 2000 and ruled anew on the just compensation, not only for the raw lands, but for the standing crops and improvements thereon as well. Just compensation for the lands was awarded to the petitioners as landowners, while just compensation for the crops and improvements was awarded to AMS, thus:

> WHEREFORE, premises considered, judgment is hereby rendered setting aside the previous Decisions rendered in these cases and a new Consolidated Decision is rendered declaring the amounts indicated below as the just compensation of the subject landholdings as follows:
>
> | **Title No.** | | **Value of raw Land** | | **Value of the standing Crops and other Improvements** |
> |---|---|---|---|---|
> | T-9891 | [₱] | 689,865.62 | [₱] | 8,101,840.50 |
> | T-7775 | | 3,880,041.73 | | 44,379,299.00 |
> | T-7778 | | 1,798,523.29 | | 23,843,838.00 |
> | T-7894 | | 688,043.17 | | 7,695,784.80 |
> | T-7776 | | 1,375,153.12 | | 15,651,806.00 |
>
> Directing LBP to pay AMS the value of the standing crops and other improvements and pay the corresponding owners of the value of their landholdings.
>
> SO ORDERED.[14]

From this decision, the petitioners and LBP pursued an appeal before the Department of Agrarian Reform Adjudication Board (DARAB) Central Office but, their notice of appeal was denied due course for being an improper remedy. The denial was embodied in an Order[15] dated February 5, 2007. In so denying, the RARAD explained that an appeal from a RARAD decision must be filed with the RTC acting as a Special Agrarian Court (SAC) pursuant to Section 11, Rule XIII of the 1994 DARAB Rules of Procedure. In the same order, the RARAD issued a

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[13] *Id.* at 338-351.

[14] *Id.* at 351.

[15] *Id.* at 352-359.

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writ of execution directing the Department of Agrarian Reform (DAR) sheriffs[16] to execute the Consolidated Decision dated December 11, 2006.

Conformably with the writ of execution, the DAR sheriffs sent a *Request to Allocate and Release the Amount of ₱99,672,568.30 from the Agrarian Reform Fund*[17] to the President of LBP.

On March 28, 2007, LBP applied for an injunction[18] with the DARAB seeking, in the main, to restrain the enforcement of the RARAD Consolidated Decision dated December 11, 2006 and to elevate its appeal to the DARAB. In its Resolution[19] dated October 24, 2007, the DARAB granted the injunction.

The Claim of the Petitioners

Meanwhile, the petitioners filed on February 16, 2005, their claim of ownership over the standing crops and improvements on the subject lands with the RARAD of Region XI, Ecoland, Davao City.[20] The petitioners averred that the lease contract with AMS already expired in 1995 and thus they automatically became the owners of the standing crops and the improvements constructed on the subject lands. They alleged that pursuant to the lease contract, the only right or option of AMS is to remove the buildings, facilities, equipment, machineries and similar structures and improvements on the leased premises and since AMS failed to exercise such option, the petitioners now own the standing crops and improvements. They denied signing

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[16] Crispin C. Nuñeza, Jr., Sheriff III of the DAR Provincial Office, Tagum City, and Adelaido Caminade, Sheriff III of the DAR Regional Office, Ecoland, Davao City.

[17] *Rollo*, p. 409.

[18] *Id.* at 360-369.

[19] *Id.* at 417-424.

[20] The claims were docketed as DCN LV-XI-1589-DN-05, DCN LV-XI-1590-DN-05, DCN LV-XI-1591-DN-05, DCN LV-XI-1592-DN-05, DCN LV-XI-1593-DN-05; all of which were again assigned to RARAD Sinsona; *id.* at 214-225.

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a MOA and averred that a certain Martha Banaag signed the same without their consent. They prayed that the just compensation for the standing crops and improvements, after a determination made by the LBP, be awarded to them.

In its answer,[21] AMS insisted on the validity of the MOA. It also bolstered its claim of ownership by averring that it registered the crops and improvements on the land in its name for taxation purposes.

In a Consolidated Decision[22] dated October 17, 2005, the RARAD dismissed the petitioners' claim. The ownership of the standing crops and improvements and just compensation therefor were awarded to AMS, on the basis of these findings, *viz:* (1) the improvements were introduced and constructed by AMS; (2) the right to remove the improvements accorded to AMS by the contract of lease is a clear indication that it is the owner thereof; (3) AMS was, in effect, a planter in good faith who must be indemnified for its works pursuant to Article 448 of the Civil Code; and (4) AMS secured tax declarations and paid the corresponding realty taxes for the crops and improvements.

The petitioners sought reconsideration[23] but their motion was denied in the RARAD Resolution dated February 2, 2006.[24]

The petitioners filed a Notice of Appeal[25] with the RARAD expressing their desire to appeal its Consolidated Decision dated October 17, 2005 to the DAR Secretary, but was denied due course in an Order[26] dated March 23, 2006, on the ground of

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[21] *Id.* at 226-239.

[22] *Id.* at 240-247. The decretal portion of the DARAB Decision reads:

WHEREFORE, premises considered, judgment is hereby rendered dismissing these instant cases.

SO ORDERED.

[23] *Id.* at 248-264.

[24] *Id.* at 334.

[25] *Id.* at 277-278.

[26] *Id.* at 285-288.

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wrong venue and absence of a certification on non-forum shopping. In the same Order, the RARAD granted the Motion for Entry of Final and Executory Decision of AMS.

The petitioners moved for reconsideration but their motion was again denied in an Order[27] dated June 8, 2006. Consequently, the Consolidated Decision dated October 17, 2005 was entered in the books of entries of judgment on October 12, 2006.[28]

Unrelenting, the petitioners filed on June 22, 2007, before the RTC of Tagum City, Davao Del Norte, Branch 30, herein Civil Case No. 3867 against AMS for the determination of the rightful owner of the standing crops and improvements planted and/or built on the subject lands.[29]

Resisting the claim of the petitioners, AMS moved for the complaint's dismissal on the following grounds: (a) it is barred by the prior judgment of the DARAB; (b) the petitioners have no cause of action against AMS; (c) the petitioners are guilty of forum-shopping; and (d) not all the petitioners have signed the verification and certification of the complaint.[30]

In the assailed Order dated July 7, 2008, the RTC granted the motion to dismiss. Upholding the contentions of AMS, the RTC found the petitioners guilty of forum-shopping because the subject matter and the parties before it were similarly involved in the proceedings before the DARAB. The RTC also ruled that the petitioners should have appealed the DARAB's findings with the RTC acting as a SAC instead of initiating the herein civil suit.

The petitioners moved for reconsideration but the motion was denied in the assailed Order dated March 23, 2009. From such denial, the petitioners directly interposed the present recourse.

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[27] *Id.* at 274-276.

[28] *Id.* at 289-290.

[29] *Id.* at 16-19.

[30] *Id.* at 16.

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The petitioners argue that no valid prior judgment bars their complaint before the RTC because the DARAB had no jurisdiction over the issue of ownership on the standing crops and improvements on the subject lands and as such, its Decisions dated October 17, 2005 and December 11, 2006 were void. They anchor their contentions in the Court's pronouncement in the similar case of *Land Bank of the Philippines v. AMS Farming Corporation*[31] promulgated on October 15, 2008.

In its Comment,[32] the LBP, through the Office of the Solicitor General (OSG), prayed for the dismissal of the present petition on procedural and substantive grounds, to wit: (a) the petition was filed only on June 16, 2009 or beyond the extension granted by the Court for the filing of the same which expired on June 10, 2009; (b) factual issues, which necessitate a trial, must be initially resolved before the legal issue on ownership of the standing crops and improvements can be determined; and (c) the petitioners violated the rule against forum-shopping when they failed to disclose that proceedings before the DARAB were conducted involving the similar issue of ownership over the standing crops and improvements on the subject lands.

AMS, on the other hand, essentially re-pleads its contentions raised before the RTC and adds that the petition ought to be dismissed since it does not indicate under what rule it was filed and that is not sanctioned by any of the modes of appeal under the Rules of Court, specifically Rules 45 and 65 thereof.[33]

The Ruling of the Court

The procedural issues hoisted by the respondents in entreating the outright dismissal of the petition must be preliminarily resolved.

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[31] G.R. No. 174971, October 15, 2008, 569 SCRA 154.

[32] *Rollo*, pp. 294-317.

[33] *Id.* at 173-197.

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The petition is deemed filed under Rule 45 of the Rules of Court.

The fact that the present petition did not specify the rule by which it was filed does not *ipso facto* merit its outright dismissal. As ruled in *Mendoza v. Villas*,[34] the Court has the discretion to determine whether a petition was filed under Rule 45 or 65 of the Rules of Court in accordance with the liberal spirit permeating the Rules of Court and in the interest of justice.

The Court cannot treat the instant petition as filed under Rule 65 of the Rules of Court as such would breach the principle of hierarchy of courts, which espouses:

> This Court's original jurisdiction to issue writs of *certiorari* is not exclusive. It is shared by this Court with Regional Trial Courts and with the Court of Appeals. **This concurrence of jurisdiction is not, however, to be taken as according to parties seeking any of the writs an absolute, unrestrained freedom of choice of the court to which application therefor will be directed**. There is after all a hierarchy of courts. That hierarchy is determinative of the venue of appeals, and also serves as a general determinant of the appropriate forum for petitions for the extraordinary writs. **A becoming regard for that judicial hierarchy most certainly indicates that petitions for the issuance of extraordinary writs against first level ("inferior") courts should be filed with the Regional Trial Court, and those against the latter, with the Court of Appeals. x x x** This is [an] established policy. It is a policy necessary to prevent inordinate demands upon the Court's time and attention which are better devoted to those matters within its exclusive jurisdiction, and to prevent further over-crowding of the Court's docket.[35] (Emphasis supplied)

While a direct invocation of the Court's power to issue a writ of *certiorari* may be allowed on special and important reasons, none of such instances, however, are obtaining in the petition at hand.

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[34] G.R. No. 187256, February 23, 2011, 644 SCRA 347.

[35] *Id.* at 354.

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Nonetheless, the petition may be considered pursued under Rule 45. Three (3) modes of appeal are available to a party aggrieved by a decision of the RTC rendered in the exercise of its original jurisdiction, to wit: (1) by ordinary appeal or appeal by writ of error under Rule 41 taken to the CA on questions of fact or mixed questions of fact and law; (2) by petition for review under Rule 42 to the CA on questions of fact, of law, or mixed questions of fact and law; and (3) by petition for review on *certiorari* to the Supreme Court under Rule 45 only on questions of law.[36] Clearly, direct recourse to the Court, as in the instant case, is allowed for petitions filed under Rule 45 when only questions of law are raised.

There is a question of law if the issue raised is capable of being resolved without need of reviewing the probative value of the evidence. The issue to be resolved must be limited to determining what the law is on a certain set of facts. [37]

A perusal of the arguments in the petition shows that the only question posed is with respect to the jurisdiction of the DARAB over the determination of ownership of standing crops and improvements introduced by the lessee of an agricultural land placed under CARP coverage. The question is evidently one of law as it invites the examination and interpretation of the provisions of the Comprehensive Agrarian Reform Law (CARL) and that of the Civil Code provisions on lease *vis-à-vis* the lease contract between the petitioners and AMS. It does not require a calibration of any evidence for its resolution.

Considerations of substantial justice override the procedural consequence of the belated filing of the petition.

The petitioners received a copy of the RTC Order dated March 23, 2009 on May 11, 2009, which means that they had

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[36] RULES OF COURT, Rule 41, Section 2(b).

[37] *Dalton v. FGR Realty and Development Corporation*, G.R. No. 172577, January 19, 2011, 640 SCRA 92, 103, citing *Pagsibigan v. People*, G.R. No. 163868, June 4, 2009, 588 SCRA 249, 256.

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fifteen (15) days or until May 26, 2009 to file a petition for review under Rule 45. On May 15, 2009, they requested for an extension of thirty (30) days or until June 10, 2009 within which to file a petition. On June 16, 2009 or six (6) days from the expiration of the extended period, the petitioners lodged the present petition. For such belated filing, LBP proffers that the petition should be dismissed.

Again, the Court takes a liberal stance. Oft-repeated is the rule that being a few days late in the filing of the petition for review does not automatically warrant the dismissal thereof.[38] Moreover, strong considerations of substantial justice manifest in the petition deem it imperative for the Court to relax the stringent application of technical rules in the exercise of its equity jurisdiction.[39] After all, the policy of our judicial system is to encourage full adjudication of the merits of an appeal.[40] A definitive settlement of the ownership over the contested crops and improvements is essential to the effective implementation of the CARL particularly, the payment of just compensation. Such compensation entails an enormous amount of money from the coffers of the government and it is only proper for the Court to ensure that such amount is paid to the rightful owner.

Courts should not be so strict about procedural lapses that do not really impair the proper administration of justice. The higher objective of procedural rule is to insure that the substantive rights of the parties are protected. Litigations should, as much as possible, be decided on the merits and not on technicalities.[41]

The Court will now proceed to discuss the substantial merits of the petition.

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[38] *Alfredo Jaca Montajes v. People of the Philippines,* G.R. No. 183449, March 12, 2012.

[39] *Id.*

[40] *PAGCOR v. Angara,* 511 Phil. 486, 498 (2005).

[41] *Supra* note 31.

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Petitioners did not commit forum-shopping.

Forum-shopping is the "institution of two (2) or more actions or proceedings grounded on the same cause on the supposition that one or the other court would make a favorable disposition" or "the act of a party against whom an adverse judgment has been rendered in one forum, of seeking another (and possibly favorable) opinion in another forum other than by appeal or the special civil action of *certiorari*." The test to determine whether forum-shopping exists is whether the elements of *litis pendencia* are present or where a final judgment in one case will amount to *res judicata* in the other.[42]

Res judicata, on the other hand, means a matter or thing adjudged, judicially acted upon or decided, or settled by judgment. Its requisites are: (1) the former judgment or order must be final; (2) the judgment or order must be one on the merits; (3) it must have been rendered by a court having jurisdiction over the subject matter and parties; and (4) between the first and second actions, there must be identity of parties, subject matter, and causes of action.[43]

The third element of *res judicata* is palpably wanting in this case in view of the Court's pronouncements in *Land Bank*.[44]

In *Land Bank*, the same respondent AMS was the lessee of an agricultural land owned by Totco Credit Corporation (TOTCO). AMS developed a banana plantation on the land and introduced thereon necessary improvements and infrastructures. During the term of the lease, the land was placed under the coverage of the CARP. The valuation for the just compensation of the land awarded to TOTCO included the standing crops and the improvements thereon. The RTC, acting

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[42] *Clark Development Corporation v. Mondragon Leisure and Resorts Corporation*, G.R. No. 150986, March 2, 2007, 517 SCRA 203, 213, citing *Gatmaytan v. CA*, 335 Phil. 155, 167 (1997).

[43] *Id.*

[44] *Supra* note 31.

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as a SAC, found AMS to be the owner of the crops and improvements, hence, entitled to the value thereof.[45]

The Court held, however, that AMS had no right to just compensation under the CARL for the standing crops and improvements it introduced as a lessee on the agricultural land of TOTCO. It cannot claim just compensation from the LBP; instead, its remedy is to go after the lessor, TOTCO, pursuant to their lease contract being a lessee deprived of the peaceful and adequate enjoyment of the land during the lease period. The recourse of AMS was the Civil Code provisions on lease and not the provisions of the CARL. As a mere lessee and not an owner of the sequestered agricultural land, AMS had no right under the CARL to demand for just compensation for its standing crops and improvements from the LBP. Its rights as a lessee are totally independent of and unaffected by any judgment rendered in an agrarian case.[46]

The Court further explained that the CARL does not contain any *proviso* recognizing the rights of a lessee of a private agricultural land to just compensation for the crops it planted and improvements it built. Just compensation for the produce and infrastructure of a private agricultural land logically belongs to the landowner since the former are part and parcel of the latter, *viz*:

> [E]ven after an exhaustive scrutiny of the CARL, the Court could not find a provision therein on the right of a lessee of a private agricultural land to just compensation for the crops it planted and improvements it built thereon, which could be recognized separately and distinctly from the right of the landowner to just compensation for his land. The standing crops and improvements are valued simply because they are appurtenant to the land, and must necessarily be included in the final determination of the just compensation for the land to be paid to the landowner. Standing crops and improvements, if they do not come with the land, are totally inconsequential for CARP purposes.
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> x x x x x x x x x

[45] *Id.* at 159-171.

[46] *Id.* at 188-193.

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> x x x [T]he CARL does not specially govern lease contracts of private agricultural lands. So that for the determination of the rights of AMS as a lessee in a lease contract terminated by the sale of the leased property to a third person (regardless of the fact that the third person was the Republic and the sale was made pursuant to the CARP), the Court resorts to the general provisions of the Civil Code on lease contracts; and not the CARL.[47]

The foregoing doctrines may be applied in interpreting the legal efficacy of the declarations made by the DARAB in its Consolidated Decisions dated October 17, 2005 and December 11, 2006 notwithstanding that the same were decreed two (2) to three (3) years before *Land Bank*.

Judicial decisions, as part of the law they interpret, are covered by the rule on the prospective application of statutes. Retroactivity is, however, permissible if the decision neither: (1) overrules a previous doctrine; (2) adopts a different view; or (3) reverses an old construction,[48] none of which characterize the pronouncement in *Land Bank*.

The DARAB, therefore, has no jurisdiction to pass upon the issue of ownership over standing crops and improvements between a landowner and a lessee. This is the clear import of the above-stated doctrines declaring that the right of a lessor and lessee over the improvements introduced by the latter is not an agrarian dispute within the meaning of the CARL. Consequently, there is no doubt that the DARAB cannot adjudicate the ownership over standing crops and improvements installed by AMS in the subject agricultural parcels of land and as such, the DARAB Consolidated Decisions dated October 17, 2005 and December 11, 2006 cannot serve as *res judicata* to Civil Case No. 3867 filed by the petitioners with the RTC.

Further, the subject DARAB decisions are not final determinations of the valuation made on the just compensation for the raw lands and the standing crops and improvements thereon as **these are only preliminary in nature**. Settled is the rule

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[47] *Id.* at 188-189.

[48] *Columbia Pictures, Inc. v. CA*, 329 Phil. 875 (1996).

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that only the RTC, sitting as a SAC, could make the final determination of just compensation.[49] Moreover, it must be stressed that just compensation for the crops and improvements is inseparable from the valuation of the raw lands as the former are part and parcel of the latter. Even if separately valued, these must be awarded to the landowner irrespective of the nature of ownership of the said crops and installations. Any valuation made by the DARAB is limited only to that — a mere valuation. The tribunal is not concerned with the nature of the ownership of the crops and improvements.

In fine, the RTC erred in dismissing the complaint filed by the petitioners on the ground of forum-shopping. The case must be remanded to the RTC for the reception of the parties' respective evidence on the issue of ownership of the crops and improvements on the subject lands. The rights of AMS and the petitioners under their lease contract are beyond the ambit of the adjudicatory powers of the DARAB. Since the lease contract is governed by the Civil Code provisions on lease, it is the RTC, as a court of general jurisdiction that can resolve with finality the rights of a lessor and a lessee over the improvements built by the latter.

WHEREFORE, premises considered, the petition is **GRANTED.** The Orders dated July 7, 2008 and March 23, 2009 of the Regional Trial Court, Tagum City, Davao Del Norte, Branch 30 in Civil Case No. 3867 are hereby **ANNULLED** and **SET ASIDE.** Let the case be **REMANDED** to the said court for further proceedings.

SO ORDERED.

Sereno, C.J. (Chairperson), Leonardo-de Castro, Bersamin, and *Villarama, Jr., JJ.,* concur.

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[49] *Heirs of Lorenzo and Carmen Vidad v. Land Bank of the Philippines,* G.R. No. 166461, April 30, 2010, 619 SCRA 609, 629.