

## FIRST DIVISION

[ G.R. No. 191479, September 21, 2015 ]

**JESUS VELASQUEZ, PETITIONER, VS. SPOUSES PATERNO C. CRUZ AND ROSARIO CRUZ, RESPONDENTS.**

### D E C I S I O N

**PEREZ, J.:**

Before us is a Petition for Review of the Decision<sup>[1]</sup> dated 12 August 2009 and Resolution<sup>[2]</sup> dated 24 February 2010 of the Court of Appeals in CA G.R. SP No. 105140 which ordered the Regional Trial Court (RTC) of Malolos City, Branch 79 to assume jurisdiction over the complaint in Civil Case No. 264-M-2007 for recovery of possession with damages.

The facts are as follows:

Respondents Spouses Paterno and Rosario Cruz are the registered owners of a parcel of land situated at *Barangay Sta. Monica* in Hagonoy, Bulacan with an area of four hectares, more or less, and covered by Tax Declaration No. 020-10-022-11-027. On 7 May 2007, respondents filed a Complaint for Recovery of Possession with Accounting and Damages against petitioner Jesus Velasquez. Respondents alleged in their Complaint that petitioner's father-in-law, Bernabe Navarro (Navarro) was a tenant in said lot until 6 April 1985 when the latter relinquished his tenancy rights by virtue of a *Sinumpaang Salaysay*; that no other person was installed as tenant of the farmland; that they discovered that petitioner entered the farmland without their knowledge and consent; that from 1985 up to the time of the filing of the complaint, petitioner never paid a single centavo as rent for the use of the land; and that they leased the farmland to a certain Godofredo Tosco in 1995 but petitioner refused to vacate the property. Respondents prayed for the surrender of possession of the property to them and for accounting and damages.<sup>[3]</sup>

In his Answer with Motion to Dismiss,, petitioner contended that, jurisdiction pertains to the Department of Agrarian Reform Adjudication Board (DARAB) because in the instant controversy is an agrarian dispute. Petitioner asserted that he was assisting Navarro in tilling the land since 1975. He claimed that he continued working on the land after the death of Navarro. Petitioner defended his non-payment of rentals due to the fact that the subject land has lost its suitability for agricultural production, thus, his non-payment is not a ground for dispossession. As a further justification to the non-payment of rentals, petitioner emphasized that since the implementation of the Operation Land Transfer, he is deemed to be the owner of the subject land and respondents had no more right to demand rentals. Petitioner claimed that he was identified as a farmer-beneficiary and has since been paying amortizations to Land Bank of the Philippines (LBP).<sup>[4]</sup>

On 15 April 2008, the RTC issued an Order<sup>[5]</sup> dismissing the case for want of jurisdiction. On 27 June 2008, the trial court denied the motion for reconsideration filed by respondents for violation of the three-day notice rule.<sup>[6]</sup>

Respondents filed a Petition for *Certiorari* before the Court of Appeals arguing that the elements of tenancy, which would vest jurisdiction on the DARAB, were not sufficiently established. Respondents also assailed the denial of their motion for reconsideration for violation of the three-day notice rule. Respondents explained that the motion for reconsideration was served on 5 May 2008 and the hearing was set on 9 May 2008. Respondents averred that they had no intention to violate the said rule because they were of the belief that the motion for reconsideration would be received by respondents' counsel on the following day, 6 May 2008.<sup>[7]</sup>

During the pendency of the petition before the appellate court, petitioner became the registered owner of the subject land under Original Certificate of Title No. EP-992-C.<sup>[8]</sup>

Before petitioner could inform the appellate court of this significant development, the Court of Appeals, on 12 August 2009, found merit in respondents' petition. The dispositive portion of the Court of Appeals' Decision reads:

**WHEREFORE**, the petition is **GRANTED**. The April 15, 2008 Order of the Regional Trial Court, Malolos City, Branch 79, is hereby **REVERSED** and **SET ASIDE**. The Regional Trial Court is hereby ordered to assume jurisdiction over the case and act on it with dispatch.<sup>[9]</sup>

The appellate court ruled that petitioner failed to establish tenancy relationship between the parties. According to the appellate court, the elements of consent and sharing of harvest are lacking. Moreover, petitioner was held as unqualified to be a successor-tenant by virtue of hereditary succession because he is not among those listed under Section 9 of Republic Act (R.A.) No. 3844, he being only a relative by affinity.

In his motion for reconsideration, petitioner claimed absolute ownership over the disputed land by virtue of the issuance of an emancipation patent in his favor and the corresponding registration of the same With the Register of Deeds of Bulacan on 19 September 2008. Resultantly, petitioner argued that the issue of tenancy is now immaterial and any and all matters relating to the identification, qualification or disqualification of petitioner as a farmer-beneficiary, as well as the validity of his emancipation patent are in the nature of an agrarian dispute, hence, beyond the jurisdiction of the trial court.

On 24 February 2010, the Court of Appeals denied the motion for reconsideration for lack of merit.<sup>[10]</sup>

Aggrieved, petitioner file d the instant Petition for Review on *Certiorari* contending that the award of an emancipation patent in the name of petitioner is the best proof that Department of Agrarian Reform (DAR) has identified him as the bonafide successor of his deceased father-in-law, Navarro. Petitioner adds that by becoming the farmer-beneficiary and registered owner of the subject lot, the issue of the existence or non-existence of tenancy relationship between the parties has become

moot and academic. Petitioner maintains that since Original Certificate of Title No. EP-992-C was issued pursuant to Presidential Decree (P.D.) No. 27 and Operation Land Transfer, any and all actions pertaining to the right and obligation of petitioner in connection thereto is vested in DARAB which has primary and exclusive original and appellate jurisdiction. Similarly, any and all matters relating to the identification, qualification or disqualification of petitioner as a farmer-beneficiary over the subject land and the validity of his emancipation patent over the same land are in the nature of an agrarian dispute beyond the jurisdiction of the RTC. Lastly, petitioner asserts that respondents had clearly recognized the authority of the DAR to take cognizance of the dispute between the parties when they had previously submitted the matter involved herein with the various DAR offices.

Respondents counter that not all the elements of agricultural tenancy are present in this case. Petitioner could not have succeeded Navarro as tenant of respondents because he is not among those listed under Section 9 of R.A. No. 3844. Respondents cite the Court of Appeals observation that it has not come across any official document from the DAR expressly identifying petitioner as Navarro's successor. Respondents insist that a tenancy relationship cannot be presumed.

The core of this dispute is the question of whom between the DARAB and the RTC, has jurisdiction over the case.

Section 50 of R.A. No. 6657 provides:

Section 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).

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Rule II, Section 1(1.1) of the DARAB 2003 Rules of Procedure:

## **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:

1.1 The rights and obligations of persons, whether natural or juridical, engaged in the management, cultivation, and use of all agricultural lands covered by Republic Act (RA) No. 6657, otherwise known as the Comprehensive Agrarian Reform Law (CARL), and other related agrarian laws;

Based on the above-cited rules, only DARAB can adjudicate an agrarian dispute.

Section 3(d) of R.A. No. 6657 defines an agrarian dispute in this wise:

x x x x

(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 R.A. 6657 and other terms and conditions of transfer of ownership from landowners to farmworkers, tenants and other agrarian reform beneficiaries, whether the disputants stand in the proximate relation of farm operator and beneficiary, landowner and tenant, or lessor and lessee.

For DARAB to have jurisdiction over the case, there must be tenancy relationship between the parties.

Tenancy relationship is a juridical tie which arises between a landowner and a tenant once they agree, expressly or impliedly, to undertake jointly the cultivation of a land belonging to the landowner, as a result of which relationship the tenant acquires the right to continue working on and cultivating the land. The existence of a tenancy relationship cannot be presumed and allegations that one is a tenant do not automatically give rise to security of tenure.<sup>[11]</sup>

In order for a tenancy agreement to arise, it is essential to establish all its indispensable elements, viz.: (1) the parties are the landowner and the tenant or agricultural lessee; (2) the subject matter of the relationship is an agricultural land; (3) there is consent between the parties to the relationship; (4) the purpose of the relationship is to bring about agricultural production; (5) there is personal cultivation on the part of the tenant or agricultural lessee; and (6) the harvest is shared between the landowner and the tenant or agricultural lessee. All these requisites are necessary to create a tenancy relationship, and the absence of one or more requisites will not make the alleged tenant a *de facto* tenant.<sup>[12]</sup>

The Court of Appeals anchored its ruling on the absence of the consent and sharing of harvests as indispensable elements of a tenancy relationship. We agree with the appellate court's disquisition. The appellate court held in this wise:

It appears that the element of consent and sharing of harvests are clearly lacking. [Petitioner] merely alleged that he was verbally asked by all the heirs of Guillerma Coronel to continue working on the land. The fact that [petitioner] was allowed to stay on the property does not mean that [respondents] impliedly recognized the existence of a leasehold relation with [petitioner]. Occupancy and continued possession of the land will not ipso facto make one a *de jure* tenant.

x x x x

In this case, [petitioner] could not present any evidence showing that [respondents] had recognized him as tenant. The other pieces of

evidence submitted by the [petitioner] do not prove the alleged tenancy relationship as the certifications he presented could only show that he is the actual occupant of the land, a fact recognized by the [respondents] and the reason why they instituted an action for recovery of possession. Being an actual occupant of the land is definitely different from being a tenant thereof.

More importantly, [petitioner] was not able to show that he shared his harvests, not even once, with the [respondents]. He just reasoned out that he was not able to remit his dues because the land became unproductive due to the intrusion of saline waters. No explanation was offered to show that he exerted efforts to make the land productive for agricultural production. Instead, he took the opportunity to release bangus fingerlings but without giving any share of this income to the [respondents].<sup>[13]</sup>

According to the Court of Appeals, petitioner's claim that he succeeded Navarro as tenant is questionable. Section 9 of RA 3844 provides an exclusive enumeration of those who are qualified to succeed to the leasehold rights of a deceased or incapacitated tenant, to wit:

*Section 9. Agricultural Leasehold Relation Not Extinguished by Death or Incapacity of the Parties.* - In case of death or permanent incapacity of the agricultural lessee to work his landholding, the leasehold shall continue between the agricultural lessor and the person who can cultivate the landholding personally, chosen by the agricultural lessor within one month from such death or permanent incapacity, from among the following: (a) the surviving spouse; (b) the eldest direct descendant by consanguinity; or (c) the next eldest descendant or descendants in the order of their age: Provided, That in case the death or permanent incapacity of the agricultural lessee occurs during the agricultural year, such choice shall be exercised at the end of that agricultural year: Provided, further, That in the event the agricultural lessor fails to exercise his choice within the periods herein provided, the priority shall be in accordance with the order herein established.

In case of death or permanent incapacity of the agricultural lessor, the leasehold shall bind his legal heirs.

Petitioner, a relative by affinity of Navarro, is, to the Court of Appeals, not qualified to succeed as tenant.

The Court of Appeals cited additional reasons, based on standing rulings and administrative issuances, which support petitioner's disqualification as successor of the deceased tenant, thus:

Neither can this Court recognize him as the bona fide successor of Navarro's Certificate of Land Transfer (CLT) award under P.D. 27. The ruling in the case of *Tumol vs. Esguerra*, G.R. No. 150646, July 15, 2005, is instructive:

Pursuant to the provisions of the Presidential Decree No. 27, and the Policy of the Government laid down in the Code of