

SECOND DIVISION

[G.R. No. 177374, July 02, 2014]

MARIANO JOSE, FELICISIMO JOSE, DECEASED, SUBSTITUTED BY HIS CHILDREN MARIANO JOSE, CAMILO JOSE, TIBURCIA JOSE, FERMINA JOSE, AND VICTORIA JOSE, PETITIONERS, VS. ERNESTO M. NOVIDA, RODOLFO PALAYLAY, JR., ALEX M. BELARMINO, RODRIGO LIBED, LEONARDO L. LIBED, BERNARDO B. BELARMINO, BENJAMIN G. ACOSTA, MODESTO A. ORLANDA, WARLITO B. MEJIA, MAMERTO B. BELARMINO, MARCELO O. DELFIN AND HEIRS OF LUCINO A. ESTEBAN, REPRESENTED BY CRESENCIA M. VDA. DE ESTEBAN, RESPONDENTS.

D E C I S I O N

DEL CASTILLO, J.:

This Petition for Review on *Certiorari*^[1] assails the September 25, 2006 Decision^[2] and March 16, 2007 Resolution^[3] of the Court of Appeals (CA) in CA-G.R. SP No. 48681, which affirmed the June 20, 1997 Decision^[4] and June 24, 1998 Resolution^[5] of the Department of Agrarian Reform Adjudication Board (DARAB), Quezon City in DARAB Case No. 1429.

Factual Antecedents

In 1990, herein respondents Ernesto M. Novida, Rodolfo Palaylay, Jr., Alex M. Belarmino, Rodrigo Libed, Leonardo L. Libed, Bernardo B. Belarmino, Benjamin G. Acosta, Modesto A. Orlanda, Warlito B. Mejia, Mamerto B. Belarmino and Marcelo O. Delfin, together with Cristina M. Esteban, were each granted – as farmer-beneficiaries – Emancipation Patents (EPs) and Certificates of Title^[6] (covering one hectare each) over a parcel of land which formed part of a 16.4142-hectare agricultural land (subject property) in San Vicente, Alcala, Pangasinan which was placed within the coverage of Operation Land Transfer.^[7]

On January 4, 1991, petitioners Mariano, Camilo, Victoria, Tiburcia and Fermina, as well as Josefina and Anecita – all surnamed Jose – filed with the Region I Office of the Department of Agrarian Reform (DAR) at San Fernando, La Union (DAR Region I) a Petition for Reinvestigation and Cancellation of Anomalously Prepared and Generated Emancipation Patents^[8] against the respondents, claiming that they are the *bona fide* and actual tenant-tillers of the subject property; that they were issued Certificates of Land Transfer (CLTs) to the same; that they are actually in possession of the same; and that the EPs issued to respondents were anomalous. They prayed that the respondents' EPs be cancelled; that new EPs be issued to them; and that an investigation be conducted on the circumstances surrounding the issuance of respondents' EPs, and the guilty parties prosecuted.

On January 30, 1991, the DAR Region I Director issued an Order^[9] relative to the petitioners' petition for reinvestigation and cancellation of EPs – which was not docketed or assigned a case number – which held thus:

WHEREFORE, premises considered and by virtue of the powers vested in me under DAR Memorandum Circular 5-87 ORDER is hereby rendered as follows:

1. That herein petitioners have better right as beneficiaries of the 16 hectares in question to the exclusion of the respondents due to the defective installation as beneficiaries;
2. That Emancipation Patents be generated in favor of the herein petitioners;
3. That [inasmuch] as payments on the land in question were already made by the respondents who are not qualified to become beneficiaries of the estate, the complainants are hereby ordered to pay the said amount to the Administrator who shall likewise reimburse the same to the respondents, as suggested by MARO Constancio Castillo to settle the problem at bar; and
4. That the PARO of Pangasinan or his duly authorized representative is directed to implement this ORDER and if necessary with the help of the PNP of the Municipality of Alcala, Pangasinan.

SO ORDERED.^[10]

On December 17, 1991, respondents filed a Complaint^[11] for recovery of possession, accounting, liquidation and damages with injunctive relief against petitioners Mariano and Felicisimo Jose (Felicisimo), and Virgilio Jose (Virgilio). The case was docketed in the Region I Office of the DARAB in Urdaneta, Pangasinan (DARAB Urdaneta) as Case No. 01-465-EP'91.^[12] Respondents alleged that Felicisimo was the original tenant of the subject property; that Felicisimo obtained loans from one Benigno Siobal (Siobal) and one Rogelio Cerezo (Cerezo), which were secured by a mortgage over the subject property; that Felicisimo did not redeem the subject property from Siobal and Cerezo, but instead abandoned the same when he migrated to the United States of America (U.S.A.) and became a naturalized citizen thereof; that with the sanction of the DAR, the owners of the subject property subdivided the land and sold portions thereof to respondents; and that on or about May 10, 1990, after Felicisimo returned from the U.S.A., he and the other petitioners ousted respondents from the subject property, using force, stealth, threats and intimidation. Respondents prayed that they be placed in peaceful possession, cultivation and enjoyment of the land; that petitioners be declared as usurpers and without right to the land; that an accounting be made of all lost harvests; that injunctive relief be granted in order that petitioners shall desist from further disturbing respondents' peaceful possession, cultivation and enjoyment of the land; that petitioners be made to pay actual, moral and exemplary damages in the amount of at least P180,000.00, P25,000.00 litigation expenses, P50,000.00 attorney's fees, and costs of suit.

In their Answer with Counterclaim,^[13] petitioners alleged that in addition to Felicísimo, Mariano, and Virgilio, the subject property was being cultivated by their siblings Tiburcia, Fermina, Victoria, and Josefina, and their mother Aniceta Jose; that Felicísimo indeed mortgaged the subject property in 1981 to secure a loan of P10,000.00, which was settled by letting the lender Siobal take exclusive possession of the land, cultivating the same and keeping the harvests; that Siobal cultivated the subject property up to 1987, after which petitioners Camilo, Virgilio, Mariano, and the other siblings took over; that when Felicísimo returned from the U.S.A. in 1990, Siobal attempted to negotiate another agreement with him, but this time he refused; that petitioners – and not the respondents – are the owner-beneficiaries of the subject property; that respondents have never been in possession of the land; and that the case should be dismissed. By way of counterclaim, petitioners sought to be awarded P100,000.00 actual damages, P20,000.00 exemplary damages, P15,000.00 attorney's fees, and P20,000.00 litigation expenses.

On July 13, 1992, the DARAB Urdaneta issued a Decision^[14] in Case No. 01-465-EP'91, which held thus:

The evidence on record revealed that respondent Felicísimo E. Jose was the former tenant-lessee of the 16.4142 hectares in question; that on August 13, 1981, respondent Felicísimo E. Jose and his wife Anecita Bautista mortgaged to Benigno Siobal x x x one-half (1/2) of their real estate with an area of 82,579 square meters in the amount of Ten Thousand (P10,000.00) Pesos; that immediately after the execution of the mortgage contract, respondent Felicísimo Jose, who was then the tenant over the same parcel of land of approximately eight (8) hectares more or less delivered actual physical possession to Benigno Siobal and the other half portion or eight (8) hectares plus to one Rogelio Cerezo; that the landholding in question was formerly owned by the Galvan-Cabrera Estate which was covered by Operation Land Transfer (OLT) pursuant to the provisions of P.D. No. 27; that Emancipation Patents were already issued to the complainants.

The evidence on record clearly disclosed that the former tenant-lessee, the respondent Felicísimo Jose delivered actual physical possession of the landholding in question on August 13, 1981. From that date he lost his security of tenure as tenant and that his tenancy relationship was terminated.

The act of Felicísimo E. Jose in giving up his possession and cultivation of the landholding in question and his going abroad in 1981 is a clear case of abandonment, as enunciated in the case of "Mateo Balanay, et al., vs. Sergio Rafael, CA G.R. No. SP-01746 CAR, August 2, 1976". Acceptance of new employment is an abandonment, how much more [in] this instant case when the tenant-lessee went abroad.

WHEREFORE, premises considered, judgment is hereby rendered as follows to wit:

1. DECLARING the complainants the tenant-beneficiaries of the land in question;

2. DECLARING the respondents [to have] no right whatsoever [to] the landholding in question;
3. ORDERING the respondents to desist from disturbing the possession and cultivation of the complainants.
4. All other claims of the parties are hereby denied for lack of evidence.

SO ORDERED.^[15]

Meanwhile, on August 22, 1995, the DAR Secretary issued an Order^[16] affirming the January 30, 1991 Order of the DAR Region I Director in the petition for reinvestigation and cancellation of EPs filed by petitioners against the respondents. The Order reads in part:

The issue to be resolved is who are the qualified beneficiaries over the subject landholdings.

Mariano Jose, et al. (petitioners) are the qualified beneficiaries of the subject landholdings considering that CLT's were already issued to them which is a recognition to the grantees as the [parties] qualified to avail of the statutory mechanism for the acquisition of ownership of the land tilled by them as provided under Presidential Decree No. 27. Moreover, the Agreement entered into by Felicisimo Jose and Benigno Siobal wherein the subject landholdings were used to answer the amount loaned by their father is considered as illegal transaction therefore null and void (Memo Circular No. 7, Series of 1979).

As to the allegation of denial of due process, we find the same unmeritorious. Respondents' subsequent Motion for Reconsideration has the effect of curing whatever irregularity might have been committed in the proceeding below x x x.

WHEREFORE, premises considered, this Order is hereby issued denying the instant appeal for lack of merit and the Order issued by the Regional Director is hereby affirmed.

SO ORDERED.^[17]

However, on respondents' motion for reconsideration, the DAR Secretary issued another Order^[18] on June 5, 1996 which declared thus:

It appears that DARAB Case No. 01-465-EP'92 entitled Ernesto M. Novida, et al., vs. Mariano Jose, et al., for Peaceful Possession and Damages involving the same parties and same cause of action as in the case herein is pending appeal before the DARAB Central Office.

Likewise, records show that Emancipation Patents Nos. 550853, 550854, 550855, 550849, 550851, 550848, 550852 and 550856 were already awarded to Respondents herein. The jurisdiction to cancel the same is not with this Office but with the DARAB x x x.

WHEREFORE, premises considered, Order is hereby issued remanding the case to the DAR Adjudication Board for its proper disposition in the light of DARAB Case No. 01-465-EP'92 pending before it.

SO ORDERED.^[19]

The DARAB Quezon City Decision

Meanwhile, failing to obtain a reconsideration of the DARAB Urdaneta's July 13, 1992 decision in Case No. 01-465-EP'91, petitioners interposed an appeal with the DARAB Quezon City. Docketed as DARAB Case No. 1429, the appeal was premised on the arguments that the DARAB Urdaneta erred in taking cognizance of the case, which is under the exclusive jurisdiction of the Secretary of Agrarian Reform as the subject property was covered by the Comprehensive Agrarian Reform Program (CARP); and that there is another case between the parties – for cancellation of anomalously prepared/generated Emancipation Patents – pending in the Office of the DAR Secretary.

On June 20, 1997, the DARAB Quezon City issued its Decision affirming *in toto* the July 13, 1992 decision of the DARAB Urdaneta. It held –

Based on the facts of the case and evidences adduced, Felicisimo Jose was the former legitimate agricultural lessee of the Galvan-Cabrera estate. However, on August 13, 1981, he and his spouse mortgaged one-half of the said property with an area of 82,579 square meters to secure a loan of P10,000 from a certain Benigno Siobal and Rogelio Orezo^[20] by delivering the physical possession thereof to the mortgagees. Subsequently, respondent-appellant (Felicisimo Jose) left for abroad to acquire his citizenship by naturalization in the United States of America.

Sometime in 1985, the subject landholding was subdivided into sixteen (16) farm lots and the complainants-appellees^[21] were installed by the mortgagee Benigno Siobal. Their possession and cultivation were duly sanctioned by the landowner and DAR Team Leader of Alcala, Pangasinan. They paid the rentals and later on the amortization payments to the subject landholding.

On January 6, 1991, their peaceful enjoyment and cultivation of their respective landholdings was interrupted upon the unlawful dispossession, through force and intimidation by the defendants-appellants,^[22] who forcibly took over by destroying the corn plants by hiring two (2) tractor operators despite the issuance of the tenant-farmers' Emancipation Patents. Complainants-appellees were compelled to file a criminal case of malicious mischief x x x in addition to this instant agrarian case.

x x x x

We are not convinced by the arguments of the respondents-appellants.

There is an overwhelming evidence indicating that Felicisimo Jose caused the execution of a Deed of Mortgage, for and in consideration of Ten Thousand (P10,000) Pesos, using the subject landholding as security to