

## SECOND DIVISION

[ G.R. No. 180013, January 31, 2011 ]

**DEL MONTE PHILIPPINES INC. EMPLOYEES AGRARIAN REFORM  
BENEFICIARIES COOPERATIVE (DEARBC), PETITIONER, VS.  
JESUS SANGUNAY AND SONNY LABUNOS, RESPONDENTS.**

### D E C I S I O N

**MENDOZA, J.:**

This is a petition for review on certiorari<sup>[1]</sup> assailing the Resolutions<sup>[2]</sup> of the Court of Appeals (CA) in CA-G.R. SP No. 01715, which dismissed the petition filed by Del Monte Philippines Inc. Employees Agrarian Reform Beneficiaries Cooperative (DEARBC), challenging the May 12, 2006 Decision<sup>[3]</sup> of the Central Office of the Department of Agrarian Reform Adjudication Board (DARAB). For lack of jurisdiction, the DARAB reversed and set aside the ruling of the DARAB Regional Adjudicator (*Adjudicator*) who ordered the respondents to peacefully vacate certain portions of the subject landholding.<sup>[4]</sup>

The Court is now urged to rule on the issue of jurisdiction of regular courts over petitions for recovery of possession *vis-à-vis* the original, primary and exclusive jurisdiction of the Department of Agrarian Reform (DAR) and the DARAB over agrarian disputes and/or agrarian reform implementation as provided for under Section 50 of Republic Act No. 6657 (R.A. 6657).

#### **The Facts**

The property subject of this case is a portion of an entire landholding located in Sankan, Manolo Fortich, Bukidnon, with an area of 1,861,922 square meters, more or less, covered by Original Certificate of Title No. AO-3 [Certificate of Land Ownership Award (CLOA)].<sup>[5]</sup> The said landholding was awarded to DEARBC, an agrarian cooperative and beneficiary under the Comprehensive Agrarian Reform Program (CARP). Subsequently, DEARBC leased a substantial portion of the land to Del Monte Philippines, Inc. (DMPI) under Section 8 of R.A. No. 6657 through a Grower's Contract dated February 21, 1989.

On July 7, 1998, DEARBC filed a complaint for Recovery of Possession and Specific Performance with Damages<sup>[6]</sup> with the DARAB Region 10 Office against several respondents, among whom were Jesus Sangunay (*Sangunay*) and Sonny Labunos (*Labunos*).

Essentially, DEARBC claimed that both Sangunay and Labunos illegally entered portions of its property called "Field 34." Sangunay utilized approximately one and a half (1 ½) hectare portion<sup>[7]</sup> where he planted corn, built a house and resided from 1986 to the present. Labunos, on the other hand, tilled an area of approximately

eight (8) hectares where he planted fruit trees, gmelina, mahogany and other crops as a source of his livelihood.<sup>[8]</sup> Both respondents refused to return the parcels of land notwithstanding a demand to vacate them. This illegal occupation resulted in the deprivation of the proper and reasonable use of the land and damages.

On December 11, 1990, the Adjudicator ruled in favor of DEARBC on the ground that the respondents failed to present proof of ownership over the subject portions of the landholding. According to the Adjudicator, their bare allegation of possession, even prior to the award of the land to DEARBC, did not suffice as proof of ownership. Thus:

In the series of hearing conducted by this Adjudicator and in the position papers submitted by some of the defendants, none of them was able to present proof, either documentary or otherwise, that they owned the areas they respectively occupied and cultivate[d], or that their occupation and cultivation was with the consent and authority of the complainant.

X x x against all reasons, the fact remains that their occupation and cultivation thereof, granting it is true, have not been validated by the DAR and they were not among the identified FB's over the said subject landholding.<sup>[9]</sup>

Aggrieved, respondents elevated the case to the DARAB Central Office before which Sangunay filed his position paper. He claimed that the subject property was located along the Maninit River and was an accrual deposit. He inherited the land from his father in 1948 and had since been in open, public, adverse, peaceful, actual, physical, and continuous possession thereof in the concept of an owner. He cultivated and lived on the land with the knowledge of DEARBC. Sangunay presented Tax Declaration No. 15-018 and Real Property Historical Ownership issued by the Municipal Assessor of Manolo Fortrich, showing that he had declared the property for taxation purposes long before DEARBC acquired it. In sum, Sangunay asserted that, as a qualified farmer-beneficiary, he was entitled to security of tenure under the agrarian reform law and, at any rate, he had already acquired the land by prescription.

For his part, Labunos reiterated the above arguments and added that the subject portion of the landholding was previously owned by one Genis Valdenueza who sold it to his father, Filoteo, as early as 1950. Like Sangunay, he asserted rights of retention and ownership by prescription because he had been in open, public, adverse, peaceful, actual, physical, and continuous possession of the landholding in the concept of an owner.<sup>[10]</sup>

In its May 12, 2006 Decision,<sup>[11]</sup> the DARAB dismissed the case for lack of jurisdiction. It ruled that the issue of ownership of the subject land classifies the controversy as a regular case falling within the jurisdiction of regular courts and not as an agrarian dispute.<sup>[12]</sup> Thus:

X x x the plaintiff-appellee's cause of action is for the recovery of possession and specific performance with damages with respect to the subject landholding. Such cause of action flows from the plaintiff-appellee's contention that it owns the subject landholding. On the other hand, defendant-appellants refuted and assailed such ownership as to their respective landholdings. Thus, the only question in this case is who owns the said landholdings. Without doubt, the said question classified the instant controversy to a regular case. At this premise, We hold that the only issue to be resolved by this Board is whether or not the instant case presents an agrarian dispute and is therefore well within Our jurisdiction.

x x x

In the case at bar, petitioner-appellants wanted to recover x x the subject landholding on the premise of ownership xxx. Defendants-appellants assail such allegations saying that the landholdings are accrual deposits and maintaining their open, peaceful and adverse possession over the same. Indubitably, there assertions and issues classify the present controversy as a regular case. As such, clearly, this Board has no jurisdiction to rule upon the instant case. Obviously, the dispute between the parties does not relate to any tenurial arrangement. Thus, this Board has no jurisdiction over the same.

DEARBC challenged the DARAB Decision in the CA through a petition for review filed under Rule 43 of the Rules of Civil Procedure. In its Resolution dated June 27, 2007, <sup>[13]</sup> the CA dismissed the petition for procedural infirmities in its verification, certification and attachments, *viz*:

1) The Verification and Certification is defective due to the following reasons:

a) There is no assurance that the allegations in the petition are based on personal knowledge and in authentic records, in violation of Section 4 par. (2), Rule 7 of the Revised Rules of Civil Procedure;

b) The Community Tax Certificate Nos. of the affiant therein are not indicated;

c) The affiant is not authorized to sign the same for and in behalf of the petitioner cooperative;

2) The attached copies of the Motion for Reconsideration filed before the DARAB Quezon City and the Complaint filed before the DAR, Region XD, and the Decision and Resolution rendered therein are mere plain photocopies, in violation of Sec. 6 par. (c), Rule 43, *supra*.

In a motion for reconsideration, DEARBC invoked substantial compliance with the pertinent procedural rules, pointing to the attached Secretary's Certificate as

sufficient proof of authority given to the President and Chairman of the Board, Dennis Hojas (*Hojas*), to represent DEARBC. On August 24, 2007,<sup>[14]</sup> the CA denied the motion because DEARBC failed to attach a copy of the board resolution showing Hojas' authority to file the petition. This was a fatal error that warranted dismissal of the petition, according to the appellate court.

Hence, this petition for review.

With regard to the dismissal of the case by the CA on technical grounds, the Court is of the view that it was correct. DEARBC clearly failed to comply with the rules which mistake was a fatal error warranting the dismissal of the petition for review. However, it has been the constant ruling of this Court that every party-litigant should be afforded the amplest opportunity for the proper and just disposition of his cause, free from constraints of technicalities.<sup>[15]</sup> Rules of procedure are mere tools designed to expedite the resolution of cases and other matters pending in court. A strict and rigid application of the rules that would result in technicalities that tend to frustrate rather than promote justice must be avoided.<sup>[16]</sup> Thus, the Court opts to brush aside the procedural flaw and resolve the core issue of jurisdiction as it has been discussed by the parties anyway.

### **Position of the Parties**

DEARBC claims that the action it filed for recovery of possession falls within the jurisdiction of the DARAB because it partakes of either a boundary dispute, a correction of a CLOA or an ouster of an interloper or intruder found under Section 1 of Rule 11 of the 2003 DARAB Rules of Procedure<sup>[17]</sup> and Administrative Order 03 Series of 2003.<sup>[18]</sup> Under those rules, any conflict involving agricultural lands and the rights of beneficiaries is within the jurisdiction of the DARAB.

In his Comment,<sup>[19]</sup> Labunos argues that only questions of law may be resolved in appeals under Rule 45 and that it is the decision of the CA which must be challenged and not the DARAB decision. On the merits, he cites cases where this Court ruled that the jurisdiction of the DARAB is limited only to agrarian disputes and other matters relating to the implementation of the CARP. The subject land has not been transferred, distributed and/or sold to tenants, and it is obvious that the complaint is not for the correction of a title but for the recovery of possession and specific performance. Issues of possession may be dealt with by the DARAB only when they relate to agrarian disputes. Otherwise, jurisdiction lies with the regular courts.

Sangunay prays that he be declared as the owner of the land, particularly his area in Field 34, based on the following grounds: <sup>1]</sup> that the tax receipts and Tax Declaration No. 15-018 were issued in his name; <sup>2]</sup> that R.A. No. 6657 provides that farmers already in place and those not accommodated in the distribution of privately-owned lands must be given preferential rights in the distribution of lands from the public domain (to which the subject land as an accretion belongs); and <sup>3]</sup> that acquisitive prescription had set in his favor.

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

The Court finds no merit in the petition.

Where a question of jurisdiction between the DARAB and the Regional Trial Court is at the core of a dispute, basic jurisprudential tenets come into play. It is the rule that the jurisdiction of a tribunal, including a quasi-judicial office or government agency, over the nature and subject matter of a petition or complaint is determined by the material allegations therein and the character of the relief prayed for<sup>[20]</sup> irrespective of whether the petitioner or complainant is entitled to any or all such reliefs.<sup>[21]</sup> In the same vein, jurisdiction of the court over the subject matter of the action is not affected by the pleas or the theories set up by the defendant in an answer or a motion to dismiss. Otherwise, jurisdiction will become dependent almost entirely upon the whims of the defendant.<sup>[22]</sup>

Under Section 50 of R.A. No. 6657<sup>[23]</sup> and as held in a string of cases, "the DAR is vested with the primary jurisdiction to determine and adjudicate agrarian reform matters and shall have the exclusive jurisdiction over all matters involving the implementation of the agrarian reform program."<sup>[24]</sup> The DARAB was created, thru Executive Order No. 109-A, to assume the powers and functions with respect to the adjudication of agrarian reform cases. Hence, all matters involving the implementation of agrarian reform are within the DAR's primary, exclusive and original jurisdiction. At the first instance, only the DARAB, as the DAR's quasi-judicial body, can determine and adjudicate all **agrarian disputes**, cases, controversies, and matters or incidents involving the implementation of the CARP.<sup>[25]</sup> An **agrarian dispute** refers to any controversy relating to tenurial arrangements, whether leasehold, tenancy, stewardship, or otherwise, over lands devoted to agriculture, including disputes concerning farmworkers' associations or representation of persons in negotiating, fixing, maintaining, changing, or seeking to arrange terms or conditions of such tenurial arrangements. It includes any controversy relating to compensation of lands acquired under this Act and other terms and conditions of transfer of ownership from landowner 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.<sup>[26]</sup>

The following allegations were essentially contained in the complaints filed separately against the respondents before the DARAB with some variance in the amount of damages and fees prayed for:

1. The complainant is an agrarian cooperative duly registered and organized under the laws of the Republic of the Philippines xxx.

2. Complainant is an awardee of Comprehensive Agrarian Reform Program (CARP), situated at Limbona, Bukidnon under Original Certificate of Title A-3 as evidenced by Certificate of Land Ownership Award (CLOA) xxx.

x x x x

5. The defendant illegally entered and tilled the land owned by the complainant, inside the portion of Field 34, with an area of one and a half (1 ½) hectares, more or less, located at Sankan, Manolo Fortrich,