

THIRD DIVISION

[G.R. No. 127965, January 20, 2009]

**FRANCISCO SALAZAR, PETITIONER, VS. REYNALDO DE LEON
REPRESENTED BY HIS ATTORNEY-IN-FACT, FELICIANO
JABONILLA, RESPONDENT.**

D E C I S I O N

CHICO-NAZARIO, J.:

Before this Court is a Petition for Review on *Certiorari* under Rule 45 of the Rules of Court assailing the Decision^[1] dated 8 August 1996 of the Court of Appeals in CA-G.R. CV No. 46108 which denied petitioner Francisco Salazar's appeal and affirmed the Decision^[2] dated 8 October 1993 of the Regional Trial Court (RTC) of Roxas, Isabela, Branch 23, in Civil Case No. 419. The RTC ordered petitioner to vacate and surrender to respondent Reynaldo de Leon the disputed parcel of land. The instant Petition is also assailing the Resolution^[3] dated 8 January 1997 of the appellate court which denied petitioner's Motion for Reconsideration.

On 26 March 1993, Civil Case No. 419 was instituted by respondent, through his attorney-in-fact Feliciano Jabonilla, by the filing of a Complaint^[4] for recovery of possession of real property and damages. Respondent alleged that he is the registered owner of a parcel of land (subject property) situated at the *Barrio* of Muñoz, Municipality of Roxas, Province of Isabela, covered by Transfer Certificate of Title (TCT) No. T-85610 of the Registry of Deeds of Isabela, and more particularly described as follows:

A PARCEL OF LAND (Lot 251-B-1 of the subdiv. Plan LRC Psd-195529, being a portion of Lot 251-B LBC Psd-176315, LRC Cad. Record No. Hom. Patent), containing an area of 2.0000 Hectares, more or less; Bounded on the NE., points 6-1 by Lot 244, Gamu Pls-15; on the SE., points 1-3 by Lot 251-A LRC Psd-176315; on the SW., points 3-4 by Road; and on the NW., points 4-6 by Lot 251-B-2 of the subdiv. Plan; covered by Tax Dec. No. 92-26-3073-A of the Tax Rolls of the municipality of Roxas, Isabela, and is assessed at P11,050.00.

The subject property is an unirrigated rice land, capable of only one rice cropping in a calendar year.^[5] Petitioner is not a tenant of respondent, but since the two are close relatives by consanguinity, respondent allowed him to cultivate the subject property without paying any rental, with the understanding that when respondent needs the property, petitioner will peacefully vacate and surrender the same to him. Subsequently, respondent demanded that he already vacate and surrender possession of the subject property to him because he wanted to personally cultivate the same. Petitioner, however, refused, claiming that he could acquire the subject property from him through the Department of Agrarian Reform (DAR) under the Operation Land Transfer Program of the Government.

Respondent, thus, prayed in his Complaint for the following:

WHEREFORE, it is prayed of this Honorable Court, that after due notice and hearing, judgment be rendered in favor of [herein respondent] and against the [herein petitioner], to wit:

1. Ordering the [petitioner] to peacefully vacate and peacefully surrender and restore possession of the land described in paragraph 2 hereof to the [respondent];
2. Ordering [petitioner] to pay to [respondent] the sum of P10,000.00 as damage, representing attorney's fee, plus the total sum of appearances of counsel at P500.00 per hearing;
3. Ordering [petitioner] to pay to [respondent] 120 cavans of palay per calendar year with the average weight of 50 kilos per cavan, or its money equivalent, commencing from the filing of the case, until [respondent] is restored in possession of the land in suit;
4. Ordering [petitioner] to pay P2,000.00 as damage, representing expenses incurred by [respondent] in the filing of the case in court against the [petitioner], and another sum of P10,000.00 litigation expenses incurred by [respondent];
5. Ordering [petitioner] to pay the costs of this suit; and

GRANTING to [respondent] such further relief deemed just and equitable in the premises.^[6]

Upon motion of respondent,^[7] the RTC issued an Order dated 20 May 1993 declaring petitioner in default for his failure to file an answer and/or any responsive pleading to respondent's Complaint despite service of summons.^[8]

Respondent was then allowed by the RTC to present evidence *ex parte*.^[9] Respondent testified on his own behalf.

On 8 October 1993, the RTC rendered its Decision wherein it declared that:

The court having been convinced that the [herein respondent] as absolute owner is entitled to the possession of the land in question, the [herein petitioner] should now be enjoined to vacate the said land and surrender the peaceful possession thereof to the [respondent]. Ownership implies the right to enjoy the thing owned and this right carries with it the right to recover the same (Article 428, New Civil Code).^[10]

The *fallo* of the RTC Decision reads:

WHEREFORE, in view of the foregoing findings, judgment is hereby rendered in favor of the [herein respondent] and against the [herein petitioner] and hereby orders him:

1. To vacate and surrender the peaceful possession of that parcel of land mentioned in paragraph 2 of the [respondent's] complaint embraced in and covered by TCT No. T-85610 of Isabela, standing in the name of the [respondent];
2. To pay the [respondent] the sum of P20,000.00 representing the unrealized fruits of the land from the filing of the case up to the present;
3. To pay the sum of P5,000.00 as reasonable attorney's fee's; and
4. To pay the costs.^[11]

Petitioner filed a Motion for New Trial and Lift Order of Default,^[12] wherein he claimed that being unlettered, he completely relied on his counsel to take charge of the case and he was unaware that his counsel failed to file an Answer to respondent's Complaint. Petitioner also insisted that the dispute between him and respondent involved a tenancy relationship over which the trial court had no jurisdiction.

Petitioner's Motion for New Trial and Lift Order of Default was denied by the RTC for lack of merit in its Order dated 31 January 1994.^[13]

Petitioner filed an appeal with the Court of Appeals, docketed as CA-G.R. CV No. 46108, essentially invoking the existence of a landlord-tenant relationship between respondent and him, thus, arguing that it was erroneous for the RTC to have assumed jurisdiction over the Complaint in Civil Case No. 419.

In the meantime, petitioner initiated before the Department of Agrarian Reform Adjudication Board (DARAB)-Isabela DARAB Case # II-380-ISA'94 against respondent. During the pendency of CA-G.R. CV No. 46108 before the Court of Appeals, a Decision^[14] dated 17 November 1995 was rendered in DARAB Case # II-380-ISA'94 by the DARAB-Isabela finding that petitioner was a *bona-fide* tenant of respondent who should be maintained in the peaceful possession and cultivation of the subject property. Petitioner submitted a copy of the DARAB Decision to the Court of Appeals.^[15]

The Court of Appeals, however, was not to be swayed. In a decision dated 8 August 1996, it rejected petitioner's arguments and denied his appeal based on the following reasoning:

[T]he settled rule is that the jurisdiction of the court over the subject matter is determined by the allegations of the complaint. Thus, "if the complaint shows jurisdictional facts necessary to sustain the action and the remedy sought is merely to obtain possession, the court will have jurisdiction, regardless of any claim of ownership set forth by either the plaintiff or the defendant." (Ganadin v. Ramos, 99 SCRA 613).

The same case also holds that:

"x x x The jurisdiction of the court cannot be made to depend upon the defenses set up in the answer or upon the motion to

dismiss, for otherwise the question of jurisdiction would depend almost entirely upon the defendant." (Ganadin, supra, citing Moran, on the Rules of Court, 1970 ed.)

In the case at bar, allegations in the complaint make out a case cognizable by the court a quo, to wit: (1) the [herein respondent] is the registered owner of a parcel of land, which was: (2) tilled by the [herein petitioner] by [respondent's] mere tolerance; and (3) [petitioner] refused to surrender possession of the land despite demand, the dispossession lasting for more than a year (p. 1-2, Complaint).^[16]

Hence, the Court of Appeals decreed:

WHEREFORE, the appealed decision is hereby AFFIRMED. Costs against [herein petitioner].^[17]

Petitioner's Motion for Reconsideration^[18] was denied by the Court of Appeals in its Resolution dated 8 January 1997,^[19] prompting him to file the Petition at bar.

Petitioner made the following assignment of errors in his Petition:

- I. THE APPELLATE COURT ERRED IN SUSTAINING THE TRIAL COURT WHICH ERRONEOUSLY TOOK COGNIZANCE OF CIVIL CASE NO. 419 AND FORTHWITH RENDERED A JUDGMENT BY DEFAULT THEREON DESPITE A CLEAR SHOWING IN THE ALLEGATIONS OF THE COMPLAINT THAT IT HAD NO JURISDICTION AS THE SUBJECT MATTER IS AGRARIAN IN NATURE.
- II. THE APPELLATE COURT ERRED IN NOT DISMISSING CIVIL CASE NO. 419-ON APPEAL *VIS-À-VIS* A PRIOR DECISION OF THE DEPARTMENT OF AGRARIAN REFORM ADJUDICATION BOARD (DARAB) FINDING THE Existence Of a tenancy relationship between petitioner and private respondent.
- III. THE APPELLATE COURT ERRED IN SUSTAINING THE TRIAL COURT WHICH FORTHWITH RENDERED A JUDGMENT BY DEFAULT AND IGNORING PETITIONER'S MOTION FOR NEW TRIAL WHICH WOULD HAVE SHOWN AND PROVED BEYOND PERADVENTURE (sic) THE EXISTENCE OF A *BONA FIDE* TENANCY RELATIONSHIP.
- IV. THE APPELLATE COURT ERRED IN NOT GRANTING THE RELIEFS PRAYED FOR BY PETITIONER.^[20]

Respondent filed his Comment^[21] on the present Petition, whereby he asked that this Court dismiss the present Petition for lack of merit. Petitioner next submitted a Reply.^[22] As a matter of course, the Court required the parties to submit their respective Memoranda.

On 1 April 2003,^[23] counsel for respondent submitted a Manifestation that respondent and petitioner had already extrajudicially settled the case between them without the assistance of their respective counsels. Consequently, respondent's counsel prayed that the Court already dispense with requiring the submission of

respondent's memorandum.

The Court then directed petitioner to comment on the aforementioned Manifestation^[24] of respondent's counsel. In his Compliance and Manifestation,^[25] counsel for petitioner confirmed the settlement between his client and respondent. Petitioner's counsel likewise prayed for the dismissal of the instant Petition.

Before acting on the prayers of both counsels to dismiss the Petition, the Court first ordered them to submit a written copy of the supposed settlement between their clients.^[26] The counsels, however, failed to comply with said directive. Instead, they filed separate motions to withdraw as the counsels for petitioner and respondent, given that their respective clients had already settled the case and were both already residing in the United States and could no longer be located.^[27]

In a Resolution dated 22 January 2007,^[28] the Court denied the counsels' separate motions to withdraw and directed them to exert more effort in locating their clients.

On 2 April 2007, the counsels, on behalf of their clients, submitted for the approval of this Court, an Agricultural Leasehold Contract^[29] entered into between petitioner as agricultural lessee, and respondent^[30] as agricultural lessor, establishing between them an agricultural relation over the subject property and providing explicitly that petitioner was the duly authorized agricultural lessee who shall pay rentals to respondent.

On 3 December 2008, the Court issued another Resolution denying for lack of merit the counsels' prayer for the dismissal of the Petition at bar in view of the parties' settlement, dispensing with respondent's Memorandum, and considering the case submitted for decision.

The Court now proceeds to resolve the Petition and settle the issues raised therein.

Petitioner insists on the existence of a tenancy relationship between him and respondent, and assails the assumption of jurisdiction and promulgation of the decisions of both the RTC and Court of Appeals on their dispute. Petitioner maintains that considering the tenancy relationship between him and respondent, the jurisdiction over any controversy arising therefrom falls on the DARAB.

The central issue in this case, therefore, is whether there is an agrarian dispute between petitioner and respondent.

The Court rules that there is.

The jurisdiction of a tribunal, including a quasi-judicial agency, over the subject matter of a complaint or petition is determined by the allegations therein. However, in determining jurisdiction, it is not only the nature of the issues or questions that is the subject of the controversy that should be determined, but also the status or relationship of the parties.^[31] Thus, if the issues between the parties are intertwined with the resolution of an issue within the exclusive jurisdiction of the DARAB, such dispute must be addressed and resolved by the DARAB.^[32]