

## SECOND DIVISION

[ G.R. NO. 150736, April 29, 2005 ]

**VIRGILIO MACASPAC, PETITIONER, VS. RUPERTO PUYAT, JR.,  
RESPONDENT.**

### D E C I S I O N

**CALLEJO, SR., J.:**

This is a petition for review on *certiorari* of the Decision<sup>[1]</sup> of the Court of Appeals (CA) in CA-G.R. SP No. 57517 reversing the decision of the Department of Agrarian Reform Adjudication Board (DARAB) in DARAB Case No. 3223 and its resolution denying the motion for reconsideration thereof.

This case stemmed from the following backdrop:

On June 4, 1993, private respondent Ruperto Puyat, Jr. filed a Complaint against petitioner Virgilio Macaspac in the Provincial Agrarian Reform Adjudication Board (PARAB) for the annulment of waiver of rights and reconveyance of Lot Nos. 48, 49, 58 and 59, Block II, Plan Psd-665 of the Divisoria Estate. The property in question has an area of 26,571 square meters, more or less.

Puyat, Jr. alleged in his complaint that his father, Ruperto Puyat, Sr., was a tenant on the said lots, which were agricultural in nature, located in Mexico, Pampanga. Upon the latter's death, he took over the tenancy on the said property, and as such, their tenancy of the same had lasted more than 50 years. Because of his father's illness, he had to borrow P2,000.00 from Emilia Sandico Dizon, who required, as a condition for the loan, that one of her workers (Virgilio Macaspac) work on the property until the said amount had been paid. He further alleged that Dizon, through deceit, fraud and insidious machination, was able to secure a waiver of rights over the property signed by his late father Puyat, Sr. He maintained, however, that the said waiver was void since he was the true and lawful tiller of the property. In the meantime, he was ready to repay his loan of P2,000.00 to Dizon, but could not do so because she had left for the United States of America where she now resides.<sup>[2]</sup>

Puyat, Jr. prayed that, after due proceedings, judgment be rendered in his favor:

WHEREFORE, it is most respectfully prayed that:

- I. That said farmland be ordered reconveyed to the plaintiff from the defendant;
- II. That said Annex "A" be declared null and void.

Plaintiff also prays for other reliefs just and proper under the circumstances.<sup>[3]</sup>

Puyat, Jr. appended to his complaint a photocopy of the Waiver of Rights<sup>[4]</sup> dated April 1, 1976 bearing the signature above the typewritten name "Ruperto Puyat" on the said deed and the thumbmark above the typewritten name "Feliza Tiqui," his mother, and of petitioner Macaspac.

Macaspac, through the Trial Attorney of the Department of Agrarian Reform (DAR) Pampanga Provincial Office, alleged in his answer to the complaint that the right of possession over the property was sold to him by Puyat, Sr. in 1963; the said transaction was confirmed when Puyat, Sr. executed a Waiver of Rights over the tenancy in his favor in 1976. Macaspac further alleged that he had been in possession of the property since 1963 and cultivated the same. He claimed that Puyat, Jr. had never cultivated the property because he worked as a driver in Manila, whereas he had been granted an emancipation patent and a transfer certificate of title over the property.<sup>[5]</sup>

Macaspac filed a position paper to which he appended and marked in evidence the Waiver of Rights, Certificates of Land Transfer Nos. 15468 to 15471 executed by the President of the Philippines through the Ministry of Agrarian Reform on January 16, 1979 over the lots in the name of Macaspac;<sup>[6]</sup> Transfer Certificates of Title Nos. 2222 to 2225 based on Certificates of Real Transfer Awards in Macaspac's name over the said lots;<sup>[7]</sup> and the Certificate of Full Payment issued by the Land Bank of the Philippines, dated March 17, 1993 in favor of Macaspac, stating that the latter had paid the total amount of P4,964.00 as amortization for the property.<sup>[8]</sup>

Puyat, Jr. adduced testimonial and documentary evidence. Rodolfo dela Peña, the Municipal Agrarian Reform Officer (MARO) of Mexico, Pampanga, testified that, as gleaned from the master list of farmers-beneficiaries in Mexico, Pampanga, in the possession of the MARO, Macaspac was a tenant therein, while Puyat, Jr. was not on the list. He also testified that Macaspac was the owner of the subject lots, Lot Nos. 48, 49, 58 and 59, Block 2, and that the said lots had been tenanted by the latter since 1963.

Danilo Gomez testified that he was born on July 15, 1957. He had been the *barangay* captain of *Barangay* Divisoria, Mexico, Pampanga, since 1986. He stated that Puyat, Jr. was the tenant of Block 1 and Block 2 in *Barangay* Divisoria, Mexico, Pampanga, until the property was mortgaged. Furthermore, he had not seen the plaintiff since 1963 and came to know that the property was mortgaged only during apparent mediation proceedings in the National Labor Relations Commission (NLRC).

Puyat, Jr. testified on direct examination that his father, Puyat, Sr., had no educational attainment and did not know how to read and sign his name. He had been the tenant on the four parcels of land even before 1963 but had to vacate the property because he mortgaged it to Dizon as security for a P2,000.00 loan which his parents needed for their medications on account of their illnesses. Moreover, Dizon had required, as a condition of the loan, that one of her workers, Macaspac, cultivate the property from 1963. He insisted that the P2,000.00 loan was recorded by Dizon in her notebook. He admitted, however, that he had worked in Saudi Arabia, and later as a driver in Manila. According to Puyat, Jr., the signature purporting to be the signature of his father on the deed of waiver was a forgery, and the thumbmark was not his mother's. He averred that his parents had been confined at the Tala Leprosarium since 1977 because they were suffering from

leprosy, although they used to go home to Divisoria, Mexico, Pampanga, every now and then.

On cross-examination, Puyat, Jr. testified that he was born in 1940. Although the tenancy was under the name of his father, he was the one who actually cultivated the landholding; it was his father who borrowed P2,000.00 from Dizon because they needed the money for medicines and that his father requested him to mortgage the property; when he tried to repay the loan to Dizon, the latter told him that she had already forgotten their agreement because she was already too old; it was then that he discovered that the property was already titled to and in the name of Macaspac; he had no knowledge about the execution of the waiver of rights; his father could not have signed such waiver and his mother could not have placed her thumbmark thereon in 1976 because they were already confined at the Tala Leprosarium and could not go out of the place to their house in Mexico, Pampanga; he saw the waiver of rights only when he secured a copy thereof from the DAR Municipal Office shortly before he filed his complaint against Macaspac.

For his part, Macaspac executed an Affidavit,<sup>[9]</sup> affixing his signature thereon before the Administering Officer and had it adduced and marked in evidence. He alleged therein that he had been the legitimate tenant over the property since 1963 when Ruperto Puyat, Sr. abandoned the landholding, sold his improvements thereon and turned over the tenancy over the landholding to the petitioner based on a sale by Ruperto Puyat, Sr. of his right of possession and filed with the DAR which was the basis for the preparation and execution of the Waiver of Rights in 1976 by Ruperto Puyat, Sr.; and that the respondent thereon had no participation whatever in the transaction subject of the deed of sale as he was then barely twenty years old and:

6. That, by reason of the execution of the subject Waiver of Rights at the Team Office of the DAR at Mexico, Pampanga, and considering further the coverage of the land in dispute under P.D. No. 27, all papers and documents were prepared and indorsed to the herein defendant/affiant leading to the issuances of the corresponding CLT's which are already attached to the records respectively marked now as Exhibits "2," "3," "4" and "5";

7. That, thereafter, the issuances of the CLT's mentioned above, the respective titles of the defendant/affiant over his small parcels of land previously covered by the said CLT's were, likewise, issued, given and delivered to the defendant/affiant herein now also attached to the records and marked as Exhibits "6" to "6-A," "7" to "7-A," "8" to "8-A" and "9" to "9-A," respectively;

8. That, considering the long number of years defendant/affiant is in peaceful possession and cultivation of the land in dispute, i.e., from 1963 up to the present, said defendant/affiant has completed the full payments of his small parcels of land as evidenced by the herein Certification issued by the Department of Agrarian Reform at the Provincial Office of San Fernando, Pampanga, hereto marked as Exhibit "10";

9. That, for being in possession and cultivation of the subject land in dispute for a period of thirty (30) solid years as a registered and titled

owner of the same and notwithstanding, plaintiff filed this baseless and unfounded suit, I now ask as a relief from this Honorable Board, moral and exemplary damages and litigation expenses in the form of travelling and meal allowances.<sup>[10]</sup>

Macaspac, likewise, submitted the affidavit of Dizon.<sup>[11]</sup> By agreement of the parties, the said affidavits of Macaspac and Dizon constituted their respective direct examination subject to cross-examination of the affidavits by the respondent's counsel.

Puyat, Jr. opted not to cross-examine Macaspac.<sup>[12]</sup> Instead, he merely submitted a reply affidavit.<sup>[13]</sup> Puyat, Jr. then filed a manifestation waiving his right to cross-examine Dizon because she was too sick to testify.<sup>[14]</sup>

On June 30, 1994, the PARAB rendered judgment in favor of Puyat, Jr. In so ruling, the PARAB relied on the testimony of Puyat, Jr. and concluded that the signature and thumbmark on the Waiver of Rights purporting to be those of his parents were forgeries; as such, the said waiver of rights was void.<sup>[15]</sup> Macaspac filed a motion for the reconsideration of the decision but the PARAB, after consideration of the evidence, the position papers of the parties and the affidavits on record, denied the said motion.

Macaspac appealed to the DARAB which rendered judgment on February 1, 2000 setting aside and reversing the decision of the PARAB. The DARAB gave no probative weight to the testimony of Puyat, Jr. and upheld the validity of the Waiver of Rights. The DARAB held that Puyat, Jr. failed to prove that he had borrowed P2,000.00 from Dizon and mortgaged the subject property to secure the payment thereof.

Puyat, Jr. filed a petition for review with the CA, which rendered judgment on February 26, 2001 granting the petition and reversing the decision of the DARAB; the decision of the PARAB was, thus, reinstated. The CA gave credence to Puyat, Jr.'s testimony and ruled that the Certificate of Land Transfer granted to the latter's father, Puyat, Sr., prevailed over the award of the lots to Macaspac by the President of the Philippines. It ruled that such certificate could not be the subject of collateral attack. Macaspac filed a motion for reconsideration of the said decision, which the CA denied.

Petitioner Macaspac now comes to this Court, praying for the reversal of the decision and the resolution of the CA, contending that:

1. THE HONORABLE COURT OF APPEALS ERRED AND ACTED WITH GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OF JURISDICTION IN FINDING THAT THE WAIVER OF RIGHTS DATED APRIL 1, 1976 EXECUTED BY THE LATE RUPERTO PUYAT, SR., RESPONDENT'S FATHER, WAS OBTAINED THRU FRAUD.
2. THE HONORABLE COURT OF APPEALS ERRED AND ACTED WITH GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OF JURISDICTION WHEN IT CONCLUDED THAT THE LANDS IN DISPUTE

WERE MORTGAGED AND THAT THE SAME WERE TRANSFERRED ONLY TO HEREIN PETITIONER.<sup>[16]</sup>

The petition is meritorious.

The threshold issue in the PARAB was whether Ruperto Puyat, Sr. abandoned his tenancy of the landholding and surrendered the same to the petitioner in 1963. The issue of whether the Waiver of Rights executed by Ruperto Puyat, Sr. in 1976 is null and void or not is merely a collateral to the threshold issue. The Waiver of Rights is merely corroborative of the affidavit and testimony of the petitioner before the PARAB.

The rule is that issues of fact should not be raised in this Court under Rule 45 of the Rules of Court and that findings and conclusions of the CA are given high respect by the Court. But the rule is subject to exceptional circumstances such as when the findings and conclusions of the CA are contrary to the evidence on record or when the appellate court misconstrued or misinterpreted facts and circumstances of substance which, if considered, will warrant a nullification or even reversal of the decision of the CA.

Respondent Puyat, Jr., the complainant before the PARAB, was burdened to establish the factual allegations of his complaint with the requisite quantum of evidence. He was burdened to prove the following: that in 1963, he borrowed P2,000.00 from Dizon on account of the illnesses of his parents who needed money for the purchase of medicine, and mortgaged the property to her as security for the payment of the said loan; that he left the landholding and allowed the petitioner, to cultivate the property in compliance with one of Dizon's conditions for the grant of the said loan; that his father Puyat, Sr., who had no educational attainment did not know the English language nor how to read or write; the signature atop the typewritten name of his father, and the thumbmark above the typewritten name of his mother on the Waiver of Rights were not those of his parents.

The respondent, however, failed to discharge his burden; the collective testimonies of Dela Peña and Gomez were of no help, either, as such testimonies, in fact, buttressed the case of the petitioner. Dela Peña testified that the petitioner, not the respondent, appeared in the master list of tenants which was in the possession of the MARO. He, likewise, testified that the petitioner had been the tenant on the property since 1963, thus confirming the latter's testimony, including that of the respondent; that the petitioner had been the tenant on the property since 1963, long before Presidential Decree (P.D.) No. 27 was issued by former President Ferdinand E. Marcos. This, likewise, confirmed the contents of the Waiver of Rights. Gomez was of no help either because he was born only on July 15, 1957; hence, only six years old in 1963.

There is no dispute that the tenant on the property before 1963 was Ruperto Puyat, Sr., respondent's father, and that since then, he had vacated the property and stopped cultivating the same for he was too ill to work. The respondent admitted that both his parents were sick with leprosy and had to be confined at the Tala Leprosarium, but could go back to Mexico, Pampanga, every now and then. Puyat, Sr. sold whatever improvements he had introduced on the property to the petitioner who had taken over the tenancy and cultivated the property since 1963. He was the tenant on the property in 1972 when P.D. No. 27 was approved by the former