511 Phil. 14

FIRST DIVISION

[G.R. No. 167748, November 08, 2005]

HEIRS OF RAFAEL MAGPILY, PETITIONER, VS. HERMINIGILDO[1] DE JESUS AND THE COURT OF APPEALS, RESPONDENTS.

D E C I S I O N

YNARES-SANTIAGO, J.:

Assailed in this petition for review is the January 7, 2005 Decision[2] of the Court of Appeals in CA-G.R. SP No. 69601, setting aside the December 10, 2001 Judgment[3] of the Regional Trial Court of Laguna, Branch 91, in Civil Case No. SC-3874, which affirmed with modification the Decision[4] of the Municipal Trial Court of Santa Cruz, Laguna, ordering private respondent Herminigildo de Jesus to vacate the land of the late Rafael Magpily. Likewise questioned is the April 18, 2005 Resolution[5] of the Court of Appeals which denied petitioner's motion for reconsideration.

The complaint[6] for ejectment filed by Rafael Magpily reveals that he was the owner of a 10,000 square meter land planted with fruit bearing trees and tenanted by Nazaria Tope. Sometime in July 1978, upon the request of the latter, Magpily allowed Nazaria's nephew, herein private respondent to construct a house of light materials on a portion of the land and to gratuitously occupy the same. The agreement was embodied in a "Salaysay"[7] duly signed by the parties. Their relationship, however, turned sour when private respondent interfered with the gathering of coconuts and other fruits in the lot. Magpily requested private respondent to vacate the premises but the latter refused, prompting him to file the instant ejectment suit.

In his answer,[8] private respondent contended that he is a *bonafide* agricultural tenant of Magpily for 15 years. He alleged that his grandparents, succeeded by his aunt, Nazaria, were the former tenants of Magpily. When Nazaria died in 1979, he performed all the duties of a tenant by cultivating the land and sharing in its produce. Private respondent claimed that the instant case should be dismissed for lack of jurisdiction over the subject matter because it involves a tenancy dispute under the exclusive jurisdiction of the Department of Agrarian Reform Adjudication Board (DARAB).

On May 4, 1999, the Municipal Trial Court (MTC) rendered decision in favor of Magpily ordering private respondent to vacate the land and to pay reasonable rental for the use of the premises, attorney's fees and litigation expenses. It held that the evidence presented by private respondent failed to prove a tenancy relationship. The dispositive portion thereof, reads:

> WHEREFORE, finding plaintiff['s] cause of action to be sufficiently establish[ed,] being supported by evidence on records, judgment is

> hereby rendered in favor of the plaintiff and against the defendant, by ordering the defendant and all persons claiming rights under him to vacate the property in question and to remove his house from the aforesaid property, and ordering the defendant to pay the plaintiff the following:
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> 1. the sum of P300.00 as reasonable value of the use of the portion of the lot occupied by defendant's house from May 1994 until such time as defendant shall have actually vacated the premises in question;
> 2. the sum of P5,000.00 as attorney's fees and the sum of P1,000.00 as litigation expenses; and,
> 3. to pay the costs of suit.
>
> SO ORDERED.[9]

In the meantime, Magpily died on December 18, 1999.[10]

Private respondent appealed to the Regional Trial Court (RTC) which on December 10, 2001, affirmed the challenged decision but deleted the monetary obligations adjudged against private respondent for lack of basis. The decretal portion thereof, states:

> WHEREFORE, finding no cogent reason to disturb the findings of the First Level Court, the assailed decision is hereby affirmed except the award for the use of the land and attorney's fees as well as litigation expenses.
>
> SO ORDERED.[11]

Aggrieved, private respondent filed a petition with the Court of Appeals which reversed the decision of the RTC holding that an implied landlord-agricultural tenant relationship was established between Magpily and private respondent when the former allowed the latter to cultivate, harvest and share in the produce of his land after the death of the former tenant. It thus declared that the case involves an agrarian dispute, hence, the RTC has no jurisdiction over the subject matter.[12]

Petitioner heirs of Magpily filed a motion for reconsideration but was denied. Hence, the instant petition.

The issue to be resolved is whether there existed an agricultural tenancy relationship between Magpily and private respondent that would divest regular courts of jurisdiction over the subject matter.

The Court rules in the negative.

In *Sumawang v. De Guzman*,[13] we held that the jurisdiction of the court over the subject matter is determined by the material allegations of the complaint and the law, irrespective of whether or not the plaintiff is entitled to recover all or some of the claims or reliefs sought therein. Jurisdiction over the nature of the action cannot be made to depend upon the defenses set up in the court or upon a motion to dismiss for, otherwise, the question of jurisdiction would depend almost entirely on the defendant. Once jurisdiction is vested, the same is retained up to the end of

the litigation. The MTC does not lose its jurisdiction over an ejectment case by the simple expedient of a party raising as a defense therein the alleged existence of a tenancy relationship between the parties. But it is the duty of the court to receive evidence to determine the allegations of tenancy. If after hearing, tenancy had, in fact been shown to be the real issue, the court should dismiss the case for lack of jurisdiction.

Section 1, Rule II of the 2003 Revised Rules of Procedure of the DARAB, provides:

> **SECTION 1. Primary and Exclusive Original Jurisdiction**. – The Adjudicator shall have primary and exclusive original jurisdiction to determine and adjudicate the following cases:
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> 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;
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> ....
>
> 1.4 Those cases involving the ejectment and dispossession of tenants and/or leaseholders;
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> ....
>
> 1.13 Such other **agrarian cases, disputes, matters or concerns** referred to it by the Secretary of the DAR. (Emphasis added)

An agrarian dispute is defined under Section 3(d) of Republic Act No. 6657 (CARP Law) as follows:

> (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.
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> It includes any controversy relating to compensation of lands acquired under this Act 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 a case, there must exist a tenancy relationship between the parties. A tenancy relationship cannot be presumed. There must be evidence to prove the tenancy relations such that all its indispensable elements must be established, to wit: (1) the parties are the landowner and the tenant; (2) the subject is agricultural land; (3) there is consent by the landowner; (4) the purpose is agricultural production; (5) there is personal cultivation; and (6) there is sharing of the harvests. All these requisites are necessary to create tenancy

relationship, and the absence of one or more requisites will not make the alleged tenant a *de facto* tenant.[14]

In ruling that there arose an implied agricultural tenancy relationship between private respondent and Magpily, the Court of Appeals erroneously relied on the following evidence,[15] to wit:

> (1) Sworn statement of Gregorio Ambrosio,[16] a tenant of the lot fronting Magpily's land;
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> (2) Sworn statement of Nestor C. Marinay,[17] the Barangay Agrarian Reform Committee (BARC) Chairman of Barangay Labuin, Sta. Cruz, Laguna;
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> (3) Receipts;[18]
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> (4) The July 9, 1989 letter of Magpily to private respondent directing the latter to allow the bearer to cut down trees in the land;[19] and
>
> (5) Order of the Municipal Agrarian Reform Officer (MARO) fixing the leasehold rental.[20]

Tenants are defined as persons who – in themselves and with the aid available from within their immediate farm households – cultivate the land belonging to or possessed by another, with the latter's consent; for purposes of production, sharing the produce with the landholder under the share tenancy system, or paying to the landholder a price certain or ascertainable in produce or money or both under the leasehold tenancy system.[21]

In the present case, the sworn statements of Gregorio Ambrosio and Nestor C. Marinay merely attested to the fact that private respondent became a worker in the coconut plantation of Magpily after the death of the former tenant of the land. Nowhere in the said statements was it mentioned why and how private respondent became an *agricultural tenant*. Nothing was said about the intent of Magpily to institute private respondent as his tenant nor of the landowner's purpose to embark on agricultural production. Neither did said declarations attest to the existence of a sharing agreement between the parties. Indeed, said statements only tended to prove that private respondent is a worker or an overseer of the land and nothing more. The same is true to Magpily's letter directing private respondent to allow the bearer of the letter to cut down trees in his land. It does not prove that private respondent is an agricultural tenant, but only a caretaker of the land. In *VHJ Construction and Development Corporation v. Court of Appeals,*[22] it was held that the fact alone of working on another's landholding does not raise a presumption of the existence of agricultural tenancy. There must be substantial evidence on record adequate enough to prove the element of sharing.

In the same vein, the receipts presented by private respondent does not prove sharing in the agricultural production. Some receipts show that private respondent sold coconuts to several persons. The others do not reflect if the coconuts sold were that of Magpily's, or if the unlabeled computations reflected therein truly pertain to the sale of the agricultural products of the land owner. Moreover, even assuming