464 Phil. 1006

SECOND DIVISION

[G.R. Nos. 139913 & 140159, January 16, 2004]

TERESITA S. DAVID, BENJAMIN S. DAVID,PACIFICO S. DAVID, NEMESIO S. DAVID, CELINE S. DAVID, CRISTINA S. DAVID, PAULINA S. DAVID, AND LEONIE S. DAVID-DE LEON, PETITIONERS, VS. AGUSTIN RIVERA, RESPONDENT.

D E C I S I O N

TINGA, J,:

Claiming to be the owner of an eighteen thousand (18,000)-square meter portion (hereafter, "subject land") of Lot No. 38-B,[1] a five (5)-hectare lot situated at MacArthur Highway, Dau, Mabalacat, Pampanga, herein respondent Agustin Rivera filed on May 10, 1994 a *Complaint*[2] for "Maintenance of Peaceful Possession with Prayer for Restraining Order and Preliminary Injunction" before the Provincial Adjudication Board (PARAB) of San Fernando, Pampanga against petitioners heirs of Spouses Cristino and Consolacion David.[3] The respondent averred that the petitioners had been harassing him for the purpose of making him vacate the subject land although it had already been given to him sometime in 1957 by the parents of the petitioners as "disturbance compensation", in consideration of his renunciation of his tenurial rights over the original eighteen (18)-hectare farmholding.

For their part, the petitioners filed a *Complaint*[4] for ejectment before the Municipal Circuit Trial Court (MCTC) of Mabalacat and Magalang, Pampanga. They alleged that the respondent was occupying the subject land without paying rentals therefor. The petitioners also averred that they need the subject land for their personal use but the respondent refused to vacate it despite repeated demands.

In his *Answer*[5] to the ejectment complaint, the respondent asserted that the MCTC had no jurisdiction over the case in light of the tenancy relationship between him and the predecessors-in-interest of the petitioners, as evidenced by the *Certification*[6] issued by the Municipal Agrarian Reform Office (MARO) of Mabalacat, Pampanga. He likewise reiterated his claim of ownership over the subject land and informed the court of the complaint he had earlier filed before the PARAB.

On January 31, 1995, or during the pendency of the ejectment case, the PARAB rendered its *Decision*[7] declaring the respondent as tenant of the land and ordering that his peaceful possession thereof be maintained. Expectedly, the petitioners appealed the PARAB Decision to the Department of the Agrarian Reform Adjudication Board (DARAB).

On September 28, 1995, the MCTC rendered its *Decision*[8] ordering the respondent to vacate the subject land. The court found that there was a dearth of evidence

supportive of the respondent's claim that the land is agricultural or that it is devoted to agricultural production. Further, it ruled that the petitioners as the registered owners have a better right to possession of the subject land. The decretal portion of the *Decision* reads:

> WHEREFORE, premises considered, judgment is hereby rendered in favor of herein plaintiffs and against herein defendant and any one claiming rights under him by ordering the latter to:
>
> (1) Vacate the subject premises and to peacefully turn over possession of the same to the plaintiffs or to their authorized representatives;
>
> (2) To pay the plaintiffs the amount of P720,000.00 as reasonable rentals in arrears as of July, 1994 and to pay monthly rentals of P12,000.00 from August, 1994 up to the time he (defendant) finally vacates the premises;
>
> (3) To pay the plaintiffs the amount of P20,000.00 as attorney's fees and to pay the cost of the suit;
>
> (4) Defendant('s) counterclaim is hereby DENIED for lack of proof.
>
> SO ORDERED.

Without appealing the MCTC *Decision* but within the period to appeal, the respondent filed before the Regional Trial Court (RTC) of Angeles City a *Petition*[9] for prohibition with preliminary injunction and/or temporary restraining order, seeking the nullification of the MCTC *Decision*. The thrust of the petition was that the MCTC had no jurisdiction as the issue before it was agrarian in nature.

On October 30, 1995, the RTC issued a *Temporary Restraining Order*[10] enjoining the petitioners from enforcing the MCTC *Decision*. Thereafter, it proceeded to hear the respondent's application for preliminary injunction. On November 29, 1995, the RTC granted the motion and ordered the issuance of *Writ of Preliminary Injunction* upon the posting of bond in the amount of P500,000.00.[11]

On January 30, 1996, the petitioners filed their *Answer*[12] to the *Petition* for prohibition in which they asserted that the MCTC could not be divested of its jurisdiction by simply interposing the defense of tenancy. The petitioners also disputed the respondent's claim that he acquired the subject property by way of disturbance compensation for the reason that in 1956, when the property was allegedly given, the law providing for the payment of disturbance compensation was not yet in effect. Moreover, the petitioners contended, no proof had been adduced evidencing the conveyance of the property in favor of the respondent.

The case went to trial with the respondent as petitioner presenting his evidence in chief. However, after the respondent had rested his case, the petitioners filed a *Motion to Dismiss*[13] raising as grounds, *inter alia*: (1) that the extraordinary remedy of prohibition could not be made a substitute for the available and speedy recourse of appeal; (2) the jurisdiction of the MCTC of Mabalacat, Pampanga was legally vested, determined as it was by the averments of the complaint in conformity

with Rule 70 of the Rules of Court; hence, the decision of the ejectment court was a legitimate and valid exercise of its jurisdiction.

On February 25, 1998, the RTC issued an *Order*[14] denying the motion to dismiss. The court ruled that the motion, which was filed after the presentation of the plaintiff's evidence, partakes of a demurrer to evidence which under Section 1, Rule 33 of the Rules of Court,[15] may be granted only upon a showing that the plaintiff has shown no right to the relief prayed for. Noting that "the evidence presented by the petitioner establishes an issue which is addressed to [the] court for resolution. . . whether or not the respondent court had jurisdiction over the subject matter of the case filed before it", the RTC ruled that the denial of the motion to dismiss is proper. The petitioners moved for reconsideration[16] but was denied in an *Order*[17] dated June 23, 1998.

Subsequently, the petitioners filed a *Petition for Certiorari*[18] in the Court of Appeals. On September 3, 1999, the appellate court rendered a *Decision*,[19] finding no grave abuse of discretion on the part of the RTC in denying the motion to dismiss, as well as the motion for reconsideration of its order. The appellate court ratiocinated that the order of denial is merely interlocutory and hence cannot be assailed in a petition for certiorari under Rule 65 of the Rules of Court. In addition, it held that issues raised in the petition for prohibition were genuine and substantial, necessitating the presentation of evidence by both parties.

The petitioners now come before us, seeking the nullification of the decision of the Court of Appeals. At the crux of the petition is the issue of whether the denial of the motion to dismiss by way of demurrer to evidence was afflicted with grave abuse of discretion.

In the *Resolution* of October 4, 1999,[20] we denied the petition for failure of the petitioners to accompany the same with a clearly legible duplicate original or a certified true copy of the assailed decision. The petitioners filed a new petition primarily on the basis of *Philippine Airlines v. Confesor*,[21] where this Court held that a petition dismissed under Circular No. 1-88[22] may be filed again as a new petition as long as it is done within the reglementary period. In the *Resolution*[23] of March 8, 2000, we allowed the re-filing of the petition and required the respondent to comment thereon.

In his *Comment*,[24] the respondent counters that the RTC did not commit grave abuse of discretion in denying the motion to dismiss inasmuch as the MCTC had no jurisdiction to render the assailed judgment. He points out that the PARAB had already declared him the owner of the land and that the PARAB decision was affirmed by the Department of Agrarian Reform Adjudication Board (DARAB) in its *Decision*[25] dated March 6, 2000.

We deny the petition.

At the outset, it may be well to point out that certiorari does not lie to review an interlocutory order denying a motion to dismiss, even if it is in the form of a demurrer to evidence filed after the plaintiff had presented his evidence and rested

his case. Being interlocutory, an order denying a demurrer to evidence is not appealable. Neither can it be the subject of a petition for certiorari. After such denial, the petitioners should present their evidence and if the decision of the trial judge would be adverse to them, they could raise on appeal the same issues raised in the demurrer.[26] However, it is also settled that the rule admits of an exception, *i.e.*, when the denial of a demurrer is tainted with grave abuse of discretion amounting to lack or excess of jurisdiction.[27]

Thus, the petitioners submit that the trial court acted with grave abuse of discretion in denying the demurrer. They insist that appeal, not prohibition, is the proper remedy to question the judgment of the MCTC and that the question of jurisdiction is one of law which may be ruled upon without the evidence of the parties.

We are not convinced. We uphold the Court of Appeals.

It is clear that the respondent filed the petition for prohibition to correct what he perceived was an erroneous assumption of jurisdiction by the MCTC. Indeed, the propriety of the recourse to the RTC for a writ of prohibition is beyond cavil in view of the following considerations:

First. The peculiar circumstances obtaining in this case, where two tribunals exercised jurisdiction over two cases involving the same subject matter, issue, and parties, and ultimately rendered conflicting decisions, clearly makes out a case for prohibition. The MCTC manifestly took cognizance of the case for ejectment pursuant to Section 33 of *Batas Pambansa Blg. 129*,[28] as amended. On the other hand, the ratiocination of the DARAB, which the respondent echoes, is that the case falls squarely within its jurisdiction as it arose out of, or was connected with, agrarian relations. The respondent also points out that his right to possess the land, as a registered tenant, was submitted for determination before the PARAB prior to the filing of the case for ejectment.

Indeed, Section 50 of R.A. 6657[29] confers on the Department of Agrarian Reform (DAR) quasi-judicial powers to adjudicate agrarian reform matters.[30] In the process of reorganizing the DAR, Executive Order No. 129-A[31] created the DARAB to assume the powers and functions with respect to the adjudication of agrarian reform cases.[32] Section 1, Rule II of the DARAB Rules of Procedure enumerates the cases falling within the primary and exclusive jurisdiction of the DARAB, which is quoted hereunder in so far as pertinent to the issue at bar:

> Section 1. **Primary And Exclusive Original and Appellate Jurisdiction**. The board shall have primary and exclusive jurisdiction, both original and appellate, to determine and adjudicate **all agrarian disputes** involving the implementation of the Comprehensive Agrarian Reform Program (CARP) under Republic Act no. 6657, Executive Order Nos. 228, 229, and 129-A, Republic Act No. 3844 as amended by Republic Act No. 6389, Presidential Decree No. 27 and other agrarian laws and their implementing rules and regulations. Specifically, such jurisdiction shall include but not be limited to cases involving the following:
>
> a) The rights and obligations of persons, whether natural or juridical

> engaged in the management, cultivation and use of all agricultural lands covered by the CARP and other agrarian laws;
>
> . . .
>
> g) Those cases previously falling under the original and exclusive jurisdiction of the defunct Court of Agrarian Relations under Section 12 of Presidential Decree No. 946, except sub-paragraph (Q) thereof and Presidential Decree No. 815.
>
> It is understood that the aforementioned cases, complaints or petitions were filed with the DARAB after August 29, 1987.
>
> Matters involving strictly the administrative implementation of Republic Act No. 6657, otherwise known as the Comprehensive Agrarian Reform Law (CARL) of 1988 and other agrarian laws as enunciated by pertinent rules shall be the exclusive prerogative of and cognizable by the Secretary of the DAR.
>
> h) And such other agrarian cases, disputes, matters or concerns referred to it by the Secretary of the DAR.

Prescinding from the foregoing, it is safe to conclude that the existence of prior agricultural tenancy relationship, **if true**, will divest the MCTC of its jurisdiction the previous juridical tie compels the characterization of the controversy as an "agrarian dispute." 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.[33] Even if the tenurial arrangement has been severed, the action still involves an incident arising from the landlord and tenant relationship. Where the case involves the dispossession by a former landlord of a former tenant of the land claimed to have been given as compensation in consideration of the renunciation of the tenurial rights, there clearly exists an agrarian dispute. On this point the Court has already ruled:

> Indeed, section 21 of Republic Act No. 1199, provides that 'all cases involving the dispossession of a tenant by the landlord or by a third party and/or the settlement and disposition of disputes arising from the relationship of landlord and tenant . . . shall be under the original and exclusive jurisdiction of the Court of Agrarian Relations.' **This jurisdiction does not require the continuance of the relationship of landlord and tenant — at the time of the dispute.** The same may have arisen, and often times arises, precisely from the previous termination of such relationship. If the same existed immediately, or shortly, before the controversy and the subject-matter thereof is whether or not said relationship has been lawfully terminated, **or if the dispute otherwise springs or originates from the relationship of landlord and tenant, the litigation is (then) cognizable only by the Court of Agrarian Relations . . .**[34]