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SECOND DIVISION

[G.R. No. 147570, February 27, 2004]

SPS. NUMERIANO AND CARMELITA ROMERO, PETITIONERS, VS. MERCEDES L. TAN, FLORENTINA L. GONZALES, CELSO L. LUNA, MARIO LUNA AND RAMON L. GARCIA, RESPONDENTS.

D E C I S I O N

QUISUMBING, J.:

Petitioners assail the decision[1] dated January 19, 2001, of the Court of Appeals in CA-GR SP No. 59110, which reversed that of the Provincial Agrarian Reform Adjudication Board,[2] Region III, dated May 9, 2000. The Board found that a tenancy relationship existed between petitioners and respondents, entitling petitioners to retain possession of the fishpond in dispute. The appellate court ruled against petitioners, declaring the PARAB's decision void for want of jurisdiction.

Subject of this controversy is a private fishpond with an area of one million, two hundred fifty six thousand and four hundred thirty three (1,256,433) square meters in Barangay San Jose, Lubao, Pampanga. The records show that under a contract to petitioners as lessees by respondents as lessors, the fishpond was leased for P1,200,000.00 yearly rental. This contract is evidenced by a "*Kasunduan Sa Pamuwisan*," spanning the period January 1, 1996 until December 31, 1999.[3]

Petitioners allege that they have been in peaceful possession of the fishpond as tenant-lessee since 1985. They present cash vouchers and hand-written receipts covering the period 1987 to 1997.[4] In September 1999, respondents gave verbal notice to terminate petitioners' lease. According to petitioners, respondents wanted to terminate the contract because a third party offered to pay higher rent. However, despite petitioners' counter-offer to match the increase in the rent, respondents appeared bent on removing petitioners from the premises.

For their part, respondents aver that there is no relationship of lease-tenancy by petitioners to speak of. They add that the existing contract between them and petitioners is an ordinary lease, governed by the Civil Code. Respondents further claim that petitioners failed to pay the agreed rental covering the period January 1, 1997 to December 31, 1997. Accordingly, respondents were constrained to file an ejectment case against petitioners before the Metropolitan Trial Court (MTC) of Malabon, Branch 55, conformably with the provision on venue in the lease contract. [5]

On July 21, 1997, the MTC issued a judgment based on a compromise agreement wherein the parties agreed, *inter alia*, that petitioners would vacate the leased premises not later than December 31, 1999.[6]

Both parties admit that the aforestated compromise agreement bore the imprimatur of the trial court. Equally admitted is the fact that petitioners were not represented by counsel when they entered into said compromise agreement.

On November 10, 1999, petitioners filed a complaint for maintenance of peaceful possession and issuance of mandatory preliminary injunction with the Provincial Agrarian Reform Adjudication Board, Region III (PARAB). Respondents filed a motion to dismiss it, alleging lack of jurisdiction, improper venue and *litis pendentia*, and/or *res judicat*a. The PARAB in an order dated January 19, 2000 denied the motion to dismiss.

On January 6, 2000, Kenneth Bautista filed a motion for intervention.[7] He alleged that he had entered into a one year-joint venture agreement[8] dated November 30, 1998, to expire on December 30, 1999, with the petitioners to augment their harvest and enhance their fishpond technology. Intervenor claims that he has the right of possession over the subject fishpond as respondents (defendants in the PARAB complaint) executed a lease contract extending from January 1, 2000 to December 31, 2003 in his favor.[9] He claims that petitioners' right as lessees of the fishpond already lapsed with the expiration of their contract on December 31, 1999.

On January 28, 2000, petitioners amended their complaint to include intervenor Kenneth Bautista as one of the defendants.

After the parties submitted their evidence and position papers, the PARAB rendered judgment in favor of herein petitioners. It found that petitioners have proved the existence of all the elements necessary to establish a tenancy relationship. Dated May 9, 2000, the judgment reads:

Wherefore, in view of the foregoing judgment is hereby rendered:

> 1) Maintaining plaintiff-spouses Numeriano and Carmelita Romeo as tenants over the subject fishpond;
>
> 2). Ordering the issuance of a Writ of Permanent Mandatory Injunction restoring plaintiffs in their peaceful possession of the fishpond in question and directing defendants and intervenor to cease and desist from doing any act which would deprive herein plaintiffs of their possession and cultivation of the subject fishpond;
>
> 3). Ordering plaintiffs herein to post bond in the amount of 1.2 million pesos in favor of intervenor herein to answer for the damages which the latter might suffer if it should be found later on that the former is not entitled to the relief prayed for;
>
> 4). Ordering the defendants and intervenor to respect the peaceful possession and cultivation by the plaintiffs of the subject fishpond;
>
> 5). Declaring the lease contract between intervenor and defendants as null and void.[10]

In the meantime, while the complaint before the PARAB was pending, herein petitioners on December 10, 1999, (21 days before the expiration of the lease

contract and the date to relinquish possession of the fishpond pursuant to the compromise agreement), filed with the RTC of Malabon, Branch 74, a petition for annulment of the MTC judgment, order, and compromise agreement.[11] Petitioners raised issues concerning the tenancy relationship, lack of assistance by counsel in arriving at the compromise agreement, as well as lack of jurisdiction by the MTC Malabon because the subject property is located in Lubao, Pampanga. Respondents filed a motion to dismiss premised on culpability of petitioners for forum shopping, including lack of cause of action to file the petition. On March 7, 2001, the RTC dismissed the petition for lack of cause of action and failure to prosecute.[12]

As it turned out, even before the RTC's Order of dismissal came out in their favor, respondents had already elevated the controversy to the appellate court. To be precise, on June 8, 2000, respondents filed with the Court of Appeals a petition for certiorari assailing the May 9, 2000 decision of the PARAB. Finding in favor of respondents, the Court of Appeals, in a decision dated January 19, 2001, set aside the PARAB decision, decreeing thus:

> WHEREFORE, premises considered, the instant petition is hereby GRANTED and GIVEN DUE COURSE. The assailed Order of January 19, 2000 and the questioned Decision dated May 9, 2000 are declared NULL and VOID for want of jurisdiction.
>
> Let the final and executory judgment of the MTC of Malabon in Civil Case No. 1694-97 be executed immediately.
>
> SO ORDERED.[13]

Petitioners' motion for reconsideration of the said decision was denied by the CA in a resolution dated March 19, 2001. Heedless of this development, petitioners filed on April 4, 2001, a petition with the RTC of Malabon, Branch 170, for certiorari and prohibition with prayer for the issuance of preliminary injunction/restraining order. This petition questioned the order of execution dated February 26, 2001 issued by the MTC of Malabon, Branch 55, which ordered the execution of its judgment based on the compromise agreement.[14]

Then on April 11, 2001 petitioners filed before this Court an appeal via a petition praying for reversal of the abovestated CA decision, which ruled that the PARAB had no jurisdiction to hear and decide the complaint filed by petitioners, and thus ordered the immediate execution of MTC judgment.

Petitioners now assign the following as errors:

> I. THE COURT OF APPEALS ERRED WHEN IT DECLARED THAT THE PROVINCIAL ADJUDICATOR ERASMO SP. CRUZ HAS NO JURISDICTION OVER THE SUBJECT MATTER OF THE CASE BASED ON THE CASE OF ATLAS FERTILIZER CORP. VS. SECRETARY OF DEPARTMENT OF AGRARIAN REFORM, 274 SCRA 30, WHERE THE SUPREME COURT RULED THAT THE PROVISIONS OF REPUBLIC ACT NO. 7881 EXPRESSLY STATED THAT FISHPONDS AND PRAWN FARMS ARE EXCLUDED FROM THE COVERAGE OF THE COMPREHENSIVE AGRARIAN REFORM LAW [CARL];
>
> II. THE COURT OF APPEALS ERRED WHEN IT DECLARED THAT IT IS

> LIKEWISE DISMISSIBLE CONSIDERING THAT THERE WAS A COMPROMISE AGREEMENT BETWEEN THE PETITIONER AND THE PRIVATE RESPONDENTS WHICH HAS THE FORCE OF RES JUDICATA BETWEEN THE PARTIES AND SHOULD NOT BE DISTURBED EXCEPT FOR VICES OF CONSENT OR FORGERY;
>
> III. THE COURT OF APPEALS ERRED WHEN IT GAVE DUE COURSE TO THE PETITION FILED BY THE RESPONDENTS CONSIDERING THAT THE PROPER REMEDY IS TO APPEAL THE DECISION OF THE PROVINCIAL ADJUDICATOR TO THE DARAB.[15]

Principally, the issues for our resolution are (1) whether or not the PARAB had jurisdiction to hear and decide the complaint for maintenance of peaceful possession and issuance of mandatory preliminary injunction; (2) whether or not the compromise agreement duly approved by the MTC of Malabon, Branch 55, had the force and effect of *res judicata*; and (3) whether or not the PARAB decision should have been appealed to the Department of Agrarian Reform Adjudication Board (DARAB), and not the subject of a special civil action of certiorari filed with the Court of Appeals. These issues depend, in turn, on whether the fishpond, which is the subject of the controversy, is governed by the Comprehensive Agrarian Reform Law (CARL).

Noteworthy, respondents counter that petitioners are guilty of forum shopping in filing different complaints based on the same facts with different judicial and quasi-judicial bodies. Considering the circumstances of this case, however, we shall first tackle the substantial issues on the merits before the technical matter raised by respondents.

Petitioners aver that the PARAB had jurisdiction over the subject matter of the case as it involves a tenancy relationship. They further claim that this tenancy relationship has long been in existence since 1985 such that any amendment to the Comprehensive Agrarian Reform Law (CARL) to the effect that fishponds are excluded from the coverage of the latter cannot be given retroactive effect, hence, will not operate to divest the PARAB of its jurisdiction over the complaint.

The Court of Appeals in ruling that the PARAB has no jurisdiction relies on our ruling in the case of *Atlas Fertilizer Corp. v. Secretary, Dept. of Agrarian Reform*[16] where we held that Rep. Act No. 7881 expressly provides that fishponds and prawn farms are excluded from the coverage of CARL. In reversing the PARAB's findings, the appellate court stated:

> …[T]hat the provincial adjudicator's jurisdiction is only to hear, determine and adjudicate all agrarian cases, AND disputes and incidents in connection therewith (DARAB New Rules of Procedure, Rule 2, Section 2), and considering further that lands devoted to fishing are not agricultural lands because the use of the land is only incidental to and not the principal factor in productivity, as implied by this Court in the Atlas case, it follows that the PARAB has no jurisdiction over the instant case.[17]

On the jurisdictional issue, we find that it was reversible error for the PARAB to have taken cognizance of petitioners' complaint. The jurisdiction of the PARAB in this case is limited to agrarian disputes or controversies and other matters or incidents

involving the implementation of the Comprehensive Agrarian Reform Program (CARP) under Rep. Act No. 6657, Rep. Act No. 3844 and other agrarian laws.[18] An agrarian dispute is defined as any controversy relating to tenurial arrangements, whether leasehold, tenancy, stewardship or otherwise, over lands devoted to agriculture, including disputes concerning farm workers associations or representation of persons in negotiating, fixing, maintaining, changing or seeking to arrange terms or conditions of such tenurial arrangements.[19]

Although Section 166 (1) of Rep. Act No. 3844 had included fishponds in its definition of agricultural land within its coverage, this definition must be considered modified in the light of Sec. 2 of Rep. Act No. 7881, which amended Section 10 of Rep. Act No. 6657, otherwise known as the Comprehensive Agrarian Reform Law (CARL). Expressly, the amendment has excluded private lands actually, directly and exclusively used for prawn farms and fishponds from the coverage of the CARL. In fact, under Section 3 (c) of R.A. No. 6657, as amended, defines an *agricultural land* as that which is devoted to agricultural activity and not otherwise classified as mineral, forest, residential, commercial or industrial land. In turn, Section 3 (b) thereof defines *agricultural activity* as the cultivation of the soil, planting of crops, growing of fruit trees, including the harvesting of such farm products, and other farm activities, and practices performed by a farmer in conjunction with such farming operations done by persons whether natural or juridical. Clearly, by virtue of the amendments to the CARL, the operation of a fishpond is no longer considered an agricultural activity, and a parcel of land devoted to fishpond operation is not agricultural land as therein defined.

Significantly, although there is no express repeal of Rep. Act No. 3844 as a whole, as in fact its provisions that are not inconsistent with Rep. Act No. 6657, may still be given suppletory effect, nonetheless, there is now irreconcilable inconsistency or repugnancy between the two laws as regards the treatment of fishponds and prawn farms. Such repugnancy leads us to conclude that the provisions of Rep. Act No. 6657 (CARL) supersede the provisions of Rep. Act No. 3844 insofar as fishponds and prawn farms are concerned. In any event, Section 76 of Rep. Act No. 6657 (CARL), as amended, provides that all other laws, decrees, issuances, or parts thereof inconsistent thereto are repealed or amended accordingly.[20]

Consequently, we rule that there is no agrarian tenancy relationship to speak of in this case at this time, since certain requirements set by present law on the matter have not been met. Among these are: (1) the subject matter should be agricultural land; (2) the purpose should be agricultural production; and (3) there should be personal cultivation done by the tenants themselves.[21]

Unless the requisite elements of agrarian tenancy concur in order to create a tenancy relationship between the parties, we cannot bring the matter within the purview of tenancy under CARL. The absence of one element makes an occupant of a parcel of land, or a cultivator thereof, or a planter thereon outside the scope of CARL. Nor can such occupant, cultivator or planter be classified as a *de jure* agricultural tenant for purposes of agrarian reform law. And unless a person has established his status as a *de jure* tenant, he is not entitled to security of tenure nor is he covered by the Land Reform Program of the Government under existing agrarian reform laws.[22]