484 Phil. 766

SECOND DIVISION

[G.R. No. 140973, November 11, 2004]

JUSTINO LARESMA, PETITIONER, VS. ANTONIO P. ABELLANA, RESPONDENT.

D E C I S I O N

CALLEJO, SR., J.:

On May 24, 1994, respondent Antonio P. Abellana filed a Complaint with the Regional Trial Court (RTC) of Toledo, Cebu, Branch 29, against petitioner Justino Laresma, a farmer, for recovery of possession of Lot 4-E of subdivision plan psd. 271428, a parcel of agricultural land located in Tampa-an, Aloguinsan, Cebu. The lot had an area of 21,223 square meters covered by Transfer Certificate of Title (TCT) No. 47171. He alleged, *inter alia*, that since 1985, the petitioner had been a lessee of a certain Socorro Chiong, whose agricultural land adjoined his own; and that sometime in 1985, the petitioner, by means of threat, strategy, and stealth, took possession of his property and deprived him of its possession.[1] The respondent prayed that, after due proceedings, judgment be rendered in his favor, ordering the petitioner to vacate the property and pay him actual damages, attorney's fees, and expenses of litigation.[2] Appended to the complaint was a contract of lease[3] executed by the petitioner's wife, Praxedes Seguisabal Laresma, on March 1, 1977, over a parcel of land owned by Socorro Chiong covered by Tax Declaration No. 05561.

To support his complaint, the respondent presented his father, Teotimo Abellana, as witness. Teotimo testified that the petitioner married his maid, Praxedes Seguisabal, after which the couple resided in the property of Socorro Chiong,[4] which abutted the property of the petitioner and a portion of the property of the Spouses Vicente and Susana Paras. The petitioner thus became a tenant of Socorro Chiong. Teotimo further narrated that sometime in 1989 and 1990, the petitioner transferred his house to the property of his son, the respondent, in the process destroying coconut trees planted on the property to pave the way for the construction of the *barangay* hall. According to the witness, he reported the incident to the office of the chief of police and the *barangay* captain. However, the matter was not acted upon.[5]

Teotimo also testified that his son, the respondent, purchased the property from his uncle, Mariano Paras, who, in turn, bought the same from his parents, the Spouses Vicente and Susana Paras.[6] Based on the said sale, the Register of Deeds issued TCT No. 47171 over the property under the name of the respondent on April 2, 1980.[7] The respondent had since then declared the property for taxation purposes,[8] and paid the realty taxes therefor.[9] Teotimo declared that he requested Geodetic Engineer Lordeck Abella to relocate the property, and the engineer prepared a sketch plan showing that the said lot abutted the property of Socorro

Chiong on the northeast and that of Agnes Abellana on the north.[10] He admitted that he and the respondent were informed that the property had been placed under the Operation Land Transfer (OLT), and that they refused to acknowledge the information.[11]

The respondent's aunt, Socorro Chiong, testified that on October 14, 1972, she and Felicidad Paras Montecillo purchased from her parents, the Spouses Vicente and Susana Paras, a 19-hectare land in Tampa-an, Aloguinsan, Cebu, Lot 4-C of Psd. 271428 Lot 4-E, covered by Tax Declaration No. 009088.[12] Chiong's parents died in 1977. In an Order dated November 8, 1994, the Department of Agrarian Reform (DAR) affirmed the July 11, 1988 Ruling of the DAR Regional Director that the deed of sale over the property executed by her parents in her favor was valid; that the tenants therein, including Justino Laresma and his wife, were bound by the said sale; and that the tenanted portion of the property, including that portion leased to Praxedes Laresma, was outside the scope of the OLT.[13] She confirmed that the property of the respondent abutted her property on the north.[14]

In his answer to the complaint, the petitioner averred that the dispute between him and the respondent was agrarian in nature, within the exclusive jurisdiction of the DAR, involving as it did his right of possession covered by Certificate of Land Transfer (CLT) No. 0-031817 issued to his wife Praxedes. He alleged that the property titled in the name of the respondent consisted of a portion of that property owned by the Spouses Vicente and Susana Paras covered by Original Certificate of Title No. 780 which was placed under OLT under Presidential Decree No. 27. Being a beneficiary of the agrarian reform program of the government, his wife was issued CLT No. 0-031817 on July 13, 1982 over a portion of the property, Lot No. 00013, with an area of 0.1700 hectares. Since then, he and his wife became owners of the property and, as such, were entitled to the possession thereof.

The parties agreed to defer further proceedings for the conduct of an ocular inspection of the property to determine whether Lot No. 00013 covered by CLT No. 0-031817 was, indeed, a part of Lot 4-E covered by TCT No. 47171. On January 13, 1995, the trial court issued an Order allowing the said inspection with Socorro Chiong in attendance.[15] The parties were advised to make a report on the same. The court designated its process server, Felix Navarro, as its representative during the inspection.[16] The Municipal Agrarian Reform Office, for its part, designated Municipal Agrarian Reform Technologist Alberto Epan as its representative.

On February 16, 1995, Epan inspected the property in the presence of the petitioner. The petitioner pointed to Epan eight of the ten OLT muniments. Epan also noticed that there were coconuts scattered on the property, that corn was planted in the plan area, and that the house of the respondent was in the property titled to the petitioner. On February 17, 1995, the parties' respective counsels, including Navarro and Epan, inspected the property. Epan, thereafter, submitted his Report dated February 22, 1995,[17] with a sketch at the dorsal portion showing the respective locations of the property cultivated by the respondent, his house and the OLT muniments.[18] Navarro submitted a separate report on March 7, 1995,[19] where it was indicated that the parties had agreed that the house of the petitioner was located at the respondent's property.

The petitioner denied being the tenant of the respondent. He testified and adduced evidence that he and his wife were married on September 23, 1953,[20] and, thereafter, resided in the property of the Spouses Paras[21] where he was a tenant.[22] He delivered one-half of the produce from the land to Susana Paras and kept the rest as his share. Shortly thereafter, the Spouses Paras sold a portion of the property to the respondent. Sometime in 1976 or 1977, the subject property was placed under the OLT.[23] The respondent and Roque Paras protested the inclusion of the property, which was, however, rejected.[24] The petitioner also testified that after the death of the Spouses Paras, he gave the share of the produce to the spouses' daughter, Socorro Chiong.[25]

The petitioner further testified that on July 13, 1982, his wife was issued CLT No. 0-031817 over Lot No. 00013, the property he was cultivating. The lot had an area of 0.1700 hectares and was located at Tampa-an, Aloguinsan, Cebu. Because of lack of funds, his wife was able to make only partial payments of her amortizations for the property to the Land Bank of the Philippines for which she was issued receipts.[26] After CLT No. 0-031817 was issued to his wife, he kept all the produce from the land.

The petitioner also presented Felix Navarro and Alberto Epan who affirmed their respective reports on the conduct of the inspection on the property.

On October 30, 1998, the trial court rendered judgment in favor of the respondent and against the petitioner. The *fallo* of the decision reads:

> WHEREFORE, premises considered, judgment is hereby rendered in favor of plaintiff as against defendant declaring:
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> 1 - That plaintiff as the lawful owner in fee simple of the entire real property covered by Transfer Certificate of Title No. 47171 [Exhibit "D"]; and, declaring further that plaintiff is entitled to recover possession thereof from defendant;
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> 2 - That the occupation, use, and possession of defendant under the latter's claim as *bona fide* tenant of plaintiff over the latter's property is null and *void ab initio* in violation of aforecited provision of the Code of Agrarian Reform, R.A. 3884;
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> 3 - That defendant, his wife, Praxedes Laresma and their children and his agents or representative are hereby ordered to vacate and to surrender the entire possession, use, and occupation of said real property covered by TCT No. 47171 to and in favor of plaintiff;
>
> 4 - That defendant is hereby declared liable and ordered to pay plaintiff the sum of P70,000.00 as actual damages, the sum of P10,000.00 as attorney's fees, and P5,000.00 as costs of suit.
>
> SO ORDERED.[27]

The court ruled that, as evidenced by the contract of lease executed by Praxedes Laresma and Socorro Chiong, the petitioner was the tenant of Chiong and not of the respondent. Thus, the court had jurisdiction over the case. The court rejected the reports of Epan and Navarro, and considered the same as barren of probative weight, considering that the said reports failed to take into account the technical descriptions of Lot 4-C owned by Chiong, Lot 4-E covered by TCT No. 47171, and Lot 00013 covered by CLT No. 0-031817.

Hence, the present petition for review on certiorari under Rule 45 of the Rules of Court.

The petitioner points out that the property subject of the complaint is covered by a CLT issued by the DAR in the name of his wife. The petitioner avers that although the complaint of the respondent appeared to be one for the recovery of possession of the said property (*accion publiciana*), by claiming that the petitioner was the tenant of Socorro Chiong, the respondent indirectly attacked the said CLT. Hence, the action is within the exclusive jurisdiction of the Department of Agrarian Reform and Adjudication Board (DARAB) under Republic Act No. 6657. The petitioner asserts that, by declaring that the landholding was not legally possessed by him and that he was not a *de jure* tenant, the trial court thereby declared him as having forfeited his rights under the CLT. He was, thus, prevented from paying his monthly amortizations over the property to the Land Bank of the Philippines as required by law.

The petitioner further asserts that he was the agricultural tenant of the Spouses Paras, the original owners of the property. His right as a farmer subsisted, notwithstanding the transfer of the property of the deceased prior to October 21, 1972, which transfer was registered with the Register of Deeds only on December 21, 1977. He contends that since the landholding was already placed under the scope of OLT, the respondent merely stepped into the shoes of the Spouses Paras. Moreover, having become owners of the property on October 21, 1972, the petitioner and his wife were not obliged to pay damages to the respondent; as such, there was no factual basis for the award of actual damages in the amount of P70,000 in favor of the latter.

In his comment on the petition, the respondent avers that the threshold issue in this case is factual; hence, the remedy of the petitioner was to appeal the decision of the trial court to the Court of Appeals by a writ of error under Rule 41 of the Rules of Court. He contends that he did not, in his complaint, attack the CLT issued to Praxedes Laresma because the property covered by it is a portion of the property of Socorro Chiong, and not that of his property covered by TCT No. 47171. He also posits that the said title is valid and insists that the petitioner had actual knowledge of the sale of the property to him. The petitioner cites the ruling of this Court in *Antonio v. Estrella*[28] to bolster his claim.

As gleaned from the petition, the comment thereon, and the memoranda of the parties, the issues for resolution are the following: (a) whether the action of the respondent in the trial court is in reality an indirect attack on the validity of CLT No. 0-031817 issued to Praxedes Laresma in the guise of an action for recovery of possession (*accion publiciana*) of the property covered by TCT No. 47171; (b) whether the RTC had jurisdiction over the action of the respondent; and (c) whether the petitioner is liable for damages in favor of the respondent.

On the first two issues, the petitioner avers that he and his wife Praxedes became owners of Lot No. 00013 by virtue of CLT No. 0-031817 which was awarded in the latter's favor. As such, they are entitled to the possession of the lot. The petitioner contends that unless and until CLT No. 0-031817 is nullified in a direct action for the said purpose before the DARAB, they cannot be evicted from the said property. He posits that the action of the respondent against him in the RTC for recovery of possession of real property is, in reality, an indirect attack on the CLT issued to his wife which is proscribed by the ruling of this Court in *Miranda v. Court of Appeals*. [29] He asserts that the decision of the trial court declaring him in illegal possession of the property and not a *de jure* tenant of the respondent operates as an illegal forfeiture or cancellation of the CLT.

For his part, the respondent asserts that his complaint against the petitioner did not indirectly assail the CLT issued to the latter's wife. He contends that his action was one for the recovery of his possession of a portion of his property Lot 4-E covered by TCT No. 47171, and not that of Lot No. 00013 covered by CLT No. 0-031817 which is a portion of Lot 4-C owned by his aunt Socorro Chiong. He notes that the petitioner himself admits that he has never been his agricultural tenant over his property. Consequently, the respondent concludes, the trial court correctly ruled that the dispute between him and the petitioner is civil in nature and within its exclusive jurisdiction.

We agree with the respondent that the DARAB had no jurisdiction over his action against the petitioner. The bone of contention of the parties and the decisive issue in the trial court was whether or not Lot No. 00013 covered by CLT No. 0-031817 is a portion of Lot 4-E covered by TCT No. 47171 under the name of the respondent. This is the reason why the parties agreed to have Lot No. 00013 resurveyed in relation to Lot 4-C owned by Socorro Chiong and to Lot 4-E titled in the name of the respondent. After a calibration of the evidence on record and the reports of Epan and Navarro, the trial court ruled that Lot No. 00013 formed part of Lot 4-C owned by Socorro Chiong and not of Lot 4-E titled in the name of the respondent:

> Plaintiff unabashedly claims that defendant has never been his tenant over the former's property, Lot No. 4-E, but defendant claims otherwise. The evidence of plaintiff tends to establish that defendant is not his or has never been his tenant over his agricultural land, Lot 4-E, but defendant Justino Laresma is rather the tenant of Socorro Chiong over her property, Lot 4-C. In support of this contention that defendant is not plaintiff's own tenant but that of Socorro Chiong, plaintiff offered and adduced the contract of lease duly entered by and between Socorro Chiong and defendant [Exhibit "B"] in 1977 wherein it was clearly stipulated [that] Socorro Chiong as the agricultural lessor leased a portion of her land to defendant, in the latter's capacity as agricultural lessee of Lot 4-C with the obligation to pay Socorro Chiong rentals during the stipulated crop years.
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> This particular contract of lease [Exhibit "B"] does not show that plaintiff is a privy (*sic*) to it. It is (*sic*) goes to show that plaintiff is [not] bound by the terms and conditions thereof.
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> In the order of DAR under DARRO Adm. Case No. VII-98-88 dated