359 Phil. 729

THIRD DIVISION

[G.R. No. 113605, November 27, 1998]

ROMULO ROVILLOS, PETITIONER, VS. THE HONORABLE COURT OF APPEALS, FOURTH DIVISION, THE HONORABLE RICARDO T. LINSANGAN, PRESIDING JUDGE IN BRANCH 38 OF THE REGIONAL TRIAL COURT OF NUEVA ECIJA, SAN JOSE CITY, AND PRIVATE RESPONDENT MODESTO OBISPO, RESPONDENTS.

D E C I S I O N

ROMERO, J.:

Petitioner, undaunted by his two previous setbacks, seeks the reversal of the decision of the Court of Appeals dated January 26, 1994[1] in CA-G.R. No. 31771 affirming the decision[2] of the Regional Trial Court, Branch 38 of San Jose City, in Civil Case No. C-41 which ruled that he was not a tenant of the private respondent, but was in fact a mere farm laborer not entitled to the actual possession of the land in question.

Sometime in 1971, petitioner's predecessor started tilling and cultivating a portion of private respondent's land situated in Carrangalan, Nueva Ecija under a "share-crop" agreement. On December 30, 1979, petitioner and the private respondent entered into a contract[3] which stipulated that the former was to be contracted as a farm laborer or helper responsible for the cultivation of two (2) hectares of the four hectare land.

For the next five years, both parties complied with the provision of their agreement. However, to the dismay of the private respondent, starting January 1984, petitioner no longer cultivated the land in question in his capacity as a farm laborer but as a tenant, with the corresponding right to exclude the private respondent from the land. To protect his interest, private respondent demanded from the petitioner to desist from further cultivation of the said land. These demands proved futile as petitioner continued with his daily undertakings, unmindful of private respondent's protestations.

Exasperated, private respondent, on April 9, 1984, filed a complaint against the petitioner for Recovery of Possession with Damages with Motion for Issuance of Writ of Preliminary Injunction. In his Answer, petitioner maintained that on October 6, 1981, he was granted a Certificate of Land Transfer No. 0-065683 by the then Ministry of Agrarian Reform pursuant to Presidential Decree No. 27, hence, converting his status from a farm laborer to that of a legitimate tenant of the private respondent.

On February 20, 1991, the trial court rendered its decision finding that petitioner was not a tenant but a mere farm helper or laborer of the private respondent. The trial court expounded its position in this wise:

"Defendant's contention that he is a tenant of plaintiff (as he tried to picture out in the Terminal Survey, Exh. 8, the information of which he personally supplied to Eleonor Quinto on June 14, 1977 that gave rise to the issuance of the CLT dated October 6, 1981, Exh. 1, which CLT was, however, cancelled on august 12, 1988, Exh. 10, by Director Aligio Pacis because the subject land is never tenanted, Exh. 10-B); cannot be sustained on the strength and wisdom of the KASUNDUAN, Exh. A, executed on December 30, 1979, not only because of the reciprocal stipulations eloquently expressed therein which must be given force and effect (National Rice and Corn Administration vs. Court of Appeals, 91 SCRA 437), but also because of the well-settled rule that public documents invested with the solemnities of the law cannot be set aside on light and flimsy evidence. (Mercador vs. Ang, CA-G.R. No. 3940-R, March 31, 1951). The Kasunduan being a bilateral contract, it necessary follows that the intention of the parties at the time of the execution thereof must prevail (Reyes vs. Sierna, 93 SCRA 472), in much the same way that its validity be maintained even though one of the parties entered into it against his own wish and desires, or even against his better judgment (Lagunsod vs. Vda de Guzman, 92 SCRA 476).

In fine, defendant's admission of being a fourth year in high school, and having thoroughly read the contract, Exh. A, written out in a language he understood very well before he affixed his signature thereto, and the same being a notarial document guaranteed by public attestation in accordance with law where its provisions are clear and not forged, their contents must be upheld (Sarayba vs. Reyes, CA-G.R. No. 4008-R, Sept. 26, 1950; Navoa de Ramos vs. Yu Cochangco, CA-G.R. No. 25-R, July 9, 1947). The defendant having breached the contract, plaintiff is deserving to recover actual damages. (Pamintuan vs. Court of Appeals, 94 SCRA 556)."

The above-quoted ruling of the trial court was affirmed by the Court of Appeals in its decision dated January 26, 1994 which substantially adopted the trial court's finding, thus:

"Through the agreement embodied in the "KASUNDUAN", the contention of appellant that he is a tenant should be dismissed as a tenancy relationship is determined not by the nature of the work involved but by the intention of the parties. (Gelos vs. Court of Appeals, 208 SCRA 608).

Appellant also anchors his claim on the land on the fact that he is the grantee of a Certificate of Land Transfer covering the land in question.

The Certificate of Land Transfer was, however, subsequently cancelled on August 12, 1988 precisely on the ground that the land in question is less than seven (7) hectares thus not covered by the provisions of P.D. No. 27.

Although the law looks upon the lowly with favor, the same cannot be used as a shield to perpetrate an injustice. The appellee herein cannot be said to belong to the landed gentry. As in fact the appellee's only

> landholding is the four (4) hectares of riceland of which half is being unjustly claimed by appellant."

Not satisfied with the decision, petitioner is now before this Court assailing the appellate court's pronouncement. Stripped of inconsequential facts, the thrust of the petition is that petitioner should have been recognized as an agricultural lessee of the land and thus entitled to the security of tenure under existing agrarian laws.

On the outset, it should be borne in mind that whether the petitioner was indeed a tenant or laborer is a question of fact.[4] In this regard, jurisprudence has provided the following requisites for tenancy relationship: (1) the parties are the landowners and the tenant; (2) the subject is agricultural land; (3) there is consent; (4) the purpose is agricultural production; (5) there is personal cultivation; and (6) there is sharing of harvest.[5]

With these precepts as guidelines, we are constrained to reverse the findings of both the appellate court and the trial court.

First, petitioner was in actual possession of the land and resided in a farmhouse thereon as a farm tenant would normally do. In *Cruz v. Court of Appeals,*[6] we stated:

> "Finally, it is also undisputed that respondent lives on a hut erected on the landholding. This fully supports the appellate court's conclusion, since only tenants are entitled to a homelot where he can build his house thereon as an incident to his right as a tenant."

Second, the land was devoted to the production of palay and other related products. *Third,* there was the element of consent, for as early as 1971, private respondent had not instituted an action against the petitioner or his predecessor. In fact, he even allowed them and a certain Conrado Vergara to manage and till the land. *Fourth,* the management of the land was for the sole purpose of producing rice or palay. *Fifth,* cultivation and farm work were personally done by the petitioner and his predecessor and *Sixth,* petitioner shared the harvest of the land under a "share-crop" system. In *Hernandez v. IAC,*[7] we ruled that when an individual cultivates the land and did not receive salaries but a share of the produce, the relationship is one of tenancy and not employment. Moreover, if private respondent's land was indeed non-tenanted, he should have obtained a certification of non-tenancy from the then Ministry of Agrarian Reform.[8]

From the foregoing, the ineluctable conclusion drawn is that a tenancy relationship exists between the parties.

That having been said, it must be pointed out that the land in question is covered by Presidential Decree No. 27, which, incidentally has not yet been repealed by Republic Act No. 6657 or the Comprehensive Agrarian Reform Law of 1988.[9] Under the said law, tenant-farmers of rice and corn lands were deemed owners of the land they till.[10] This policy is intended to be given effect by the following provision of the law:

> "The tenant farmer, whether in land classified as landed estate or not, shall be DEEMED OWNER of a portion constituting a family size farm of