

## FIRST DIVISION

[ G.R. No. 103103, June 17, 1996 ]

**ENRIQUE P. SUPLICO, LOLITA T. SUPLICO, ENRIQUE T. SUPLICO, JR., AND DAVID T. SUPLICO, PETITIONERS, VS. HON. COURT OF APPEALS AND FEDERICO ARMADA, RESPONDENTS.**

### D E C I S I O N

**VITUG, J.:**

For review in the instant petition is the 29th November 1991 decision<sup>[1]</sup> of the Court of Appeals affirming that of the Regional Trial Court of Negros Occidental, Branch 54,<sup>[2]</sup> Bacolod City, in CAR Case No. 109, which has declared private respondent Federico Armada to be a *bona fide* agricultural lessee, instead of a mere farm laborer, of Isabel D. Tupas in Barangay Taloc, Bago City.

Isabel Tupas was the registered owner of a parcel of rice land, designated Lot No. 901-B-1, with an area of 120,000 square meters (12 hectares), in Taloc, Bago City, under TCT No. T-26014.<sup>[3]</sup> On 24 February 1977, she leased her landholding, excluding the 33,438-square-meter portion already tenanted by one Jose Jacinto, for the amount of P10,000.00 to petitioner Enrique P. Suplico, her brother-in-law, under a contract that was set to expire on 31 May 1982.<sup>[4]</sup>

Some time in 1979, Armada started tilling an area of 32,945 square meters, identified to be Lot No. 901-B-1-D, <sup>[5]</sup> of the farmland under an agreement with Enrique Suplico. Armada undertook to till the land while Suplico agreed to provide the farm implements and work animals. Suplico was to receive from Armada 62 cavans from the palay harvest per crop yield by way of rental for the use not only of the land but also of the work animals and a hand tractor.<sup>[6]</sup> Private respondent resided with his family in a farmhouse on the land.

When, years later, Suplico threatened to eject Armada from the property, Armada initiated, on 03 May 1982, an action for damages and injunction against Suplico in the Court of Agrarian Relations ("CAR") in Bacolod City.<sup>[7]</sup> The complaint averred that Armada was the tenant-farmer of around 2.5 hectares of the property of Isabel Tupas having been instituted as such tenant in 1979 by her administrator, herein petitioner Enrique Suplico, to whom he religiously paid the fixed rental of 62 cavans of palay per crop yield.

An order was issued by the CAR meanwhile restraining Suplico, his agents and representatives, from harassing, molesting, threatening, and committing acts of dispossession against, Armada.<sup>[8]</sup>

In his answer with counterclaim, Suplico interposed the special defense that Armada was not a tenant-farmer but a seasonal hired farm laborer with a fixed

compensation, and that his services could be terminated anytime before or, at the worst case, upon the expiration of their contract in May 1982. Suplico added that Armada unlawfully appropriated for himself the whole produce of the first yield for the crop year 1982-83.<sup>[9]</sup>

On 14 February 1983, Isabel Tupas, represented by her attorney-in- fact Lolita T. Suplico (sister of Isabel and the wife of Enrique P. Suplico), intervened in the case. She alleged that she had no contractual relationship with Armada nor did she impliedly tolerate his continued possession of the land. She prayed that Armada be ejected from her landholding.<sup>[10]</sup> On even date, Isabel Tupas filed a complaint for ejectment against Armada and his wife, Leticia, in the Municipal Trial Court ("MTC") of Bago City.<sup>[11]</sup> The complaint, however, was dismissed on 15 May 1985 for lack of jurisdiction,<sup>[12]</sup> following the certification issued by the Regional Director of the then Ministry of Agrarian Reform, Region VI, Iloilo City, that the case was not proper for trial and hearing by the MTC on account of the existence of tenancy over the land involved.

On 28 June 1984, the complaint for damages and injunction was referred by the trial court<sup>[13]</sup> to the Ministry of Agrarian Reform ("MAR") for a summary determination of the relationship of the parties, as well as for a certification on whether or not the case was proper for trial, in accordance with Memorandum Circular No. 29 of the MAR, implementing P.D. No. 316<sup>[14]</sup> in conjunction with P.D. No. 27.<sup>[15]</sup> The trial of the case resumed after the MAR Director for Region 6, Iloilo City, had certified that the case was proper for trial and hearing.<sup>[16]</sup>

On 28 March 1987, Isabel Tupas donated the whole property to her sister, Lolita T. Suplico, and her nephews, Enrique Suplico, Jr., and David Suplico. On 17 May 1988, she moved to be dropped as intervenor and asked that her donees of the property be instead named as substitutes.

Finally, on 18 January 1990, the trial court rendered its decision declaring private respondent a *bona fide* agricultural lessee. The dispositive portion of the decision stated:

"WHEREFORE, PREMISES CONSIDERED, judgment is hereby rendered:

"1. Declaring plaintiff FEDERICO ARMADA a bona fide agricultural lessee of the landholding in question with an area of two and a half (2 1/2) hectares more or less belonging to the intervenors;

"2. Permanently enjoining the defendant/intervenors from ejecting or removing plaintiff from his landholding aforementioned situated in sitio Langka, Brgy. Taloc, Bago City;

"3. Ordering the plaintiffs to pay to the defendant/intervenors two hundred fifty-four (254) cavans of palay as back rentals or their money equivalent, less whatever amount may have been paid or deposited with the court after this date; and