

THIRTEENTH DIVISION

[CA-G.R. SP NO. 126389, March 18, 2015]

HEIRS OF SIXTO LASTRA, AS REPRESENTED BY ORLANDO LASTRA, PETITIONERS, VS. DEPARTMENT OF AGRARIAN REFORM ADJUDICATION BOARD (DARAB) AND CONSORCIA LOPEZ, ROGELIO SILVESTRA, JR., GENER GABRIEL, AND TRANQUILINO TORRES, RESPONDENTS.

DECISION

CORALES, J.:

This is a Petition for Review^[1] under Rule 43 of the Rules of Court assailing the June 21, 2011 Decision^[2] of the Department of Agrarian Reform Adjudication Board (DARAB) in DARAB Case No. 13843 which dismissed the appeal of the Heirs of Sixto Lastra, represented by Orlando Lastra (Orlando), from the April 21, 2004 Decision^[3] of the Provincial Agrarian Reform Adjudicator (PARAD) in the maintenance of peaceful possession case they filed against Consorcia Lopez, Rogelio Silvestre, Jr., Gener Gabriel, and Tranquilino Torres (individually referred by their first name but collectively as private respondents).

The Antecedents

Sixto Lastra (Sixto) claimed ownership over Lot No. 199, a 2.5011-hectare parcel of agricultural land forming part of the Luisita Estate in Dumarais, La Paz, Tarlac, by virtue of a *Kasunduan sa Pagbibili* or Agreement to Sell (Agreement to Sell)^[4] executed in his favor by the Director of Lands on behalf of the government.

On October 10, 1988, Sixto and his wife Catalina entered into a *Katunayan sa Ipinagbiling Loteng Sakahan*^[5] (Katunayan) wherein they sold to Consorcia an undivided 1.2505-hectare portion of Lot No. 199 for P40,000.00. After almost eight (8) years, Consorcia executed the January 10, 1996 Deed of Assignment of Rights^[6] (Deed of Assignment) over the property in favor of Rogelio in consideration of P10,000.00.

On June 7, 1996, Sixto filed with the DARAB the maintenance of peaceful possession case against private respondents.^[7] Sixto averred that he was an awardee of an agricultural holding by virtue of the Agreement to Sell and a grantee-beneficiary of the government's land distribution program under Executive Order No. 376. He had been in continuous and peaceful possession of his parcel of land until private respondents sought to take possession of the same in May 1996 by installing a 40-foot steel pipe thereon without his consent in preparation to the construction of a water pump. He prayed for the issuance of a preliminary mandatory injunction or restraining order enjoining private respondents from disturbing his possession and cultivation of the land, and thereafter, an order directing them to maintain his

peaceful possession of the land, remove any structures they had built, and pay him actual, moral, and exemplary damages and attorney's fees.

In their Answer with Counterclaim,^[8] private respondents argued that Sixto abandoned the property as early as 1985 as shown by the *Katunayan* in favor of Consorcia and the *Kasunduan*. Later on, Consorcia transferred possession of Lot No. 199 to her brother Rogelio and their father, then conveyed all his rights and interest thereto to Rogelio by means of the Deed of Assignment. It was Sixto's son, Orlando, who had tried to forcibly take possession of the property in December 1995. They prayed for the dismissal of the complaint for lack of cause of action and failure to refer the dispute to the *Lupon Tagapamayapa*, the *Pangkat Tagapagkasundo*, or the office of the *Punong Barangay*.

Required to expound their stance in a position paper, Sixto merely reiterated the allegations in his complaint.^[9]

On the other hand, private respondents clarified that Sixto obtained a loan from Consorcia for farming expenses which eventually amounted to P30,000.00, more or less. In October 1988, he sold to Consorcia his rights over one-half of his landholding for P40,000.00 as evidenced by a *Katunayan*.^[10]

The Rulings of the PARAD and the DARAB

In its April 21, 2004 Decision,^[11] the PARAD dismissed Sixto's complaint for lack of legal right to be maintained in peaceful possession of the subject land because he failed to fulfill the terms and conditions of the land award as embodied in the Agreement to Sell. Sixto's conveyance of a portion of Lot No. 199 to Consorcia was considered as an act of relinquishment or abdication of his right over the litigated landholding. The dispositive portion of the PARAD's Decision reads:

WHEREFORE, premises considered, judgment is hereby rendered **DISMISSING** the Complaint for lack of clear basis, in fact and in law.

No pronouncement as to costs.

SO ORDERED.

On appeal,^[12] the DARAB, through its June 21, 2011 Decision,^[13] sustained the findings of the PARAD. It concluded that the *Katunayan* and the Deed of Assignment showed that Sixto had in fact sold, then surrendered possession of, half of his awarded land to Consorcia and he was never in possession of the landholding after such sale. In fact, it was only in 1995 that his son Orlando tried to get back the property. As such, Sixto had lost his right to be maintained in peaceful possession and occupation of the subject land. The DARAB disposed the case as follows:

WHEREFORE, premises considered, the appeal is hereby **DISMISSED** and the Decision dated April 21, 2004 of the Adjudicator *a quo* is **AFFIRMED** *in toto*.

SO ORDERED. (Emphasis and italics appear in the original text of the Decision)

Sixto died during the pendency of the case and was substituted by his heirs who timely sought reconsideration of the DARAB Decision.^[14] In its August 24, 2012 Resolution,^[15] the DARAB stood firm in its ruling.

Unfazed, the Heirs of Sixto filed the instant petition for review premised on this issue:

WHETHER THE PROVINCIAL AGRARIAN REFORM ADJUDICATOR (PARAD) AND THE DEPARTMENT OF AGRARIAN REFORM ADJUDICATION BOARD (DARAB) GRAVELY ERRED IN RULING THAT THE LASTRAS WERE NOT ENTITLED TO THE MAINTENANCE OF THE PEACEFUL POSSESSION OF THE DISPUTED LANDHOLDING[.]

The Heirs of Sixto insist that their father did not abandon his rights to the property. They assail the validity of the *Katunayan* and claim that their father's consent was vitiated and the stipulations were contrary to law and public policy. Allegedly, Sixto obtained a P7,000.00-loan from Consorcia sometime in 1984 to be repaid by cavans of *palay*, but despite delivery of *palay* as scheduled, the loan ballooned to P30,000.00 due to the 35% to 40% interest charged by Consorcia. As payment for the debt, Consorcia told Sixto that she would use the land for 15 years at the rate of P2,000.00 per year and through this, Rogelio was able to possess and cultivate the land beginning 1988. They further aver that Sixto was too old, uneducated, and unable to fend off all physical intrusions on his land; thus, when he approached Consorcia in 1989 to borrow P10,000.00 for his sick wife, he followed Consorcia's instruction to affix his thumbprint on the October 10, 1988 *Katunayan* in the belief that he was not completely surrendering the land. They assert that private respondents did not discharge their burden of proof to show that Sixto understood and duly executed the *Katunayan*. In addition to the original prayers in Sixto's complaint, his heirs seek the issuance of a writ of preliminary mandatory injunction and/or temporary restraining order (TRO) to enjoin private respondents from continuing to use, possess, and enjoy the property.^[16]

On March 11, 2013, Orlando informed Us of the issuance of a March 7, 2011 Order in A.R. Case No. LSD-0235'10 for re-allocation of Sixto's landholding to Orlando. In the said Order, the Regional Director of the Department of Agrarian Reform (DAR) Regional Office III, cancelled the Agreement to Sell in favor of Sixto and re-allocated the remaining portion of the property in favor of Orlando. Further, the Regional Director declared the portion subject of the instant case as vacant and open for disposition to qualified beneficiaries, without prejudice to the final outcome of this proceedings.^[17] As of January 31, 2013, Orlando's appeal from the March 7, 2011 Order is still pending before the DAR Legal Affairs Office.^[18]

Private respondents failed to file their comment to the petition despite due notice.^[19]

This Court's Ruling

At the outset, We make it clear that pursuant to Section 2, Rule 1^[20] of the Rules of Court, this Court has the general residual power to dismiss an action *motu proprio* upon the grounds mentioned in Section 1, Rule 9 of the said rules. Under Section 1, Rule 9 of the Rules of Court, defenses and objections not pleaded either in a motion