

Title:

Melchor Hilado et al. v. Hon. Rolando Chavez, Perpetual Help Development and Realty Corp.

Facts:

Celso “Nene” Zayco owned a parcel of agricultural land in Kabankalan Poblacion, Negros Occidental. He mortgaged the property to Pacific Banking Corporation. Upon Zayco’s failure to repay the loan, the bank foreclosed the mortgage and acquired the property at a public auction. Following Zayco’s failure to redeem the property, the bank consolidated its title over the land, and the title was later transferred to Julieta C. Salgado, chairman of Perpetual Help Development and Realty Corporation (PHDRC).

Between April 1988 and July 1988, the Department of Agrarian Reform (DAR) issued Emancipation Patents to the twenty tenants occupying and cultivating the land. Following the emancipation, the titles were issued to these tenants.

On February 14, 1996, the Sangguniang Bayan of Kabankalan City reclassified the property as partly for light industry and partly residential.

In August 1997, PHDRC filed an unlawful detainer suit against the twenty tenants, claiming they were illegal occupants as the property was no longer classified as agricultural and the tenants were not paying rent.

The tenants, represented by a DAR lawyer, argued the land had been under Operation Land Transfer, and they had been cultivating it since the 1970s. They claimed ownership through the Emancipation Patents and continued to pay amortizations to the Land Bank of the Philippines (LBP).

The Municipal Trial Court (MTCC) ruled in favor of PHDRC, ordering the tenants to vacate the land. The tenants appealed to the Regional Trial Court (RTC), which dismissed their petition. The tenants brought the case before the Supreme Court.

Issues:

1. Whether the filing of a petition for review under Rule 45 of the Rules of Court was proper.
2. Whether the MTCC had jurisdiction over the action for unlawful detainer.
3. Whether the decision of the MTCC was null and void for lack of jurisdiction.

Court’s Decision:

1. Proper Filing Under Rule 45:

The Supreme Court ruled that despite typically appealing RTC decisions via the Court of Appeals under Rule 41, the pursuance under Rule 45 was merited given that the appeal primarily raised issues of law. The core issue was whether the MTCC had jurisdiction over the unlawful detainer case, which is a pure question of law.

2. Jurisdiction of MTCC:

The Supreme Court held that the MTCC lacked jurisdiction because the dispute involved agricultural land under an agrarian reform program, falling within the DARAB's primary and exclusive jurisdiction. The existence of Emancipation Patents issued to the tenants long before the case began demonstrated an inherent agrarian dispute, precluding the MTCC's jurisdiction.

3. Nullification of MTCC Decision:

As the MTCC operated without jurisdiction, its judgment was deemed null and void. The proceedings in the MTCC violated the tenants' rights as agrarian reform beneficiaries and the legal prerequisites for land reclassification purposes were absent, rendering the MTCC's execution and orders ineffective and unsupportable.

Doctrine:

1. **DARAB Jurisdiction**: Agrarian disputes involving agrarian reform beneficiaries and the implementation of agrarian laws are under the primary and exclusive jurisdiction of the DARAB, not ordinary courts.
2. **Emancipation Patents**: Beneficiaries of agrarian reform are entitled to security of tenure and the possession of the property, which cannot be overridden by local government reclassifications without compliance with specific statutory processes.
3. **Void Judgments**: A void judgment due to lack of jurisdiction can be attacked directly at any time as it is effectively non-existent and without legal effect.

Class Notes:

- **Agrarian Disputes Jurisdiction**: DARAB exclusively handles disputes involving agrarian reform laws, as established by Sec. 50 of RA 6657 and related statutes.
- **Operation Land Transfer**: Under PD 27, tenants identified for land transfer under the agrarian reform program become agricultural land owners with corresponding security of tenure.
- **Judicial Review**: Jurisdictional errors resulting in void judgments can be raised at any stage, emphasizing the criticality of determining jurisdiction early in litigation.

Historical Background:

The case took place against the backdrop of the Comprehensive Agrarian Reform Law (Republic Act No. 6657), which aimed to redistribute agricultural land to landless farmers. The law was part of the larger agrarian reform efforts in the Philippines that started in the 1970s under the Marcos regime with Presidential Decree 27. This context is critical, as the legal protections and rights accorded to agrarian reform beneficiaries are at the heart of the dispute, impacting the social and economic landscape of rural communities. The ongoing tension between landowners and tenant farmers over land rights and reclassification for development purposes is a continuing issue within Philippine agrarian policy.