

Lope Machete, Nicasio Jumawid, Santiago Jumawid, John Jumawid, Pedro Gamaya, et al. vs. Court of Appeals and Celestino Villalon

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Title:

Lope Machete, et al. v. Court of Appeals and Celestino Villalon

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Facts:

1. **Leasehold Agreement:**

- Private respondent Celestino Villalon entered into a leasehold agreement with petitioners Lope Machete, Nicasio Jumawid, Santiago Jumawid, John Jumawid, Pedro Gamaya, et al., over landholdings in Poblacion Norte, Carmen, Bohol.
- Petitioners were to pay Villalon a certain amount or a percentage of their harvests.

2. **Non-Payment Issue:**

- Petitioners failed to pay their respective rentals despite repeated demands from Villalon.
- Villalon filed a complaint for collection of back rentals and damages before the Regional Trial Court (RTC) of Tagbilaran City on July 21, 1989.

3. **Motion to Dismiss:**

- Petitioners moved to dismiss the complaint, arguing the RTC lacked jurisdiction as the case pertained to agrarian relations, which fall under the Department of Agrarian Reform (DAR).

4. **RTC Decision:**

- On August 22, 1989, the RTC granted the motion to dismiss.
- Villalon's motion for reconsideration was denied on September 28, 1989.

5. **Court of Appeals (CA):**

- Villalon sought annulment of the RTC orders before the CA.
- On May 21, 1992, the CA reversed the RTC decision, directing it to assume jurisdiction over the case, positing that it was a simple collection case without agrarian dispute.
- The CA rejected a subsequent motion for reconsideration on January 18, 1993.

6. **Petitioners' Argument:**

- Petitioners contended that the issue arose from an agrarian relation concerning an agricultural leasehold contract, hence under the jurisdiction of the DAR.
- They emphasized that the failure to pay agreed rentals involved the application of RA 3844, RA 6657, and relevant agrarian laws.

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****Issues**:**

1. ****Jurisdiction of the Regional Trial Courts**:**

- Whether the RTC has jurisdiction over cases for the collection of back rentals arising out of agricultural leasehold agreements, or if it falls under the exclusive jurisdiction of the DAR.

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****Court's Decision**:**

1. ****Jurisdiction of DAR**:**

- The Supreme Court found merit in the petitioners' argument.
- Citing Section 17 of Executive Order (EO) 229 and the relevant provisions of RA 6657 (Comprehensive Agrarian Reform Law), the Court reiterated that the DAR holds quasi-judicial powers over agrarian reform matters.
- The case involved the issue of back rentals from an agricultural leasehold contract which is an agrarian dispute, falling under the jurisdiction of the DAR.

2. ****Doctrine of Primary Jurisdiction**:**

- The court adhered to the doctrine of primary jurisdiction which prevents courts from intervening in matters initially designated to specialized administrative bodies like the DAR.

3. ****Reversal of CA Decision**:**

- The Supreme Court REVERSED and SET ASIDE the ruling of the Court of Appeals and reinstated the RTC's orders dismissing the case for lack of jurisdiction.

4. ****Resolution Directive**:**

- The Supreme Court directed that the records of the case be transferred to the appropriate DAR Adjudication Board for proper adjudication according to pertinent agrarian laws.

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Doctrines:

1. **Primary Jurisdiction Doctrine:**

- The Supreme Court reaffirmed that administrative agencies with special competence in certain issues, here the DAR, should have the primary jurisdiction.

2. **Jurisdiction of the DAR:**

- The ruling reiterated that the DAR has exclusive original jurisdiction over all agrarian disputes, including those involving leasehold agreements and rental collections.

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Class Notes:

- **Key Elements of Agrarian Reform Cases:**

- **Jurisdiction:** Section 17 of EO 229, Section 50 of RA 6657.

- **Agrarian Dispute:** Involves controversies over tenurial arrangements or agricultural leasehold contracts.

- **Exclusive Jurisdiction:** The DARAB has primary jurisdiction over matters involving the implementation of agrarian law.

- **Special Agrarian Courts:** Designated RTCs handle specific agrarian cases like just compensation and prosecution of criminal offenses under agrarian laws.

Citations:

- **Sec. 17, EO 229:** Quasi-judicial powers of the DAR.

- **Sec. 50, RA 6657:** Primary jurisdiction over agrarian reform matters.

- **Rule II, Sec. 1, DARAB Revised Rules:** Jurisdiction over agrarian disputes including leasehold agreements.

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Historical Background:

- The case reflects the legislative intents and judicial affirmations that agrarian disputes and issues stemming from agricultural leasehold arrangements should be resolved by agrarian reform-specific bodies, namely the DAR. This legislative framework is part of broader agrarian reforms towards equitable land distribution and dispute resolution in the Philippines, particularly under the Comprehensive Agrarian Reform Program initiated by RA 6657.