

IGLESIA NI KRISTO, PETITIONER, VS. THE HONORABLE COURT OF APPEALS, HONORABLE ALBERTO A. REYES, THE PRESIDING JUDGE, BRANCH II, CAR, LIPA CITY, BATANGAS, COMMISSIONER CELEDONIO P...

G.R. No. L-40257. April 14, 1982

Ponente: GUERRERO, J.

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GUERRERO, J.:

This is a petition to review the decision of the Court of Appeals in CA-G.R. No. SP-01668 entitled "Iglesia ni Kristo vs. Nicanor Daza, et al." for certiorari, prohibition with preliminary injunction, promulgated on November 12, 1974,[1] judgment of which states thus:

"All these premises considered, the main petition and the Supplemental Petition are hereby dismissed, and all the other reliefs prayed for, relative to the incidents, proceedings and process arising therefrom or connected therewith, are hereby denied.

"The writ of preliminary injunction heretofore issued is hereby lifted and set aside,"

In April, 1971, herein private respondents filed in the Court of Agrarian Relations at Lipa City CAR Case No. 1294 for the exercise of their right of redemption over a parcel of coconut land pursuant to Section 12 of R.A. 3844, The Agricultural Land Reform Code.[2] The complaint alleged that respondents (plaintiffs below) were share-tenants of a parcel of coconut land measuring 655,074 square meters which was sold by the original owner Candida Katigbak to the defendant Iglesia Ni Kristo (now the petitioner herein) for a consideration of P70,000.00 without their knowledge or prior written notice to them as such share-tenants in violation of the aforesaid Code. They sought in their complaint the reconveyance of the said property in the exercise of their right of redemption in accordance with the law.[3]

Instead of answering the complaint, defendant Iglesia Ni Kristo filed a "Motion for Bill of Particulars" dated April 17, 1971 asking plaintiffs to state "how and when they started as tenants and how big is their respective landholdings." [4] Plaintiffs filed their opposition on the ground that the complaint contained ultimate facts sufficient to constitute cause or causes of action which defendant could either admit or deny, and that the particulars sought for in the bill are evidentiary in nature.[5]

On August 2, 1971, Judge Edon B. Brion of the Court of Agrarian Relations designated respondent Court Commissioner Celedonio P. Felizardo to conduct pre-trial and hearing, receive evidence in connection with the case, and to submit to the court a report with his findings, observations and recommendations. Accordingly, respondent commissioner proceeded to consider the Motion for Bill of Particulars which he consequentially denied in the order of July 3, 1972 on the ground that the complaint is sufficient in form and substance and the facts intended to be elicited are evidentiary in nature.[6]

From this order of denial, defendant Iglesia Ni Kristo filed a "Motion for Reconsideration and to Dismiss" dated

August 16, 1972 based on the ground that plaintiffs as share-tenants not being agricultural lessees, are not the beneficiaries named in the law who can exercise the right of redemption under Section 12 of R.A. 3844.[7] This motion was likewise denied by the commissioner in his order dated September 26, 1972.

Upon motion of defendant, believing that the matters in its Motion for Reconsideration and to Dismiss touched the merits of the case, the two orders of the commissioner were elevated to the judge of the Court of Agrarian Relations for resolution.[8] In the order of November 22, 1972, Presiding Judge Alberto A. Reyes confirmed the orders of the commissioner with respect to the denial of both the Motion for Bill of Particulars and the Motion for Reconsideration and to Dismiss.[9]

Meanwhile, on November 15, 1972, the court commissioner acting on plaintiffs' motion, declared defendant Iglesia Ni Kristo in default for failure to answer the complaint within the remaining reglementary period.[10]

Thereupon, the defendant filed on January 15, 1973 with the Court of Appeals the special civil action for certiorari, prohibition with preliminary injunction (CA-G.R. No. SP-01668-R) imputing as abuse of discretion amounting to lack or excess of jurisdiction the commissioner's denial of the Motion for Bill of Particulars as well as the refusal of respondent judge to dismiss the complaint.[11] Proceedings in the lower court not having been restrained by a proper injunction in the meantime, evidence were adduced ex-parte, after which respondent commissioner submitted to the court his report dated April 2, 1973. On the basis of the report, the Judge of the Agrarian Court issued his decision on May 31, 1973,[12] copy of which was received by defendant Iglesia Ni Kristo on July 20, 1973, allowing the redemption of the land as directed in the following dispositive portion:

"In view of the foregoing, judgment is hereby rendered:

- (1) Ordering the redemption by plaintiffs of the land in question in the amount of Seventy Thousand Pesos (P70,000.00), the land to be apportioned among them to the extent of the area actually being occupied and tenanted by each plaintiff;
- (2) Ordering the plaintiffs to deposit with the Clerk of Court the amount of Seventy Thousand Pesos (P70,000.00), representing the redemption price of the land in question, within fifteen (15) days from receipt hereof;
- (3) Ordering defendant Iglesia Ni Kristo to execute the required Deed of Redemption in favor of the plaintiffs, within fifteen (15) days from receipt hereof and, in its default, the Clerk of Court shall execute the same at the expense of said defendants;
- (4) Ordering the City Assessor of Lipa City to cancel Tax Declaration No. 96714 in the name of Iglesia Ni Kristo and in lieu thereof, issue another one in the joint name of the herein plaintiffs;
- (5) Ordering the Register of Deeds of Lipa City to cancel the registration of Transfer Certificate of Title No. T-25717 in the name of Iglesia Ni Kristo, and to re-register the same in the joint name of the herein plaintiffs; and
- (6) Ordering the defendant to pay the costs."

On July 6, 1973, after the decision of the trial court had been rendered, the "Former Special First Division" of the Court of Appeals gave due course to the petition for certiorari and prohibition. A writ of preliminary injunction was issued by the Court of Appeals only on July 31, 1973 enjoining respondent officials from hearing further CAR Case No. 1294 until further orders from the appellate court.[13] Private respondents answered the petition contending inter alia, that separate orders declaring the defendants in default were issued by the lower court which included the order of default issued on November 15, 1972 against defendant Iglesia Ni Kristo; that before the trial court could receive a copy of the injunctive order of the Court of Appeals issued on July 6, 1973, a decision

was already promulgated on May 31, 1973, thus rendering the issue in the petition moot and academic.[14]

On August 14, 1973, Iglesia Ni Kristo filed a "Supplemental Petition" adducing additional reasons for the allowance of the writ prayed for in the main petition and alleging further that subsequent to the filing of the petition with the appellate court, respondents proceeded with the hearing of the case ex-parte culminating in the issuance of the decision of May 31, 1973.[15] In answer thereto, private respondents argued that the decision of the lower court had already become final and executory, fifteen days having elapsed from receipt of notice thereof without petitioner having filed its intention to appeal.[16]

Thereafter, the following incidents ensued. On September 7, 1973, the trial court issued a writ of execution of its decision (p. 166, rollo). This writ was the subject of petitioner's motion to cite respondents in contempt allegedly for having violated the injunctive order of the appellate court (p. 164, rollo). On October 26, 1973, the Court of Appeals resolved "to issue a restraining order to the Provincial Sheriff of the Province of Batangas not to implement the writ of execution dated September 7, 1973, until further orders from this court" (p. 165-166, rollo). On November 6, 1973, the clerk of court of the Court of Agrarian Relations issued an "Officer's Deed of Redemption". Petitioner moved for the annulment of this deed and also prayed to cite the clerk of court in contempt for the issuance thereof inspite of the restraining order of October 26, 1973 (p. 168, rollo). The clerk of court filed his comment alleging, inter alia, that he had no knowledge of a restraining order issued to the Provincial Sheriff when the Officer's Deed of Redemption was issued; that he was expressly authorized to issue the deed by virtue of the judgment of the trial court in case petitioner failed to issue the same within the reglementary period provided for; and that the clerk of court has not been enjoined either by the respondent judge or by the Court of Appeals from executing the Officer's Deed of Redemption (p. 169, rollo).

The Court of Appeals, in its decision dated November 12, 1974, dismissed the main petition as well as the supplemental petition and the rest of the incidents of the case. After reconsideration was denied, petitioner Iglesia Ni Kristo elevated this present appeal citing the following assignment of errors:

- I. The respondent Court of Appeals gravely abused its discretion amounting to lack or excess of jurisdiction in sanctioning the premature order of default issued against petitioner, thereby depriving the latter due process of law.
- II. The respondent Court of Appeals gravely abused its discretion amounting to lack or excess of jurisdiction in failing to consider the litany of procedural flaws committed by the private respondent and respondent CAR officials, thereby depriving petitioner of its right to be heard before being dispossessed of its property.
- III. The respondent Court of Appeals gravely abused its discretion amounting to lack or excess of jurisdiction in sanctioning the redemption or expropriation of petitioner's coconut land in violation of law.

The central and only issue of substance in this petition is whether or not share-tenants can redeem a coconut land in accordance with Section 12 of R.A. 3844, as amended (Code of Agrarian Reforms). This section provides:

"Section 12. Lessee's Right of Redemption.- In case the landholding is sold to a third person without the knowledge of the agricultural lessee, the latter shall have the right to redeem the same at a reasonable price and consideration: Provided, That where there are two or more agricultural lessees, each shall be entitled to said right of redemption only to the extent of the area actually cultivated by him. The right of redemption under this Section may be exercised within one hundred eighty days from notice in writing which shall be served by the vendee on all lessees affected and the Department of Agrarian. Reform upon the registration of the sale, and shall have priority over any other right of legal redemption. The redemption price shall be the reasonable price of the land at the time of the sale.

Upon the filing of the corresponding petition or request with the Department of corresponding case in court by the

agricultural lessee or lessees, the said period of one hundred and eighty days shall cease to run.

Any petition or request for redemption shall be resolved within sixty days from the filing thereof; otherwise, the said period shall start to run again.

The Department of Agrarian Reform shall initiate, while the Land Bank shall finance, said redemption as in the case of pre-emption." (As amended by Sec. 2, R.A. 6389.)

The above issue has been squarely resolved in the affirmative by the Supreme Court in the cases of *Hidalgo vs. Hidalgo*, 33 SCRA 105 (1970) and *Almeda vs. Court of Appeals*, 78 SCRA 194 (1977).

In the *Hidalgo* case, the decision appealed from was reversed and the petitions to redeem the subject landholdings were granted. The Supreme Court, speaking through Justice Teehankee, said:

"2. The foregoing exposes the error of the agrarian court's corollary premise that 'a share tenant is altogether different from a leasehold tenant.' The agrarian court's dictum that 'their respective rights and obligations are not co-extensive or co-equal' refer to their contractual relations with the landowner, with respect to the contributions given, management, division or payment of the produce.

"But the Land Reform Code forges by operation of law, between the landowner and the farmer - be a leasehold tenant or temporarily a share tenant - a vinculum juris with certain vital juridical consequences, such as security of tenure of the tenant and the tenant's right to continue in possession of the land he works despite the expiration of the contract or the sale or transfer of the land to third persons, and now, more basically, the farmer's pre-emptive right to buy the land he cultivates under section 11 of the Code as well as the right to redeem the land, if sold to a third person without his knowledge, under section 12 of the Code."

The Supreme Court further said that "(t)he agrarian court, therefore, facilely let itself fall into the error of concluding that the right of redemption (as well is necessarily the right of pre-emption) imposed by the Code is available to leasehold tenants only and excludes share tenants for the literal reason that the Code grants said rights only to the 'agricultural lessee and to nobody else.' x x x There is a studied omission in the Code of the use of the term tenant in deference to the 'abolition of tenancy' as proclaimed in the very title of the Code, and the elevation of the tenant's status to that of lessee."

In the *Almeda* case, the Supreme Court, speaking through Justice Martin, held that the right of redemption is available to tenants in sugar and coconut lands. Quoting the provisions of Section 4 of the Agricultural Land Reform Code with its proviso, to wit: "Provided, That in order not to jeopardize international commitments, lands devoted to crops covered by marketing allotments shall be made the subject of a separate proclamation by the President upon recommendation of the department head that adequate provisions, such as the organization of cooperatives marketing agreement, or similar other workable arrangements, have been made to insure efficient management on all matters requiring synchronization of the agricultural with the processing phases of such crops" the Supreme Court held:

"Sugar is, of course, one crop covered by marketing allotments. In other words, this section recognizes share tenancy in sugar lands until after a special proclamation is made, which proclamation shall have the same effect of an executive proclamation of the operation of the Department of Agrarian Reform in any region or locality; the share tenants in the lands affected will become agricultural lessees at the beginning of the agricultural year next succeeding the year in which the proclamation is made. But, there is nothing readable or even discernible in the law denying to tenants in sugar lands the right of pre-emption and redemption under the Code. The exemption is purely limited to the tenancy system; it does not exclude the other rights conferred by the Code, such as the right of pre-emption and redemption. In the same manner, coconut lands are exempted from the Code only with respect to the consideration and tenancy system prevailing, implying that in other matters - the right of pre-emption and redemption which does not refer to the consideration of the tenancy - the

provisions of the Code apply. Thus, Section 35 states: 'Notwithstanding the provisions of the preceding Sections, in the case of fishponds, saltbeds and lands principally planted to citrus, coconuts, cacao, coffee, durian, and other similar permanent trees at the time of the approval of this Code, the consideration, as well as the tenancy system prevailing, shall be governed by the provisions of Republic Act Numbered Eleven Hundred and Ninety-Nine, as amended.'

Having resolved the basic and substantial issue raised herein that coconut lands which are the properties in litigation are subject to the right of redemption which private respondents may exercise under Section 12 of Republic Act 3844 as amended by Republic Act No. 6389, The Code of Agrarian Reforms, there is no further necessity to rule on the alleged procedural flaws assigned as errors by the petitioner. We also find no reason to disturb the findings of the respondent Court of Appeals that "when the 'Supplemental Petition' was filed, the judgment complained of was already final and executory."

IN VIEW OF ALL THE FOREGOING, the decision of the Court of Appeals sought to be reviewed is hereby AFFIRMED. Costs against the petitioner.

SO ORDERED.

Teehankee, Acting C.J., (Chairman), Makasiar, Melencio-Herrera, and Plana, JJ., concur.
Fernandez, J., took no part.

[1] Tenth Division; Puno, J. (ponente), Fernandez and De Castro, JJ., concurring.

[2] Section 12, Republic Act No. 3844. Lessee's Right of Redemption.- In case the landholding is sold to a third person without the knowledge of the agricultural lessee, the latter shall have the right to redeem the same at a reasonable price and consideration: Provided, That where there are two or more agricultural lessees, each shall be entitled to said right of redemption only to the extent of the area actually cultivated by him. The right of redemption under this Section may be exercised within one hundred eighty days from notice in writing which shall be served by the vendee on all lessees affected and the Department of Agrarian Reform upon the registration of the sale, and shall have priority over any other right of legal redemption. The redemption price shall be the reasonable price of the land at the time of the sale.

Upon the filing of the corresponding petition or request with the Department of corresponding case in court by the agricultural lessee or lessees, the said period of one hundred eighty days shall cease to run.

Any petition or request for redemption shall be resolved within sixty days from the filing thereof; otherwise, the said period shall start to run again.

The Department of Agrarian Reform shall initiate, while the Land Bank shall finance, said redemption as in the case of pre-emption. (As amended by Sec. 2, R.A. 6389).

[3] Annex "A", p. 32, rollo.

[4] Annex "B", p. 37, rollo.

[5] Annex "C", p. 41, rollo.

[6] Annex "F", p. 49, rollo.

[7] Annex "G", p. 50, rollo.

[8] Annex "I", p. 55, rollo.

- [9] Annex "J", p. 56, rollo.
- [10] Annex "K", p. 57, rollo.
- [11] Annex "A", p. 23, rollo; see also page 3 of petitioner's brief.
- [12] (Annex "B"), p. 84, rollo.
- [13] (Annex "A"), p. 58, rollo.
- [14] (Annex "B"), p. 60, rollo.
- [15] Annex "D", p. 78, rollo.
- [16] Annex "E", p. 129, rollo.

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