

FIDELA TAÑAG, NATIVIDAD PASCUAL, JOVITA PASCUAL, LOURDES PASCUAL AND TRINIDAD PASCUAL, PLAINTIFFS-APPELLANTS, VS. THE EXECUTIVE SECRETARY, THE CHAIRMAN OF THE LAND TENURE ADMINI...

G.R. No. L-30223. February 27, 1971

Ponente: FERNANDO, J.

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FERNANDO, J.:

Once again, this Court, in this appeal from a lower court decision[1] is faced with the question of resolving conflicting claims as to who, between a sublessee in actual possession of a lot forming part of an estate acquired under Commonwealth Act No. 539[2] for the purpose of resale at reasonable prices to bona fide tenants or occupants and the lessee thereof, is entitled to its purchase. Alfonso Pascual, now deceased, the sublessee and the predecessor-in-interest of the present appellants before us[3] filed this complaint against defendant Gabriel de la Cruz, the lessee, for the purpose of annulling the award of the then Executive Secretary, Natalio P. Castillo, to such defendant as the party entitled to its purchase and of cancel-ling the deed of sale thereafter executed by the defendant Land Tenure Administration in his favor. Plaintiff was unsuccessful, the lower court notwithstanding the recognition of his status as sublessee and occupant sustaining the right of defendant Gabriel de la Cruz, the lessee, to acquire the disputed lot. It would thus clearly appear that such a decision runs counter to the controlling doctrine explicitly reaffirmed in the recent case of *Gongon v. Court of Appeals*[4] where in a sale under circumstances similar to that found in the present litigation the right of the sublessee as the actual bona fide occupant to its acqui-sition was accorded respect and deference. The appealed decision thus cannot stand. We have to reverse.

As set forth in fuller detail in the appealed decision: "The findings of the respondent Executive Secretary show that Gabriel de la Cruz bought from one Petra Gloria the leasehold rights over Lots Nos. 25, 26, 50 and 51 of the Hacienda de Longos in February 1936. After the estate was purchased by the Government in 1947 and subsequently subdivided for resale, these lots with a total area of 593 square meters were denominated as Lots Nos. 10, 11, 12 and 13, Block No. 4 of the Longos Estate. Since these lots were adjacent to each other, de la Cruz enclosed them with a fence and filled them up with earth because at the time he purchased the leasehold rights therein they were swampy, and in connection therewith spent around P2,000.00. Thereafter he constructed three houses on Lots Nos. 10, 11 and 12, which houses were actually occupied by his two married sons and his own family of ten children. These lots had already been sold to him. De la Cruz likewise desired to purchase Lot No. 13, the lot in question, which is within his fence." [5] It was further noted in the appealed decision that plaintiff's status as sublessee of Lot No. 13 commenced in 1945.[6]

Why the lower court decided the matter adversely to the sublessee was explained in the appealed decision thus: "It is contended that the [lessee] is not the bona fide tenant of the lot in question because he is not in actual occupancy and possession thereof. The Executive Secretary however found that the records show that the appellant is the registered lessee of the disputed lot from the previous owners of the Longos Estate. He also

enclosed the entire area of 593 square meters with a fence and filled it up with earth long before the appellee became the sub-lessee thereof. These improvements introduced by the appellant on the entire area including the lot in question are sufficient muniment of his possession thereof. It is true that the * * * Alfonso Pascual is actually occupying a portion of the lot in dispute, but his occupation thereof is that of a sub-lessee who held the premises subject to the rights of the lessee, * * *. The Executive Secretary states that any person who holds the leasehold right over a property may also be called a tenant even if the material possession is held by another."[7]

Hence, as was made mention of earlier, the decision now on appeal finds no support in the prevailing doctrine that goes back to *Marukot v. Jacinto*,[8] a 1955 decision. To quote from the opinion of the then Chief Justice Paras: "As a matter of fact, there is no dispute that appellant Jacinto was the lessee of the entire Lot No. 35, who had paid rentals thereon prior to the acquisition by the Government of the Tambobong Estate; that since 1931, he has lived in his house built on his lot located in Caloocan, Rizal; that the three appellees Gabriel Marukot, Felipe Baisa and Lorenzo Baltazar have respectively occupied lots 35-B, 35-D and 35-E, the first since 1940, the second since 1946, and the third since 1944, and all the three have their own houses thereon and have been paying rentals as sublessees of appellant Jacinto."[9] After which, came this portion: "In our opinion, the trial court did not err in giving judgment in favor of the appellees. It is not necessary to decide herein whether a 'tenant' should enjoy priority over an 'occupant' who is a sublessee, because the effect of the appealed decision is to accommodate both; and this certainly cannot be said to be violative of the intents and purposes of Commonwealth Act No. 539. It is striking to note that appellant Jacinto even gets about 300 square meters, or 100 square meters in excess of the total area of the three lots awarded by the trial court to the three appellees."[10] Then came this affirmation as to who are bona fide occupants entitled to preference under the Act: "The appellees are unquestionably bona fide occupants within the meaning of Commonwealth Act No. 539 be-cause they have their respective houses on the lots sublet to them by the tenant Amado Jacinto; and there is absolutely no showing that they were ordered to vacate either before or after the acqui-sition by the Government of the Tambobong Estate."[11]

That such a doctrine reflects with fidelity the public policy that lies behind the enactment of this legislation is clearly set forth in our 1970 decision in *Gongon v. Court of Appeals*. [12] Thus: "In the case at bar it is not disputed that respondent spouses have their house on another lot (lot No. 34, block No. 7) in the Tambobong Estate. Furthermore, respondent Rufino Rivera is the registered bona fide tenant of still another lot, also in Tambobong, with an area of 2,761 square meters, which is considerably bigger than the lot in question, where petitioner and his family constructed their residence and where they have been living since 1934. It cannot be said, therefore, that the parties herein stand on an equal footing or under equal circumstances. Justice and equity command that petitioner be given the preferential right to purchase in order to carry out the avowed policy of the law to give land to the landless." [13]

A reversal of the appealed decision is thus indicated. If the claim of a sublessee actually in possession would be ignored or disregarded, the result would be to heighten social tension and aggravate further the unrest that has its roots in so many of our countrymen being denied the opportunity of owning even a small piece of land on which their houses are built and wherein they reside. It has been the constant policy of this Court in the con-struction of laws that find its origin in the social justice mandate of the Constitution to assure that its beneficent effects be enjoyed by those "who have less in life." Where, as in this case, the lessee has already acquired three of the lots forming part of the original lease, the sublessee being only awarded another portion thereof where he has his small dwelling, justice and equity, not to mention the prescription of the law itself, to quote anew from Justice Makalintal, "command that [the latter] be given the preferential right to purchase in order to carry out the avowed policy of the law to give land to the landless." [14]

WHEREFORE, the decision of June 26, 1964 of the Court of First Instance of Rizal is reversed and another

entered setting aside the award of defendant Executive Secretary of October 20, 1960, in favor of defendant Gabriel de la Cruz, the right to purchase Lot No. 13, Block No. 4 of Longos Estate appertaining to appellants, the successors-in-interest of the original plaintiff and sublessee, the deceased Alfonso Pascual. The deed of sale executed by defendant Chairman of the Land Tenure Administration in favor of defendant Gabriel de la Cruz dated December 12, 1960 covering such lot as well as the corresponding Transfer Certificate of Title No. 81631 issued for said lot are hereby cancelled and set aside and in lieu thereof another deed of sale should be executed by the Land Reform Authority, the successor of defendant Land Tenure Administration upon the payment of the purchase price so that the corresponding certificate of title covering such lot may be issued in favor of appellants. With costs against defendant Gabriel de la Cruz.

Concepcion, C.J., Reyes, J.B.L., Dizon, Makalintal, Zaldivar, Castro, Teehankee, Barredo, Villamor, and Makasiar, JJ., concur.

[1] From the decision of the late Judge Guillermo E. Torres of the Court of First Instance of Rizal, promulgated on June 26, 1964, an appeal was taken to the Court of Appeals which however, in a resolution of January 29, 1969, certified the case to us as the question to be determined is one of law, the judgment having been rendered on the pleadings submitted by the parties.

[2] Section 1 of Commonwealth Act No. 539 (1940) reads as follows: "The President of the Philippines is authorized to acquire private lands or any interest therein, through purchase or expropriation, and to subdivide the same into home lots or small farms for resale at reasonable prices and under such conditions as he may fix to their bona fide tenants or occupants or to private individuals who will work the lands themselves and who are qualified to acquire and own lands in the Philippines."

[3] The appellants before this Court are: Fidela Tañag, Natividad Pascual, Jovita Pascual, Lourdes Pascual and Trinidad Pascual, the first-named being the widow and the rest the children of the sublessee Alfonso Pascual.

[4] L-24421, April 30, 1970, 32 SCRA 412.

[5] Decision, Record on Appeal, pp. 22-23.

[6] Ibid, p. 23.

[7] Ibid.

[8] 98 Phil. 128.

[9] Ibid, p. 131.

[10] Ibid, pp. 131-132.

[11] Ibid, p. 132.

[12] L-24421, April 30, 1970, 32 SCRA 412. Cf. Cruz v. Franco, L-27651, Oct. 30, 1970, 35 SCRA 601.

[13] Ibid, pp. 417-418.

[14] Ibid, p. 418.

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