

HEIRS OF E. B. ROXAS, INC., AND EUFROCINIO ROXAS, PETITIONERS, VS. MACARIO TOLENTINO AND COURT OF APPEALS, RESPONDENTS.

G.R. No. L-39807. November 14, 1988

Ponente: PARAS, J.

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PARAS, J.:

This is a petition for review of the decision of the Court of Appeals[*] dated May 6, 1974, reversing the judgment of the Court of Agrarian Relations, Branch I, Los Banos, Laguna, and the resolution dated November 27, 1974, denying the motion for reconsideration of said decision.

On April 2, 1964, the brothers Macario and Fernando Tolentino filed a complaint with the Court of Agrarian Relations, Branch I, Los Banos, involving two claims over different parcels of land. Because of the misjoinder of two different causes of action in a single complaint, the Agrarian Court ordered the plaintiffs to file an amended complaint. Only Macario Tolentino complied on December 10, 1965; Fernando Tolentino did not press his claim. The former sought reinstatement and damages upon the claim that he was a tenant on the parcel of land known as Hacienda Calauan located in the municipalities of Calauan and Alaminos, Laguna which is planted with fruit-bearing trees, like coconuts, cacao, lanzones, coffee, avocados and bananas.

In his answer, Eufrocinio Roxas denied that private respondent has ever been his tenant on the land in question and alleged that he is only an overseer because he merely substituted his father after the latter died. He also denied that he ejected the private respondent from the landholding in November, 1962, and claimed that the private respondent resigned from his job on that date to engage in a more lucrative business of buying and selling citrus fruits and manifested that he would no longer be physically able to attend to his duties as an overseer.

Because of further findings that the land in question belonged to a corporation, the complaint was again amended to change the title accordingly.

After due trial, the Court of Agrarian Relations[**] rendered its judgment on May 2, 1972, holding that the private respondent is not a tenant but only an overseer of the landholding in question and does not therefore enjoy the security of tenure provided for in Section 7 of R.A. No. 1199, known as the Agricultural Tenancy Act. The dispositive portion of said decision reads:

“WHEREFORE, judgment is hereby rendered holding:

(a)

That the plaintiff is not a tenant but only an overseer of the landholding in question and he does not therefore enjoy the security of tenure provided for in Section 7 of RA No. 1199 known as the Agricultural Tenancy Act; consequently, after he left the service of the defendants on November 5, 1962, the latter could employ another overseer;

(b)

That the plaintiff as over-seer was already fully paid for his corresponding share of the harvest from the landholding up to November 5, 1962 when he left his employment with the defendants; and

(c)

That defendants are hereby condemned to pay the plaintiff the sum of P1,500.00 as separation pay.

All other claims of both parties are hereby disallowed for lack of merit. Without pronouncement as to costs."
(Rollo, pp. 101-102)

On appeal, the Court of Appeals found private respondent to be a share tenant and/or caretaker or overseer of the petitioners and that he did not voluntarily surrender the landholding. The judgment of the Court of Agrarian Relations was set aside and the reinstatement of private respondent as share tenant to the landholding in question was ordered. The dispositive portion of the assailed decision reads:

“WHEREFORE, the judgment under appeal is SET ASIDE, and another one rendered, as follows -

- Ordering the reinstatement of the appellant Macario Tolentino as the share tenant to the landhold-ing in question, described under paragraph 2, of the amended complaint.
- Ordering the appellees to pay herein appellant, the following amounts to wit:

(a)

P3,914.60 - the amount which appellant has been short?shared for the 1961 lanzones harvest;

(b)

P1,358.93 - the amount which appellant has been short-shared for the 1962 lanzones and coconut harvests;

(c)

P1,000.00 - as attorney's fees, with costs against the appellees.

(Rollo, p. 51).

A motion for reconsideration of said decision having been denied, the petitioners filed the instant petition with the following assigned errors:

I

THE COURT OF APPEALS ERRED IN HOLDING THAT THE SUBSTANTIAL EVIDENCE RULE BECAME INAPPLICABLE WITH THE PASSAGE OF REPUBLIC ACT NO. 5434.

II

THE COURT OF APPEALS ERRED IN HOLDING THAT PLAINTIFF-APPELLEE WAS A TENANT OF DEFENDANTS-APPEL-LANTS.

III

THE COURT OF APPEALS ERRED IN DISREGARDING AND REVERSING THE FACT-UAL FINDING

OF THE COURT OF AGRARIAN RELATIONS, THAT APPELLEE WAS NOT APPELLANTS' TENANT ON THE BASIS OF AN ERRONEOUS INTERPRETATION OF REPUBLIC ACT NO. 5434.

IV

THE COURT OF APPEALS ERRED IN HOLDING THAT PLAINTIFF-APPELLEE WAS UNLAWFULLY EJECTED FROM THE LAND.

V

THE COURT OF APPEALS ERRED IN DISTURBING AND REVERSING THE FACTUAL FINDING OF THE AGRARIAN COURT THAT APPELLEE VOLUNTARILY LEFT THE LAND.

VI

THE COURT OF APPEALS ERRED IN HOLDING THAT APPELLEE IS ENTITLED TO A SHARE OF ONE-THIRD OF THE HARVESTS.

VII

THE COURT OF APPEALS ERRED IN HOLDING THAT APPELLEE WAS SHORT-SHARED.

VIII

THE COURT OF APPEALS ERRED IN ORDERING APPELLEE'S REINSTATEMENT.

IX

THE COURT OF APPEALS ERRED IN SENTENCING APPELLANTS TO PAY ATTORNEY'S FEE OF P1,000.00 AND THE COSTS.

(pp. 1-3, Brief for Petitioners; p. 173 Rollo)

The petition is impressed with merit.

The main issue in this case is whether or not the substantial evidence rule is applicable and observable even after the effectivity of R.A. No. 5434.

The Court of Appeals ruled that the substantial evidence rule no longer finds application in the present case, for under Republic Act No. 5434, decisions of agrarian courts are now directly appealable to it, which is a court of law and fact, unlike under the previous law, Old Rules of Court, appeals from said agrarian courts were appealable only to the Supreme Court, where the factual findings of said agrarian courts may no longer be reviewed by it unless unsupported by substantial evidence.

Private respondent pursued further that the findings of fact of the Court of Agrarian Relations in this case are not supported by substantial evidence; being unfounded, arbitrarily arrived at; and with deliberate or willful failure to consider important facts, circumstances or applicable laws and jurisprudence to the contrary. Accordingly, the Court of Appeals, in the exercise of its powers as an appellate court of fact and law could set aside such unfounded findings of fact made by the Court of Agrarian Relations, and make its own findings of facts and conclusions of law that are supported by substantial evidence.

This issue has been squarely settled by this Court in *Bagsican v. C.A.* (141 SCRA 229 [1986]) where it was held that in agrarian cases, all that is required is mere "substantial evidence". Such has been the consistent ruling of this Court in a long line of decisions (*Ulpindo v. C.A.R.*, L-13891, Oct. 31, 1960; *Villariza v. Panganiban*, 10 SCRA 824; *Gagola v. CAR*, 18 SCRA 992; *Beltran v. Cruz*, 25 SCRA 607) and said ruling was later incorporated in P.D. 946, which took effect on June 17, 1976 and which has been expressly made applicable to agrarian cases. Accordingly, under this rule, all that the appellate court has to do insofar as the evidence is concerned, is to find out if the decision is supported by substantial evidence, so much so that if the findings of fact of the Court of Agrarian Relations are supported by substantial evidence, they are conclusive on the appellate court.

In the case at bar, the records show that the agrarian court not only found substantial evidence but a preponderance thereof, to the effect that private respondent (plaintiff therein) was not and never has been a tenant of the petitioners (Rollo, p. 98).

Among others, said court noted several admissions made by private respondent that he was a mere overseer or encargado of the petitioners, to wit: (a) at the hearing of November 18, 1971, private respondent stated that he was summoned to Manila after the death of his father by Eufrocino Roxas, the original defendant and now president of respondent corporation, "to administer the landholding"; (b) during the investigation conducted by the Assistant Provincial Fiscal of Laguna in I.S. No. 111 S 1964, relating to a complaint for unjust dismissal filed by appellant against Roxas, private respondent testified that Roxas called him to Manila to tell him to administer (pangasiwaan ko iyon) the property; (c) on November 5, 1962, before private respondent left the service of Roxas, he signed a final liquidation receipt, Exhibit "2", acknowledging receipt of P916.62 "bilang kaparte sa lanzones at niyog sa pagka encargado o namamahala sa lupa ni Eufrocino Roxas"; (d) the statement in Exhibit "2" is reflected in the testimony of witness Nicolas Matibag (Rollo, pp. 95-98).

In addition, the Court of Agrarian Relations found in several instances that private respondent is lacking in sincerity. Thus, he claimed to have become a tenant over the 37-hectare tract of land in 1930 but in that year, it was found that he was barely nine (9) years of age. Similarly, the agrarian court found it difficult to believe that private respondent who has been an overseer and encargado since 1942 over the coconut plantations of six (6) different persons would have time to plant and take care of coconuts, lanzones, coffee, cacao trees and bananas in the landholding of respondent corporation, nor for that matter, could said court believe that private respondent's deceased father cleared the landholding of more than 20 hectares by cutting the big trees therein and extracting their roots to convert them into a cultivated landholding with only seven (7) children to help him, four (4) of whom are females and three (3) are males, the oldest of them being private respondent who was only twenty-one (21) years old at the time (Rollo, pp. 93-94).

Under the circumstances, the agrarian court found petitioners' version more credible; namely, that when Roxas bought the land in 1918 there were already 200 lanzones trees and 1,500 coconut trees planted by the Javier brothers when they were on the land; that Roxas hired farm laborers from Cuenca, Batangas who planted 1,000 coffee, 3,000 lanzones, 200 cacao trees, avocado and 500 banana plants. In fact during the ocular inspection the court noted several lanzones trees which are probably 80 years old (Ibid.).

In like manner the agrarian court gave more credence to the books of accounts, exhibits and record book of petitioners which have been regularly kept to prove that private respondent had not been short shared, than the estimates of the latter as supported by note-books, not duly paged and, worse, pages were torn and taken out with no clear evidence as to who wrote the entries. Neither was the person who made the entries presented in Court to identify them (Rollo, pp. 99-100).

Hence, private respondent's submittal that the findings of fact of the Court of Agrarian Relations are not supported by substantial evidence and should be set aside by the Court of Appeals is clearly unfounded and untenable.

Substantial evidence does not necessarily import preponderant evidence, as is required in an ordinary civil case. As defined, it is such relevant evidence as a reasonable mind might accept as adequate to support a conclusion and its absence is not shown by stressing that there is contrary evidence on record, direct or circumstantial, for the appellate court cannot substitute its own judgment or criteria for that of the trial court in determining wherein lies the weight of evidence or what evidence is entitled to belief (*Bagsican v. C.A.*, 141 SCRA 229-230 [1986]; *Picardal v. Lladas*, 21 SCRA 1483, 1488 [1967]).

PREMISES CONSIDERED, the assailed decision of the Court of Appeals is **REVERSED** and **SET ASIDE**, and

that of the Court of Agrarian Relations is hereby REINSTATED.

SO ORDERED.

Melencio-Herrera, (Chairperson), Padilla, Sarmiento, and Regalado, JJ., concur.

[*] CA, Fifth Division, Justice Emilio A. Gancayco penned the decision with the concurrence of Justice Ruperto G. Martin and Justice Mariano Serrano.

[**] Judge Juan A. Baes penned the decision.

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