

EUNARIA B. VDA. DE GUILAS, DOMINGO B. GUILAS, TRINIDAD G. TATLONGHARI, EDUARDO B. GUILAS, LUISA G. ZARAGOSA, FEDERICO B. GUILAS, CECILIANO B. GUILAS, JR., NICOMEDES B. GUILAS, F...

G.R. No. L-24280. May 27, 1968

Ponente: CONCEPCION, C.J.

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CONCEPCION, C.J.:

Appeal from a decision of the Court of Agrarian Relations.

It appears that petitioners are co-owners of a parcel of riceland, situated in the barrio of San Matias, Guagua, Pampanga, which, since October 1962, was under cultivation by respondent Ananias David, as petitioners' tenant. Sometime in 1963, David sold his "right to work" on the land, to respondent Rosallo[1] Mercado, who, thereupon, planted thereon. Since the sale and the planting had been made without the knowledge and consent of petitioners, who were unwilling to have Mercado as tenant, in substitution of David, on November 1, 1963, David Mercado and petitioner Eunaria B. Vda. de Guilas - evidently acting for the benefit of herself and her co-owners - executed an "agreement," in the Pampango dialect, Annex A, which, translated into English, stipulated:

"1.- THAT I, ANANIAS DAVID is the former tenant in share of the landholding of EUNARIA B. VDA. DE GUILAS, situated in the barrio of San Matias, Guagua, Pampanga, but I do admit to have sold my rights as such tenant in favor of ROSALIO MERCADO without any permission nor consent of the landholders and for that reason the latter or Rosalio Mercado was the one who planted the said parcel of land, which will be harvested this coming month of January 1964, more or less;

"2.- THAT in order that this matter will not be brought farther to the proper authorities or court, we the undersigned agreed to the following:

a) THAT I, ROSALIO MERCADO will harvest only the present crop and after harvesting it in January 1964, I will deliver and return to the landholder EUNARIA B. VDA. DE GUILAS the aforesaid landholdings with full authority and right to have it tenanted or leased to others; provided, however, that their corresponding share on the crop to be harvested shall be delivered to them after deducting the deductible expenses from the gross harvest;

b) THAT I, ANANIAS DAVID do admit my fault and for that reason I do voluntary surrender my aforesaid work on this landholdings and do give full authority and right to the owners thereof to find a new tenant in my place; provided furthers, that the consideration I received from ROSALIO MERCADO in the sale of my rights to him, I bind to return the same to Rosalio Mercado without the owners having anything to do on this matter; likewise, I, ROSALIO MERCADO do hereby accept this request of Ananias David with respect to the return of the amount I paid to him;

"3.- THAT I, EUNARIA B. VDA. DE GUILAS do hereby accept all that appears in this agreement and for that reason I will desists in bringing the matter to the court as herein stated."

Subsequently, or on March 11, 1964, petitioners instituted the present CAR Case No. 17-P-'64, against David and Mercado for ejectment with injunction, in view of Mercado's failure to surrender the land after harvesting the crop in January 1964, in violation of the aforementioned agreement. David did not care to contest the complaint and was declared in default. Mercado, however, filed an answer, dated May 8, 1964, admitting some allegations of the complaint, denying other allegations thereof and alleging, by way of special and affirmative defenses: 1) that, before beginning to work on the land in question, he informed one Eduardo Guilas about it; 2) that Annex A does not reflect the true intent of the parties thereto; and 3) that "an agreement on future surrender is not enforceable in law."

Called for pre-trial, on September 29, 1964, counsel for petitioner and that of Mercado agreed on a partial stipulation of facts, without prejudice to introducing evidence at the hearing of the case on the merits. On November 27 1964, - seemingly, after the presentation of petitioners' evidence - Mercado filed a motion to dismiss - with reservation of the "right to x x x adduce evidence in support of his defense," should the motion be denied - for the reason that "the alleged agreement to surrender the landholding in the future (January, 1964) is not one of the grounds for ejecting a tenant." Despite petitioners' objection to the motion, the Court of Agrarian Relations granted it and dismissed the case. Hence, this petitions for review.

The order sought to be reviewed is based upon Section 50 of Republic Act No. 1199, as amended (on which Section 36 of Republic Act No. 3844 is based), pursuant to which a tenant may not be dispossessed of his landholdings, except upon one of the following grounds:

"(a) The bona fide intention of the landholder-owner or his relative within the first degree by consanguinity to cultivate the land himself personally or through the employment of farm machinery and implements: x x x.

"(b) When the tenant violates or fails to comply with any of the terms and conditions of the contract or any of the provisions of this Act: x x x.

"(c) The tenant's failure to pay the agreed rental or to deliver the landholders share: x x x.

"(d) When the tenant uses the land for a purpose other than that specified by agreement of the parties.

"(e) When a share-tenant fails to follow those proven farm practices which, as determined by the Court of Agrarian Relations will contribute towards the proper care of the land and increased agricultural production. x x x.

"(f) When the tenant through negligence permits serious injury to the land which will impair its productive capacity.

"(g) Conviction by competent court of a tenant or any member of his immediate family or farm household of a crime against the landholder or a member of his immediate family."

Obviously, this provision would not be applicable to the case at bar if Mercado were not petitioners' tenant at the time relevant to the present case. In this connection, the lower court found: a) that the sale made by David, of his right to work on the land in question, as tenant of the petitioners, in favor of Mercado, did not bind the petitioners, said conveyance having been made without their knowledge and consent, and b) that, accordingly, the relationship of landowner and tenant was not thereby established between the petitioners and Mercado. Said Court held, however, that the relationship came into being in consequence of the agreement, Annex A, because petitioners had thereby consented to the continuation of Mercado's possession up to January 1964. This conclusion, drawn from Annex A, is untenable.

Said agreement was executed precisely because the petitioners were unwilling to take Mercado as tenant, and because the former were legally entitled to sue the latter for usurpation of possession and to have him,

accordingly, ejected, since his contract with David was not binding upon them. In consideration of petitioners' desistance from "bringing the matter to the court," Mercado agreed to "harvest only the present crop and after harvesting it in January 1964, I will deliver and return to the landowner x x x the aforesaid landholdings." Mercado entered into this agreement, not because petitioners had acquiesced to his possession, but, precisely, because they insisted and persisted in their opposition thereto. Annex A was simply a compromise agreement, whereby, without giving up their aforementioned opposition, petitioners refrained from suing Mercado, owing to his promise to vacate the land in January, 1964.

Pursuant to Article 2037 of our Civil Code, said "compromise has upon the parties the effect and authority of res adjudicata," even if not judicially approved.[2] Upon its non-compliance by Mercado, petitioners are explicitly authorized by Article 2041 of the same Code to "either enforce the compromise or regard it as rescinded."

WHEREFORE, the order appealed from should be, as it is hereby, reversed, and the case remanded to the lower court for further proceedings, with the costs of this instance against respondent Rosallo Mercado.

Reyes, J.B.L., Dizon, Makalintal, Zaldivar, Sanchez, Castro, and Angeles, JJ., concur.

[1] Rosalio (?)

[2] *Meneses vs. De la Rosa* 77 Phil., 34.

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