

ABNER NERIO, ALBERTO SANTIAGO, ERNESTO BARINO, SALVACION SEVILLA-NANGALUNGAY, ISAGANE SANTIAGO, ROMULO NERIO, FELOMINA SANTIAGO, ROGER GARGANERA, ALEX NERIO, BERNADETTE CASTILLO...

Ponente: DIY, J.

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DIY, J.:

The instant petition for review under Rule 42 of the 1997 of Civil Procedure seeks to reverse and set aside the Decision[1] dated December 22, 2008 rendered by Branch 62, Regional Trial Court (RTC) Bago City in Civil Case No. 1574, which denied petitioners' appeal and affirmed the Decision[2] dated July 8, 2008 of the Municipal Trial Court in Cities (MTCC) of Toledo City in Civil Case No. 1922. The dispositive portion of the RTC decision reads:

WHEREFORE, premises considered, this court finds no cogent reason to modify, reverse or supplement the Decision of the Presiding Judge of the Municipal Circuit Trial Court in Cities, Bago City, dated July 8, 2008, finding preponderantly in favor of the plaintiff and hereby AFFIRMS said Decision IN TOTO.

Appeal DENIED.

SO ORDERED.

Likewise assailed is the Order[3] dated April 17, 2009 denying petitioners' motion for reconsideration.

The Antecedents

The present case stemmed from a complaint for unlawful detainer filed by respondent, through his representative Rudy Esporas, before the Municipal Trial Court in Cities of Bago City, against petitioners.

In his Complaint[4] dated February 1, 2008, respondent alleged that he is the lawful and registered owner of a parcel of land known as Lot 905-E-1-B, located at Purok Tabunan, Barangay Ferrer, Bago City, Negros Occidental, and covered by Transfer Certificate of Title No. T-21463.

Respondent claimed that he had been in actual possession of the parcel of land. Respondent allowed petitioners to occupy a portion of the above-mentioned land and to utilize it as a residence by erecting structures made of light materials for humanitarian reasons. Upon the mere tolerance of respondent, petitioners occupied the land without paying any rentals. Such occupancy was subject to the condition that petitioners would voluntarily vacate and return the land upon demand.

Consequently, respondent, through his authorized representative, made verbal and written demands upon petitioners to vacate the premises and voluntarily demolish the structures built on the portion of the aforementioned property. However, petitioners refused.

Respondent was compelled to send a final demand letter for petitioners to vacate the premises and to voluntarily demolish the illegal structures. Due to the refusal of petitioners to vacate the premises, respondent referred the

matter to the barangay for settlement and conciliation. However, the parties failed to settle their dispute which resulted in the filing of the ejectment case before the lower court.

In petitioners' Answer,[5] they denied the material averments in the complaint and set up the affirmative defenses that they are potentially qualified agrarian reform beneficiaries and actual farmworkers of a portion of the subject land owned by respondent, as certified by the Barangay Agrarian Reform Committee ("BARC") and the Municipal Agrarian Reform Office ("MARO"). Petitioners claimed that as potentially qualified agrarian reform beneficiaries, they have the right to possess the subject property. They asserted that the instant case should be dismissed in view of the pendency of their petition for CARP coverage of the subject land. In essence, the regular court is divested of jurisdiction to take cognizance of the ejectment case.

After both parties have submitted their respective position papers, the MTCC ruled in favor of respondent (therein plaintiff) in a Decision[6] dated July 8, 2008, the dispositive portion of which reads:

WHEREFORE, foregoing premises considered, the Court finds preponderantly in favor of the plaintiff, and judgment is hereby rendered, as follows:

- Ordering all the defendants or any other persons acting on their behalf to vacate the subject Lot No. 905-E-1-B under TCT No. T-21463 situated in Barangay Tabunan, Bago City;
- Ordering all the defendants to pay monthly rental for their occupation of the portion of the said Lot No. 905-E-1-B the amount of P 500.00 or P 50.00 each from receipt of the demand letters to vacate until defendant/defendants shall vacate the subject lot;
- Ordering all the defendants to pay plaintiff solidarily the amount of P 20,000.00 as attorney's fee and the cost of suit.

SO ORDERED.

On appeal, the RTC affirmed in toto the MTCC's Decision upon a finding that no reversible error was committed by the lower court in its Decision dated July 8, 2008.

Petitioners filed a motion for reconsideration, which the RTC denied in its Order[7] dated April 17, 2009. Hence, this petition for review, raising the following issues:[8]

- WITH ALL DUE RESPECT, THE HONORABLE REGIONAL TRIAL COURT, BRANCH 62 BAGO CITY, ERRED WHEN IT UPHELD THE JURISDICTION OF THE LOWER COURT IN HEARING THE CASE FOR EJECTMENT DESPITE THE FACT THAT THE PETITIONERS ARE QUALIFIED AGRARIAN REFORM BENEFICIARIES.
- WITH ALL DUE RESPECT THE HONORABLE REGIONAL TRIAL COURT, BRANCH 62 BAGO CITY, ERRED WHEN IT UPHELD THE DECISION OF THE LOWER COURT IN EJECTING PETITIONERS.

The Ruling of the Court

The petition is without merit.

Since the issues are interrelated, We deem it best to discuss them jointly.

Petitioners claim that they are officially recognized by the BARC as qualified agrarian reform beneficiaries who have a pending petition with the MARO for CARP coverage over respondent's land. Petitioners allege that respondent deliberately filed a case for unlawful detainer against them in order to defeat their application for CARP coverage. Petitioners, likewise, assert that the Department of Agrarian Relation has exclusive jurisdiction over the instant case since it involves an agrarian dispute. They also argue that only the DAR has jurisdiction to

determine whether or not they are tenants or actual farmworkers.

We are not persuaded.

Under Batas Pambansa Blg. 129,[9] as amended by R.A. No. 7691,[10] the Municipal Trial Court shall have exclusive original jurisdiction over cases of forcible entry and unlawful detainer. On the other hand, under Section 50 of R.A. No. 6657,[11] "the DAR is vested with the primary jurisdiction to determine and adjudicate agrarian reform matters and shall have the exclusive jurisdiction over all matters involving the implementation of the agrarian reform program." [12] The DARAB was created, through Executive Order No. 109-A, to assume the powers and functions with respect to the adjudication of agrarian reform cases. Hence, all matters involving the implementation of agrarian reform are within the DAR's primary, exclusive and original jurisdiction. At the first instance, only the DARAB, as the DAR's quasi-judicial body, can determine and adjudicate all agrarian disputes, cases, controversies, and matters or incidents involving the implementation of the CARP.[13]

An agrarian dispute refers to any controversy relating to tenurial arrangements -- whether leasehold, tenancy, stewardship or otherwise -- over lands devoted to agriculture. Such disputes include those concerning farmworkers' associations or representations of persons in negotiating, fixing, maintaining, changing or seeking to arrange terms or conditions of such tenurial arrangements. Also included is any controversy relating to the terms and conditions of transfer of ownership from landowners to farm workers, tenants and other agrarian reform beneficiaries -- whether the disputants stand in the proximate relation of farm operator and beneficiary, landowner and tenant, or lessor and lessee.[14]

From the above definition, an agrarian dispute refers to any controversy relating to, among others, tenancy over lands devoted to agriculture.[15] For a case to involve an agrarian dispute, the following essential requisites of an agricultural tenancy relationship must be present: (1) the parties are the landowner and the tenant or agricultural lessee; (2) the subject matter of the relationship is an

agricultural land; (3) there is consent between the parties to the relationship; (4) the purpose of the relationship is to bring about agricultural production; (5) there is personal cultivation on the part of the tenant or agricultural lessee; and (6) the harvest is shared between landowner and tenant or agricultural lessee.[16] These requisites for the jurisdiction of the DARAB have been reiterated by the Supreme Court in a number of cases.[17]

In the instant case, there is no other evidence submitted to show that respondent agreed or consented to a tenancy relationship with petitioners. Given that the third element was not proven, the fourth element cannot be present since there can be no purpose to a relationship to which the parties have not consented. Petitioners also failed to prove sharing of harvest. They should have presented receipts or any other evidence to show that there was sharing of harvest between them and respondents.[18]

Moreover, the pendency of their petition for CARP Coverage does not, however, automatically make the ejectment case an agrarian dispute over which the DARAB has jurisdiction. As amply observed by the RTC:[19]

Records will show that the land subject matter of this dispute has not yet been placed under the CARP program of the government. Evidences likewise adduced by herein defendants-appellants clearly show that they are not yet CARP beneficiaries of the disputed property but merely "potential beneficiaries". As "potential beneficiaries", defendants-appellants have merely an inchoate right and as pointed out by the court a quo, "such is not a sweeping authority or unbridled license to unjustly deprive the plaintiff of the possession over his property since it is not the intendment of the law and to hold otherwise would amount to deprivation of plaintiff's property without due process of law."

Besides, the certification of the Municipal Agrarian Reform Office (Maro) of Bago refers to defendants-appellants

as “potential beneficiaries”, such, that defendants-appellants cannot claim that there was [sic] already findings of the MARO, which is an administrative body, that they are “qualified beneficiaries” of the landholding of plaintiff-appellee.

Neither were there evidences adduced to show that defendants-appellants have tenurial arrangements, agricultural leasehold agreement, stewardship agreement or tenancy relationship with the herein plaintiff-appellee. This case is not likewise a dispute concerning farmworkers association or representation of person in negotiating, fixing, maintaining, changing or seeking to arrange terms or conditions of such tenurial arrangements between the parties.

Further, petitioners’ claim that they are certified potential agrarian reform beneficiaries does not mean that a tenancy relationship arises between respondent and petitioners.[20] Additionally, in the case of *Sps. Jesus and Pasco v. Piscon-Arceo Agricultural and Development Corporation*,[21] the Supreme Court held:

As for the registration of petitioners as potential CARP beneficiaries, the same does not help their cause. As “potential” CARP beneficiaries, they are included in the list of those who may be awarded land under the CARP. Nothing in the records of the case shows that the DAR has made an award in favor of petitioners, hence, no rights over the land they occupy can be considered to have vested in their favor in accordance with Section 24 of the CARL which reads:

Section 24. Award to Beneficiaries. – The rights and responsibilities of the beneficiary shall commence from the time the DAR makes an award of the land to him, which award shall be completed within one hundred eighty (180) days from the time the DAR takes actual possession of the land. Ownership of the beneficiary shall be evidenced by a Certificate of Land Ownership Award, which shall contain the restrictions and conditions provided for in this Act, and shall be recorded in the Register of Deeds concerned and annotated on the Certificate of Title. (Emphasis and underscoring supplied)

Moreover, to allow petitioners to continue to stay in respondent’s land on the ground that they are potential CARP beneficiaries would give them preferential treatment over other potential CARP reform beneficiaries who are not occupying the premises and still awaiting the award to be made by the DAR in their favor. Worse, to further tolerate petitioners’ occupancy of respondent’s land might give other potential CARP beneficiaries the wrong signal that they too can occupy the land which may be awarded to them even before they are chosen or before an award is made in their favor.

(Emphasis and underscoring in the original)

All in all, We agree with the pronouncements of the MTCC and the RTC that there was no tenancy relationship between petitioners and respondent. Thus, DAR does not have jurisdiction over the present case and the MTCC properly exercised jurisdiction over the complaint for unlawful detainer.

Settled is the rule that jurisdiction in ejectment cases is determined by the allegations pleaded in the complaint. It cannot be made to depend on the defenses set up in the answer or pleadings filed by the defendant. Neither can it be made to depend on the exclusive characterization of the case by one of the parties. The test for determining the sufficiency of those allegations is whether, admitting the facts alleged, the court can render a valid judgment in accordance with the prayer of the plaintiff.[22]

To make out a case of unlawful detainer under Section 1, Rule 70 of the 1997 Rules of Civil Procedure,[23] the complaint must allege that the defendant is unlawfully withholding from the plaintiff the possession of certain real property after the expiration or termination of the former's right to hold possession by virtue of a contract, express or implied, and that the action is being brought within one year from the time the defendant's possession became unlawful.[24]

A review of respondent's complaint shows that he is the owner of the parcel of land situated at Purok Tabunan, Barangay Ferrer, Bago City, Negros Occidental, which petitioners are occupying. Petitioners took advantage of the tolerance of respondent in allowing them to occupy a portion of the subject land on the condition that they would vacate and return the land upon demand. However, when respondent made demands upon petitioners to vacate the subject land, petitioners did not heed respondent's demand. When the case was referred to the barangay, there was no settlement reached between the parties. Because of petitioners' refusal to vacate the land, respondent, as the owner of said land, sought to recover possession of the same by filing a case for unlawful detainer with the MTCC.

Evidently, respondent's allegations in the complaint undoubtedly make a case for unlawful detainer.

Anent the issue of rightful possession, it is clear that respondent is entitled to possess the parcel of land. Petitioners failed to show that the DAR had awarded the property in their favor. Instead, the clear preponderance of evidence is on the side of respondent. Notably, respondent presented the Torrens title covering the lot, in his name.

It is noted that petitioners filed a Motion to Refer the Case to the Department of Agrarian Reform.[25] In said motion, petitioners assert that this Court must refer the matter to the DAR pursuant to Section 19 of R.A. No. 9700,26 a new law passed by Congress. The pertinent section reads:

Section 19. Section 50 of Republic Act No. 6657, as amended, is hereby further amended by adding Section 50-A to read as follows:

Section 50-A. Exclusive Jurisdiction on Agrarian Dispute.- No court or prosecutor's Office shall take cognizance of cases pertaining to the implementation of the CARP except those provided under Section 57 of Republic Act No. 6657, as amended. If there is an allegation from any of the parties that the case is agrarian in nature, and one of the parties is a farmer, farmworker, or tenant, the case shall be automatically referred by the judge or the prosecutor to the DAR which shall determine and certify within fifteen (15) days from referral whether an agrarian dispute exists: Provided, That from the determination of the DAR, an aggrieved party shall have judicial recourse. In cases referred by the municipal trial court and the prosecutor's office, the appeal shall be with the proper regional trial court, and in cases referred by the regional trial court, the appeal shall be to the Court of Appeals.

xxx xxx xxx.

Thus, petitioners assert that pursuant to the aforementioned provision, the instant case should automatically be referred to the DAR for determination and certification on whether or not an agrarian dispute exists.

We deny petitioners' motion.

As already discussed above, the Court agrees with the findings of both lower courts that there was no tenancy relationship between petitioners and respondent. Thus, there is no agrarian dispute to be resolved by the DAR. As a result, the jurisdiction to resolve the ejectment case falls under the exclusive jurisdiction of the MTCC.

Besides, statutes are prospective and not retroactive in their operation, they being the formulation of rules for the future, not the past, which is articulated in Article 4 of the Civil Code: "Laws shall have no retroactive effect, unless the contrary is provided." [27]

Since the complaint was filed on February 1, 2008, then the applicable law at that time was R.A. No. 6657 and not R.A. No. 9700. A perusal of R.A. No. 9700 would reveal that said law does not provide for its retroactive application.

In view of the foregoing discussion, the Court opines that it is not obligated to refer the case to the DAR.

WHEREFORE, the petition is DENIED. Accordingly, the assailed Decision dated December 22, 2008 and the Order dated April 17, 2009 of Branch 62, Regional Trial Court of Bago City are hereby AFFIRMED in toto.

SO ORDERED.

Delos Santos, E.L., (Chairperson) and Maxino, P.A.A., JJ., concur.

[1] Rollo, pp. 24-34.

[2] Ibid., pp. 156-164.

[3] Ibid., p. 35.

[4] Ibid., pp. 36-63.

[5] Ibid., pp. 64-87.

[6] Ibid., pp. 156- 164.

[7] Ibid., pp. 30-34.

[8] Ibid., p. 14.

[9] The Judiciary Reorganization Act of 1980, approved on August 14, 1981

[10] An Act Expanding the Jurisdiction of the Metropolitan Trial Courts, Municipal Trial Courts, and Municipal Circuit Trial Courts, Amending For The Purpose Batas Pambansa Blg. 129, Otherwise Known as the "Judiciary Reorganization Act of 1980", approved on March 25, 1994.

[11] Section 50. Quasi-Judicial Powers of the DAR - The DAR is hereby vested with primary jurisdiction to determine and adjudicate agrarian reform matters and shall have exclusive original jurisdiction over all matters involving the implementation of agrarian reform, except those falling under the exclusive jurisdiction of the Department of Agriculture (DA) and the Department of Environment and Natural Resources (DENR) x x x.

[12] Cipriano Centeno, Leonila C. Calonzo, and Ramona Adriano, v. Ignacia Centeno, G.R. No. 140825, October 13, 2000.

[13] Department of Agrarian Reform, rep. by Regional Director Naser M. Musali v. Hon. Hakim S. Abdulwahid, Presiding Judge, Regional Trial Court, Br. XII of Zamboanga City and Yupangco Cotton Mills, Inc., G.R. No. 163285, February 27, 2008.

[14] Bautista v. Mag-isa, G.R. No. 152564, September 13, 2004.

[15] Isidro v. Court of Appeals, G.R. No. 105586, December 15, 1993

[16] Soliman v. Pampanga Sugar Development Company (PASUDECO), Inc., G.R. No. 169589, June 16, 2009.

[17] G.R. No. 128392, April 29, 2005

[18] Heirs of Jose Barredo v. Besaños, G.R. No. 164695, December 13, 2010.

[19] Rollo, pp. 28-29.

[20] Philippine Overseas Telecommunications Corporation v. Gutierrez, et al., G.R. NO. 149764, November 22, 2006.

[21] G.R. No. 165501, March 28, 2006.

[22] *Larano v. Calendacion*, G.R. No. 158231, June 19, 2007.

[23] Section 1, Rule 70 of the 1997 Rules of Civil Procedure provides, in part, that "a lessor, vendor, vendee, or other person against whom the possession of any land or building is unlawfully withheld after the expiration or termination of the right to hold possession, by virtue of any contract, express or implied, or the legal representatives or assigns of any such lessor, vendor, vendee, or other person, may, at any time within one (1) year after such unlawful deprivation or withholding of possession, bring an action in the proper Municipal Trial Court against the person or persons claiming under them, for the restitution of such possession, together with damages and costs."

[24] *Barbosa v. Hernandez*, G.R. No. 133564, July 10, 2007.

[25] *Rollo*, pp. 214-216.

[26] An Act Strengthening the Comprehensive Agrarian Reform Program (CARP), extending the acquisition and distribution of all agricultural land, instituting necessary reforms, amending for the purpose certain provisions of Republic Act No. 6657, Otherwise, Known As The Comprehensive Agrarian Reform Law of 1988, as amended, and Appropriating Funds Therefor.

[27] *In Re: Petition for Assistance in Liquidation of Intercity Savings and Loan Bank, Inc. Philippine Deposit Insurance Corporation v. Stockholders of Intercity Savings and loan Bank, Inc.*, G.R. No. 181556, December 14, 2009.

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