

ERNESTO VILLANUEVA, SR., PETITIONER, VS. DR. RAFAEL C. GALANG, FOR HIMSELF AND AS REPRESENTATIVE OF NATIVIDAD GALANG, RESPONDENTS.

SP No. 108754, July 26, 2010

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Court of Appeals

Before Us is a petition for review seeking the reversal of the Decision[1] of the Regional Trial Court (RTC), Third Judicial Region, Br. 35, Gapan City, affirming the Decision[2] of the Municipal Circuit Trial Court (MCTC), Br. 4, Cabiao-San Isidro, Nueva Ecija, which granted the complaint in Civil Case No. 2001-28. Also assailed is the Order[3] denying the motion for reconsideration thereof.

The Facts:[4]

Civil Case No. 2001-28 is a complaint for unlawful detainer and damages with a prayer for the issuance of a writ of preliminary injunction filed by Dr. Rafael C. Galang(Rafael), for himself and as the representative of Natividad C. Galang[5](Natividad), against Ernesto L. Villanueva, Jr. (Villanueva) on August 28, 2001

The complaint alleges that Natividad was the lawful owner of a twenty-four thousand one hundred ninety-nine (24,199) sq. m. and a seventeen thousand three hundred thirty-eight (17,338) sq. m. agricultural parcels of land, situated at Sinipit and at San Carlos, Cabiao, Nueva Ecija, covered by Transfer Certificate of Title (TCT) No. NT-153098[6] and Original Certificate of Title(OCT) No. F-9854[7], respectively. The said properties, however, are in the possession of Villanueva due to the tolerance of Natividad.

On September 23, 2000, Natividad demanded that Villanueva vacate the foregoing properties. Not long thereafter, she executed a Deed of Assignment of Rights[8], dated October 3, 2000, covering the foregoing properties in favor of Rafael. She and Rafael then made several demands upon Villanueva to vacate the properties. However, their demands fell on deaf ears and Villanueva continued to possess the properties. Conciliation before the Lupon Barangay also proved futile. Thus, they filed the suit below praying that the MTC issue and order for Villanueva and all persons claiming rights under him to vacate the properties, to restore possession thereof to Natividad and Rafael, and to pay damages.[9]

In his Answer[10], Villanueva admits being in possession of the disputed properties but denies that his possession is unlawful or by mere tolerance. He counters that the Department of Agrarian Reform Adjudication Board(DARAB), and not the MCTC, has jurisdiction over the case because a tenancy relationship exists between him and Natividad since 1980 and 1984. In the year 2000, Natividad refused to accept her share of the cash proceeds of the properties and demanded that he vacate the same. Thus, he was prompted to deposit the same with the Metro Bank under Account No. 3-2900602-3 in the names of Natividad and Rafael, whom he notified of such deposit.[11]

Villanueva maintains that the assignment by Natividad to Rafael is not binding upon him not only because only the rights of Natividad to the properties were transferred to Rafael, but also because the said transfer was not annotated on TCT No. NT-153098 and OCT No. F-9854. Raising the defenses of lack of jurisdiction and of lack

of cause of action, he prays that the complaint be dismissed and, by way of counterclaim, posits that Natividad and Rafael be held liable to him for damages in view of the latter's filing of a baseless suit.

Almost three (3) years after the filing by Villanueva of his Answer and after the conduct of the preliminary conference, he filed a Motion to Dismiss[12] on April 23, 2004. He reiterates his arguments that the MCTC has no jurisdiction over the case; and, that the complaint lacks a cause of action. Additionally, he claims that Rafael is not the proper party-in-interest and, thus, the verification in the complaint, which was signed only by Rafael, is improper.

Villanueva's motion was opposed by Natividad and Rafael.[13]

On June 3, 2004, the MCTC issued a Resolution[14] denying Villanueva's motion based on its finding that he subjected himself to the jurisdiction of the court when he actively participated in the preliminary conference; that the mere fact that the land is agricultural or that a claim of tenancy is made did not automatically divest the court of its jurisdiction; and, that Rafael is authorized to sign the verification as he is a plaintiff and the representative of Natividad.

After all the required pleadings have been filed, the MCTC rendered its Decision, the decretal portion of which reads:

WHEREFORE, premises considered, judgment is rendered in favor of the plaintiff against the defendants[sic] by ordering the defendant and all persons claiming right under him to vacate the subject property, to restore possession thereof to the plaintiffs[,] and to cease and desist from disturbing plaintiff[s] of their peaceful enjoyment and possession of the property[sic] and ordered the defendant top pay the plaintiffs] the following:

- Php5,000.00 a month for the wrongful intrusion and detention as and by way of actual damages;
- Php20,000.00 as attorney's fees;
- Php25,000.00 as litigation expenses; [and,]
- Costs of [the] suit.

No pronouncement as to damages.

SO ORDERED.[15]

Dissatisfied, Villanueva filed an appeal before the RTC. His appeal was docketed as Civil Case No. 3262-07.

On February 12, 2009, the RTC affirmed the disposition of the MCTC via the assailed Decision'16 the fallo of which reads:

WHEREFORE, in view of the foregoing, the Court finds no cogent reason to reverse the appealed Decision and the same should be, as it is hereby[,] affirmed.

SO ORDERED.

Villanueva moved for the reconsideration of the foregoing disposition but was denied.[17] Hence, he filed the present petition.

The Errors Assigned:

In assailing the RTC's disposition, Villanueva posits that:

I.

THE HONORABLE REGIONAL TRIAL COURT, BRANCH 35,[sic] OF GAPAN CITY, NUEVA ECIJA[,] GRAVELY ERRED IN RULING THAT THE HONORABLE MUNICIPAL [CIRCUIT] TRIAL COURT, BRANCH 004 OF CABIAO-SAN ISIDRO, NUEVA ECIJA [,] HAS JURISDICTION OVER THE SUBJECT MATTER[.]

II.

THE HONORABLE REGIONAL TRIAL COURT, BRANCH 35, [sic] OF GAPAN CITY, NUEVA ECUA[,] GRAVELY ERRED IN FINDING THAT THE MOTION TO DISMISS FILED BY THE PETITIONER ON APRIL 23, 2004 IS A PROHIBITED PLEADING[.]

III.

THE HONORABLE REGIONAL TRIAL COURT, BRANCH 35,[SIC] OF GAPAN CITY, NUEVA ECIJA[,] GRAVELY ERRED IN FINDING THAT RESPONDENT RAFAEL C. GALANG[,] IS THE REAL PARTY[-]IN[-]INTEREST TO INSTITUTE THE COMPLAINT AGAINST HEREIN PETITIONER[.]

IV.

THE HONORABLE REGIONAL TRIAL COURT GRAVELY ERRED IN FINDING THAT THE CASE IS NOT COVERED BY THE MANDATORY BARANGAY CONCILIATION PROCEEDINGS.

V.

THE HONORABLE REGIONAL TRIAL COURT GRAVELY ERRED IN ITS RULING ON THE ISSUE AS TO WHETHER OR NOT THERE WAS PROPER DEMAND UNTO [Sic] THE PETITIONER.[16]

This Court's Ruling:

The petition is bereft of merit.

Well-entrenched is the principle that the jurisdiction of the court over the subject matter of the action is determined by the material allegations of the complaint and the law, regardless of whether or not the plaintiff is entitled to recover all or some of the claims or reliefs sought therein.[19] Accordingly, the jurisdiction of the court does not depend upon the answer of the defendant or even upon agreement, waiver or acquiescence of the parties. Indeed, the jurisdiction of the court over the nature of the action and the subject matter thereof cannot be made to depend upon the defenses set up in the court Or upon a motion to dismiss for, otherwise, the question of jurisdiction would depend almost entirely on the defendant.[20] Instructive on this score is the disquisition of the Supreme Court in *Hilado, et al. v. Chavez, et al.*[21], to wit:

The MTCC does not lose its jurisdiction over an ejectment case by the simple expedient of a party raising as a defense therein alleged existence of a tenancy relationship between the parties. But it is the duty of the court to receive evidence to determine the allegations of tenancy. If after hearing, tenancy had in fact been shown to be the real issue, the court should dismiss the case for lack of jurisdiction.

Earlier in *Bayog v. Natino*, we held that if a defendant in an action for ejectment interposed the defense of being the agricultural tenant in the property subject of the complaint, the MTCC should hear and receive the evidence for the purpose of determining whether or not it possessed jurisdiction over the case, and if, upon such hearing, tenancy is shown to be the issue, the MTCC should dismiss the case for lack of jurisdiction. (Emphasis supplied)

Guided by the foregoing, the RTC clearly did not err in affirming the MCTC's denial of the motion to dismiss, based as it is merely on Villanueva's invocation of tenancy relationship. More importantly, the denial of the motion to dismiss is in order since records show that Villanueva's claim of tenancy relationship is not substantiated.

We explicate. The fact alone of working on another person's land does not give rise to a presumption that an agricultural tenancy relationship exists. This is so because tenancy relationship cannot be presumed. There must be evidence to prove this allegation.[22] As stated, substantial evidence requires that there must be concrete evidence on record adequate enough to prove the existence of a tenancy relationship either by a receipt or any other evidence because self-serving statements are inadequate.[23] As enunciated in *VHJ Construction and Development Corp. v. CA, et al.*[24]:

The requisites of a tenancy relationship are as follows: (1) the parties are the landowner and the tenant; (2) the subject is agricultural land; (3) there is consent by the landowner; (4) the purpose is agricultural production; (5) there is personal cultivation; and (6) there is sharing of the harvests. All these requisites are necessary to create tenancy relationship, and the absence of one or more requisites will not make the alleged tenant a de facto tenant. This is so because unless a person has established his status as de jure tenant, he is not entitled to security of tenure nor is he covered by the Land Reform Program of the Government under existing tenancy laws. *** (Emphasis and underscoring supplied)

Moreover, even if We assume ex gratia argumenti that Villanueva was allowed, impliedly or otherwise, by Natividad to till the latter's properties, still, her acquiescence is insufficient to establish a tenancy relationship. Of note is the disquisition of the Supreme Court in *Dalwampo, et al. v. Quinocol Farmers, Farm Workers and Settlers' Association*[25], viz:

The principal factor in determining whether a tenancy relationship exists is intent. Tenancy is not a purely factual relationship dependent on what the alleged tenant does upon the land. It also is a legal relationship. The intent of the parties, the understanding when the farmer is installed, and their written agreements, provided these are complied with and are not contrary to law, are even more important. (Underscoring and emphasis Ours)

To further inculcate the importance of intent in establishing a tenancy relationship, the Court reiterated in *Reyes v. Joson, et al.*[26] that:

The essential requisites to establish a tenancy relationship are: 1) that the parties are the landowner and the tenant or agricultural lessee; 2) that the subject matter of the relationship is agricultural land; 3) that there is consent between the parties to the relationship; 4) that the purpose of the relationship is to bring about agricultural production; 5) that there is personal cultivation on the part of the tenant or agricultural lessee; and 6) that the harvest is shared between the landowner and the tenant or agricultural lessee.

All the above elements must concur in order to create a tenancy relationship. The absence of one does not make an occupant of a parcel of land, a cultivator or a planter thereon, a de jure tenant. It is only when an individual has established his status as a de jure tenant that he is entitled to security of tenure and would thus come under the coverage of existing tenancy laws.

*** mere occupation or cultivation of an agricultural land does not automatically convert a tiller or farm worker into an agricultural tenant recognized under agrarian laws. Occupancy and continued possession do not make one a de jure tenant. Tenancy status only arises if an occupant has been given possession of an agricultural landholding for the primary purpose of agricultural production which, in the case, is significant by absent.***

*** To prove a tenancy relationship, the requisite quantum of evidence is substantial, defined as such relevant evidence as a reasonable mind might accept as adequate to support a conclusion. (Emphasis added)

In reviewing the assailed dispositions with the above precepts as guidelines, it is not difficult to make the conclusion that the RTC did not err in upholding the MCTC's finding that no tenancy relationship exist between the parties. Worth quoting is the MCTC's disquisition, to wit:

Defendant also claim[s] payments of cash proceeds which was refused by plaintiff[s] since year 2000 and[,] because of such refusal[,] defendant deposited the same in a bank and notified plaintiffs about it. This contention of the defendant does not also justify his claim of tenancy. If indeed there was payment or tender of cash proceeds given to the plaintiffs prior to [the] year 2000 when this case was filed, why is it that not even a single receipt was ever presented by the defendant to prove the same. (sic)[27]

Also not convincing are Villanueva's arguments that Rafael is the real party-in-interest; that the case is covered by mandatory Barangay conciliation proceedings; and, that no demand to vacate was made on him.

On the argument that Rafael is not the real party-in-interest, it must be borne in mind that Rafael filed the suit below not only in his personal capacity but also as representative of Natividad. Further, the rights to the properties occupied by Villanueva were assigned by Natividad to Rafael. Clearly, Rafael is a real party-in-interest because he "stands to be benefited or injured by the judgment in the suit, or the party entitled to the avails of the suit".[28] Thus, the High Tribunal ruled in *Angeles v. Phil. National Railways, et al.* [29] that:

*** where an agent is constituted as an assignee. In such a case, the agent may, in his own behalf, sue on a contract made for his principal, as an assignee of such contract. The rule requiring every action to be prosecuted in the name of the real party-in-interest recognizes the assignment of rights of action and also recognizes that when one has a right assigned to him, he is then the real party-in-interest and may maintain an action upon such claim or right. (Emphasis Ours)

Also not convincing is Villanueva's assertion that the suit should have been dismissed outright for failure to undergo mandatory Barangay conciliation proceedings.

We explain. Recall must be made that the complaint of Natividad and Rafael contains a prayer for the issuance of a writ of preliminary injunction. Such being the case, Barangay conciliation proceedings is not required because under Section 412 (b)(3) of the Local Government Code, parties may go directly to court where the action is coupled with provisional remedies such as preliminary injunction, attachment, delivery of personal property, and support pendente lite. For clarity, Section 412 of the Local Government Code is hereunder quoted, to wit:

Sec. 412. Conciliation.-(a) Pre-condition of filing of complaint in court. - No complaint, petition, action, or proceeding involving any matter within the authority of the lupon shall be filed or instituted directly in court or any other government office for adjudication, unless there has been a confrontation between the parties before the lupon chairman or the pangkat, and that no conciliation or settlement has been reached as certified by the lupon secretary or pangkat secretary as attested to by the lupon chairman or pangkat chairman or unless the settlement has been repudiated by the parties thereto.

(b) Where parties may go directly to court. -The parties may go directly to court in the following instances:

(1) Where the accused is under detention;

(2) Where a person has otherwise been deprived of personal liberty calling for habeas corpus proceedings; (3) Where actions are coupled with provisional remedies such as preliminary injunction, attachment, delivery of personal property, and support pendente lite; and

(4) Where the action may otherwise be barred by the statute of limitations.

(c) Conciliation among members of indigenous cultural communities.- The customs and traditions of indigenous cultural communities shall be applied in settling disputes between members of the cultural communities. (Emphasis Ours)

On Villanueva's claim that no demand was made on him, suffice it to say that the same is belied by his admission that written demands to vacate were made upon him by Natividad. Thus, the findings of the RTC bear quoting,

viz:

As to the non-referral of this case to the barangay for conciliation, suffice it to say that this case is not covered with [by] mandatory barangay conciliation proceedings as the present action is coupled with preliminary injunction. ***

Defendant-appellant would also claim that there was improper demand *** defendant-appellant forgot that his possession of the subject lot[s] was by mere tolerance of the plaintiff[s]. The only jurisdictional requirement in the case of possession by tolerance is a demand to vacate. Defendant admitted that he received [the] plaintiffs letter of demand t? vacate the subject lots ***

As to the issue of whether or not Dr. Rafael Galang is the proper party to institute the instant case, the trial court did not commit an error when it concluded that Dr. Rafael C. Galang is a real party[-] in [-] interest in this case. *** Being an assignee of the rights of Natividad Galang over the subject parcels of land, Dr. Rafael Galang is a proper party in this case. An assignee is clothed with all the right[s] that can be exercised by the assignor as the former is bound by any judgment which may be rendered for or against the transferor.[30]

All the foregoing glaringly shows that the RTC did not err in affirming the ruling of the MCTC, correct and founded as it is on the law and the evidence on record. Perforce, such affirmation must be sustained.

WHEREFORE, the instant petition is DENIED. The assailed dispositions are AFFIRMED in toto. Costs against the Petitioner.

SO ORDERED.

Tolentino and Ayson, JJ., concur.

Petition denied. Decision affirmed.

[1] In Civil Case No. 3262-07, dated Feb. 12, 2009; Annex "U", petition; Rollo, pp. 201-207.

[2] Dated Nov. 22, 2007; Annex "R", petition; Rollo, pp. 172-182.

[3] Dated April 16, 2009; Rollo, pp. 24-25.

[4] As culled from the records.

[5] Interchangeably referred as to Rafael Galang's sister and aunt.

[6] Annex "A", Complaint; Rollo, p. 52.

[7] Annex "B", Complaint; Rollo, p. 53.

[8] Rollo, p. 61.

[9] See Complaint; Annex "F", petition; Rollo, pp. 43-49.

[10] Filed on Oct. 8, 2001; Annex "I", petition; Rollo, pp. 71-77.

[11] See machine-copy of passbook; Annex "B", Answer; Rollo, pp. 80-81.

[12] Annex "J", petition; Rollo, pp. 95-100.

[13] No copy is attached in the records.

[14] Annex "K", petition; Rollo, pp. 314-319.

- [15] See assailed Decision, p. 11; Rollo, p. 182. Bracketed insertions Ours.
- [16] Note at 1. Bracketed insertion supplied.
- [17] Note at 3.
- [18] See petition, pp. 11-12; Rollo, pp. 18-19.
- [19] Hilario vs. Salvador, G.R. No. 160384, April 29, 2005.
- [20] Quinagoran vs. CA, et al., G.R. NO. 155179, Aug. 24, 2007. Emphasis Ours
- [21] G.R. No. 134742, Sept. 22, 2004, citing Movers-Baseco Integrated Port Services, Inc. vs. Cyborg Leasing Corporation, 317 SCRA 327 (1999); Boleyley vs. Villanueva, 314 SCRA 364 (1999); Arcelona vs. CA, 280 SCRA 20 (1997); Onquit vs. Binamira-Parcia, 297 SCRA 354 (1998); and , Isidro vs. CA, 228 SCRA 503 (1993).
- [22] See Valencia vs. CA, et al. G.R. No. 122363, April 29, 2003.
- [23] Ibid.
- [24] G.R. No. 128534, Aug. 13, 2004.
- [25] G.R. No. 160614, April 25, 2006. See also Sialana vs. Avila, et al., G.R. No. 143598, July 20, 2006, citing Berenguer, Jr. vs. CA, No. L-60287, Aug. 17, 1988, and Reyes vs. Reyes, 437 Phil. 274 (2002).
- [26] G.R. No. 143111, June 7, 2007.
- [27] See MCTC Decision, p. 10; Rollo, p. 181. Bracketed insertions Ours.
- [28] Rule 3, Sec. 1 of the Revised Rules of Court.
- [29] G.R. No. 150128, Aug. 31, 2006.
- [30] See RTC Decision, pp. 6-7; Rollo, pp. 421-422. Emphasis and bracketed insertions Ours

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