

**ALFREDO LEONGSON, PIA BAUTISTA AND MARTIN KISEL,
PETITIONERS, VS. THE COURT OF APPEALS AND DEMETRIO P.
SANTIAGO, RESPONDENTS.***G.R. No. L-32255. January 30, 1973*

Ponente: FERNANDO, J.

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One month before the decision under review was promulgated by respondent Court of Appeals on May 30, 1970, this Court in the leading case of *Gongon v. Court of Appeals*,^[1] the opinion being penned by Justice Makalintal, upheld the right of a sublessee to be considered as a "bona fide tenant or occupant" within the meaning of Section 1 of Commonwealth Act 539 and thus entitled to acquire by purchase that portion of the property wherein his house is located, after the acquisition thereof by the government for purpose of resale.^[2] Nonetheless, perhaps because such a ruling was not called to the attention of the respondent Court, it adjudged private respondent Demetrio P. Santiago, the lessee, as the bona fide tenant and ignored the claim of petitioners, the sublessees,^[3] whose houses were erected on the land in dispute. Hence this petition. Clearly then, unless this Court is prepared to abandon the *Gongon* doctrine, and no valid reason exists why it should do so, this petition must be granted and the appealed decision reversed.

In the decision now under review, there was a reiteration of the facts as found by the lower court. Thus: "It appears that the petitioner Demetrio P. Santiago is the son of a certain Martin Santiago, who was the original and registered lessee and occupant of a parcel of land described as Lot No. 1, Block No. 14 Psd 11759 (known as the Tambobong Estate) with an area of 383 square meters, in Malabon, Rizal; that said lot was owned by the Roman Catholic Church; that upon the death of Martin Santiago, in 1932, petitioner inherited said leasehold and possessory rights to the property and thereafter became the lessee thereof, paying the annual rentals therefor to the MITRA and later, to the Rural Progress Administration; that the petitioner has a house of strong materials constructed thereon where his family and two sisters have been continuously residing up to the present time; that during the lifetime of petitioner's father, the latter allowed respondents [petitioners before this Court] Leongson, Bautista, Kisel to build their houses on said lot, occupying 123, 86 and 22 square meters thereof, respectively, at a nominal amount of rental which they paid to Martin Santiago, and, after his death to the petitioner [now private respondent] herein, Demetrio P. Santiago; that sometime in 1947, the government acquired the Tambobong Estate pursuant to Commonwealth Act No. 539 for resale of their bona fide tenants or occupants thereof; that on July 11, 1951, the petitioner filed this application to purchase the afore-described lot with the Bureau of Lands, and in March, 1952, respondents Leongson and Bautista filed their separate applications with the Bureau of Lands to purchase the portion of the lot occupied by them; that on December 8, 1954, the Director of Lands after due investigation of the complaint among the parties, rendered a decision in favor of the petitioner, * * *. The respondents Alfredo Leongson, Pia Bautista and Martin Kisel filed a motion for reconsideration of said decision of the Director of Lands, which motion was denied, * * *. The respondents appealed the decision and order of the Secretary of Agriculture and Natural Resources which appeal was endorsed to the Land Tenure Administration,

pursuant to Land Reform Act 1955. On August 4, 1956, respondent Chairman of the Land Tenure Administration issued an order setting aside the decision of the Director of Lands and gave due course to the applications of the respondents. The main reason relied upon by the Land Tenure Administration in setting aside said decision was because petitioner Demetrio P. Santiago is not qualified to purchase the area of the lot in question beyond that actually occupied by him, it appearing that the portion of the lot which consists of 150 square meters had proven for more than ten (10) years to be sufficient for the needs of the petitioner. The order issued by the Land Tenure Administration was affirmed by the Executive Secretary* * *.[4] Private respondent Demetrio Santiago then instituted certiorari proceedings to set aside the determination of the Executive Secretary before the lower court, which in its judgment of September 8, 1967, sustained his contention and recognized his right to the entire lot originally leased by his father. Upon the proceeding being elevated to respondent Court, he was again victorious, the decision now on appeal, affirming that of the lower court, being rendered, as noted, on May 30, 1970.

There is this portion of Justice Yatco's opinion for respondent Court, which restated the controlling facts: "As could be gleaned from the pleadings and not disputed by the parties, Martin Santiago, the father of the petitioner [now private respondent] was the original and registered lessee of the lot in question which was then owned by the Roman Catholic Church. Upon the death of Martin Santiago in 1939, petitioner inherited and succeeded to the leasehold and possessory rights to the property and thereafter became the lessee thereof paying rentals annually to the Mitra and thereafter to the Rural Progress Administration after the property was acquired by the Government. The occupation of Martin Santiago and later Demetrio Santiago was continued up to the present. Demetrio Santiago is a widower, with two children. It is likewise not disputed that although respondents [now petitioners in this proceeding] Alfredo Leongson, Pia Bautista and Martin Kisel are occupying a portion of the lot in question, they are doing so as sublessees of Demetrio Santiago."[5]

The legal question before this Court is thus revealed in its stark simplicity. Nor could there be any doubt about the answer after the *Gongon* decision. The law grants to the sublessee, in this case the petitioners-sublessees, the right to acquire. The status of bona fide tenant or occupant is recognized as attaching to one who has a sublease in his favor. Private respondent then as lessee could not deprive petitioners of their valid claim to purchase that portion of the disputed land, whereon their houses were built. Respondent Court decided otherwise. That is why, to repeat, its decision cannot be sustained.

- A more detailed perusal of *Gocgon v. Court of Appeals*[6] is in order. There it was shown that the lot in question likewise forms part of the Tambobong Estate in Malabon, Rizal. It was originally leased to respondent Amada Aquino, who in turn subleased it to petitioner *Gongon* after which he constructed thereon his residence. It was further established that as of that time, petitioner with his family continued to live there. As in this case, petitioner as sublessee, lost both in the Court of First Instance of Manila as well as the Court of Appeals in his bid to annul the decision of the Land Tenure Administration recognizing the right of the lessee to purchase the property. After considering previous decisions of this Court dating from *Grande v. Santos*,[7] promulgated in 1955, as to the interpretation to be given Section 1 of Commonwealth Act 539, Justice Makalintal, speaking for the Court, explicitly stated: "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."[8] Such a conclusion follows from what was first definitely announced in *Marukot v. Jacinto*,[9] to the effect that a sublessee should be considered as falling within the category of a bona fide tenant or occupant. It is to be admitted that barely nine days later in *Santiago v. Cruz*,¹⁰ this Honorable Court speaking through Justice Bautista Angelo, with the vigorous dissents of Chief Justice Paras and Justice J.B.L. Reyes, failed to adhere to such a view. Subsequently, in *Gutierrez v. Santos*,¹¹ in an opinion by the same Justice, the *Marukot* doctrine was in effect upheld and that *Santiago* ruling distinguished. The language used in *Javillonar v. National Planning Commission*,¹² while arising from dissimilar facts, finds relevance, "No clearer mandate as to how the lands expropriated should be subdivided can

be found. This mandate gives the key to the solution of the present controversy." It is in the light of the above decisions that this portion of Justice Makalintal's opinion in *Gongon* should be appraised: "The first issue involves a conflict of claims between a lessee and a sublessee insofar as the right to purchase the property is concerned. Several decisions of this Court have been cited and discussed by the parties. Parenthetically, it may be noted that in those cases the concept of possession by a sublessee under the Civil Code, which according to the Court of Appeals in its decision under review was in effect possession by the lessee sublessor, was not considered by this Court applicable at all in construing the term 'occupant' under Commonwealth Act No. 539." [13]

In *Tañag v. The Executive Secretary*, [14] decided in 1971, *Gongon v. Court of Appeals* was followed with the observation that the doctrine announced therein "reflects with fidelity the public policy that lies behind the enactment of this legislation," referring to Commonwealth Act 539. The concluding portion of the opinion in *Tañag* deserves to be quoted. Thus: "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 construction of laws that finds 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.'" [15] It is thus obvious why the decision of respondent Court is not entitled to affirmance.

- The error that could legitimately be imputed then, not only to respondent Court but to the lower court as well, was the failure to accord an interpretation to Section 1 of Commonwealth Act 539, conformably to the decisions of this Court. There is need to stress this truth as petitioners, in their first assignment of error, would likewise blame them for disregarding the determination of the Land Tenure Administration, as affirmed by the then Executive Secretary. There is here a misapprehension of the significance that attaches to judicial review of administrative actions. There is nothing said in our past decisions that go as far as affixing the quality of conclusiveness to what has been arrived at by executive officials or administrative agencies. That the facts as found by them are ordinarily considered well-nigh conclusive on the courts is to be conceded. The moment a question of law arises, however, it is inescapable on the judiciary to pass upon and decide the issue. A succinct but accurate description of the judicial function is to apply the appropriate law to the facts as found. If there are "questions judicial in nature" then, as Justice Perfecto emphasized, "only courts of justice can decide them." [16] It would be a sad day for juristic science if the recognition that expertise associated with officials, boards or agencies of the executive department is to go as far as denying to the courts their power and their duty of deciding what the law is.

More specifically, there is a misreading by petitioners in this assignment of error of the teaching of our past decisions insofar as controversies over lands disposable by government is concerned. *Ortua v. Singson Encarnacion*, [17] with Justice Malcolm as ponente, is still the leading case. As set forth in his opinion: "Accordingly, to paraphrase the authorities and decisions coming principally from the United States Supreme Court, we deduce the rule on the subject to be, that a decision rendered by the Director of Lands and approved by the Secretary of Agriculture and Commerce, upon a question of fact is conclusive and not subject to be reviewed by the courts, in the absence of a showing that such decision was rendered in consequence of fraud, imposition, or mistake, other than error of judgment in estimating the value or effect of evidence, regardless of whether or not it is consistent with the preponderance of the evidence, so long as there is some evidence upon which the finding in

question could be made." [18] As he was careful to stress, though: "There is, however, another side to the case. It certainly was not intended by the legislative body to remove from the jurisdiction of courts all right to review decisions of the Bureau of Lands, for to do so would be to attempt something which could not be done legally. Giving force to all possible intendments regarding the facts as found by the Director of Lands, yet so much of the decision of the Director of Lands as relates to a question of law is in no sense conclusive upon the courts, but is subject to review. In other words, any action of the Director of Lands which is based upon a misconstruction of the law can be corrected by the courts." [19] As a matter of fact, the basic principle to be followed first found expression, although in language dissimilar, in an opinion by Justice Torres, speaking for the Court, in *Rojas v. Director of Lands*. [20] Thus: "It is incumbent upon the courts of justice to examine and declare, at the instance of an interested party, whether in the enforcement of any statute there has been any violation of its provisions, in order to prevent, in the use of the discretion commended to the public official authorized to apply the law, the commission of abuses detrimental to the citizen, whose rights are expressly insured by the exact fulfillment of the law." [21] One of the later cases in line with the above doctrine is *Pajo v. Ago*, [22] where this Court, through Justice Barrera, stated: "It is a well-recognized principle that purely administrative and discretionary functions may not be interfered with by the courts. In general, courts have no supervising power over the proceedings and actions of the administrative departments of the government. This is generally true with respect to acts involving the exercise of judgment or discretion, and findings of fact. Findings of fact by an administrative board or officials, following a hearing, are binding upon the courts and will not be disturbed except where the board or official has gone beyond his statutory authority, exercised unconstitutional powers or clearly acted arbitrarily and without regard to his duty or with grave abuse of discretion." [23] If the above decisions mean anything at all, once the actuation of an administrative official or administrative board or agency is tainted by a failure to abide by the command of the law, then it is incumbent on the courts of justice to set matters right, with this Tribunal having the last say on the matter.

WHEREFORE, the decision of respondent Court of appeals of May 30, 1970 is reversed and the order of the Land Tenure Administration of August 4, 1956, as affirmed by then Executive Secretary, is to be given full force and effect, so that the rights of petitioners to their respective portions in the lot in question be fully respected. With costs against petitioners.

Makalintal, Zaldivar, Ruiz Castro, Teehankee, Makasiar, and Esguerra, JJ., concur.

Conception, C.J., Barredo, and Antonio, JJ., did not take part.

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

[2] Section 1 of Commonwealth Act 539 reads: "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] Petitioners are Alfredo Leongson, Pia Bautista and Martin Kisel.

[4] Decision of respondent Court, Annex A, Brief of petitioners, 34-37.

[5] *Ibid.*, 39.

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

[7] 98 Phil. 62.

[8] 32 SCRA 412, 418.

[9] 98 Phil. 128 (1955).

[10] 98 Phil. 168 (1955).

[11] 107 Phil. 419 (1960).

[12] 100 Phil. 485 (1956).

[13] *Gongon v. Court of Appeals*, 32 SCRA 412, 416.

[14] L-30223, February 27, 1971, 37 SCRA 806.

[15] *Ibid.*, 811.

[16] *Espinosa v. Makalintal*, 79 Phil. 134, 138 (1947).

[17] 59 Phil. 440 (1934).

[18] *Ibid.*, 443-4A4.

[19] *Ibid.*, 444. Earlier in *Julian v. Apostol*, 52 Phil. 422 (1928), there was an intimation as to what the appropriate doctrine should be. The *Ortua* decision has subsequently been cited with approval in *Koppel (Phil.) Inc. v. Yatco*, 77 Phil. 496 (1946); *Alejo v. Garchitorena*, 83 Phil. 924 (1949); *Canas Plantation Co. v. Bureau of Forestry*, 92 Phil. 581 (1953); *Vda. de Alfafara v. Mapa*, 95 Phil. 125 (1954); *De Guzman v. De Guzman*, 104 Phil. 24 (1958); *Denopol v. Director of Lands*, 106 Phil. 666(1959); *Balmonte v. Marcelo*, L-22240, Nov. 27, 1967, 26 SCRA 63.

[20] 35 Phil. 196 (1916).

[21] *Ibid.*, 202.

[22] 108 Phil. 905 (1960).

[23] *Ibid.*, 915-916. Cf. *Pindañgan Agricultural Co., Inc. v. Dans*, L- 14591, April 25, 1962, 4 SCRA 1035; *Pindangan Agricultural Co., Inc. v. Sands*, L-14591, September 26, 1962, 6 SCRA 14; *Suarez v. Reyes*, L- 19828, February 28, 1963, 7 SCRA 461; *Vda. de Calibo v. Ballesteros*, L-17466, September 18, 1965, 15 SCRA 37; *Ganitano v. Secretary of Agriculture and Natural Resources*, L-21167, March 31, 1966, 16 SCRA 543; *Pabiling v. Parinacio*, L-22682, July 23, 1968, 24 SCRA 100; *Balmonte v. Marcelo*, L-22240, November 27, 1968, 26 SCRA 63; *Deluao v. Casteel*, L-21906, December 24, 1968, 26 SCRA 475; *Lim v. Secretary of Agriculture and Natural Resources*, L-26990, August 31, 1970, 34 SCRA 751.

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