

SPOUSES AMADEO CUAÑO AND AURORA Y. CUAÑO, PETITIONERS, VS. COURT OF APPEALS, RENATO CRISTOBAL, VIRGILIO DIEGO, RAMON AREOLA, PEDRO DIONI-CIO, TERESA ERILLA, LUCIA CUDIA, LUCILA ...

G.R. No. 107159. September 26, 1994

Ponente: FELICIANO, J.

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FELICIANO, J.:

Amadeo and Aurora Cuaño (“Cuaño spouses”) ask us to reverse a decision of the Court of Appeals which, affirming the judgment of the trial court, held that private respondents were tenants of the late Andres Cruz and accordingly eligible to exercise a right of redemption in respect of the land they were working on which was sold to petitioner Cuaño spouses.

In 1956, Andres Cruz acquired a parcel of land situated in Sapang, Jaen, Nueva Ecija with an area of 205,691 square meters, which was then planted to some 100 mango trees.

In 1958, Andres Cruz took in private respondents to work on his land. They were assigned specific areas to work on and cultivate. They planted more mango trees and cared for them, cultivating the fruit-bearing trees, fertilizing, smudging and spraying them with insecticides and flower-inducing chemicals. After deducting twenty-five percent (25%) of the gross proceeds as reimbursement to Andres Cruz who purchased the fertilizers, insecticides and chemicals used in the operations of the farm, the balance of the proceeds of each portion or area of the farm was shared equally between the private respondents assigned to such area and Andres Cruz.

Andres Cruz died in 1976 and the ownership of the land passed on to his two (2) daughters, Cecilia Cruz-Mendiola and Carmen Cruz-Dolor. Private respondents, however, continued to work on the land and the net proceeds of the farm operations continued to be divided between Andres Cruz’s daughters and private respondents.

On 8 November 1980, the two (2) daughters, without previous notification to private respondents, executed a contract to sell the land to the Cuaño spouses, petitioners herein.

Sometime in December 1980, one Major Romy Cruz, apparently a military officer and with the help of some military personnel, ousted private respondents from the land. The farm was fenced in and private respondents were prevented from entering upon and working on the land. As a result, private respondents filed a complaint against Major Cruz before the Court of Agrarian Relations. So far as the record shows, private respondents were not then yet aware of the contract to sell the property to the Cuaño spouses; in any case, only the two (2) daughters of Andres Cruz were impleaded with Major Cruz in that suit.

On 19 June 1981, Cecilia and Carmen, the two (2) daughters of Andres Cruz, consummated the sale of the land to the Cuaño spouses for a total stated consideration of P787,500.00, again without the knowledge of private respondents.

Four (4) days later, on 23 June 1981, the Cuaño spouses obtained a loan of P1,500,000.00 and, to secure that loan, constituted a mortgage on the land in favor of the lender, First Summa Savings and Mortgage Bank, now known as PAIC Savings and Mortgage Bank (“PAIC”).

The next day, on 24 June 1981, the deed of sale in favor of the Cuaño spouses, was registered. On that same day, Transfer Certificates of Title covering the five (5) lots into which the original 20.5691 hectares had been divided, were issued in the name of petitioner Cuaño spouses.

On 6 November 1981, private respondents commenced suit against the Cuaño spouses claiming that, as tenants or agricultural lessees, they were entitled to redeem the land pursuant to Section 12 of R.A. No. 3844 (known as The Agricultural Land Reform Code) as amended by R.A. No. 6389, which reads as follows:

“Sec. 12. Lessee’s Right of Redemption. In case the landholding is sold to a third person without the knowledge of the agricultural lessee, the latter shall have the right to redeem the same at a reasonable price and consideration: Provided, That where there are two or more agricultural lessees, each shall be entitled to said right of redemption only to the extent of the area actually cultivated by him. The right of redemption under this section may be exercised within one hundred and eighty days from notice in writing which shall be served by the vendee on all lessees affected and the Department of Agrarian Reform upon the registration of the sale, and shall have priority over any other right of redemption. The redemption price shall be the reasonable price of the land at the time of the sale.

Upon the filing of the corresponding petition or request with the department or corresponding case in court by the agricultural lessee or lessees, the said period of one hundred and eighty days shall cease to run.

Any petition or request for redemption shall be resolved within sixty days from the filing thereof; otherwise, the said period shall start to run again.

The Department of Agrarian Reform shall initiate, while the Land Bank shall finance said redemption as in the case of pre-emption.”

The Land Bank of the Philippines (“Land Bank”) was impleaded as a party-defendant in order to require it to finance the redemption demanded by private respondents. PAIC, as mortgagee of the landholding under litigation, intervened in the suit and participated in the trial thereof.

In due time, the trial court rendered a judgment, dated 5 July 1989, in favor of private respondents. The dispositive portion of this judgment reads as follows:

“WHEREFORE, judgment is hereby rendered as follows:

1. Declaring that plaintiffs are entitled to redeem, and ordering Defendants spouses Amado Cuaño and Aurora Cuaño to allow plaintiffs to redeem the landholding in question within 180 days from finality of this decision at the price of P787,500 free from the mortgage in favor of defendant PAIC Savings Bank, plus interest thereon at the legal rate counted from the time all the plaintiffs shall have been fully reinstated and/or restored to the possession of the respective areas assigned to them by the late Andres Cruz, until said price shall have been fully paid.
2. Ordering defendants spouses Cuaño and all persons claiming under them to vacate the landholding in question and to surrender the same to the plaintiffs as their share tenants;
3. Declaring that defendant PAIC Savings and Mortgage Bank has preferential right as against defendants Cuaño Spouses in and to the proceeds of the redemption of the landholding to the extent of the latter’s mortgage obligation to it, and authorizing defendant PAIC Savings and Mortgage Bank to collect said proceeds and apply the same against said mortgage obligation;

4. Ordering defendant Land Bank of the Philippines to finance the redemption by the plaintiffs of the landholding in question in accordance with paragraph 1, above, subject to the provisions of R.A. 3844, as amended, and compliance with all legal requirements;
5. Ordering defendants Cuaño Spouses to execute a Financing Agreement for Agrarian Redemption by way of conveyance of the landholding in question and to deliver to defendant Land Bank of the Philippines the duly approved subdivision/segregation survey plan of the landholding, when required by the latter;
6. Ordering plaintiffs to execute an undertaking to amortize to defendant Land Bank of the Philippines the total amount the latter shall have paid to defendants Amadeo Cuaño and Aurora Cuaño under the terms and conditions of defendant Land Bank of the Philippines, when required by the latter;
7. If, for any reason, the redemption is not, or cannot be, effected, ordering defendants Amadeo Cuaño and Aurora Cuaño to deliver to plaintiffs their respective shares in the harvests for three years, computed on the basis of their last liquidation for one year;
8. Ordering Defendants, except Land Bank of the Philippines, to pay the costs of the suit.

SO ORDERED.”[1]

On appeal by the Cuaño spouses, the Court of Appeals affirmed the judgment of the trial court in its entirety.[2]

In the present Petition for Review on Certiorari, the principal contentions of the Cuaño spouses are the following:

Firstly, the original landowner, Andres Cruz, never gave his consent to the tenancy or agricultural leasehold relationship, since the alleged tenants or lessees had been hired merely as paid laborers by an overseer of the landowner; secondly, the element of personal cultivation by the tenants or agricultural lessees was absent, considering that the alleged tenants or agricultural lessees had availed themselves of the services of paid laborers to carry out some farm operations; thirdly, the annotation in the Transfer Certificates of Title issued in the name of petitioner spouses that the land was not tenanted, was conclusive proof that no tenancy or agricultural leasehold relationship existed in respect of such land.

PAIC too came to us on its own Petition for Review on Certiorari of the decision of the Court of Appeals (G.R. No. 106618). PAIC’s Petition was dismissed by the Court on 23 September 1992 for failure to comply with the requirements of applicable court circulars. Thereafter, PAIC filed an Omnibus Motion[3] in the present Petition (G.R. No. 107159) praying that it be allowed to intervene in these proceedings. In this Omnibus Motion, PAIC reiterated the argument it had made before the Court of Appeals that the right of redemption of tenants or agricultural lessees under R.A. No. 3844, as amended, cannot be held to invalidate the rights of a mortgagee provided for in the Civil Code.

The above issues, including that proffered by PAIC, are addressed below.

As a preliminary point, we note that the landholding in dispute is a mango plantation. We consider that -- and there appears no dispute on this point -- this plantation is covered by the provisions of R.A. No. 3844, as amended, Section 166 (1) of which defines agricultural land as

“land devoted to any growth, including but not limited to crop lands, salt beds, fish ponds, idle lands, and abandoned lands as defined in pars. 18 and 19 of this section, respectively.” (Emphasis supplied)

It is worth noting also that R.A. No. 1199, the earlier statute known as “The Agricultural Tenancy Act of the Philippines,” effective 30 August 1954, although it did not expressly define agricultural land; did not limit its scope to rice land; to the contrary, Chapter III, Section 41 of the statute, among other provisions, expressly recognized share tenancy in respect of crops other than rice.[4]

At the time the relationship between Andres Cruz and private respondents began in 1958, the applicable statute, R.A. No. 1199, defined “share tenancy” and “tenant” in the following terms:

“Section 4. Systems of Agricultural Tenancy; Their Definitions. -- Agricultural tenancy is classified into leasehold tenancy and share tenancy.

Share tenancy exists whenever two persons agree on a joint undertaking for agricultural production wherein one party furnishes the land and the other his labor, with either or both contributing any one or several of the items of production, the tenant cultivating the land personally with the aid of labor available from members of his immediate farm household, and the produce thereof to be divided between the landholder and the tenant in proportion to their respective contributions.

Leasehold tenancy exists when a person who, either personally or with the aid of labor available from members of his immediate farm household, undertakes to cultivate a piece of agricultural land susceptible of cultivation by a single person together with members of his immediate farm household belonging to or legally possessed by, another in consideration of a fixed amount in money or in produce or in both. (As amended by Rep. Act No. 2263, approved June 19, 1959.)

Section 5. Definition of Terms. -- As used in this Act:

(a) A tenant shall mean a person who, himself and with the aid available from within his immediate farm household, cultivates the land belonging to, or possessed by, another, with the latter’s consent for purposes of production, sharing the produce with the landholder under the share tenancy system, or paying to the landholder a price certain or ascertainable in produce or in money or both, under the leasehold tenancy system.

x x x x x x x x.”

During the lifetime of Andres Cruz, R.A. No. 3844 (approved on 8 August 1963) went into effect. Section 166 of R.A. No. 3844 as amended by R.A. No. 6389 (approved on 10 September 1971) defined “agricultural lessee” in the following manner:

“Sec. 166. Definition of Terms. -- x x x

(2) ‘Agricultural lessee’ means a person who, by himself and with the aid available from within his immediate farm household, cultivates, the land belonging to, or possessed by, another with the latter’s consent for purposes of production, for a price certain in money or in produce or both. It is distinguished from civil law lessee as understood in the Civil Code of the Philippines.

x x x x x x x x”

It is apparent from the foregoing that a “share tenant” and an “agricultural lessee” are defined in very similar terms and that a share tenancy and an agricultural lease relationship have the following common requisite elements:

- (1) The parties are the landowner and the tenant or agricultural lessee;
- (2) The subject matter of the relationship is 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 the landowner and the tenant or agricultural lessee.[5]

In respect of the element of consent, petitioner Cuaño spouses contend that that element was absent in the case at bar because private respondents, alleged tenants or agricultural lessees, had merely been hired by an overseer, one Evaristo Erilla, without the authority of Andres Cruz or his successors-in-interest, his two (2) daughters Carmen and Cecilia.

It appears from the record that Evaristo Erilla had acted as overseer of the land and the farm operations therein, both during the lifetime of Andres Cruz and after his death when his two (2) daughters succeeded to the ownership of the land.[6] Considering that private respondents had worked on the land since 1958, we find it very difficult to suppose that the original landowner Andres Cruz had been unaware all along of the presence and the activities, or of the status, of private respondents in his mango plantation. From 1958 up to the time of his death in 1976, Andres Cruz had been receiving his annual share in the harvest or the net proceeds of the harvest from his mango plantation. Similarly, from 1976 up to 1981, during the time that Carmen and Cecilia were owners of the land, they received their respective shares of the net proceeds of the farm operations. Moreover, considering the size of the landholding, 20.5691 hectares, both Andres Cruz and his two (2) daughters must have known that the overseer Evaristo Erilla could not have cultivated and cared for the mango plantation and produced the net harvest therefrom personally and single-handedly. By 1980, there were at least 600 mango trees in the plantation.[7] It is thus clear to the Court that the landowners cannot reasonably claim ignorance about the presence of private respondents in the mango plantation. For more than twenty (20) years, Andres Cruz and later his two (2) daughters had not objected to the presence and the agricultural role or activities of private respondents in respect of the mango plantation. Consent to that relationship with private respondents must be imputed to Andres Cruz and his two (2) daughters.

It was, of course, incumbent upon petitioner spouses to prove their defense that the overseer had acted without the knowledge and authority of Andres Cruz, and later of his two (2) daughters, with proof more substantial than the bare allegations of petitioner spouses. No such proof was adduced by them.

We must, therefore, conclude at this point that the overseer Evaristo Erilla had hired or retained private respondents as tenants and later as agricultural lessees with the knowledge and acquiescence of the landholder(s). We consider that this knowledge and acquiescence on the part of the landholders validated the relationship created (hypothetically) by the overseer and private respondents. For this reason, Evaristo Erilla is properly considered as an agent of the landowner(s) who acted as such with at least implied or apparent authority and whose principal(s) were accordingly bound to private respondents.

In other words, Erilla as an agent of the landowner(s) was not an independent personality who could provide insulation for the landowners from their legal obligations to private respondents as tenants or agricultural lessees. To hold that the landowner(s) did not give their consent because private respondents had been hired or retained by the overseer, would be to provide the landowner(s) with too easy an escape from the thrust of agrarian reform laws by the simple expedient of hiring an employee or overseer to stand between the landowner(s) and the tenants or agricultural lessees. To sustain this particular argument of petitioners would be to erode the force and effect of R.A. No. 3844, as amended, well-nigh to the vanishing point.

Petitioners also contend that the element of “personal cultivation” on the part of private respondents was absent. It is asserted that private respondents did not “cultivate” the portions of the landholding which had been assigned to them, that private respondents had been hired simply to carry out particular jobs such as the “smudging” or “smoking” of the mango trees. The Court of Appeals, however, found that private respondents had carried out all phases of farm operations leading to the production of mangoes, from the first stage of clearing the land and there planting the mango seedlings and then tending the trees, weeding and watering them, fertilizing the ground, etc., until they bore fruit, including other tasks essential to induce the trees to bring forth more bountiful harvest such

as smudging or smoking the trees and applying fertilizers and chemical flower-inducers.[8] It is useful to note in this connection that the concept of “cultivation” is not limited to the plowing or harrowing of the soil as in rice and corn fields. Cultivation includes all activities designed to promote the growth and care of the plants or trees and husbanding the earth, by general industry, so that it may bring forth more products or fruits. Such is the gist of our case law in respect of coconut plantations,[9] case law that we consider equally applicable to mango plantations.

Petitioner spouses also aver that such cultivation as was done by private respondent tenants or lessees was not “personal” in character, considering that private respondents had availed themselves of the services of farm laborers hired by the overseer. Under the statutory definition of an agricultural lessee quoted earlier, an agricultural lessee is a person “who by himself, or with the aid available from within his immediate farm household” cultivates the land belonging to or possessed by another.[10] The fact, however, that a tenant or an agricultural lessee may have been assisted by farm laborers, on an occasional or temporary basis, hired by the landowners, does not preclude the element of “personal cultivation” essential in a tenancy or agricultural leasehold relationship. In *De Guzman v. Santos*,[11] the mere fact that the tenant did not do all the farm work himself but temporarily or on an emergency basis utilized the services of others to assist him, was not taken to mean that the tenant had thereby breached the requirement imposed by the statute. We do not consider that the statute prohibits the tenant or agricultural lessee who generally works the land himself or with the aid of members of his immediate household, from availing occasionally or temporarily of the help of others in specific jobs.[12]

We agree, therefore, with the Court of Appeals that all the above-noted elements of a share tenancy and an agricultural lease relationship existed between the landowner(s) and private respondents and that accordingly, private respondents were share tenants and later agricultural lessees of Andres Cruz, and later of his two (2) daughters and ultimately of petitioners Cuaño spouses.

Petitioner Cuaño spouses also contend that the annotation in the Transfer Certificates of Title standing in their names and covering the totality of the land originally owned by Andres Cruz that said land is not tenanted, is conclusive as to the absence of a tenancy (or of an agricultural leasehold) relationship between the landowner(s) and private respondents. There are five (5) Transfer Certificates of Title standing in the name of the Cuaño spouses and each Certificate of Title contains the following annotation:

“Entry No. 3274-NT-170808:

Certification: Eugenio B. Bernardo, MAR OIC

Certifies that the property described in this Title is not tenanted.

Date of Instr.: June 8, 1981.

Date of Inscript.: June 24, 1981 at 1:15 p.m.”[13]

The issue thus posed is whether or not such annotation was conclusive upon the trial court, the Court of Appeals and this Court, insofar as the characterization of the relationship between the registered owners of the land and private respondents is concerned.

We believe and so hold that such annotation cannot be regarded as conclusive upon the courts of justice as to the legal nature and incidents of the relationship between the landowner(s) in this case and private respondents. Firstly, the annotation serves basically as notice to all persons of the existence of the Certification issued by Mr. Eugenio Bernardo, but neither adds to the validity or correctness of that certification nor converts a defective and invalid instrument into a valid one as between the parties.[14] Secondly, the certification issued by Mr. Eugenio Bernardo of the MAR (Ministry of Agrarian Reform) is very much like the certifications issued by the Secretary

of Agrarian Reform and other officials of the Ministry and later the Department of Agrarian Reform concerning the existence of tenancy relationships in respect of agricultural lands from which persons, who claim to be tenants, are sought to be ejected.[15] It is well-settled that the findings of or certifications issued by the Secretary of Agrarian Reform, or his authorized representative, in a given locality concerning the presence or absence of a tenancy relationship between the contending parties is merely preliminary or provisional and is not binding upon the courts. Thus, in *Puertollano, et al. v. Hon. Intermediate Appellate Court, et al.*, [16] this Court held that:

“From the foregoing provisions of the law [Section 2 P.D. No. 316 and Section 2 of P.D. No. 1038], it is clear that the trial court cannot take cognizance of any ‘ejectment case or any other case designed to harass or remove a tenant in an agricultural land primarily devoted to rice and corn’ without first referring the same to the Secretary of Agrarian Reform or his authorized representative in the locality for a preliminary determination of the relationship between the contending parties. If said officer finds that the case is proper for determination by the court it shall so certify and thence said court may assume jurisdiction over the dispute or controversy. Such preliminary determination of the relationship however, is not binding upon the court. Said court may after due hearing confirm, reverse or modify said preliminary determination as the evidence and substantial merit of the case may warrant.”[17] (Emphases supplied)

Thirdly, a certificate of title is, in general, conclusive evidence only of the ownership of the land described therein and as to the matters which were actually contested and determined, or could have litigated and decided, in the land registration proceeding.[18] A land registration court cannot adjudicate the existence or non-existence of a tenancy relationship since exclusive jurisdiction over such relationship was vested in the Court of Agrarian Relations[19] and later in the Regional Trial Court.[20]

We turn, finally, to the right to redeem the land here involved. In view of our conclusion that private respondents were share tenants and later agricultural lessees of the owner(s) of that land, it follows that private respondents were entitled to redeem the land upon the alienation thereof by the two (2) daughters of Andres Cruz in favor of petitioner Cuaño spouses. This right of redemption is statutory in character, that is to say, it is created by and rests upon the provisions of a particular law. It attaches to a particular landholding by operation of law. In *Hidalgo v. Hidalgo*, [21] the Court stressed that:

“x x x [T]he Land Reform Code forges by operation of law, between the landowner and the farmer- be a leasehold tenant or temporarily a share tenant- a vinculum juris with certain vital consequences, such as security of tenure of the tenant and the tenant’s right to continue in possession of the land he works despite the expiration of the contract or the sale or transfer of the land to third persons, and now, more basically, the farmer’s pre-emptive right to buy the land he cultivates under section 11 of the Code, as well as the right to redeem the land, if sold to a third person without his knowledge, under section 12 of this Code.”[22] (Emphases supplied)

While conceding that the law grants priority to the tenant’s right of redemption, PAIC contends vigorously that this priority extends only in respect of other rights of redemption and not in respect of specific lien of a voluntary mortgage. The claim of PAIC is that its mortgage lien subsists and attaches to the tenanted land even after it has been redeemed by the tenants and that, consequently, PAIC would then still be entitled to foreclose its mortgage lien over the property here involved.

PAIC’s argument does not persuade.

As discussed earlier, the land was, in the hands of the two (2) daughters of Andres Cruz and of petitioner Cuaño spouses, already subject to the right of redemption vested in private respondents. It follows that when the Cuaño spouses mortgaged that same land to secure a loan obtained from PAIC, PAIC’s right as mortgagee was subject to, and junior to, the prior right of private respondents to redeem the said property. Put a little differently, what the

Cuaño spouses mortgaged to PAIC was not absolute or unqualified dominium plenum over the land, but rather a right of ownership qualified by and subject to the right of redemption of private respondents. PAIC, of course, could not have acquired rights superior to those of its mortgagors.

PAIC asserts that it became mortgagee of the land in good faith, that it had relied on the annotation in the Transfer Certificates of Title of the Cuaño spouses referring to the certification of Mr. Eugenio Bernardo that the property was not tenanted. We consider that a mortgagee is not entitled to place absolute reliance upon Mr. Bernardo's certification which, as already noted, cannot prevent a court from reaching a different conclusion. The record indicates, in this connection, that the Cuaño spouses obtained their loan from PAIC one day before the Certificates of Title were issued in the name of Cuaño spouses.[23] As pointed out earlier, litigation had by then broken out between private respondents and the two (2) daughters of Andres Cruz together with Major Cruz. PAIC has not demonstrated that, with even a modest degree of diligence on its part as a prospective mortgagee, it could not have acquired actual notice of such litigation.

It is especially noteworthy that although the Cuaño spouses purchased from Cecilia and Carmen, the two (2) daughters of Andres Cruz, the land in question for the price of P787,500.00, four (4) days later, the Cuaño spouses mortgaged the same piece of land to secure a loan of P1.5 Million from PAIC Bank.[24] Since the stated purchase price of P787,500.00 paid by the Cuaño spouses to their vendors may be assumed to be the true and complete consideration for the land, it is difficult to understand how PAIC could, four (4) days later, conformably with good banking practice, have ascribed to the same land the loanable value of P1.5 Million. It is also difficult to assume that the fair and reasonable value of the land would have doubled within a four (4) day period; the record offers no explanation for such an extraordinary leap in value.

We consider that, at all events, PAIC's right of recourse, insofar as its mortgage loan is concerned, is not against the land itself nor against private respondents, but rather against its mortgagors, the petitioner Cuaño spouses.

Finally, for purposes of applying the provisions of Section 12 of R.A. No. 3844, as amended, which specifies that the "redemption price" shall be the "reasonable price of the land at the time of the sale," we agree that the valuation placed by the Cuaño spouses themselves when they paid P787,500.00 for the land, must be taken to be the reasonable price of the land purchased by them.

WHEREFORE, for all the foregoing, the Petition for Review on Certiorari, and the Omnibus Motion filed by PAIC in this case, are hereby DENIED for lack of merit. The assailed Decision of the Court of Appeals is hereby AFFIRMED. Costs against petitioners.

SO ORDERED.

Romero, Melo, and Vitug, JJ., concur.

Bidin, J., on leave.

[1] Trial Court Decision, pp. 9-10; Records, pp. 411-412.

[2] Rollo, pp. 24-42.

[3] Rollo, p. 69.

[4] See, e.g., Section 5 (c), R.A. No. 1199, as amended, where reference is made to "coconut, citrus, coffee, ramie and other crops"; and Section 5 (i), id.--, where "harvesting" is defined to mean "the gathering of the fruits or the produce of a crop other than rice." See also *Mendoza vs. Manguiat*, 96 Phil 309 (1954); *De los Reyes vs. Espinelli*, 30 SCRA 574 (1969); *Tongson vs. Court of Appeals*, 215 SCRA 426 (1992).

[5] Castillo vs. Court of Appeals, 205 SCRA 529 (1992); Prudential Bank vs. Gapultos, 181 SCRA 159 (1990); Zamoras vs. Su, 184 SCRA 248 (1990); Castro vs. Court of Appeals, 169 SCRA 383 (1989).

[6] Trial Court Decision, p. 3; Records, p. 405.

[7] Court of Appeals Decision, p. 5; Rollo, p. 83.

[8] Court of Appeals Decision, p. 12; Rollo, p. 90.

[9] Guerrero vs. Court of Appeals, 142 SCRA 136 (1986); Coconut Cooperative Marketing Association (COCOMA) vs. Court of Appeals, 164 SCRA 568 (1988); Hernandez vs. Intermediate Appellate Court, 189 SCRA 758 (1990).

[10] Section 166 (2), R.A. No. 3844, as amended.

[11] 6 SCRA 795 (1962).

[12] Carag vs. Court of Appeals, 151 SCRA 44 [1987].

[13] Records, pp. 123, 125, 127, 129 and 131.

[14] Section 51 of Act No. 496 provides:

“Sec. 51. Every conveyance, mortgage, lease, lien, attachment, order, decree, instrument, or entry affecting registered land which would under existing laws, if recorded, filed, or entered in the office of the Register of Deeds, affect the real estate to which it relates shall, if registered, filed, or entered in the office of the Register of Deeds in the province or city where the real estate to which such instruments relates, be notice to all persons from the time of such registering, filing, or entering.” (Underscoring supplied)

Section 51 above is substantially reproduced in Section 52 of P.D. No. 1529, “The Property Registration Decree” effective 11 June 1978. See also Seton v. Rodriguez, 110 Phil. 548 (1960); and Gurbax Singh Pabla and Co. v. Reyes, 92 Phil. 177 (1952).

[15] See e.g., Section 2, P.D. No. 316, effective 22 October 1973; Section 12, P.D. No. 946, effective 17 June 1976.

[16] 156 SCRA 188 (1987).

[17] 156 SCRA at 193. The above ruling was reiterated in Graza, et al. v. Hon. Court of Appeals, et al., 163 SCRA 39 (1988); Dela Cruz v. Bautista, 186 SCRA 517 (1990); and Qua v. Court of Appeals, 198 SCRA 236 (1991). It may also be noted that Section 106 of P.D. No. 1529 requires only an affidavit of the vendor or executor of “private agricultural land principally devoted to rice or corn” stating “that the land involved is not tenanted, or if tenanted, the same is not primarily devoted to production of rice and/or corn.” Such affidavit can scarcely be considered as binding upon the courts in any subsequent litigation involving the juridical nature of the relationship between the landowner and persons claiming to be tenants of the land.

[18] Dizon v. Banues, 104 Phil. 407 (1958); Lapore v. Pascual, 107 Phil. 695 (1960).

[19] Sec. 154, R.A. No. 3844, as amended; Sec. 12, P.D. No. 946; Ferrer vs. Villamor, 60 SCRA 106 (1974).

[20] Section 19(7) in relation to Section 44, B.P. Blg. 129.

[21] 33 SCRA 105, [1970].

[22] Id., pp. 112-113.

[23] Trial Court Decision, p. 7; Records, p. 409.

[24] Id., p. 3; Records, p. 405.

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