

ANGEL CHICO, PETITIONER, VS. THE HONORABLE COURT OF APPEALS, CELESTINA P. JOSON, WHO IS ACTING FOR HERSELF AND IN REPRESENTATION OF HER CO-OWNER NAMELY: BERNARDA, DEMETRIA, CELS...

G.R. No. 134735. December 05, 2000

Ponente: VITUG, J.

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VITUG, J.:

The petition for review assails the decision and resolution of the Court of Appeals of 19 September 1997 and 28 July 1998, respectively, affirming the decision, dated 28 August 1995, of the Department of Agrarian Reform Adjudication Board ("DARAB").

Petitioner Angel Chico and one Eugenia Esguerra were at one time the agricultural lessees over a parcel of land owned by the Josons (Bernarda, Demetria, Celsa, Maura, Juliana, Celestina, Melencio and Rafael) covered by OCT No. 0-7892 with an area of 30,000 square meters, more or less, located at Bugion, Calumpit, Bulacan.

The DARAB decision stemmed from a complaint filed against Angel Chico and Eugenia Esguerra by private respondents. Apparently, about half of the lot was the subject of a leasehold agreement between the Josons and petitioner, while the other half was covered by another leasehold contract between the Josons and Eugenia Esguerra. When the Josons learned, on 19 July 1988 during a conference held at the Bureau of Agrarian Legal Assistance ("BALA") office, that petitioner was also physically cultivating the land previously tilled by Esguerra, the Josons filed with BALA a formal "petition for ejectment (dispossession) and collection of National Irrigation Administration ('NIA') dues" against petitioner and Esguerra, alleging inter alia that without the knowledge and consent of the Josons, Eugenia Esguerra conveyed for a consideration her tenancy right to Angel Chico.

The Josons prayed in their complaint (1) that Esguerra be decreed to have lost or forfeited whatever tenancy right she had over the disputed lot; (2) that Chico, his heirs or assigns, be ordered to vacate the 1.5-hectare lot formerly tenanted by Esguerra; and (3) that, finally, Chico be directed to pay whatever irrigation fees, with the penalties and surcharges, that might be due to the NIA.

In his answer, petitioner[1] denied "for lack of knowledge or information sufficient to form a belief" the allegations of the petition. Petitioner also interposed the defense of lack of cause of action and lack of jurisdiction. During the pendency of the case, private respondents and petitioner entered into a partial compromise agreement, dated 20 December 1988, submitted to the DARAB, Region III, where petitioner obligated himself to the following undertakings:

"1. Respondent Angel Chico hereby binds and commits himself to settle his unpaid lease rental of 19 cavans weighing 50 kilos per cavan for the panagaraw crop of 1988 this coming panagaraw season of 1989, in addition to the lease rental for that given panagaraw crop, or a total of 38 cavans, which shall be fully receipted by the petitioner;

"2. Respondent Angel Chico admits and hereby acknowledge he has an outstanding obligation with the National Irrigation Administration on his 1.5 hectare landholding under lease to him by the petitioner in the aggregate amount of P10,719.42 as of June 30, 1988;

"3. That respondent Angel Chico further undertakes to make a partial payment on this NIA account by April of 1989 following harvest of the panag-araw crop for that year, and to liquidate and update all his aforesaid unpaid account with the NIA within three years from the date of the execution of this partial compromise agreement." [2]

On 25 April 1989, the agreement was approved in toto and became the basis of a partial resolution of the controversy, thereby leaving for adjudication by the DARAB Regional Office the complaint for the ejectment of petitioner with respect to the landholding previously tenanted by Eugenia Esguerra.

In a decision, dated 04 April 1991, the DARAB, Region III Office, held that there was no valid sale or assignment of leasehold right from Eugenia Esguerra to Angel Chico; thus:

"It is uncontroverted that the parcel of riceland under tenancy of Esguerra is now physically cultivated by respondent Chico. Uncontroverted too, is the fact that the Certificate of Agricultural Leasehold issued to Esguerra has not yet been cancelled up to the present. It is inconceivable to allow the parcel of land in the name of Esguerra now being tilled by co-respondent Chico to continue without violating agrarian reform laws. Likewise, it is quite hard to believe that Esguerra is only allowing Chico to cultivate her landholding without any consideration or for the meantime only as the respondent Chico having already tilling the land for the past six years prior to the filing of this case. These are clear manifestations that there was indeed an insidious sale, transfer or assignment of leasehold right from Esguerra to Chico. This is bolstered by the assumption of Chico of all the arrearages of Esguerra when summoned for a conference for their failure to pay lease rentals on their respective landholdings for the panag-araw crop of 1988 and their outstanding arrearages with the National Irrigation Administration. Without the consent of the landowner, respondent Chico could not validly say that his illegal possession had ripened into a tenancy relationship. Implied consent of the landowner is ruled out in the case at bar because petitioner came to know of such sale only last July 1988 following respondents admission during a conference held before the BALA in Malolos, Bulacan. Respondent Chico's claim that he was issued a certificate of agricultural leasehold marked as Annexes `1' and `2' clearly refer to his own landholding duly recognized by the petitioner landowner and not to that of Eugenia Esguerra. Another important factor to consider in upholding the petitioners stand is the fact that respondent Esguerra never bothered to file an answer to belie the claim of the petitioner. Her silence could only understood as an admission of the allegations in the complaint. Thus, in selling her tenancy right in question to co-respondent Chico, respondent Esguerra is deemed to have abandoned said landholding which fall squarely within the provisions of Sec. 8 of R.A. 3844 as amended, which prescribe the extinguishment of agricultural relation." [3]

The decision concluded:

"WHEREFORE, premises considered, judgment is hereby rendered:

"1. Respondent Esguerra is hereby declared to have lost or forfeited whatever tenancy right she has over the 1.5 has. land under her tenancy in favor of the petitioner;

"2. Respondent, Angel Chico who is found to be a mere intruder is hereby ordered to vacate the 1.5 has. more or less land formerly tenanted by Eugenia Esguerra;

"3. Respondent Angel Chico having assumed all the arrearages of Eugenia Esguerra, to pay the irrigation fees due and owing to the NIA amounting to P10,719.42 as of June 30, 1988 and arrearages during the pendency of this case with all the penalties and surcharges attached thereto up to the time he vacates the premises in

question."[4]

Petitioner Angel Chico went up to the DARAB-Quezon City (DARAB Case No. 0326, Regional Case No. 011-Bul.88) which, after due deliberation, rendered a decision, dated 28 August 1995, affirming with modification the decision of the Provincial Adjudicator, viz:

"From the foregoing considerations, the Board affirms the dispositive conclusion of the decision appealed from with the following modifications: 1) Appellant Angel Chico shall not assume any and all arrearages which Esguerra may have incurred up to the year 1987; 2) Appellant shall pay to appellees the amount of thirteen (13) cavans of palay at fifty (50) kilograms per cavan per harvest season including the irrigation fees reckoned from the first harvest season of 1988 to the time appellant shall finally vacate the 1.5-hectare landholding formerly tilled by Eugenia Esguerra, in addition to the rentals in arrears and succeeding rentals due on his area of tillage under the agricultural leasehold contract executed by and between him and appellees herein; and 3) Appellant is ordered to settle promptly his accounts with the National Irrigation Administration with respect to the irrigation fees."[5]

Petitioner's motion for reconsideration was denied by the DARAB.

Still dissatisfied, petitioner appealed to the Court of Appeals. In a decision, dated 19 September 1997, the appellate court affirmed the DARAB decision; it agreed with the DARAB in its holding that there was abandonment of the disputed tenanted area by Esguerra and in rejecting petitioner's claim that the Josons consented to the takeover of the tenancy rights of Esguerra pursuant to the Certificate of Agricultural Leasehold issued in the name of petitioner. In a resolution, dated 28 July 1998, the appellate court denied petitioner's motion for reconsideration.

The Court granted due course to the instant petition for review since, ostensibly, the issues posed involved substantial legal issues, to wit:

(1) Whether the petitioner is the lawful holder or grantee of the agricultural leasehold over the 1.5 hectares being previously tilled by Eugenia Esguerra, and as grantee thereof, is entitled to the rights and privileges stated and enumerated therein.

(2) Whether the petitioner as holder or grantee of the certificate of agricultural leasehold over the 1.5 hectares being previously tilled by Eugenia Esguerra, is entitled to security of tenure.

(3) Whether CAL No. 03-02-08-003-053 registered in the name of petitioner presented for the first time by way of Motion for Reconsideration before DARAB-Quezon City should be admitted and considered "substantial evidence" to prove leasehold agreement over the subject parcel of land.

(4) Whether express or implied leasehold relationship exists between the petitioner and the respondents with the issuance of the subject Certificate of Leasehold Agreement.

The petition is bereft of merit.

Jurisprudence has established pre-requisite conditions in order that an agricultural leasehold relationship can be said to be extant; to wit:

"(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." [6]

The matter of whether or not such an agreement exists between petitioner and private respondents over the parcel of land in question is a factual question. [7] The Court of Appeals and DARAB both have responded in the affirmative. This Court respects that finding.

Each of the elements hereinbefore mentioned is essential to create a de jure leasehold or tenancy relationship between the parties. This de jure relationship, in turn, is the terra firma for a security of tenure between the landlord and the tenant. The leasehold relationship is not brought about by a mere congruence of facts but, being a legal relationship, the mutual will of the parties to that relationship should be primordial.

The appellate court and DARAB found that private respondents were completely unaware of the "insidious" sale or transfer or assignment of leasehold right from the former lessee Eugenia Esguerra to petitioner until the matter was disclosed by petitioner in the July 1988 BALA conference when, learning of it for the first time, private respondents forthwith expressed their vehement objections thereto. The issuance of the Certificate of Leasehold Agreement, CAL No. 03-02-08-003-53, in the name of petitioner, presented for the first time in his motion for reconsideration before the DARAB-Quezon City, was found to be dubious and held unacceptable by the DARAB and, so also, later by the Court of Appeals. Indeed, it was strange that the certificate, supposedly to have already been in existence at the time, had not been promptly presented, either during the BALA conference or when the case was brought to the DARAB Regional Office or when the case was initially elevated to the DARAB-Main Office on appeal. At all events, the much-vaunted certificate alone, in itself inconclusive, [8] would not amount to such substantial evidence that can permit this Court to turn the case around.

WHEREFORE, the petition for review must be, as it is so hereby DENIED. Costs against petitioner.

SO ORDERED.

Melo, (Chairman), Panganiban, and Gonzaga-Reyes, JJ., concur.

[1] Eugenia Esguerra did not file an Answer to the Complaint.

[2] Rollo, p. 105.

[3] Rollo, pp. 35-37.

[4] Rollo, pp. 37-38.

[5] Rollo, p. 42.

[6] Cuaño vs. Court of Appeals, 237 SCRA 122, 132-133; Chico vs. Court of Appeals, 284 SCRA 33.

[7] Oarde vs. Court of Appeals, 280 SCRA 258.

[8] See Arecelona vs. Court of Appeals, 280 SCRA 20; Puertollano vs. IAC, 156 SCRA 188; Cuaño vs. Court of Appeals, 237 SCRA 122.

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