

HACIENDA SAPANG PALAY TENANTS' LEAGUE, INC. AND DOMINADOR GUEVAN, PETITIONERS, VS. NICASIO YATCO, IN HIS CAPACITY AS JUDGE OF THE COURT OF FIRST INSTANCE OF RIZAL, 7TH JUDICIAL ...

G.R. No. 14651. February 29, 1960

Ponente: BARRERA, J.

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BARRERA, J.:

This is an original petition for mandamus and/or certiorari filed by the Hacienda Sapang-Palay Tenants League, Inc., and its president, seeking to set aside the order of the Court of First Instance of Rizal (Quezon City) in Civil Case No. Q-3332, denying their motion for leave to intervene in the case, and to order the respondent Judge to admit them as intervenors therein. Briefly stated, the facts of the case are as follows:

In a petition for mandamus (which was later amended to become a complaint for specific performance and damages) dated September 11, 1958 filed in the said court and docketed as Civil Case No. Q-3332, the Philippine Suburban Development Corporation (later to be called Corporation), as vendor, sought to compel therein respondents Chairman-General Manager and Members of the Board of Directors of the People's Homesite & Housing Corporation (PHHC), as vendee, to execute the deed of purchase of the one-half portion of Hacienda de Sapang-Palay situated in San Jose del Monte, Bulacan, consisting of 752.4940 hectares at P0.475 per square meter, allegedly in accordance with the perfected, contract between them, and to make the corresponding payment therefor. It was claimed that although the purchase of the said property at the price agreed upon by the parties was duly approved by the Cabinet and the Office of Economic Coordination, and notwithstanding petitioner's compliance with all the requirements and conditions imposed on it in the contract, respondents PHHC officials refused and still refuse to execute the deed of sale, thus causing the petitioner damages in the sum of P1,500,000.00 plus attorney's fees in the sum of P200,000.00.

On September 19, 1958, the Hacienda Sapang-Palay Tenants League, Inc.—hereinafter referred to as the League), a duly organized corporation composed of tenant-farmers in Hacienda Sapang-Palay, together with its president, filed an urgent motion to intervene in the proceeding, alleging that (1) they have an interest in the success of the respondents PHHC officials in resisting the execution of the deed of sale, for the reason that should the PHHC be required to acquire the property, pursuant to its (PHHC's) charter the land would be subdivided for housing or residential purposes and would cause the tenants' dispossession of their landholdings; and, (2) as they have petitioned the Land Tenure Administration (LTA) to purchase the land for re-sale to them, said tenants acquired a legal right in the property under Act 1400.[1] This motion was opposed by the plaintiff-Corporation.

After hearing the matter, the court, by order of September 29, 1958, denied the League's motion to intervene on the ground that its interest in the property subject of litigation, if at all, is merely contingent or expectant and does not, therefore, constitute a sufficient legal interest under Rule 13 of the Rules of Court. At the same time and in view of such conclusion, the court also declined to make a ruling upon the question raised by therein petitioner

Corporation regarding the legality and propriety of Senator Francisco A. Rodrigo's appearance in the case as counsel for the tenants. Their motion for a reconsideration of this order having been denied, the League and its president, Domingo Guevan, filed the instant petition for the purpose already stated at the beginning of this opinion.

The legal question presented here, is whether the tenant-farmers represented by the League have legal interest in the property involved herein or in the success of any of the parties to the case. Reduced to its bare essentials, the controversy hinges on the nature of the right claimed by the League upon which their alleged legal interest is predicated.

The petitioners represented by the League invoke as the source and basis of their claim of interest in the land and in the success of the defendant PHHC in resisting the action, the fact that as tenants-farmers in the land, they have petitioned the LTA to acquire the land for distribution and sale to them according to their holdings, in accordance with the provisions of Republic Act 1400. Conversely stated, the position of the League is that without such a petition to the LTA, or better still, without the sanction of Republic Act 1400, they have no claim whatsoever to justify their intervention. It is, then, only the operation of this Act as to them and the land in question that gives rise to the legal interest they invoke.

The legal provision relied upon by petitioners is Section 20 of said Republic Act 1400, reading as follows:

"SEC. 20. Prohibition against alienation.—Upon the filing of the petition referred to in sections twelve and sixteen, the landowner cannot alienate any portion of the land covered by such petition except in pursuance of the provisions of this Act, or enter into any form of contract to defeat the purposes of this Act, and no ejectment proceedings against any tenant or occupant of the land covered by the petition shall be instituted or prosecuted until it becomes certain that the land shall not be acquired by the Administration."

Sections 12 and 16 referred to in the preceding quoted provision and which operate to prohibit the landowner to alienate any portion of his land, are as follows:

"SEC. 12. Action on the petition.—Upon receipt of the petition, the Administration shall:

- (1) Within thirty days, determine on the basis of the information contained in the petition, the suitability of the land for purchase, notify the petitioners and the landowner accordingly, and fix the date for preliminary negotiation;
- (2) Within sixty days from the preliminary negotiation, conduct investigations and technical surveys to determine title to the land and its real value, taking into account (a) the prevailing prices of similar lands in the immediate area, (b) the soil conditions topography and climate hazards, (c) actual production, (d) accessibility, and (e) improvements; and
- (3) Fix, within ninety days from the preliminary negotiation, the date for final negotiation.

"SEC. 16. When proper.—The Administration may initiate and prosecute expropriation proceedings for the acquisition of private agricultural land subject to the provisions of section six, paragraph (2), upon petition of a majority of the tenants and after it is convinced of the suitability of such land for subdivision into family-size farm units, and that public interest will be served by its immediate acquisition, when any of the following conditions exists:

- (1) That the landowner failing within the terms of section six, paragraph (2), continues to refuse to sell after all efforts have been exhausted by the Administration to negotiate for its purchase; or
- (2) That the landowner is willing to sell under sections eleven and twelve but cannot agree with the Administration as to the price and/or the manner of its payment."

It is clear from the foregoing that the mere filing in the LTA of a petition by the tenants urging the acquisition of the land is not enough to bind the owner and affect his right of dominion, including *jus disponendi*. It is necessary and essential, as provided in sections 12 and 16, that the LTA take positive steps as specifically directed in said sections before the superior right of the state of eminent domain may be exercised and become effective in favor of the tenants and against the owner. It is only then and not before, that the resulting legal interest of the tenants comes into being.

Section 5 of Republic Act No. 1162 which provides that, "From the approval of this Act and until the expropriation herein provided, no ejectment proceedings shall be instituted or prosecuted against any tenant or occupant of any landed estates or haciendas herein authorized to be expropriated if he pays his current rentals", is similar and has the same purpose and objective as Section 20 of Republic Act 1400 invoked by herein petitioners. In interpreting said section 5 of Republic Act No. 1162,[2] this Court ruled:

"Appellee, on the other hand, contends that said Act is inapplicable to the present case for the reason that * * * there is no showing that the Government has ever taken any step relative to the expropriation of the property.

"We are inclined to agree to appellees contention for it cannot be supposed that Congress in approving Republic Act. No. 1162 had intended to actually suspend the prosecution of an ejectment proceeding even before any definite step or action is taken by the Government relative to the expropriation of the property, for to hold otherwise would be to deprive a landlord of his right to protect his interest by merely claiming that the Government may someday act on the matter thereby placing him at the mercy of an unscrupulous tenant. While it is laudable and proper that a landed estate be expropriated in order that it may be subdivided and sold to bonafide tenants or occupants, the same should be undertaken in a manner not repugnant to law or to the Constitution. In other words, the suspension of an ejectment proceedings (here, the prohibition to alienate) should only be made after the Government has taken step or action relative to the expropriation of the property in accordance with the procedure laid down by law, otherwise the action would place the interest of the landlord in jeopardy. Such cannot be the intendment of the law. As aptly explained by the Court of Appeals in several cases involving the applicability of Republic Act No. 1162, to which we agree, 'until such a proceeding is actually commenced the right of a landowner to prosecute an action for ejectment under existing laws cannot be deemed suspended under section 5 of Republic Act No. 1162. To hold otherwise, that is, to deprive a landlord of his remedy because of the possibility that the Government may some day, in the near or distant future, act to expropriate his property, would be to place him at the mercy of a thoroughly uncertain contingency. * * * We think that the prohibition against the institution or prosecution of ejectment proceedings (the alienation, in this case) applies only when expropriation has actually commenced (when the LTA has already taken the steps outlined in sections 12 and 10 of Rep. Act 1400)."

Applying the above principle on the facts of the present case, if the law (Rep. Apt, 1400) is not applicable to the owner Corporation so as to affect or limit his right to alienate his property, it is neither applicable to the tenants-farmers in the sense of giving rise in esse and validity to their expected or desired right to acquire the land. The lower court is, therefore, correct in characterizing the right asserted by petitioners as presently only in expectancy and contingent, not actual, direct, material and immediate as required under Rule 13 of the Rules Of Court and the jurisprudence[3] justifying intervention.

The remedy of petitioners is to urge positive and immediate action by the LTA on their petition as apparently favored by the President. Unless, this is done and the petition to intervene is amended to show that the steps provided in the law have been taken, or that the PHHC has no power under its charter to acquire the land in question, they will have no personality or standing to intervene in this case, however much they may be entitled to sympathy.

On the foregoing considerations, we affirm the order appealed from, without pronouncement as to costs. So

ordered.

Paras, C. J., Bengzon, Montemayor, Bautista Angelo, Labrador, Concepcion, Reyes, J. B. L., Endencia, and Gutierrez David, JJ., concur.

Padilla, J., on leave, took no part.

[1] Land Reform Act of 1955, creating the Land Tenure Administration.

[2] Teresa Realty, Inc. vs. State Construction & Supply, Co., et al. 105 Phil., 353.

[3] Moran, Comments on the Rules of Court (1957 ed.), p. 210-211, citing Garcia vs. David, 67 Phil., 279, among others.

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