

**PHILIPPINE OVERSEAS TELECOMMUNICATIONS CORPORATION,
PETITIONER, VS. ENRIQUE GUTIERREZ, BENEDICTO GUILLERMO,
RENATO GUILLERMO, GUILLERMO DE UNGRIA, PORPINCIO SANTOS,
GENEROSO DEL...**

G.R. NO. 149764. November 22, 2006

Ponente: AUSTRIA-MARTINEZ, J.

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AUSTRIA-MARTINEZ, J.:

Before the Court is a Petition for Review on Certiorari under Rule 45 of the Rules of Court questioning the Decision[1] dated August 31, 2001 promulgated by the Court of Appeals (CA) in CA-G.R. SP No. 54570, which affirmed the Decision dated June 15, 1999 of the Regional Trial Court, Branch 80, of Morong, Rizal (RTC). The RTC Decision affirmed the Decision of the Municipal Circuit Trial Court of Teresa, Rizal (MCTC), dated November 27, 1998.

The case originated from a Complaint for Forcible Entry filed by the petitioner against respondents, which the MCTC dismissed on the ground that the case involves an agrarian dispute, and, therefore, lies beyond the province of its jurisdiction.

The antecedents of the case, as recited by the MCTC and reiterated by the RTC and CA, are as follows:

[Petitioner] claims that since March 1980, it has been in peaceful, lawful and actual possession of a parcel of land with an area of 849,916 square meters, located at Pinugay, Baras, Rizal, covered by Transfer Certificate of Title No. 315142; [t]hat [the] subject land is within the 3-kilometer radius around the Satellite Earth Station of Philcomsat and declared a security zone under P.D. No. 1845 as amended; [t]hat on August 5, 1993, [the respondents], conspiring with one another, having organized themselves into a group called Southern Pinugay Multi-purpose Cooperative, by means of force, intimidation, strategy, threat and stealth, without authority of law and without the knowledge or consent of [the petitioner], forcibly and unlawfully entered a portion of the land consisting of 61/2 hectares, thereby wrongfully and forcibly depriving [the petitioner] of its actual and material possession; [t]hat in the course of forcibly entering and possessing the premises, [the respondents] destroyed existing crops and built fences on the subject property; [t]hat the reasonable compensation for the use and occupation of the subject property is eight hundred (P800.00) per hectare per month; that in spite of repeated demands, [the respondents] refused to vacate the premises thereby compelling [the petitioner] to engage the services of counsel for a fee of P100,000.00 and will incur litigation expenses of not less than P150,000.00.

On June 10, 1994, [respondent] Benedicto Guillermo filed his motion [to] voluntarily leave [sic] the premises in question, so that on motion of [petitioner], the case against him was dismissed. Likewise, upon motion of [petitioner], the case against [respondents] Geronimo delos Santos and Guillermo de Ungria was dismissed without prejudice, in the Order of October 20, 1994.

[Respondent] Juanito Tapel failed to file his answer to the complaint within the reglementary period so the case against him was considered submitted for decision in accordance with the rules on summary procedure.

In his answer [respondent] Efren Gonzales denied all the material allegations of the complaint and by way of affirmative and special defenses alleged that he is a bonafide tenant-farmer and actual occupant of the land in question[,] having succeeded his parents who were legitimate tenants of the Cojuangco family, the former owner of the land; [t]hat the land in question is covered under the Compulsory Acquisition Scheme of Republic Act No. 6657 (R.A. No. 6657) and that he is one of the qualified farmer [beneficiaries] of the landholding as certified by the Department of Agrarian Reform; [t]hat the Court has no jurisdiction over the case.

[Respondents] Enrique Gutierrez, Renato Guillermo, [P]orpincio Santos, Feliciano Aquino, Jaime Tira-tira, Rodolfo Alvas and Carlito dela Cruz, in their common answer, denied all the material allegations of the complaint and by way of special and affirmative defenses posited that the Court has no jurisdiction over the case[,] considering that they are tenant-farmers of the land; that they did not enter the parcel of land unlawfully as they are tenant-farmers of the Pinugay estate; [t]hat [the petitioner] has no legal capacity to sue as the land covered by TCT No. 31542 is owned by Galaxie Agro-Industrial Corporation and that assuming that they are within the property, they are all potential CARP beneficiaries of the land which is covered by the Compulsory Acquisition Scheme of R.A. No. 6657.[2]

On November 27, 1998, the MCTC rendered its Decision, the dispositive portion of which reads:

WHEREFORE, judgment is rendered DISMISSING the instant complaint for lack of jurisdiction.

SO ORDERED.[3]

The MCTC held that the respondents have been in possession of the land in question by themselves and through their predecessors-in-interest long before the petitioner became owner of the property; since the respondents and their predecessors have been in possession for more than one year when the complaint was filed on May 26, 1994, the action for forcible entry cannot prosper; that in view of the finding that the land in question is subject to the compulsory acquisition scheme under agrarian reform laws, and, moreover, since the respondents are farmer-tillers of the land and potential Comprehensive Agrarian Reform Program (CARP) beneficiaries as certified by the Department of Agrarian Reform (DAR), the case does not fall within the jurisdiction of the MCTC but with the DAR.

On appeal, the RTC affirmed the MCTC Decision, the dispositive portion of its Decision reads:

WHEREFORE, the appeal is dismissed for lack of merit. The decision of the Municipal Circuit Trial Court of Teresa-Baras is affirmed.

SO ORDERED.[4]

The RTC held:

It is clearly established that the land in issue is covered by the Comprehensive Agrarian Reform Law (CARL). It is not also disputed that the [respondents] are certified potential CARP beneficiaries. If this is the situation, the ejectment of the [respondents] from the property covered by CARP certainly creates an agrarian issue because the [respondents] who are certified potential CARP beneficiaries will be deprived of the rights and benefits of the Agrarian Reform Program. Such issue must be decided by the Department of Agrarian Reform by authority of Section 50 of R.A. No. 6657 which provides:

Sec. 50. Quasi-Judicial Powers of the DAR. – The DAR is hereby vested with the primary jurisdiction to determine and adjudicate agrarian reform matters and shall have exclusive original jurisdiction over all matters involving the implementation of agrarian reform except those falling under the exclusive jurisdiction of the Department of Agriculture (DA) and the Department of Environment and Natural Resources (DENR).

x x x x

SO ORDERED.[5]

The RTC denied the motion for reconsideration of the petitioner. On appeal to the CA, the petitioner raised the following grounds:

- THE COURT A QUO GRAVELY ERRED IN AFFIRMING THE MUNICIPAL TRIAL COURT'S FINDING THAT THE LATTER HAS NO JURISDICTION OVER THE SUBJECT MATTER OF THE CLAIM.
- THE COURT A QUO GRAVELY ERRED IN RULING THAT THE EXISTENCE OF TENANCY IS NOT AN ELEMENT OF AN AGRARIAN DISPUTE.
- THE COURT A QUO GRAVELY ERRED IN ITS FACTUAL FINDINGS THAT THE RESPONDENTS ARE CERTIFIED POTENTIAL CARP BENEFICIARIES.[6]

On August 31, 2001, the CA rendered its Decision, the dispositive portion of which states:

WHEREFORE, the instant petition is hereby DENIED and the assailed decision of the Regional Trial Court is accordingly AFFIRMED.

SO ORDERED.[7]

based on the following findings:

In the petition before Us, petitioner seems to imply that the findings of the court a quo [are] based solely on the certification issued by the Municipal Agrarian Reform Officer (MARO) that the respondents are "potential CARP beneficiaries". This is hardly accurate. The said certification was only one of the evidence presented by respondents during the trial which was given weight by the MCTC.

It is clear from the decision of the MCTC that more than the evidence presented by herein petitioner, it gave more weight and credit to the evidence presented by respondents. Thus, in its findings of fact, it did not believe that the respondents have forcibly entered the subject land as claimed by the petitioner. Rather, it was found out that respondents have been in possession of the subject parcel of land by themselves and through their predecessors-in-interest long before the petitioner became the owner of the property. Hence, the forcible entry case filed by petitioner could not prosper since the respondents have been in possession of the land for more than one (1) year when the complaint was filed.

It was likewise held by the trial court that it was clearly established during the trial that the land subject matter of this case is subject to the compulsory acquisition scheme under Republic Act No. 6641. The respondents have also proven that they are farmer-tillers of the subject land even before the petitioner acquired the same. The certification of MARO Efren De Jesus of the Department of Agrarian Reform likewise proves that respondents are potential CARP beneficiaries.

All these are findings of facts by the trial court which should not be disturbed on appeal. It is a well settled rule in this jurisdiction that the findings of fact of trial courts are given great weight on appeal because they are in a better position to examine the real evidence. x x x

In view of all these surrounding circumstances, We hold that the case at bar goes beyond a mere case of forcible entry which could be decided by the regular courts. The issues involved in this case would best be resolved by the Department of Agrarian Reform Adjudicat[ion] Board. As held by the RTC, the ejectment of the respondents from the subject property would certainly create an agrarian issue since respondents, who are certified potential CARP beneficiaries, would be deprived of the rights and benefits of the agrarian reform program.

x x x x[8]

Hence, the instant Petition raising the following:

STATEMENT OF THE ISSUES

WHETHER OR NOT THE COURT OF APPEALS GRAVELY ERRED IN RULING THAT:

- THE CASE INVOLVES AN AGRARIAN DISPUTE;
- THE COMPLAINT WAS FILED BEYOND THE ONE-YEAR PRESCRIPTIVE PERIOD.

STATEMENT OF ARGUMENTS/SUBMISSIONS

A.

THE COURT OF APPEALS GRAVELY ERRED IN RULING THAT THE CASE INVOLVES AN AGRARIAN DISPUTE, IN THAT:

- THE COURT OF APPEALS FAILED TO CONSIDER THE ESSENTIAL REQUISITES TO DETERMINE THE EXISTENCE OF AN AGRARIAN DISPUTE.
- RESPONDENTS NEITHER ALLEGED NOR PROVED THE EXISTENCE OF TENANCY RELATIONS.
- EVEN ASSUMING THAT RESPONDENTS ARE POTENTIAL CARP BENEFICIARIES, THE SAME IS WOEFULLY INSUFFICIENT TO ESTABLISH THE EXISTENCE OF AN AGRARIAN DISPUTE.

B.

THE COURT OF APPEALS COMMITTED PALPABLE ERROR IN RULING THAT THE COMPLAINT WAS FILED BEYOND THE ONE-YEAR PRESCRIPTIVE PERIOD.[9]

The petition is meritorious.

The principal question is whether jurisdiction over the subject matter lies with the Department of Agrarian Reform Adjudication Board (DARAB) or with the regular courts.

In their findings, nowhere did the courts a quo specify the concurrence of the elements of a tenancy relationship, a species of agrarian disputes. Nor did the respondents' special and affirmative defenses, as well as the proof adduced to support them, establish this juridical tie.

In the recent case of *Mateo v. Court of Appeals*,^[10] the Court held that for the DARAB to have jurisdiction over the case, there must be a tenancy relationship between the parties. In order for a tenancy agreement to arise, it is essential to establish all its indispensable elements, viz: 1) the parties are the landowner and the tenant or agricultural lessee; 2) the subject matter of the relationship is an 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.^[11] These requisites for the jurisdiction of the DARAB have been reiterated by the Court in a number of cases.^[12]

Neither the findings of the courts a quo nor the records themselves show any factual determination of the third, fourth, and sixth requisites, namely, consent between the parties to the relationship, the purpose of the relationship, which is agricultural production, and sharing of harvests. The factual findings of the courts a quo at best only point to the following: 1) respondents have been in possession of the land in question for more than one year before the complaint for ejectment was filed; 2) the land in question is subject to the compulsory acquisition scheme under existing agrarian reform laws; 3) the respondents are farmers-tillers of the land; and 4) they are "potential CARP beneficiaries." Regrettably, these factual findings fall short to convince this Court of any

tenancy relationship, and, hence, the DARAB does not have jurisdiction over the present case. Jurisdiction lies with the regular courts.

Even if the respondents are indeed "potential CARP beneficiaries" as they so claim, it does not follow that a tenancy relationship arises. Section 22 of Republic Act (R.A.) No. 6657, otherwise known as the Comprehensive Agrarian Reform Law of 1988, provides:

Sec. 22. Qualified Beneficiaries. - The lands covered by the CARP shall be distributed as much as possible to landless residents of the same barangay, or in the absence thereof, landless residents of the same municipality in the following order of priority:

- (a) agricultural lessees and share tenants;
- (b) regular farmworkers;
- (c) seasonal farmworkers;
- (d) other farmworkers;
- (e) actual tillers or occupants of public lands;
- (f) collectives or cooperatives of the above beneficiaries; and
- (g) others directly working on the land.

x x x x

(emphasis supplied)

It is clear from the aforequoted provisions that "agricultural lessees and share tenants" comprise only one class of qualified beneficiaries. The petitioner is correct in pointing out that even those who do not enjoy a tenancy relationship with the landowner can become qualified beneficiaries.

As to the question of timeliness, the findings of the MCTC also fail to categorically show that the one-year prescriptive period for ejectment suits had lapsed, reckoned from the time of discovery, viz:

Considering that all the defendants have long been in possession of the parcel of land through their predecessors and by themselves for more than one year when the complaint was filed on May 26, 1994, the instant action for forcible entry will not prosper.[13]

This silence was repeated by the CA:

Thus, in its findings of fact, [the MCTC] did not believe that the respondents have forcibly entered the subject land as claimed by the petitioner. Rather, it was found out that respondents have been in possession of the subject parcel of land by themselves and through their predecessors-in-interest long before the petitioner became the owner of the property. Hence, the forcible entry case filed by petitioner could not prosper since the respondents have been in possession of the land for more than one (1) year when the complaint was filed.[14]

Considering that the allegations of the Complaint for Forcible Entry include stealth, strategy, and lack of knowledge of respondents' intrusion, the one-year period should be counted from the time of discovery by the petitioner of respondents' possession of the property and not from the time of occupation. Well-settled is the rule that where forcible entry was thus made clandestinely, the one-year prescriptive period should be counted from the time the possessor demanded that the defendant desist from such dispossession when the former learned thereof.[15] The owner or possessor of the land cannot be expected to enforce his right to its possession against the illegal occupant and sue the latter before learning of the clandestine intrusion.[16] Where entry is allegedly

obtained by stealth, as in this case, the intruder might manage to conceal the trespass for more than one year, and it is but just that the one year period should be counted from discovery and demand to vacate.[17] Petitioner filed its Complaint on May 26, 1994, well within the one-year period reckoned from August 5, 1993, the date the petitioner discovered respondents' encroachment on the property. The length of time the respondents claim to have been in possession is not by itself controlling in assessing the timeliness of the complaint. In other words, the courts a quo made no categorical finding as to the question of discovery, but only as to the length of possession, which, per se, as discussed, is inconclusive in the determination of the one-year period within which to file a forcible entry case.

The factual findings of the MCTC, taken together, do not discredit the fact that petitioner came to learn about respondents' intrusion well within the one-year prescriptive period, even if the trial court found that the testimonies of petitioner's witnesses suffered some inconsistencies, viz:

After a careful and meticulous examination of the evidence submitted and testimonies of [the] witnesses presented, this Court cannot help but notice the glaring inconsistencies in the testimonies of the witnesses for the plaintiff. Consider the following:

(1) SPO3 Antonio Tamalayan in his affidavit (Exhibit "B" par. 4), declared that when he assumed his duties as detachment commander of the Pinugay Coordinating Center of the PNP on July 1, 1993, the subject property was free of squatters.

This declaration of SPO3 Tamalayan is contradicted by Alberto Quinto, another witness for plaintiff that as early as June 4, 1993, Vivencio David, Efren Rebocas and Fernando Austria were already squatting on the subject property.[18]

Likewise the declaration of SPO3 Tamalayan is contradicted by the allegations of plaintiff in Civil Case No. 774-B, that Vivencio David, Fernando Austria and Efren Rebocas forcibly entered the subject property in June 14, 1993 (See par. 4, Complaint in Civil Case No. 774-B).

Furthermore, the contents of Exhibit "R" for plaintiff in Civil Case No. 751-B, which has been adopted by the defendants as their Exhibit "3" in this case is an indubitable truth that SPO3 Antonio Tamalayan is not telling the truth when he made the claim that the subject property is free from squatters when he assumed his duty as detachment commander in [sic] July 1, 1993. Said exhibit is a list of squatters on the subject property as of October 11, 1991, prepared and submitted by plaintiff as Exhibit "R" in Civil Case No. 751-B, showing that as early as October 11, 1991, Conrado Sardia and Nicanor Bronzal were already on the property.[19]

(2) Major Pedro S. Gregorio claimed that the subject property was vacant from 1980 to 1990, giving the impression that the property was no longer vacant after 1990. (Exh. "A", 3), again contradicting the claim of SPO3 Tamalayan that the property was free of squatters as of July 1, 1993.

(3) Contrary to the claim of Major Gregorio that he was the one who reported the incident of August 5, 1993 to the PNP Detachment (par. 4.3, Exh. "A-1"), there is no mention in Tamalayan's affidavit that the incident was reported to him by Major Gregorio. It was security guard Alberto Quinto who reported to him the incident (Par. 3, Exhibit "B").

(4) Major Pedro Gregorio never mentioned the incident of June 14, 1993, in his affidavit (Exhibit "A"), when Alberto Quinto claimed that he reported the incident to Major Gregorio the following day, June 15, 1993 (par. 6, Exhibit "C").

x x x x

(emphasis supplied)[20]

The aforequoted findings, even if they are taken to be inconsistent, are indeed only minor inconsistencies—they are

inconsistent only so far as to the dates of occupancy. And although there is some variance as to these dates, they still fall within the one-year period. Thus, even if we reckon the running of the prescriptive period from the earliest date, i.e., June 4, 1993, as declared by one witness, petitioner's filing of the Complaint on May 26, 1994 is still timely—the Court finds that any of the dates as testified by the witnesses still converge to some point in time after May 26, 1993, the date the one-year period starts to run. These testimonies remain uncontroverted. Incidentally, the testimony that a certain Conrado Sardia and a Nicanor Bronzal "were already on the property" "as early as October 11, 1991" is completely irrelevant, because these persons are not parties to the suit.

WHEREFORE, the petition is GRANTED. The Decision of the Court of Appeals is REVERSED and SET ASIDE. Another judgment is entered REVERSING the Decision dated June 15, 1999 of the Regional Trial Court of Morong, Rizal and the Decision dated November 27, 1998 of the Municipal Circuit Trial Court of Teresa, Rizal.

The records of the case are hereby REMANDED to the MCTC which is ORDERED to PROCEED with the trial on the merits.

No pronouncement as to costs.

SO ORDERED.

Ynares-Santiago, Callejo, Sr., and Chico-Nazario, JJ., concur.
Panganiban, C.J., (Chairperson), in the result.

[1] Penned by Associate Justice Eloy R. Bello, Jr., with Associate Justices Eugenio S. Labitoria and Perlita J. Tria Tirona, concurring.

[2] Rollo, pp. 66-67.

[3] Id. at 72.

[4] Id. at 61.

[5] Id. at 60-61.

[6] Id. at 31-32.

[7] Id. at 33.

[8] Id. at 32-33.

[9] Id. at 221.

[10] G.R. No. 128392, April 29, 2005, 457 SCRA 549.

[11] Id. at 559-560.

[12] Avila v. Sialana, G.R. No. 143598, July 20, 2006; Mateo v. Court of Appeals, supra note 10; Atuel v. Valdez, 451 Phil. 631 (2003); Arzaga v. Copias, 448 Phil. 171 (2003); Monsanto v. Zerna, 423 Phil. 151 (2001); Almuete v. Andres, 421 Phil. 522 (2001); Heirs of Santos v. Court of Appeals, 384 Phil. 26 (2000); Benavidez v. Court of Appeals, 372 Phil. 615 (1999); Isidro v. Court of Appeals, G.R. No. 105586, December 15, 1993, 228 SCRA 503.

[13] Rollo, p.71.

[14] Id. at 32.

[15] Elane v. Court of Appeals, G.R. No. 80638, April 26, 1989, 172 SCRA 822, 830.

[16] Prieto v. Reyes, 121 Phil. 1218, 1220 (1965). See Go, Jr. v. Court of Appeals, 415 Phil. 172, 187 (2001).

[17] See Ganancial v. Atillo, 121 Phil. 1249, 1253 (1965).

[18] Incidentally, these persons are not parties to the case.

[19] Again, these persons are not parties to the case.

[20] Rollo, pp.70-71.

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