

**FEDERICO SORIANO, CIPRIANO BAUTISTA, JOSE TORALBA,
CILODONIO TANTAY, MARIANO BRAVO, ROLANDO TORALBA,
FAUSTINO BRAVO, CRISTINA TORALBA, BENJAMIN LACAYANGA,
ROSALIA TANTAY, GABRIE...**

G.R. No. 152086. December 15, 2010

Ponente: LEONARDO-DE CASTRO, J.

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LEONARDO-DE CASTRO, J.:

Before the Court is a Petition for Review on Certiorari of the Decision[1] dated September 24, 2001 of the Court Appeals in CA-G.R. SP No. 63197, affirming in toto the Decision[2] dated May 6, 1998 of the Department of Agrarian Reform Adjudication Board (DARAB) in DARAB Case Nos. 5195 to 5216, which, in turn, affirmed in toto the Decision[3] dated February 23, 1996 of Provincial Agrarian Reform Adjudicator (PARAD) Domiciano L. Placido (Placido) of Pangasinan in DARAB Case Nos. 01-689 to 710-WP-'95. PARAD Placido adjudged, among other things, that the subject properties are exempt from the coverage of the operation land transfer (OLT) program of the Government under Presidential Decree No. 27, otherwise known as the Tenants Emancipation Decree, and Republic Act No. 6657, otherwise known as the Comprehensive Agrarian Reform Law (CARL).

At the center of the controversy are agricultural lands located at Nalsian Norte (formerly San Julian) and Malasiqui, Pangasinan, with a total land area of 24.5962 hectares (subject properties). The subject properties were originally owned by spouses Patricio Posadas and Josefa Quintana (spouses Posadas).[4] Upon the spouses Posadas' demise, the subject properties were subdivided, distributed, and transferred - by extrajudicial settlement and/or sale - to their heirs.[5] After several transfers, the subject properties were eventually registered in the names of the following:

LOT NO.

REGISTERED LANDOWNERS

TCT NO.

AREA (hectares)

1

Virginia P. Llamas and Josefino P. Llamas

157111

1.4844

2

Renato P. Posadas

157976

1.5292

3

Lourdes P. Cipriano

179246

1.7086

4

Ernesto S. Bravo and Jose Israel S. Bravo

180617

5.0741

5

Sonia P. Llamas and Roberto P. Llamas

157112

3.1510

6

Lamberto P. Llamas (1/2), Carlos S. Llamas, and Shirley Leah S. Llamas

161738

2.7021

7

Carlos P. Cipriano

176249

3.2290

8

Remegio P. Cipriano

179236

1.2106

9

Ernesto S. Bravo and Jose Israel S. Bravo

180618

1.0752

10

Blanca P. Llamas and Alfonso P. Llamas

157113

1.5136

11

Renato P. Posadas

157978

1.9184[6]

TOTAL

24.5962

Of the 11 subject properties, only the ownership of Lots 4 and 9 still remains with the registered owners, respondents Ernesto S. Bravo and Jose Israel S. Bravo. The rest of the subject properties had again been sold and transferred to the other respondents, who have yet to secure certificates of title in their respective names. Thus, presently, the subject properties are actually owned by respondents, as follows:

LOT NO.

LANDOWNERS/RESPONDENTS

AREA (hectares)

1

Ernesto S. Bravo

1.4844

2

John B. Mejia

1.5292

3

Rebecca B. Benito and Emmanuel Benito

1.7086

4

Ernesto S. Bravo and Jose Israel S. Bravo

5.0741

5

Ana Shari B. Bravo

3.1510

6

Juana Bravo and Conrado Macaraeg

2.7021

7

Rebecca B. Benito and Emmanuel Benito

3.2290

8

Juana Bravo and Conrado Macaraeg

1.2106

9

Ernesto S. Bravo and Jose Israel S. Bravo

1.0752

10

Jose Israel S. Bravo

1.5136

11

John B. Mejia

1.9184

TOTAL

24.5962[7]

Respondents' total landholdings are summarized below:

LANDOWNERS/RESPONDENTS

TOTAL LANDHOLDINGS (hectares)

Rebecca B. Benito and Emmanuel Benito 4.9376 (Lot 3 + Lot 7)

Ana Shari B. Bravo 3.1510 (Lot 5)

Ernesto S. Bravo 4.5591 (Lot 1 + ½ of Lot 4 + ½ of Lot 9)

Jose Israel S. Bravo 4.5883 (½ of Lot 4 + ½ of Lot 9 + Lot 10)

Juana Bravo and Conrado Macaraeg 3.9127 (Lot 6 + Lot 8)

John B. Mejia 3.4476 (Lot 2 + Lot 11)[8]

A portion of the subject properties was planted with rice while the rest was planted with mangoes. Eventually, respondents decided to relocate their business, the St. Martin's Pharmaceuticals, Inc., to the subject properties; and to construct the Bravo Agro-Industrial Complex on the same properties, which would include a fruit processing

factory, disposable syringe factory, botanical plantation for herbal medicines, integrated research and product development facility, and a fishpond and inland resort.

Pursuant to respondents' plans for the subject properties, respondent Ernesto S. Bravo entered into a Compromise Agreement on November 3, 1992 with the people cultivating the subject properties, namely, Salvador Bautista, Faustino Bravo, Mariano Bravo, Gabriel dela Vega, Juliana Gutierrez, Saturnino Idoz, Celistiano Manipon, Mauricia Rubio, Federico Soriano, Romeo Tantay, Teofilo Tantay, and Cristina Toralba (cultivators). The full text of the Compromise Agreement is reproduced below:

COMPROMISE AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

We, Romeo Tantay, Gabriel [de la] Vega, Teofilo Tantay, Salvador Bautista, Celestiano Manipon, Faustino Bravo, Mariano Bravo, Federi[co] Soriano, Cristina [Toralba], Juliana Gutierrez, Mauricia Rubio, Saturnino Idoz, all of legal age, married, Filipinos and residents of Barangay Nalsian Norte, Malasiqui, Pangasinan otherwise known as the PARTY FOR THE FIRST PART and Ernesto S. Bravo otherwise known as the PARTY FOR THE SECOND PART, likewise a resident of Nalsian Norte have agreed and covenanted on the following terms and conditions involving a parcel of land/s under cultivations of the PARTY OF THE FIRST PART being owned by the PARTY OF THE SECOND PART hereunder stated, to wit:

1. That these parcels of land/s are located at Barangay Nalsian Norte, Malasiqui, Pangasinan.
2. That the party for the FIRST PART have agreed freely and voluntarily to the herein party for the Second Part, to construct bulding/s plant on the aforementioned landholdings;
3. That the herein of the party of the First Part shall be relocated on the same landholdings the site shall be determined on the plan and specifications to be produced by the herein party for the Second Part;
4. That the party for the First Part shall be entitled to individual homelot of TWO HUNDRED FORTY (240) Square meters more or less, given out of liberality by the herein party for the Second Part;
5. That both parties shall render mutual respect taking into considerations the rights and obligations of both parties;
6. That the party for the First Part shall enjoy security of tenure on their individual landholdings not affected by the establishment of plant or building/s, in the same manner the party for the Second Part shall have the right to eject any or all of the herein party for the First Part on the grounds authorized by law;
7. That the homelots given to the individual parties for the First Part shall be considered remuneration/payment on the portion of the subject landholding/s to be used in the establishment of plant/building, a job generating project;
8. That the party for the Second Part bind himself and shall give priority to the party for the First Part to hire employees from the children of the party for the First Part;
9. That this shall be understood that these would-be employees must possess the necessary qualifications, industry and dedication to duty;
10. That this compromise agreement is entered freely and voluntarily and not contrary to law, public order or public policy.

IN WITNESS WHEREOF, we shall hereunto set our hands this 3[rd] day of November 1992 at Malasiqui, Pangasinan.[9]

Relying on the Compromise Agreement, respondents began the development of the subject properties. They installed a signboard on the subject properties proclaiming that the "Bravo Agro-Industrial Complex" would soon rise on said site, and proceeded with the preparation for the construction of buildings thereon.

However, on July 10, 1995, respondents filed before the DARAB a Complaint for Ejectment, Collection of Unpaid Rentals, Recomputation of Rentals, Specific Performance and Damages,[10] which was docketed as DARAB Case Nos. 01-689 to 710-WP-'95. Named as defendants in respondents' Complaint were the cultivators who signed the Compromise Agreement (with the exception of Juliana Gutierrez, Celestiano Manipon, and Mauricia Rubio), along with Rogelio Bravo, Honorato de Guzman, Lydia de Guzman, Rosita Gutierrez, Benjamin Lacayanga, Cecilio Mamaril, Eduardo Manipon, Leonardo Rosario, Luis Rosario, Teodoro Rosario, Joseph Tantay, Rosalia Tantay, and Rolando Toralba (hereinafter collectively called the "defendants").

Respondents alleged that the defendants in DARAB Case Nos. 01-689 to 710-WP-'95, upon the instigation of a cult leader, refused to comply with the Compromise Agreement. Instead of transferring and relocating their homes as stated in the Compromise Agreement, the defendants demanded that the Municipal Agrarian Reform Officer (MARO) of Malasiqui, Pangasinan, put the subject properties under the OLT program provided in the Tenants Emancipation Decree and CARL. The MARO already ruled that the subject properties were not covered by the OLT program because each of the respondents and their predecessors-in-interest did not own more than five hectares of the subject properties. Respondents further averred that since 1992, defendants had refused to pay lease rentals on the portions of rice lands they were tilling. Worse, defendants had also begun to till portions of the subject properties that were previously untenanted and already planted with mango trees. Based on these facts, respondents prayed for the DARAB to (1) order defendants to comply with the Compromise Agreement by transferring and relocating their homes to the lots provided by respondents; (2) order defendants to pay lease rentals on the portions of the ricelands they were tilling from 1992 to present; (3) eject defendants from the subject properties for their deliberate failure to pay lease rentals in violation of their obligations under Republic Act No. 3844, otherwise known as the Code of Agrarian Reforms; and (4) order defendants to pay respondents P500,000.00 moral damages, P500,000.00 exemplary damages, and P500,000.00 actual damages, plus attorney's fees.

Among the special and affirmative defenses raised by defendants in their Answer[11] are that respondents had no cause of action against defendants; the respondents failed to prove their title to the subject properties and registration of the same in their names; the subject properties were mainly planted with rice and only a negligible number of mango trees, which, at 15 to 18 years old, were already fruit-bearing; respondents' sign board confirmed the illegal conversion of the subject properties given the absence of the required application for conversion; the existence of the alleged Compromise Agreement was not established by respondents, and assuming that such Compromise Agreement did exist, it was illegal per se and void ab initio; respondents falsely promised to respect defendants' security of tenure, and respondents' true intention was to have defendants ejected through the instant case; it was the fundamental right of defendants, as tenant-farmers, to be freed from the bondage of the soil, and according to the Tenants Emancipation Decree, the Code of Agrarian Reforms, and the CARL, the subject properties are viable for coverage of the agrarian reform program; respondents had no authority to determine by themselves whether the subject properties were covered by the agrarian reform program; the opinion of the MARO of Malasiqui, Pangasinan, that the subject properties were not within the coverage of the agrarian reform laws, was still subject to review by higher DAR officials; defendants, who were tenant-farmers of respondent Ernesto S. Bravo's properties, had been religiously paying their lease rentals; in the event that the other respondents would be able to prove their ownership to the rest of the subject properties, defendants were willing and able to pay their lease rentals upon execution of a contract of lease between said respondents and defendants; defendants' non-payment of lease rentals to respondents (other than respondent

Ernesto S. Bravo) was reasonable considering that defendants remitted said lease rentals to the true owners of the subject properties, the Llamas and Posadas; and computation of the lease rentals should be based on the actual harvest, and any sharing should be subject to the mandate of the Code of Agrarian Reforms, as amended.

Thus, defendants prayed that the PARAD dismiss respondents' Complaint for lack of cause of action/merit; and order respondents to pay jointly and solidarily to defendants P1,000,000.00 as moral damages, P1,000.00 as nominal damages, P1,000,000.00 as exemplary damages, and P500,000.00 for actual damages.[12]

On February 23, 1996, PARAD Placido, "[a]fter going deeply into the roots of the controversy, making a searching examination of the facts, conducting an ocular inspection and investigation in the premises, carefully considering all the pleadings, weighing all [the] respective exhibits and evidences of the parties,"[13] rendered his Decision in DARAB Case Nos. 01-689 to 710-WP-'95, with the following decree:

WHEREFORE, judgment is hereby rendered:

1. Declaring defendants Saturnino Idos, Teofilo Tantay, Faustino Bravo, Mariano Bravo, Idelfonso Tantay, Pelagio Tantay and Cristina [Toralba] as agricultural lessees of the ricelands of [herein respondents] Ernesto Bravo and Jose Israel Bravo;
2. Confirming the findings of the Regional Investigator, Atty. Benigno C. Bulatao, DAR Regional Office, San Fernando, La Union, the parcels of land in question separately owned by the [respondents] none of whom owned more than five (5.0) hectares agricultural lands exempt from OLT coverage under P.D. No. 27 and R.A. No. 6657;
3. Declaring the parcels of land in question except the lands of [respondents] Ernesto Bravo and Jose Israel Bravo as mango orchard land;
4. Declaring the mango orchard land untenanted;
5. Ordering defendants Federico Soriano, Salvador Bautista, Eduardo Manipon, Rolando Torralba, Rosita Gutierrez, Rosalia Tantay, Gabriel dela Vega, Benjamin Lacayanga, Lydia de Guzman, Rogelio Bravo, Joseph Tantay, Romeo Tantay, Honorato de Guzman, Luis Rosario, Cecilio Mamaril, Leonardo Rosario and Teodoro Rosario not tenants in any parcels of land in question. They are [Agrarian Reform Beneficiaries Association (ARBA)] members-tenants on lands other than the parcels of land in question;
6. Dismissing all claims and counterclaims for not being supported by evidence.[14]

Defendants' appeal to the DARAB, docketed as DARAB Case Nos. 5195 to 5216, was unsuccessful. In its Decision dated May 6, 1998, the DARAB affirmed in toto PARAD Placido's Decision of February 23, 1996.

On the issue of whether the subject properties are within the coverage of the OLT program under the Tenants Emancipation Decree and CARL, the DARAB held:

Anent the first issue, it is beyond any iota of doubt that the subject landholdings are outside the coverage of Presidential Decree No. 27 and Republic Act No. 6657. Presidential Decree No. 27 is categorical and very clear in its provision on the retention limit allowed the landowner - the landowner can retain an area of up to seven (7) hectares. Republic Act No. 6657 is likewise very clear that the landowner's retention limit is up to five (5) hectares. The Board agrees with the MARO of the locality that the subject landholdings cannot be placed within the coverage of either of the laws relied upon by the defendants-appellants. The records show that as early as March 10, 1971, the heirs of the late Josefa Quintans (who died on July 12, 1958) subdivided the original 24.5962-hectare landholding into parcels, none of which exceeded seven (7) hectares (Exhibit "B" Extrajudicial Settlement of Estate with Renunciation and Quitclaim dated March 10, 1971). When Presidential Decree No. 27 became a law on October 21, 1972, the subdivided parcels fell outside the coverage of the Operation Land Transfer program pursuant to said Decree, being each less than seven (7) hectares. These

landholdings were further subdivided and decreased in size until not one parcel became more than five hectares. Despite changes in ownership, none of the landholdings were ever consolidated under one proprietorship in areas of more than seven hectares during the implementation of the Operation Land Transfer program under Presidential Decree No. 27 nor areas of more than five (5) hectares during the implementation of Republic Act No. 6657. Presently, each of the plaintiffs-appellees does not own more than five (5) hectares of the subject landholdings. This fact is not disputed by the defendants-appellants. Consequently, neither Presidential Decree No. 27 nor Republic Act No. 6657 can be relied upon for the expropriation of these parcels.[15]

The DARAB also sustained the validity and legality of the Compromise Agreement in this wise:

As regards the issue of the validity and legality of the compromise agreement, the same does not deserve a prolonged discussion. It is beyond question that the defendants-appellants are bound by the said compromise agreement. The document was entered into by and between the parties without any vice of consent and was duly notarized. The compromise agreement is clearly a waiver of their rights over the subject landholding for it contains admissions and declarations against their interest. If the defendants-appellants contend that it was not so, thus, reneging on their own sworn admissions of the existence of the fact, then they must have perjured themselves when they voluntarily and knowingly stated under oath that they are relinquishing their right over the subject landholding. The Board will not allow such perfidy to prevail because a party to a litigation must always come to court with clean hands and in good faith. Defendants-appellants are bound by their own voluntary admissions and declarations against their own interest as appearing in the said compromise agreement and the Board will not allow them to turn their backs to it (*Dequito v. Llamas*, G.R. No. L-28090, September 4, 1975).

Defendants-appellants' act of entering into the said Compromise Agreement is a valid waiver of whatever rights they may have had over the subject landholdings. It is a settled rule in this jurisdiction that rights may be waived except: (1) when the waiver is contrary to law, public order, public policy, morals or good customs, and (2) when prejudicial to a third person with a right recognized by law (Article 6, New Civil Code of the Philippines). There being no showing at all that the above Compromise Agreement falls under any of the above stated exceptions, it follows that the defendants-appellants are bound by it and must consequently abide by the terms and conditions thereof.[16]

The DARAB, in a Resolution[17] dated December 14, 2000, denied for lack of merit defendants' Motion for Reconsideration.

Undeterred, a Petition for Review of the DARAB judgment was filed before the Court of Appeals by defendants Faustino Bravo, Mariano Bravo, Rogelio Bravo, Gabriel dela Vega, Benjamin Lacayanga, Federico Soriano, Romeo Tantay, Rosalia Tantay, Cristina Toralba, and Rolando Toralba; who were joined by new parties Cipriano Bautista, Cilodonio Tantay, and Jose Toralba (hereinafter collectively called the "petitioners"), represented by their Attorney-in-Fact, Teodorico Gamba. Said petition was docketed as CA-G.R. SP No. 63197. Petitioners insisted that (1) it was the Office of the DAR Secretary, not the DARAB, which had jurisdiction to determine the properties falling within the coverage of the Tenants Emancipation Decree and CARL; (2) the Compromise Agreement, which the DARAB relied upon, was never executed and enforced; and (3) the DARAB failed to take cognizance of the tenancy issue upon which petitioners' right to be maintained in peaceful possession and cultivation of the subject property depended.

In its Decision dated September 24, 2001, the Court of Appeals found no merit in the petition, and affirmed in toto the DARAB Decision dated May 6, 1998.

The Court of Appeals recognized that the distribution of land under the Tenants Emancipation Decree, the CARL, and other special laws, is an administrative prerogative of the DAR Secretary. However, it should not be

interpreted to preclude the PARAD, the DARAB, and their adjudicators from preliminarily ascertaining whether the questioned landholdings could be the subject of the Comprehensive Agrarian Reform Program (CARP). Stated differently, the DAR Secretary's exclusive authority to distribute lands is exercised only "upon proper and due CARP coverage." In the instant case, the MARO, the PARAD, and the DARAB all found that the subject properties are outside the coverage of the Tenants Emancipation Decree and the CARL. The appellate court further held that based on the allegations in respondents' Complaint in DARAB Case Nos. 01-689 to 710-WP-'95, the instant case involved agrarian disputes and controversies, properly within the primary, original, and appellate jurisdiction of the DARAB and delegated jurisdiction of the Regional Agrarian Reform Adjudicator (RARAD) and the PARAD under Sections 1 and 2, respectively, of Rule II of the DARAB Revised Rules of Procedure.

The Court of Appeals agreed with the DARAB that the Compromise Agreement is valid and binding. Petitioners' act of entering into the said agreement is a valid waiver of their rights to the subject properties. The appellate court also pointed out that contrary to petitioners' assertion, the DARAB took cognizance of the tenancy issue. The DARAB adopted the findings of the PARAD as to who among the defendants in DARAB Case Nos. 01-689 to 710-WP-'95 were the agricultural lessees of the six-hectare rice lands. Besides, the issue on tenancy was closely intertwined with the issue on placing the subject properties within the coverage of the OLT program under the Tenants Emancipation Decree and the CARL.

Lastly, the Court of Appeals pronounced that the PARAD and the DARAB decisions were supported by substantial evidence, which must be respected in the absence of any material or substantial misapplication or misappreciation of facts.

On February 4, 2002, the Court of Appeals issued a Resolution^[18] denying petitioners' Motion for Reconsideration as it found no cogent reason or justification to modify or recall the findings and conclusions in its earlier decision.

Hence, the instant petition in which petitioners raise the following Assignment of Errors:

- THE HONORABLE COURT OF APPEALS ERRED WHEN IT TOOK NO COGNIZANCE OF THE WANT OF JURISDICTION EXERCISED BY THE PROVINCIAL ADJUDICATOR AND THE PUBLIC RESPONDENT DARAB IN THE DETERMINATION OF THE LANDHOLDINGS COVERAGE UNDER PD NO. 27 AND/OR R.A. 6657[.]
- THE HONORABLE COURT OF APPEALS ERRED WHEN IT FAILED TO APPRECIATE THE TENANCY ISSUE UPON WHICH PETITIONERS PREDICATE THEIR RIGHT TO SECURITY OF TENURE.[¹⁹]

The Court finds no merit in the instant petition.

I

THE JURISDICTION ISSUE

Section 50 of the CARL bestows upon the DAR quasi-judicial powers:

SEC. 50. Quasi-Judicial Powers of the DAR. - The DAR is hereby vested with 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).

In *Sta. Rosa Realty Development Corporation v. Amante*,^[20] the Court pointed out that the jurisdiction of the DAR under the aforementioned provision is two-fold. The first is essentially executive and pertains to the enforcement and administration of the laws, carrying them into practical operation and enforcing their due

observance, while the second is judicial and involves the determination of rights and obligations of the parties.

Jurisdiction over agrarian disputes lies with the DARAB. Section 3(d) of the CARL defines an agrarian dispute as follows:

(d) Agrarian dispute refers to any controversy relating to tenurial arrangements, whether leasehold, tenancy, stewardship or otherwise, over lands devoted to agriculture, including disputes concerning farmworkers associations or representation of persons in negotiating, fixing, maintaining, changing or seeking to arrange terms or conditions of such tenurial arrangements.

It includes any controversy relating to compensation of lands acquired under this Act and other terms and conditions of transfer of ownership from landowners to farmworkers, tenants and other agrarian reform beneficiaries, whether the disputants stand in the proximate relation of farm operator and beneficiary, landowner and tenant, or lessor and lessee. (Emphasis supplied.)

At the time the present controversy arose, the conduct of proceedings before the Board and its adjudicators were governed by the DARAB New Rules of Procedures, which were adopted and promulgated on May 30, 1994, and came into effect on June 21, 1994 after publication (1994 DARAB Rules).[21] The 1994 DARAB Rules identified the cases over which the DARAB shall have jurisdiction, viz:

RULE II

JURISDICTION OF THE ADJUDICATION BOARD

SECTION 1. Primary and Exclusive Original and Appellate Jurisdiction. - The Board shall have primary and exclusive jurisdiction, both original and appellate, to determine and adjudicate all agrarian disputes involving the implementation of the Comprehensive Agrarian Reform Program (CARP) under Republic Act No. 6657, Executive Order Nos. 228, and 129-A, Republic Act No. 3844 as amended by Republic Act No. 6389, Presidential Decree No. 27 and other agrarian laws and their implementing rules and regulations. Specifically, such jurisdiction shall include but not be limited to cases involving the following:

- a) The rights and obligations of persons, whether natural or juridical, engaged in the management, cultivation and use of all agricultural lands covered by the CARP and other agrarian laws;
- b) The valuation of land, and the preliminary determination and payment of just compensation, fixing and collection of lease rentals, disturbance compensation, amortization payments, and similar disputes concerning the functions of the Land Bank of the Philippines (LBP);
- c) The annulment or cancellation of lease contracts or deeds of sale or their amendments involving lands under the administration and disposition of the DAR or LBP;
- d) Those case arising from, or connected with membership or representation in compact farms, farmers' cooperatives and other registered farmers' associations or organizations, related to lands covered by the CARP and other agrarian laws;
- e) Those involving the sale, alienation, mortgage, foreclosure, pre-emption and redemption of agricultural lands under the coverage of the CARP or other agrarian laws;
- f) Those involving the issuance, correction and cancellation of Certificates of Land Ownership Award (CLOAs) and Emancipation Patents (EPs) which are registered with the Land Registration Authority;
- g) Those cases previously falling under the original and exclusive jurisdiction of the defunct Court of Agrarian Relations under Section 12 of Presidential No. 946, except sub-paragraph (Q) thereof and Presidential Decree No. 815.

It is understood that the aforementioned cases, complaints or petitions were filed with the DARAB after

August 29, 1987.

Matters involving strictly the administrative implementation of Republic Act No. 6657, otherwise known as the Comprehensive Agrarian Reform Law (CARP) of 1988 and other agrarian laws as enunciated by pertinent rules shall be the exclusive prerogative of and cognizable by the Secretary of the DAR.

h) And such other agrarian cases, disputes, matters or concerns referred to it by the Secretary of the DAR. (Emphasis supplied.)

SECTION 2. Jurisdiction of the Regional and Provincial Adjudicator. - The RARAD and the PARAD shall have concurrent original jurisdiction with the Board to hear, determine and adjudicate all agrarian cases and disputes, and incidents in connection therewith, arising within their assigned territorial jurisdiction.

On the other hand, cases involving agrarian law implementation fall within the jurisdiction of the DAR Secretary. DAR Administrative Order No. 6, series of 2000, otherwise known as the Rules of Procedure for Agrarian Law Implementation (ALI) Cases, were promulgated only on August 30, 2000, and became effective on September 15, 2000 after publication (2000 Rules for ALI Cases).[22] Rule I, Section 2 of said Rules delineates the jurisdiction of the DAR Secretary, thus:

SEC. 2. Cases Covered - These Rules shall govern cases falling within the exclusive jurisdiction of the DAR Secretary which shall include the following:

(a) Classification and identification of landholdings for coverage under the Comprehensive Agrarian Reform Program (CARP), including protests or oppositions thereto and petitions for lifting of coverage;

(b) Identification, qualification or disqualification of potential farmer-beneficiaries;

(c) Subdivision surveys of lands under CARP;

(d) Issuance, recall or cancellation of Certificates of Land Transfer (CLTs) and CARP Beneficiary Certificates (CBCs) in cases outside the purview of Presidential Decree (PD) No. 816, including the issuance, recall or cancellation of Emancipation Patents (EPs) or Certificates of Land Ownership Awards (CLOAs) not yet registered with the Register of Deeds;

(e) Exercise of the right of retention by landowner;

(f) Application for exemption under Section 10 of RA 6657 as implemented by DAR Administrative Order No. 13 (1990);

(g) Application for exemption pursuant to Department of Justice (DOJ) Opinion No. 44 (1990) as implemented by DAR Administrative Order No. 6 (1994);

(h) Application for exemption under DAR Administrative Order No. 9 (1993);

(i) Application for exemption under Section 1 of RA 7881, as implemented by DAR Administrative Order No. 3 (1995);

(j) Issuance of certificate of exemption for lands subject of Voluntary Offer to Sell (VOS) and Compulsory Acquisition (CA) found unsuitable for agricultural purposes pursuant to DAR Memorandum Circular No. 34 (1997);

(k) Application for conversion of agricultural lands to residential, commercial, industrial or other non-agricultural uses including protests or oppositions thereto;

(l) Right of agrarian reform beneficiaries to homelots;

- (m) Disposition of excess area of the farmer-beneficiary's landholdings;
- (n) Transfer, surrender or abandonment by the farmer-beneficiary of his farmholding and its disposition;
- (o) Increase of awarded area by the farmer-beneficiary;
- (p) Conflict of claims in landed estates and settlements; and
- (q) Such other matters not mentioned above but strictly involving the administrative implementation of RA 6657 and other agrarian laws, rules and regulations as determined by the Secretary.

Rule I, Section 3 of the 2000 Rules for ALI Cases explicitly excludes from the application thereof cases that fall within the exclusive original jurisdiction of the DARAB.

In determining whether the DARAB or the DAR Secretary had jurisdiction over the subject matter of DARAB Case Nos. 01-689 to 710-WP-'95, the Court adverts to the following rules on jurisdiction which it had established in *Heirs of Julian dela Cruz and Leonora Talaro v. Heirs of Alberto Cruz*[23]:

It is axiomatic that the jurisdiction of a tribunal, including a quasi-judicial officer or government agency, over the nature and subject matter of a petition or complaint is determined by the material allegations therein and the character of the relief prayed for, irrespective of whether the petitioner or complainant is entitled to any or all such reliefs. Jurisdiction over the nature and subject matter of an action is conferred by the Constitution and the law, and not by the consent or waiver of the parties where the court otherwise would have no jurisdiction over the nature or subject matter of the action. Nor can it be acquired through, or waived by, any act or omission of the parties. Moreover, estoppel does not apply to confer jurisdiction to a tribunal that has none over the cause of action. The failure of the parties to challenge the jurisdiction of the DARAB does not prevent the court from addressing the issue, especially where the DARAB's lack of jurisdiction is apparent on the face of the complaint or petition.

Indeed, the jurisdiction of the court or tribunal is not affected by the defenses or theories set up by the defendant or respondent in his answer or motion to dismiss. Jurisdiction should be determined by considering not only the status or the relationship of the parties but also the nature of the issues or questions that is the subject of the controversy. If the issues between the parties are intertwined with the resolution of an issue within the exclusive jurisdiction of the DARAB, such dispute must be addressed and resolved by the DARAB. The proceedings before a court or tribunal without jurisdiction, including its decision, are null and void, hence, susceptible to direct and collateral attacks.[24]

Guided accordingly by the foregoing jurisprudence, the Court turns to respondents' Complaint before the DARAB, wherein they alleged:

2. That the [herein respondents] are the owners of less than five (5) hectares each of the 26 hectares of land located at barangays Tomling and Nalsian, Malasiqui, Pangasinan, x x x.
3. That of the aforesaid 26 hectares of land, only about 6 hectares are tenanted by seven agricultural [lessees] namely defendants Gervacio Sergote, Anacleto Torralba, Saturnino Idos, Faustino Bravo, Mariano Bravo, Teofilo Tantay, Idelfonso Tantay and Pelagio Tantay;
4. That 20 hectares portion of the said 26 hectares is not tenanted and although it is planted to 456 mango trees, the areas in between the rows of mango trees have never been cultivated and planted to any crop;

x x x x
6. That the [respondents] have decided to relocate the St. Martin's Pharmaceuticals, Inc. and to construct a BRAVO AGRO-INDUSTRIAL COMPLEX in the untenanted portions of the land in question x x x;

7. That in accordance with the relocation and development plans of the St. Martin's Pharmaceuticals, Inc. and the construction of the BRAVO AGRO-INDUSTRIAL COMPLEX, [respondents] and the defendants Teofilo Tantay, Celestino Manipon, Romeo Tantay, Gabriel dela Vega, Mariano Bravo, Cristina Torralba, Mauricio Rubio, Salvador Bautista, Faustino Bravo, Federico Soriano, Josefina Gutierrez, and Saturnino Idos executed their "Compromise Agreement" dated November 3, 1992 which provides for the relocation and transfer of their houses to a homelot of 240 square meters each within the land in question for them and their family to conveniently enjoy the benefits to be provided by the complex;

8. That the relocation of said defendants' houses will not affect in any manner the security of tenure of the tenants on the riceland portion of the land in question;

9. That in 1993, the [respondents], relying on the compromise agreement they have with the defendants, started the implementation of their aforesaid projects by strategically placing the "BRAVO AGRO-INDUSTRIAL COMPLEX" sign board in the land in question and started making the needed concrete hollow blocks;

x x x x

11. Specific Performance. That the defendants in violation of their compromise agreement and on the instigation of a cult leader refused to comply with their compromise agreement;

12. That instead of transferring and relocating their respective houses, the said defendants illegally demanded of the Municipal Agrarian Reform Officer of Malasiqui, Pangasinan, for the compulsory coverage of the land in question under the OLT program of the government under Pres. Decree No. 27 and Rep. Act. 6657 otherwise known as the Comprehensive Agrarian Reform Law of 1988;

13. That because the land in question is not coverable under the OLT provisions of P.D. No. 27 and R.A. No. 6657 as the sellers from whom the [respondents] acquired the lands in question did not have five (5) hectares each and the latter likewise did not have five (5) hectares each, the Municipal Agrarian Reform Officer of Malasiqui, Pangasinan did not place the lands in question under the coverage of the OLT program under P.D. No. 27 nor under R.A. No. 6657;

x x x x

16. COLLECTION OF UNPAID RENTALS. That since the year 1992, the defendants have deliberately refused and still refuse to pay the lease rentals of their respective tillage on the riceland portions of the land in question;

x x x x

29. That the defendants, in their illegal desire to convert the untenanted portions of the land in question as parts of their tillage, have unlawfully started plowing the untenanted surrounding areas and the areas in between the rows of mango fruit bearing trees in the mango orchard portion of the land in question.[25]

In sum, the material allegations in respondents' Complaint are: (1) that several of the defendants are the agricultural tenants/lessees of respondents' rice lands; (2) that the defendants entered into a Compromise Agreement with respondents in which the former agreed to give up portions of the subject properties they were tilling in exchange for home lots also located on the subject properties; (3) that the Compromise Agreement shall not affect defendants' security of tenure; (4) that instigated by a cult leader, defendants refused to comply with the Compromise Agreement and, instead, demanded from the MARO that the subject properties be compulsorily placed under the land transfer program of the Government; (5) that the defendants have also refused to pay rent for the portion of the rice lands they were tilling; and (6) that the defendants have also begun cultivating portions of the subject properties which are untenanted and planted with mango trees. Based on these allegations, respondents sought the following reliefs:

WHEREFORE, it is most respectfully prayed that an injunction order be issued against the defendants restraining them from performing farmworks on the non riceland portion of the land in question and restraining them from harvesting mango fruits from the mango trees in the mango orchard portion of the land in question and after due hearing judgment issue:

- Ejecting the defendants from the land in question;
- Ordering the defendants jointly and solidarily liable to [herein respondents'] attorneys to be proved hereinafter and pay [respondents] P500,000.00 moral damages and P500,00.00 Exemplary damages and P500,000.00 actual damages.
- Ordering the defendants to pay the deliberately unpaid rentals of the lands in question since 1992 up to the present.
- Making permanent the injunction order against the defendants;
- Granting such other reliefs and remedies just and equitable in favor of the [respondents] under the premises.[26]

The material allegations and reliefs sought in respondents' Complaint essentially established a case involving the rights and obligations of respondents and defendants as landlords and agricultural tenants/lessees, respectively, taking into account their Compromise Agreement; as well as the fixing and collection of lease rentals. The DARAB properly took cognizance of the case as it constituted agrarian disputes, well-within the jurisdiction of the DARAB under Rule II, Section 1, paragraphs (a) and (b) of the 1994 DARAB Rules.

Moreover, even when respondents alleged in their Complaint that the subject properties are not subject to the OLT program under the Tenants Emancipation Decree and the CARL because each of the respondents does not own more than five hectares, said allegation was not fundamental in establishing respondents' causes of action against defendants. In fact, it was defendants who explicitly raised and discussed in their Position Paper before the DARAB the issue of whether the subject properties are covered by the Tenants Emancipation Decree and the CARL.[27] As part of their defense, defendants claimed that all of the subject properties, with a total area of 26 hectares,[28] are actually owned by respondent Ernesto S. Bravo alone, and are tenanted and planted with rice, corn, bananas, and root crops. They argued that under the Tenants Emancipation Decree, tenanted rice and corn lands in excess of the seven hectares a landowner is allowed to retain shall be awarded to the tenant-farmers.

It bears to reiterate that jurisdiction over the nature of the action cannot be made to depend upon the defenses set up in the court or upon a motion to dismiss for, otherwise, the question of jurisdiction would depend almost entirely on the defendant. Once jurisdiction is vested, the same is retained up to the end of the litigation.[29] Therefore, the DARAB was only exercising the jurisdiction vested upon it over DARAB Case Nos. 01-689 to 710-WP-95 when it directly addressed the issue raised by defendants themselves, and adjudged that the subject properties are not subject to the OLT program under the Tenants Emancipation Decree and the CARL since respondents each owned an area well-within the retention limits allowed landowners by said agrarian laws.

Incidentally, the DARAB also took into consideration and only stayed consistent with an earlier finding by the MARO that the subject properties are not within the coverage of the OLT program of the Government. And while it is true that the MARO's ruling may still be appealed to higher DAR officials, petitioners failed to present any proof that such appeal had indeed been taken or that the said ruling had already been reversed.

II

THE TENANCY ISSUE

A reading of the decisions of the PARAD, the DARAB, and the Court of Appeals easily belies petitioners'

contention that the tenancy issue was not appreciated. Based on the pleadings and evidence submitted by the parties, the PARAD found, and the DARAB and the Court of Appeals affirmed, that (1) merely six hectares of the subject properties are planted with rice, while the rest are planted with mango trees; (2) just the six hectares of rice lands are tenanted; (3) only the defendants Saturnino Idos, Teofilo Tantay, Faustino Bravo, Mariano Bravo, Idelfonso Tantay, Pelagio Tantay and Cristina Toralba, are the agricultural lessees of the rice lands; (4) the other defendants are ARBA members and agricultural lessees/tenants of lands not part of the subject properties; and (5) the recognized agricultural lessees of the rice lands have validly waived their rights to their respective landholdings by voluntarily executing the Compromise Agreement with respondent Ernesto S. Bravo.

As the Court had so often stressed, findings of the DARAB are entitled to great weight, nay, finality, considering that the findings of the Boards are unquestionably factual issues that have been discussed and ruled upon by them and affirmed by the Court of Appeals. The Court cannot depart from such findings. Findings of fact of administrative agencies and quasi-judicial bodies, which have acquired expertise because their jurisdiction is confined to specific matters, are generally accorded not only respect, but finality when affirmed by the Court of Appeals. Such findings deserve full respect and, without justifiable reason, ought not to be altered, modified, or reversed.[30]

WHEREFORE, in view of all the foregoing, the present petition is DENIED. The Decision dated September 24, 2001 of the Court Appeals in CA-G.R. SP No. 63197, affirming in toto the Decision dated May 6, 1998 of the DARAB in DARAB Case Nos. 5195 to 5216, which, in turn, affirmed in toto PARAD Placido's Decision dated February 23, 1996 in DARAB Case Nos. 01-689 to 710-WP-'95, is AFFIRMED. Costs against petitioners.

SO ORDERED.

Corona, C.J., (Chairperson), Velasco, Jr., Del Castillo, and Perez, JJ. concur.

[1] Rollo, pp. 86-101; penned by Associate Justice Bienvenido L. Reyes with Associate Justices Eubulo G. Verzola and Marina L. Buzon, concurring.

[2] Id. at 73-82; signed by Department of Agrarian Reform (DAR) Undersecretary and DAR Adjudication Board (DARAB) Vice Chairman Lorenzo R. Reyes, DAR Undersecretary and DARAB Member Artemio A. Adasa, Jr., DAR Assistant Secretary and DARAB Member Augusto P. Quijano, and DAR Assistant Secretary and DARAB Member Sergio B. Serrano; DAR Secretary and DARAB Chairman Ernesto D. Garilao and DAR Undersecretary and Member Hector D. Soliman did not take part.

[3] Id. at 44-69.

[4] Id. at 63.

[5] Id. at 63-65.

[6] Id. at 65-66.

[7] Id. at 66-67 and 74-75.

[8] Id. at 75.

[9] DAR records, pp. 72-73.

[10] Id. at 1-7.

[11] Id. at 21-30.

[12] Id. at 21.

[13] Rollo, p. 61.

[14] Id. at 69.

[15] Id. at 79-80.

[16] Rollo, pp. 80-81.

[17] Id. at 85; signed by DAR Undersecretary and DARAB Vice Chairman Lorenzo R. Reyes, DAR Undersecretary and DARAB Member Federico A. Roblete, DAR Assistant Secretary and DARAB Member Augusto P. Quijano, and DAR Assistant Secretary and DARAB Member Edwin C. Sales, and DAR Assistant Secretary and DARAB Member Wilfredo M. Peñaflor.

[18] Rollo, pp. 102-103; penned by Associate Justice Bienvenido L. Reyes with Associate Justices Eubulo G. Verzola and Marina L. Buzon, concurring.

[19] Id. at 19.

[20] 493 Phil. 570, 606 (2005).

[21] The 1994 DARAB Rules were published in the Philippine Times Journal and the Philippine Star on June 6, 1994. They became effective 15 days thereafter. Said Rules were subsequently repealed/modified by the 2003 DARAB Rules and then the 2009 DARAB Rules.

[22] The 2000 Rules for ALI Cases were published in The Philippine Star and The Malaya on August 30, 2000. They became effective 10 days thereafter. Said Rules were subsequently modified/repealed by DAR Administrative Order No. 3, series of 2003, otherwise known as the 2003 Rules of Procedure for ALI Cases.

[23] G.R. No. 162980, November 22, 2005, 475 SCRA 743.

[24] Id. at 755-757.

[25] DAR records, pp. 3-7.

[26] Id. at 2.

[27] Id. at. 208-210.

[28] The total land area of the subject properties actually measures only 24.5962 hectares.

[29] *Heirs of Rafael Magpily v. De Jesus*, 511 Phil. 14, 21 (2005).

[30] *Hilaria Ramos vda. de Brigino v. Ramos*, G.R. No. 130260, February 6, 2006, 481 SCRA 546, 555.

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