

OTILIA STA. ANA, PETITIONER, VS. SPOUSES LEON G. CARPO AND AURORA CARPO, RESPONDENTS.*G.R. No. 164340. November 28, 2008*

Ponente: NACHURA, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-164340/>**NACHURA, J.:**

Before this Court is a Petition for Review on Certiorari[1] under Rule 45 of the Rules of Civil Procedure seeking the reversal of the Court of Appeals (CA) Decision[2] dated March 5, 2004 which reversed and set aside the Decision[3] of the Department of Agrarian Reform Adjudication Board (DARAB) dated June 24, 1998 and reinstated the Decision[4] of the Provincial Agrarian Reform Adjudicator (PARAD) of Laguna dated October 12, 1993.

The Facts

Respondent Leon Carpo[5] (Leon) and his brother Francisco G. Carpo are the registered co-owners of a parcel of land designated as Lot No. 2175 of the Santa Rosa Estate Subdivision, situated at Sta. Rosa, Laguna, covered by Transfer Certificate of Title (TCT) No. T-17272[6] of the Register of Deeds of Laguna, with an area of 91,337 square meters, more or less. A portion thereof, consisting of 3.5 hectares, pertained to Leon and his wife, respondent Aurora Carpo. It was devoted to rice and corn production (subject land) and was tenanted by one Domingo Pastolero (Domingo), husband of Adoracion Pastolero (Adoracion).[7] When Domingo passed away, Adoracion together with her son Elpidio Pastolero, assumed the tenancy rights of Domingo over the subject land.

However, on December 29, 1983, Adoracion, by executing a notarized Pinanumpaang Salaysay[8] with the conformity of Leon, and for a consideration of P72,500.00, transferred her rights in favor of petitioner Otilia Sta. Ana[9] (petitioner) who, together with her husband, Marciano de la Cruz (Marciano), became the new tenants of the subject land.

At the outset, the parties had a harmonious tenancy relationship.[10] Unfortunately, circumstances transpired which abraded the relationship. The Department of Agrarian Reform (DAR) mediated in order to amicably settle the controversy, but no settlement was reached by the parties. Thus, the instant case.

In their Complaint for Ejectment due to Non-Payment of Lease Rentals[11] dated December 1, 1989, respondents alleged that it was their agreement with petitioner and Marciano to increase the existing rentals from 36 cavans to 45 cavans, and that, if respondents wanted to repossess the property, they only had to pay the petitioner the amount of P72,500.00, the same amount paid by the latter to Adoracion. Respondents further averred that despite repeated demands, petitioner refused to pay the actual rentals from July 1985 to September 1989, in violation of Presidential Decree (P.D.) No. 817; and that the subject land had been declared, upon the recommendation of the Human Settlements Committee, suitable for commercial and industrial purposes, per Zoning Ordinance of 1981 of the Municipality of Sta. Rosa, Laguna. Respondents prayed that petitioner be ejected from the subject land and be directed to pay P75,016.00 as unpaid rentals.

In their Answer[12] dated January 26, 1990, petitioner and Marciano denied that there was an agreement to increase the existing rental which was already fixed at 36 cavans of palay, once or twice a year depending on the availability of irrigation water; that neither was there an agreement as to the future surrender of the land in favor of the respondents; that they did not refuse to pay the rentals because they even sent verbal and written notices to the respondents, advising them to accept the same; and that in view of the latter's failure to respond, petitioner and Marciano were compelled to sell the harvest and to deposit the proceeds thereof in Savings Account No. 9166 with the Universal Savings Bank at Sta. Rosa, Laguna under the names of Leon and Marciano. As their special affirmative defense, petitioner and Marciano claimed that Marciano is a farmer-beneficiary of the subject land pursuant to P.D. 27. Petitioner and Marciano prayed for the outright dismissal of the complaint and for the declaration of Marciano as full owner of the subject land.

Thereafter, trial on the merits ensued.

The PARAD's Ruling

On October 12, 1993, the PARAD ruled that petitioner and Marciano deliberately defaulted in the payment of the rentals due the respondents. The PARAD found that the deposit made with Republic Planters Bank was actually in the names of petitioner and Marciano, hence, personal to them. The PARAD also found that it was only during the hearing that petitioner and Marciano deposited the amount of P40,000.00 with the Universal Savings Bank for the unpaid rentals. As such the PARAD considered the deposits as late payments and as implied admission that indeed petitioner and Marciano did not pay the past rentals when they fell due. The PARAD further held and disposed thus:

The intent of the defendant to subject the said area under PD 27 should pass the criteria set. Foremost is the determination of the aggregate riceland of plaintiff. He must have more than seven (7) hectares of land principally devoted to the planting of palay. Area over seven (7) hectares shall be the one to be covered by PD 27 on Operation Land Transfer (OLT). In the case at bar, defendants failed to prove that plaintiff has more than the required riceland. In fact the subject 3.5 hectares are jointly owned by two. Hence, coverage for OLT is remote.

Defendant claimed that plaintiff is covered by LOI 474, and therefore, he is zero retention of area. In reference to said law, wherein it provides landowner with other agricultural land of more than 7 hectares, or have other industrial lands from where he and his family derived resources, then, the owner cannot retain any riceland. However, this is not applicable in the instant case, as the defendant failed to prove that plaintiff has other source of income from where they will derive their sustenance.

WHEREFORE, in view of the foregoing, Judgment is hereby rendered:

- a) Ordering the ejectment of defendant from the subject landholding for non-payment of lease rentals;
- b) Ordering the defendant Marciano de la Cruz to surrender the possession and cultivation of the subject land to herein plaintiffs;
- c) Ordering the defendant to pay as actual damage the amount of P75,016.00 corresponding to the unpaid rentals from July 18, 1985 up to September 16, 1989[; and]
- d) [D]eclaring the subject land not covered by Presidential Decree No. 27, Republic Act [No.] 6657, and Executive Order No. 228.

SO ORDERED.

Petitioner and Marciano sought relief from the DARAB.[13]

The DARAB's Ruling

On June 24, 1998, the DARAB held:

It is a fundamental rule in this jurisdiction that for non-payment of lease rentals to warrant the dispossession and ejectment of a tenant, the same must be made in a willful and deliberate manner (*Cabero v. Caterna, et al.*, CA-G.R. 05886-R, March 10, 1977). For a valid ouster or ejectment of a farmer-tenant, the willful and deliberate intent not to pay lease rentals and/or share can be ascertained when there is a determination of will not to do a certain act.

Considering the circumstances obtaining in this case, it cannot be concluded that the defendants-appellants deliberately failed or refused to pay their lease rentals. It was not the fault of defendants-appellants herein that the rentals did not reach the plaintiffs-appellees because the latter choose to lend a deaf ear to the notices sent to them. Clearly, therefore plaintiffs-appellees failed to show by substantial evidence that the defendants-appellants deliberately failed or refused to pay their lease rentals. It has been held that the mere failure of a tenant to pay the landowner's share does not necessarily give the latter the right to eject the former when there is lack of deliberate intent on the part of the tenant to pay (*Roxas y Cia v. Cabatuando*, 1 SCRA 1106).

Thus:

WHEREFORE, finding the appeal interposed by the defendants-appellants to be meritorious, the Decision appealed from is hereby SET ASIDE and another judgment issued as follows:

- Enjoining plaintiffs-appellees to respect the peaceful possession and cultivation of the land in suit by the defendants-appellants; and
- Directing the MARO of Sta. Rosa, Laguna to assist the parties in the proper accounting of lease rentals to be paid by the defendants-appellants to the plaintiffs-appellees.

No costs.

SO ORDERED.

Aggrieved, respondents appealed to the CA. On April 16, 2003, Marciano passed away.[14]

The CA's Ruling

On March 5, 2004, the CA affirmed the factual findings of the PARAD that petitioner and Marciano failed to pay the rentals and that there was no valid tender of payment. The CA added that this failure to pay was tainted with bad faith and deliberate intent. Thus, petitioner and Marciano did not legally comply with their duties as tenants. Moreover, the CA held that the subject land was not covered by P.D. 27, Republic Act (R.A.) No. 6657 and Executive Order (E.O.) No. 228, since the same had become a residential, commercial and industrial land, to wit:

In the case at bar, We opted to give more weight to the petitioners contention that the "subject landholding is for residential, commercial, and industrial purposes as declared by zoning ordinance of 1981 of the town of Sta. Rosa, Laguna upon recommendation of the Human Settlement Committee xxx." The vicinity map of the subject landholding shows that it is almost beside Nissan Motors Technopa[r]k and surrounded by the South Expressway and several companies such as the Coca-Cola Bottlers Philippines, Inc. and Toyota Motors Philippines along the Pulong Santa Cruz, National Road. The vicinity map shows therefore that the subject landholding is a residential, commercial, and industrial area exempted from the coverage of P.D. No. 27, Republic Act. No. 6657 and Executive Order No. 228.

The CA ruled in favor of the respondents in this wise:

WHEREFORE, premises considered and pursuant to applicable law and jurisprudence on the matter, the present Petition is hereby GRANTED. Accordingly, the decision of the Department of Agrarian Reform Adjudication Board-Central Office, Elliptical Road, Diliman, Quezon City (promulgated on June 24, 1998) is hereby REVERSED and SET ASIDE and a new one entered- REINSTATING the decision of the Department of Agrarian Reform Adjudication Board-Region IV, Office of the Provincial Adjudicator, Sta. Cruz, Laguna (dated October 12, 1993). No pronouncement as to costs.

SO ORDERED.

Petitioner filed a Motion for Reconsideration[15] assailing the aforementioned Decision which the CA, however, denied in its Resolution[16] dated June 28, 2004.

Hence, this Petition based on the following grounds:

THE HONORABLE COURT OF APPEALS SERIOUSLY ERRED IN ARROGATING UPON ITSELF WHAT IS OTHERWISE DAR'S POWER TO DETERMINE WHETHER THE SUBJECT AGRICULTURAL LAND HAS BECOME RESIDENTIAL/INDUSTRIAL/COMMERCIAL.

THE HONORABLE COURT OF APPEALS SERIOUSLY ERRED WHEN IT EQUATED "LAND RECLASSIFICATION" WITH "LAND CONVERSION" FOR PURPOSES OF DETERMINING THE PROPRIETY OF EJECTMENT OF AN AGRICULTURAL LESSEE.

THE HONORABLE COURT OF APPEALS SERIOUSLY ERRED WHEN IT FAILED TO NOTE THAT AN EJECTMENT SUIT BASED ON A CLAIM OF NON-PAYMENT OF LEASE RENTAL IS DIAMETRICALLY ANTITHETICAL TO THE CLAIM THAT THE SUBJECT LAND IS NO LONGER AGRICULTURAL BUT "A RESIDENTIAL, COMMERCIAL AND INDUSTRIAL AREA EXEMPTED FROM THE COVERAGE OF P.D. NO. 27, REPUBLIC ACT NO. 6657 AND EXECUTIVE ORDER NO. 228.

THE DECISION DATED MARCH 5, 2004--INSOFAR AS IT ADOPTED THE FINDING OF DARAB-REGION IV, OFFICE OF THE PROVINCIAL ADJUDICATOR, STA. CRUZ, LAGUNA INSTEAD OF THAT OF THE DARAB-CENTRAL--IS VIOLATIVE OF SEC. 14, ART. VIII OF THE 1987 CONSTITUTION FOR HAVING DECIDED WITHOUT EXPRESSING THEREIN CLEARLY AND DISTINCTLY THE FACTS AND THE LAW ON WHICH SAID DECISION IS BASED.

THE HONORABLE COURT OF APPEALS SERIOUSLY ERRED IN RESORTING TO SURMISES AND CONJECTURES WHEN IT RULED THAT THE FAILURE OF THE HEREIN PETITIONER AND HER DECEASED HUSBAND TO DELIVER THE LEASE RENTALS TO HEREIN RESPONDENTS, WAS DONE SO IN BAD FAITH AND WITH DELIBERATE INTENT TO DEPRIVE THE LAND OWNERS THEREOF.

Petitioner asseverates that there is no evidence to support respondents' claim that the failure to pay the lease rentals was tainted with malevolence, as the records are replete with acts indicative of good faith on the part of the petitioner and Marciano and bad faith on the part of respondents.

Moreover, petitioner claimed that the power to determine whether or not the subject land is non-agricultural, hence, exempt from the coverage of the Comprehensive Agrarian Reform Law (CARL), lies with the DAR, and not with the courts; that mere reclassification by way of a zoning ordinance does not warrant the dispossession of a tenant but conversion does, and entitles the tenant to payment of disturbance compensation; the legal concepts of reclassification and conversion are separate and distinct from each other; that respondents' complaint before the PARAD alleged and established the fact that the subject land is a riceland, therefore, agricultural; that the CA failed to explain why it upheld the findings of the PARAD on the issue of non-payment of lease rentals; and that though the issue of non-payment of lease rentals is a question of fact, due to the conflict of the factual findings of

the PARAD and CA with those of the DARAB, petitioner asks that this Court review the evidence on record, and pursuant to the CA decision in *Cabero v. Caterna, et al.*,^[17] rule on whether petitioner willfully and deliberately refused to pay lease rentals as to warrant her dispossession from the subject land.^[18]

On the other hand, respondents aver that petitioner and her family are wealthy, as they own numerous properties in Sta. Rosa, Laguna including a luxurious house;^[19] that, as such, petitioner cannot be considered as a landless tenant deserving the protection of agrarian reform laws; that the DARAB negated the highest degree of respect the factual findings of the PARAD deserved; that petitioner's claims that Marciano repeatedly made verbal and written notices^[20] for Leon to accept their lease rentals were fraudulent designs to disguise the deliberate intent of petitioner not to pay the lease rentals; that when Leon went to petitioner's residence, petitioner did not pay the P10,000.00 due as lease rentals; that during the hearing before the PARAD, when respondents' counsel requested that they be furnished a bank certificate as to the existence of said bank deposits in Republic Planters Bank as of April 20, 1987 and October 1, 1987, petitioner herself commented, "Nagdeposito ho talaga kami sa pangalan namin";^[21] that the statement of petitioner is an admission that bank deposits, if any, were made, not in the name of Leon as contained in the written notices, but rather in the names of petitioner and Marciano; that such certificate was not introduced in evidence and that upon inquiry, said deposits do not actually exist; that per recent inquiry, the bank deposit in Universal Savings Bank only contains P1,020.19 due to previous withdrawals made by Marciano; that the foregoing circumstances indicate a pattern of fraudulent misrepresentations by the petitioner to mislead the DARAB into believing that petitioner and Marciano did not deliberately refuse to pay the lease rentals; that from July 18, 1985 up to the present, petitioner failed to pay the lease rentals showing again, the deliberate refusal to pay; that this default on the part of the petitioner has been recurring for several years already, thus depriving the respondents as landowners of their share of the subject land in violation of the principle of social justice; that as raised in respondents Omnibus Supplemental Motion for Reconsideration^[22] before the DARAB and as found by the CA based on its vicinity map,^[23] the subject land is of a residential, commercial and industrial character, exempted from agrarian reform coverage; and that the DARAB erred in not finding the sale of the tenancy rights of Adoracion to petitioner and Marciano for P72,500.00 violative of P.D. 27 even if the same was with Leon's consent. The sale, respondents contend was therefore, null and void ab initio, not susceptible of any ratification.^[24]

Our Ruling

Before we resolve this case on the merits, a procedural issue must be disposed of.

Respondents strongly argue that the instant Petition was filed out of time because, while petitioner originally claimed to have received her copy of the CA Resolution^[25] dated June 28, 2004, denying her Motion for Reconsideration,^[26] on July 12, 2004, petitioner eventually admitted, after respondents showed proof to the contrary, that she actually received the said Resolution on July 7, 2004.^[27] Thus, petitioner had only up to July 22, 2004 to appeal the CA's ruling to this Court. In this case, petitioner filed her Motion^[28] for Extension of Time to File Petition for Review on Certiorari (Motion) on July 23, 2004. As such, there was no more period to extend. Further, the instant Petition was filed on August 27, 2004, or three (3) days beyond the thirty-day extended period. Hence, respondents submit that the CA decision had already become final and executory.^[29]

Petitioner alleges that on July 15, 2004, she met with her counsel to engage the latter's legal services. During said meeting, counsel asked petitioner about the date of receipt of the assailed CA Resolution. Petitioner replied that she received her copy on July 12, 2004. On July 20, 2004, counsel filed an Entry of Appearance with the CA.^[30] On July 23, 2004, petitioner through counsel filed the Motion for Extension of Time to File Petition for Review. On August 11, 2004, petitioner received a copy of respondents' Opposition to the Motion. Thereafter, upon verification, petitioner admitted that she received the copy of the CA Resolution on July 7, 2004. Thus, her

Motion was admittedly filed one day late. Petitioner begs the indulgence of this Court for her oversight and mistake, attributing the same to her lack of education and old age.

Rules of procedure are merely tools designed to facilitate the attainment of justice. If the application of the Rules would tend to frustrate rather than to promote justice, it is always within our power to suspend the rules or except a particular case from their operation. Law and jurisprudence grant to courts the prerogative to relax compliance with the procedural rules, even the most mandatory in character, mindful of the duty to reconcile the need to put an end to litigation speedily and the parties' right to an opportunity to be heard.[31]

Our recent ruling in *Tanenglian v. Lorenzo*[32] is instructive:

We have not been oblivious to or unmindful of the extraordinary situations that merit liberal application of the Rules, allowing us, depending on the circumstances, to set aside technical infirmities and give due course to the appeal. In cases where we dispense with the technicalities, we do not mean to undermine the force and effectivity of the periods set by law. In those rare cases where we did not stringently apply the procedural rules, there always existed a clear need to prevent the commission of a grave injustice. Our judicial system and the courts have always tried to maintain a healthy balance between the strict enforcement of procedural laws and the guarantee that every litigant be given the full opportunity for the just and proper disposition of his cause.

In this case, petitioner was one day late in filing her Motion for Extension. To deny the Petition on this ground alone is too harsh a penalty for a day's delay, taking into consideration the time, resources and effort spent by petitioner and even by the respondents, in order to pursue this case all the way to this Court. Thus, we dispense with the apparent procedural defect and resolve this case on the merits. The ends of justice are better served when cases are determined on the merits -- with all parties given full opportunity to ventilate their causes and defenses -- rather than on technicality or some procedural imperfections.[33]

The Petition is impressed with merit.

In sum, there are two (2) ultimate issues that require resolution in this case:

- 1) Whether the CA erred in ruling that the subject land had already become residential, commercial and/or industrial, thus, excluded from the coverage of our laws on agrarian reform; and
- 2) Whether the petitioner, as an agricultural tenant, failed to pay her lease rentals when the same fell due as to warrant her dispossession of the subject land.

On the first issue, we rule in the affirmative.

To recapitulate, the instant case sprang from a Complaint for Ejectment based on Non-Payment of lease rentals. Though an allegation was made by the respondents that the land had been declared, upon the recommendation of the Human Settlements Committee, suitable for commercial and industrial purposes, per Zoning Ordinance of 1981 of the Municipality of Sta. Rosa, no argument was advanced by respondents to support such allegation, in the same way that no prayer for the ejectment of the tenants was raised based on that allegation. The PARAD held that petitioner should be ejected for non-payment of lease rentals. It also ruled that the subject land is not covered by P.D. No. 27, R.A. No. 6657, and E.O. No. 228, not on the basis of the allegation in the complaint, but on the respondents' right of retention.

On appeal, the DARAB concentrated on the issue of petitioner's failure to pay lease rentals. When the DARAB ruled that petitioner and Marciano did not deliberately fail to pay said rentals, respondents raised a new issue in their Omnibus Motion that the transaction between Adoracion and petitioner was void in violation of P.D. No. 27, despite the conformity of Leon. This issue was not resolved by the DARAB.

Finally, when the case reached the CA, the appellate court affirmed the findings of the PARAD that petitioner and Marciano deliberately and in bad faith did not pay the lease rentals. The CA, however, also held that the subject land had already become a residential, commercial and industrial area based on the vicinity map showing that the land was surrounded by commercial and industrial establishments.

Without doubt, the PARAD acted without jurisdiction when it held that the subject land was no longer covered by our agrarian laws because of the retention rights of the respondents. The CA likewise acted without jurisdiction when it ruled that the land had become non-agricultural based on a zoning ordinance of 1981-- on the strength of a mere vicinity map. These rulings violated the doctrine of primary jurisdiction.

The doctrine of primary jurisdiction precludes the courts from resolving a controversy over which jurisdiction has initially been lodged in an administrative body of special competence. For agrarian reform cases, jurisdiction is vested in the Department of Agrarian Reform (DAR); more specifically, in the Department of Agrarian Reform Adjudication Board (DARAB). Executive Order 229 vested the DAR with (1) quasi-judicial powers to determine and adjudicate agrarian reform matters; and (2) jurisdiction over all matters involving the implementation of agrarian reform, except those falling under the exclusive original jurisdiction of the Department of Agriculture and the Department of Environment and Natural Resources.[34]

In *Department of Agrarian Reform v. Abdulwahid*,[35] we held:

As held by this Court in *Centeno v. Centeno* [343 SCRA 153], "the DAR is vested with the primary jurisdiction to determine and adjudicate agrarian reform matters and shall have the exclusive jurisdiction over all matters involving the implementation of the agrarian reform program." The DARAB has primary, original and appellate jurisdiction "to determine and adjudicate all agrarian disputes, cases, controversies, and matters or incidents involving the implementation of the Comprehensive Agrarian Reform Program under R.A. No. 6657, E.O. Nos. 229, 228 and 129-A, R.A. No. 3844 as amended by R.A. No. 6389, P.D. No. 27 and other agrarian laws and their implementing rules and regulations."

Under Section 3 (d) of R.A. No. 6657 (CARP Law), "agrarian dispute" is defined to include "(d) . . . 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."

Simply put, agrarian disputes, as defined by law and settled in jurisprudence, are within the primary and exclusive original jurisdiction of the PARAD and the DARAB, while issues of retention and non-coverage of a land under agrarian reform, among others, are within the domain of the DAR Secretary.

Thus, Section 3, Rule II of the 2003 DARAB Rules of Procedure provides:

SECTION 3. Agrarian Law Implementation Cases. -- The Adjudicator or the Board shall have no jurisdiction over matters involving the administrative implementation of RA No. 6657, otherwise known as the Comprehensive Agrarian Reform Law (CARL) of 1988 and other agrarian laws as enunciated by pertinent rules and administrative orders, which shall be under the exclusive prerogative of and cognizable by the Office of the Secretary of the DAR in accordance with his issuances, to wit:

3.1

Classification and identification of landholdings for coverage under the agrarian reform program and the initial

issuance of CLOAs and EPs, including protests or oppositions thereto and petitions for lifting of such coverage;

3.2

Classification, identification, inclusion, exclusion, qualification, or disqualification of potential/actual farmer-beneficiaries;

3.3

Subdivision surveys of land under CARP;

3.4

Recall, or cancellation of provisional lease rentals, Certificates of Land Transfers (CLTs) and CARP Beneficiary Certificates (CBCs) in cases outside the purview of Presidential Decree (PD) No. 816, including the issuance, recall, or cancellation of EPs or CLOAs not yet registered with the Register of Deeds;

3.5

Exercise of the right of retention by the landowner;

3.6

Application for exemption from coverage under Section 10 of RA 6657;

3.7

Application for exemption pursuant to Department of Justice (DOJ) Opinion No. 44 (1990);

3.8

Exclusion from CARP coverage of agricultural land used for livestock, swine, and poultry raising;

3.9

Cases of exemption/exclusion of fish pond and prawn farms from the coverage of CARP pursuant to RA 7881;

3.10

Issuance of Certificate of Exemption for land subject of Voluntary Offer to Sell (VOS) and Compulsory Acquisition (CA) found unsuitable for agricultural purposes;

3.11

Application for conversion of agricultural land to residential, commercial, industrial, or other non-agricultural uses and purposes including protests or oppositions thereto;

3.12

Determination of the rights of agrarian reform beneficiaries to homelots;

3.13

Disposition of excess area of the tenants/farmer-beneficiary's landholdings;

3.14

Increase in area of tillage of a tenant/farmer-beneficiary;

3.15

Conflict of claims in landed estates administered by DAR and its predecessors; or

3.16

Such other agrarian cases, disputes, matters or concerns referred to it by the Secretary of the DAR.

Verily, there is an established tenancy relationship between petitioner and respondents in this case. An action for Ejectment for Non-Payment of lease rentals is clearly an agrarian dispute, cognizable at the initial stage by

the PARAD and thereafter by the DARAB.[36] But issues with respect to the retention rights of the respondents as landowners and the exclusion/exemption of the subject land from the coverage of agrarian reform are issues not cognizable by the PARAD and the DARAB, but by the DAR Secretary because, as aforementioned, the same are Agrarian Law Implementation (ALI) Cases.

It has not escaped our notice that, as this case progressed and reached a higher level in the hierarchy of tribunals, the respondents would, invariably, proffer an additional theory or defense, in order to effect petitioner's eviction from the land. As a consequence, the simple issue of ejectment based on non-payment of rentals has been muddled.

Proof necessary for the resolution of the issue of the land being covered by, or excluded/exempted from, P.D. No. 27, R.A. No. 6657, and other pertinent agrarian laws, as well as of the issue of the right of retention of the respondents, was not offered in evidence. Worse, the PARAD resolved the issue of retention even if it was not raised by the respondents at that level, and even if the PARAD had no jurisdiction over the same.

Likewise, the CA ruled that the land had ceased being agricultural on the basis of a mere vicinity map, in open disregard of the Doctrine of Primary Jurisdiction, since the issue was within the province of the Secretary of DAR.

We take this opportunity to remind the PARAD and the CA that "courts of justice have no power to decide a question not in issue." A judgment that goes beyond the issues, and purports to adjudicate something on which the parties were not heard, is extra-judicial, irregular and invalid. This norm applies not only to courts of justice, but also to quasi-judicial bodies such as the PARAD. Accordingly, premature and irregular were the PARAD ruling on the retention rights of the respondents, and the CA decision on the non-agricultural character of the land subject of this controversy -- these issues not having passed the scrutiny of the DAR Secretary -- are premature and irregular.[37]

Thus, we cannot allow ourselves to fall into the same error as that committed by the PARAD and the CA, and resolve the issue of the non-agricultural nature of the subject land by receiving, at this stage, pieces of evidence and evaluating the same, without the respondents having first introduced them in the proper forum. The Office of the DAR Secretary is in a better position to resolve the issues on retention and exclusion/exemption from agrarian reform coverage, being the agency lodged with such authority inasmuch it possesses the necessary expertise on the matter.[38]

Likewise, we refrain from entertaining the issue raised by respondents that petitioner and her family are not landless tenants and are therefore not deserving of any protection under our laws on agrarian reform, because fairness and due process dictate that issues not raised in the proceedings below should not be raised for the first time on appeal.[39]

On the second issue, we rule in the negative.

Under Section 37 of Republic Act No. 3844,[40] as amended, coupled with the fact that the respondents are the complainants themselves, the burden of proof to show the existence of a lawful cause for the ejectment of the petitioner as an agricultural lessee rests upon the respondents as agricultural lessors.[41] This proceeds from the principle that a tenancy relationship, once established, entitles the tenant to security of tenure. Petitioner can only be ejected from the agricultural landholding on grounds provided by law.[42] Section 36 of the same law pertinently provides:

Sec. 36. Possession of Landholding; Exceptions. -- Notwithstanding any agreement as to the period or future surrender, of the land, an agricultural lessee shall continue in the enjoyment and possession of his landholding except when his dispossession has been authorized by the Court in a judgment that is final and executory if after due hearing it is shown that:

x x x x

(6) The agricultural lessee does not pay the lease rental when it falls due: Provided, That if the non-payment of the rental shall be due to crop failure to the extent of seventy-five per centum as a result of a fortuitous event, the non-payment shall not be a ground for dispossession, although the obligation to pay the rental due that particular crop is not thereby extinguished;

x x x x

Respondents failed to discharge such burden. The agricultural tenant's failure to pay the lease rentals must be willful and deliberate in order to warrant his dispossession of the land that he tills.

Petitioner's counsel opines that there appears to be no decision by this Court on the matter; he thus submits that we should use the CA decision in *Cabero v. Caterna*. This is not correct. In an En Banc Decision by this Court in *Roxas y Cia v. Cabatuando, et al.*,[43] we held that under our law and jurisprudence, mere failure of a tenant to pay the landholder's share does not necessarily give the latter the right to eject the former when there is lack of deliberate intent on the part of the tenant to pay. This ruling has not been overturned.

The term "deliberate" is characterized by or results from slow, careful, thorough calculation and consideration of effects and consequences.[44] The term "willful," on the other hand, is defined as one governed by will without yielding to reason or without regard to reason.[45]

We agree with the findings of the DARAB that it was not the fault of petitioner that the lease rentals did not reach the respondents because the latter chose to ignore the notices sent to them. To note, as early as November 10, 1986, Marciano executed an Affidavit[46] stating that Leon refused to receive the respective lease rentals consisting of 37 cavans for November 1985 and July 1986. For 1987, Marciano wrote Leon two letters[47] informing him of the availability of the lease rentals for April and October of the same year. On April 27, 1988, Marciano sought DAR intervention and mediation with respect to the execution of a leasehold contract and the fixing of the leasehold rentals.[48] Meetings were set but respondents failed to attend.[49] The dispute was referred to the barangay but the parties failed to amicably settle.[50]

These factual circumstances negate the PARAD findings of Marciano's and petitioner's deliberate and willful intent not to pay lease rentals. Good faith was clearly demonstrated by Marciano and petitioner when, because respondents refused to accept the proffered payment, they even went to the point of seeking government intervention in order to address their problems with respondents. Absent such deliberate and willful refusal to pay lease rentals, petitioner's ejectment from the subject land is not justified.

WHEREFORE, the instant Petition is GRANTED. The assailed Decision of the Court of Appeals in CA-G.R. SP No. 60640 is hereby REVERSED and SET ASIDE. The Decision of the Department of Agrarian Reform

Adjudication Board (DARAB) dated June 24, 1998 in DARAB Case No. 2203 is REINSTATED without prejudice to the rights of respondent-spouses Leon and Aurora Carpo to seek recourse from the Office of the Department of Agrarian Reform (DAR) Secretary on the other issues they raised. No costs.

SO ORDERED.

Ynares-Santiago, (Chairperson), Austria-Martinez, Chico-Nazario, and Reyes, JJ., concur.

[1] Rollo, pp. 21-72.

[2] Penned by Associate Justice Jose L. Sabio, Jr., with Associate Justice Mercedes Gozo-Dadole and Associate Justice Eliezer R. Delos Santos, concurring; id. at 74-85.

[3] Id. at 135-141.

[4] Id. at 122-131.

[5] Also referred to as Leony Carpo and Leon Carpio in other pleadings and documents.

[6] Records, p. 232.

[7] Also referred to as Asuncion Pastolero in other pleadings and documents.

[8] CA rollo, pp. 213-214.

[9] Also referred to as Otilia and Otelia Sta. Ana-de la Cruz and Ofelia de la Cruz in other pleadings and documents.

[10] In a handwritten affidavit dated July 18, 1985, Leon attested, to wit:

"Ito ay bilang pagpapatunay na si G. Marciano dela Cruz, aking magsasakang namumuwan ay bayad ng lahat sa buwis sa aking bukid na kanyang sinasaka subalit mayroon pa naging utang na Dalawampu at pito (27) cavans at nangangako rin siya na ang nasabing utang ay babayaran niya bago sumapit ang Oktubre 31/85.

Sa katunayan ay lumagda kaming dalawa sa ibaba nito bilang pag-sangayon." (Records, p. 110)

[11] Id. at 3-6.

[12] Id. at 7-11.

[13] Notice of Appeal dated January 6, 1994; id. at 220.

[14] Rollo, p. 117.

[15] Id. at 86-116.

[16] Id. at 119-120.

[17] CA-G.R. 05886-R, March 10, 1977.

[18] Petitioner's Memorandum dated August 5, 2005; rollo, pp. 302-364.

[19] Respondents' Comment dated November 16, 2004; id. at 189-247 (with annexes).

[20] Per record, the first written notice sent by Marciano was dated April 20, 1987 essentially stating that Leon may get the lease rentals worth P10,000.00 from Marciano's residence until May 4, 1987. If Leon failed to get

said rentals before said date, said amount would be deposited in the Republic Planters Bank-Sta. Rosa Laguna Branch under Leon's name. The second written notice was dated October 1, 1987 essentially stating that if Leon or any of his representatives failed to get the lease rentals on or before October 15, 1987, Marciano would sell the palay due to Leon and deposit the proceeds thereof in the same bank under Leon's name. (Records, pp. 115-116.)

[21] TSN, March 5, 1990, p. 14.

[22] Rollo, pp. 469-501.

[23] CA rollo, p. 103.

[24] Respondents' Memorandum filed on October 18, 2005; rollo, pp. 383-425.

[25] Id. at 119-120.

[26] Id. at 86-116.

[27] Respondents' Opposition to the Motion for Extension of Time to File Petition for Review dated August 4, 2004; id. at 14-17.

[28] Id. at 3-7.

[29] Respondents' Supplement to the Memorandum dated June 13, 2007; id. (unpaged).

[30] Id. at 8-10.

[31] Land Bank of the Philippines v. Planters Development Bank, G.R. No. 160395, May 7, 2008, citing Great Southern Maritime Services Corporation v. Acuña, 452 SCRA 422 (2005) and Barnes v. Padilla, 461 SCRA 533 (2005).

[32] G.R. No. 173415, March 28, 2008, 550 SCRA 348, 364, citing Neypes v. Court of Appeals, 469 SCRA 633, 643 (2005).

[33] Iglesia ni Cristo v. Ponferrada, G.R. No. 168943, October 27, 2006, 505 SCRA 828, 843.

[34] Ros v. Department of Agrarian Reform, G.R. No. 132477, August 31, 2005 468 SCRA 471, 483-484, citing Bautista v. Mag-isa Vda. de Villena, 438 SCRA 259, 262-263 (2004).

[35] G.R. No. 163285, February 27, 2008, 547 SCRA 30, 40.

[36] 2003 DARAB Rules of Procedure, Rule II, Section 1, Item No. 1.4.

[37] Moraga v. Somo, G.R. No. 166781, September 5, 2006, 501 SCRA 118, 133-134, citing Mon v. Court of Appeals, 427 SCRA 165, 171-172 (2004), Bernas v. Court of Appeals, 225 SCRA 119, 129 (1993), and Department of Agrarian Reform v. Franco, 471 SCRA 74, 93 (2005).

[38] Roxas & Co., Inc., v. Court of Appeals, G.R. No. 127876, December 17, 1999, 321 SCRA 106, 154.

[39] Tan v. Commission on Elections, G.R. Nos. 166143-47, November 20, 2006, 507 SCRA 352, 373.

[40] Entitled "An Act to Ordain the Agricultural Land Reform Code and to Institute Land Reforms in the Philippines, Including the Abolition of Tenancy and the Channeling of Capital into Industry, Provide for the Necessary Implementing Agencies, Appropriate Funds therefor and for other purposes;" which took effect on August 8, 1963.

[41] Mon v. Court of Appeals; supra note 37, at 177.

[42] Heirs of Enrique Tan, Sr. v. Pollescas, G.R. No. 145568, November 17, 2005, 475 SCRA 203, 212.

[43] G.R. No. L-16963, April 26, 1961, 1 SCRA 1106, 1108, citing Section 50 (c), Republic Act 1199 and Paz, et al. v. Santos, et al., L-12047, September 30, 1959 (unreported- 106 Phil. 1161).

[44] Webster's Third New International Dictionary of the English Language Unabridged, Copyright © 1993.

[45] Id.

[46] Records, p. 112.

[47] Supra note 20.

[48] Records, p. 119.

[49] Id. at 120 and 122.

[50] Id. at 121.

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