

**FELIXBERTO CUBERO, NERISSA C. NATIVIDAD, JUDY U. LIM,
MANUEL R. LAHOZ, SOTERO DIOLA AND BELLE CORPORATION,
PETITIONERS, VS. LAGUNA WEST MULTI-PURPOSE COOPERATIVE,
INC., AND ATTY...**

G.R. NO. 166833. November 30, 2006

Ponente: CARPIO MORALES, J.

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CARPIO MORALES, J.:

The present petition raises the issue of jurisdiction over the subject matter.

Individual petitioners Felixberto Cubero, Nerrisa[1] C. Natividad, Judy U. Lim, Manuel R. Lahoz and Sotero Diola are the registered owners of various parcels of land covered by twelve (12) Transfer Certificates of Title (TCTs).[2] The properties cover a total land area of about 78,178 square meters located in Barangay Suplang, Tanauan, Batangas.

In August 2003, each of the individual petitioners entered into a Joint Venture Development Agreement with co-petitioner Belle Corporation to develop the properties as part of an agricultural farm lot subdivision project known as "Plantation Hills at Tagaytay Greenlands Phase I" (the Project) for eventual sale to the public.[3]

With the development of the Project in full swing in mid-2004, respondent Laguna West Multi-Purpose Cooperative, Inc. (Laguna West Cooperative) filed 9 ex-parte petitions[4] with the Regional Trial Court (RTC) of Tanauan City, for inscription of an adverse claim, the annotation of which the Registrar of Deeds allegedly failed to carry over to the TCTs of individual petitioners under the Property Registration Decree[5].

In its petitions before the RTC, respondent Laguna West Cooperative claimed that as early as April 1996 it entered into separate Joint Venture Agreements (JVAs) with the herein individual petitioners' predecessors-in-interest Zacarias P. Narvaez, Filizardo[6] N. Contreras, Eladio Contreras, Anacleto P. Narvaez, Victor P. Ortilla, Rafael Maranan, Felipe Maranan, Elinio B. Mangubat, Joaquin N. Olaes and Salvador Alberto;[7] and that it registered the JVAs in August 2000 on the previous owners' titles by way of an Adverse Claim under Entry No. 199352 and/or 168016.

Laguna West Cooperative added that the petitions were filed to rectify the omission or error and to protect its vested, subsisting and valid rights under the JVAs.

Accompanying the petitions were Notices of Lis Pendens[8] addressed to the Register of Deeds, Tanauan, Batangas.[9]

Getting wind of the petitions filed by Laguna West Cooperative, petitioners also filed a Complaint[10] with the RTC of Tanauan, for "Annulment of Joint Venture Agreements with prayer for the issuance of a TRO and/or writs of Preliminary Injunction and Preliminary Mandatory Injunction and for Damages" against herein respondents Laguna West Cooperative and Atty. Abraham Bermudez[11] in the latter's capacity as Registrar of Deeds of

Tanauan.

In their Complaint, petitioners asserted that the April 1996 JVAs between Laguna West Cooperative and individual petitioners' predecessors-in-interest are void ab initio since they were executed within the 10-year prohibitory period under Republic Act No. 6657 (COMPREHENSIVE AGRARIAN REFORM LAW OF 1988),^[12] the titles covering the properties having emanated from emancipation patents granted in November 1988 pursuant to Presidential Decree No. 27.

Petitioners alleged too in their complaint that the JVAs fall under management contracts prohibited under Republic Act No. 6657.

Invoking Article 1409^[13] of the Civil Code, petitioners urged the RTC to declare the JVAs inexistent and void for being contrary to law and public policy.

By Order of September 15, 2004, the RTC dismissed petitioners' complaint, finding

. . . that [as] the JVAs cover or involve land grants under the Presidential Decree No. 27 and allied agrarian reform laws, the Department of Agrarian Reform, through its adjudication board (DARAB), has primary jurisdiction to determine the validity or invalidity thereof.^[14]

For lack of merit, the RTC denied petitioners' motion for reconsideration, hence, the present petition for review on certiorari which raises a pure question of law.

The petition fails.

It is axiomatic that what determines the nature of an action, as well as which court has jurisdiction over it, are the allegations in the complaint and the character of the relief sought.^[15] In the determination of jurisdiction, the status or relationship of the parties, as well as the nature of the question that is the subject of their controversy, is also considered.^[16]

The Department of Agrarian Reform (DAR) is vested with primary jurisdiction to determine and adjudicate agrarian reform matters, with exclusive original jurisdiction over all matters involving the implementation of agrarian reform except those falling under the exclusive jurisdiction of the Department of Agriculture and the Department of Environment and Natural Resources.^[17] Original jurisdiction means jurisdiction to take cognizance of a cause at its inception, try it and pass judgment upon the law and facts, while exclusive jurisdiction precludes the idea of co-existence and refers to jurisdiction possessed to the exclusion of others.^[18]

The DARAB has been created to assume the adjudicative powers and functions of the DAR.^[19] Thus, the DARAB has been vested with jurisdiction to try and decide all agrarian disputes, cases, controversies, and matters or incidents involving the implementation of the Comprehensive Agrarian Reform Program (CARP).^[20] Its jurisdiction encompasses cases involving the "rights and obligations of persons, whether natural or juridical, engaged in the management, cultivation and use of all agricultural lands" covered by Republic Act No. 6657 and other agrarian laws.^[21]

The RTC amplified its dismissal of petitioners' complaint in this wise:

There is no question that the instant case does not involve agrarian dispute and that the parties have no tenurial relationship. The Court dismissed the complaint not because the subject of the questioned JVAs is an agricultural land as erroneously assumed by the plaintiffs. The complaint was dismissed because it involves controversy or issue in the implementation of R.A. 6657 – that is – whether or not the agricultural land beneficiaries has reneged its (sic) obligation by entering in the joint venture agreements and whether the terms thereof are violative of Sections 27 and 73 of the said Act including the restrictions annotated on the

emancipation patents certificates[.][22] (Underscoring supplied)

The finding of the RTC that petitioners' complaint does not involve an agrarian dispute is a narrow and restrictive view of the nature of an agrarian dispute. In the recent case of *Islanders CARP-Farmers Beneficiaries Multi-Purpose Cooperative Development, Inc. v. Lapanday Agricultural and Development Corp.*,[23] this Court elucidated on the scope of an agrarian dispute, viz:

The Department of Agrarian Reform Adjudication Board (DARAB) has jurisdiction to determine and adjudicate all agrarian disputes involving the implementation of the Comprehensive Agrarian Reform Law (CARL). Included in the definition of agrarian disputes are those arising from other tenurial arrangements beyond the traditional landowner-tenant or lessor-lessee relationship. Expressly, these arrangements are recognized by Republic Act No. 6657 as essential parts of agrarian reform. Thus, the DARAB has jurisdiction over disputes arising from the instant Joint Production Agreement entered into by the present parties.[24] (Emphasis and underscoring supplied).

In that case, the petitioner filed with the RTC a complaint for declaration of nullity of a Joint Production Agreement. Upon motion, the case was dismissed for lack of jurisdiction. The Court of Appeals affirmed the dismissal. The petitioner elevated the matter to this Court, contending that there being no tenancy or leasehold relationship between the parties, the case does not constitute an agrarian dispute cognizable by the DARAB.

In denying the petition in *Islanders*, this Court held that while the relationship between the parties was not one of tenancy or agricultural leasehold, the controversy nonetheless fell within the sphere of agrarian disputes, citing, among other authorities, *Department of Agrarian Reform v. Cuenca*,[25] which held:

All controversies on the implementation of the Comprehensive Agrarian Reform Program (CARP) fall under the jurisdiction of the Department of Agrarian Reform (DAR), even though they raise questions that are also legal or constitutional in nature. All doubts should be resolved in favor of the DAR, since the law has granted it special and original authority to hear and adjudicate agrarian matters.[26]

The JVAs subject of the petition for annulment of petitioners precisely involve the development and utilization of the subject agricultural lands. As successors-in-interest of the beneficiaries of the agricultural lands, individual petitioners seek to nullify the JVAs. Since the controversy involves the rights and obligations of persons engaged in the management, cultivation and use of an agricultural land covered by CARP, the case falls squarely within the jurisdictional ambit of the DAR.[27]

It bears emphasis that a resolution of the instant case principally entails a determination of the alleged commission of prohibited acts under Sections 27 and 73[28] of Republic Act No. 6645. In cases where allegations of violation or circumvention of land reform laws have been raised, this Court has declined to address them, it stating that petitioners must first plead their case with the DARAB.[29] There is no reason why this Court should now hold otherwise.

WHEREFORE, the petition is hereby DENIED.

SO ORDERED.

Quisumbing, (Chairperson), Carpio, Tinga, and Velasco, Jr., JJ., concur.

[1] Spelled as "Nerissa" in the Verification/Certification portion of the Petition.

[2] Rollo, pp. 55-66, viz, Cubero in TCT Nos. T-100351, T-100372 and T-100369; Natividad in TCT No. T-100355; Lim in TCT Nos. T-100362, T-100363, T-100367 and T-100361; Lahoz in TCT Nos. T-100354 and

T-100370; and Diola in TCT Nos. T-100360 and T-100364.

[3] Rollo, pp. 67-108.

[4] Id. at 109-137. Docketed as Case Nos. LOD-04-07-1708, LOD-04-06-1623, LOD-04-06-1625, LOD-04-07-1707, LOD-04-07-1709, LOD-04-07-1650, LOD-04-06-1624, LOD-04-07-1648 and LOD-04-07-1649. Three of the 9 petitions embrace 2 TCTs.

[5] Pres. Decree No. 1529, Sec. 59: Carry over of encumbrances — If, at the time of any transfer, subsisting encumbrances or annotations appear in the registration book, they shall be carried over and stated in the new certificate or certificates, except so far as they may be simultaneously released or discharged.

[6] Spelled as "Felizardo" in the Emancipation Patent-TCT.

[7] Rollo, pp. 142-212.

[8] The pendency of these 9 petitions, in turn, was made the basis to request the annotation of notices of lis pendens.

[9] Subsequently, seven (7) petitions were dismissed by the RTC of Tanauan City, Branch 6, in separate orders dated 10 and 24 August 2004, stating that the filing of the petitions was "unnecessary because the law directs, and it is the duty of, the Register of Deeds to carry the annotation... to the new title" and that there was no allegation that the Register of Deeds refuses to perform the function, necessitating the aid and intervention of the court. See rollo, pp. 238-244.

[10] Docketed as Civil Case No. 04-08-1770, rollo, pp. 35-54.

[11] Spelled as "Vermudez" in the copies of titles on record.

[12] Republic Act No. 6657, Sec. 27:

Transferability of Awarded Lands. — Lands acquired by beneficiaries under this Act may not be sold, transferred or conveyed except through hereditary succession, or to the government, or to the LBP, or to other qualified beneficiaries for a period of ten (10) years; Provided, however, that the children or the spouse of the transferor shall have a right to repurchase the land from the government or LBP within a period of two (2) years. Due notice of the availability of the land shall be given by the LBP to the Barangay Agrarian Reform Committee (BARC) of the barangay where the land is situated. The Provincial Agrarian Reform Coordinating Committee (PARCCOM), as herein provided, shall, in turn, be given due notice thereof by the BARC.

x x x

[13] The following contracts are inexistent and void from the beginning:

(1) Those whose cause, object or purpose is contrary to law, morals, customs, good customs, public order or public policy; x x x.

[14] Rollo, p. 30.

[15] *Morta, Sr. v. Occidental*, G.R. No. 123417, June 10, 1999, 308 SCRA 167.

[16] *Vesagas v. Court of Appeals*, G.R. No. 142924, December 5, 2001, 371 SCRA 508.

[17] See note 11. Sec. 50; Exec. Order No. 229 (1987) "PROVIDING THE MECHANISMS FOR THE IMPLEMENTATION OF THE COMPREHENSIVE AGRARIAN REFORM PROGRAM", Sec. 17.

[18] Ong, Sr. v. Parel, G.R. No. L-76710, December 21, 1987, 156 SCRA 768.

[19] Exec. Order No. 129-A (1987) "REORGANIZING AND STRENGTHENING THE DEPARTMENT OF AGRARIAN REFORM AND FOR OTHER PURPOSES," Sec. 13.

[20] Centeno v. Centeno, G.R. No. 140825, October 13, 2000, 343 SCRA 153, citing the REVISED RULES OF THE DARAB, Rule II, Sec 1.

[21] DARAB 2003 RULES OF PROCEDURE, Rule II, Sec. 1, par. 1.1.

[22] Order dated January 14, 2005, rollo, p. 33.

[23] G.R. No. 159089, May 3, 2006, 489 SCRA 80.

[24] Id. at 81.

[25] G.R. No. 154112, September 23, 2004, 439 SCRA 15.

[26] Id. at 17.

[27] Supra note 21; see also Islanders, supra, p. 87; Social Security System v. Department of Agrarian Reform, G.R. No. 139254, March 18, 2005, 453 SCRA 659.

[28] Supra note 12, Sec. 73. Prohibited Acts and Omissions. — The following are prohibited:

x x x

(f): The sale, transfer, conveyance by a beneficiary of the right to use, or any other usufructuary right over the land he acquired by virtue of being beneficiary, in order to circumvent the provisions of this Act.

[29] Gala v. Ellice Agro-Industrial Corp., G.R. No. 156819, December 11, 2003, 418 SCRA 431.

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