

SPOUSES ILUMINADA CAPITLE AND CIRILO CAPITLE, PETITIONERS, VS. FORTUNATA ELBAMBUENA AND ROSALINDA C. OLAR, RESPONDENTS.

G.R. NO. 169193. November 30, 2006

Ponente: CARPIO MORALES, J.

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CARPIO MORALES, J.:

The parcel of agricultural land subject of the present controversy contains 1.8144 hectares, identified as Lot 1849 (the lot), and situated in Barangay Valle, Talavera, Nueva Ecija.

A Certificate of Land Ownership Award (CLOA) was issued to Cristobal Olar (Olar) covering the lot on account of which he was issued Transfer Certificate of Title No. CLOA-0-3514.

Respondents Fortunata Elbambueno (Fortunata) and Rosalinda Olar (Rosalinda), spouse and daughter-in-law, respectively, of Olar, now deceased, claim that Olar relinquished one-half or 0.9072 hectare of the lot to Rosalinda by a "Kasunduan"[1] dated July 17, 1992 the execution of which was witnessed by petitioner Cirilo Capitle; and that the remaining portion of the lot was surrendered to Fortunata by an undated document.[2]

Respondents, alleged that on petitioners' request, petitioners were allowed to occupy the lot to pursue a means of livelihood. Since 1990, however, petitioners did not pay rentals despite demand therefor, and neither did they heed the demand to return the possession of the lot, drawing respondents to file a Petition for Recovery of Possession and Payment of Back Rentals[3] against petitioners before the Department of Agrarian Reform Adjudication Board (DARAB) Regional Office in Talavera, Nueva Ecija, docketed as DARAB Case No. 5987'NNE'96.

Petitioners, on the other hand, claiming that they have been in possession of the lot since 1960, presented a "Waiver of Rights"[4] executed by Olar wherein he renounced in their favor his rights and participation over the lot; a "Sinumpaang Salaysay"[5] wherein Olar acknowledged that he co-possessed the lot with petitioner Capitle since 1960; and a Pinagsamang Patunay [6] from the Barangay Agrarian Reform Committee (BARC) Chairman and barangay chairman of Valle certifying that they (petitioners) are the actual tillers and possessors of the lot.

Petitioners further claim that since 1959, respondent Fortunata was already separated from Olar and she even remarried, thus giving her no right to inherit from Olar.

While respondents' petition in DARAB Case No. 5987'NNE'96 was pending before the Provincial Agrarian Reform Adjudicator (PARAD), petitioners filed before the Municipal Agrarian Reform Officer (MARO) of Talavera, Nueva Ecija a petition for cancellation of the CLOA issued to Olar, docketed as DARAB Case No. 6261'NNE'97, claiming that they are the new farmer-beneficiaries as shown by, among other things, the "Waiver of Rights" executed by Olar.

By Decision[7] dated August 20, 1997 which jointly resolved DARAB Case Nos. 5987'NNE'96 and 6261'NNE'97, the PARAD ruled in favor of petitioners, the decretal portion of which reads:

WHEREFORE, premises considered, judgment is hereby rendered: ORDERING AND DECLARING

- DARAB Case No. 5987'NNE'96 DISMISSED for lack of merit;
- The recall/cancellation of TCT No. CLOA-0-3514 previously issued to the late Cristobal Olar;
- The PARO, DAR-North, Talavera, Nueva Ecija thru the Chief, Landed Estate Section to cause the issuance of a new CLOA in the name of Iuminada Capitle married to Cirilo Capitle;
- The Register of Deeds of Nueva Ecija to cancel TCT No. CLOA-0-3514 adverted to if the same is already registered and cause the registration of a new CLOA in the name of Iuminada Capitle married to C[i]rilo Capitle; and
- Other claims and counterclaims likewise DISMISSED for lack of legal basis.[8]

Respondents appealed the decision to the DARAB, arguing that the PARAD erred in holding that:

I.

. . . PETITIONERS FORTUNATA ELBAMBUENA AND ROSALINDA OLAR CAN NO LONGER RECOVER POSSESSION OVER THE SUBJECT FARM LOT, MUCH LESS DEMAND PAYMENT OF LEASE RENTALS FROM THE RESPONDENTS.

II.

. . . THE PETITION FOR RECALL/CANCELLATION OF TCT NO. CLOA-0-3514 PREVIOUSLY ISSUED TO THE LATE CRISTOBAL OLAR WOULD PROSPER.[9]

By Decision[10] of December 29, 2003, the DARAB set aside the PARAD's decision, disposing as follows:

WHEREFORE, premises considered, the appealed decision is SET ASIDE and a new judgment is hereby rendered:

- Ordering Spouses Capitle and any or all persons acting in their behalf to immediately vacate the subject landholding and deliver the same to Fortunata Elbambuena and Rosalinda C. Olar;
- Ordering the issuance of CLOA in favor of Fortunata Elbambuena and Rosalinda C. Olar as legal heirs of Cristobal Olar.
- Setting aside the decision of the Adjudicator a quo in DARAB Regional Case No. 6261'NNE'97 for lack of jurisdiction over the persons of the Heirs of Cristobal Olar;
- The demand for back lease rentals by [respondents] is denied for lack of merit.[11]

Petitioners elevated the case to the Court of Appeals via petition for review, arguing that the DARAB erred:

- IN CONCLUDING THAT THE POSSESSION OF LOT NO. 1849 since 1960 DESERVES NO MERIT THERE BEING NO BASIS BOTH IN FACT AND IN LAW;
- THAT THE PRESUMPTION, THE CLOA WAS ISSUED TO CRISTOBAL OLAR IN THE REGULAR COURSE [OF] OFFICIAL FUNCTION WAS NEVER OVERCOME BY CONTRARY EVIDENCE;
- THAT THE WAIVER EXECUTED BY CRISTOBAL OLAR IN FAVOR OF SPS. CAPITLE IS VOID FOR BEING CONTRARY TO LAW AND PUBLIC POLICY;
- IN CONCLUDING THAT THE TRANSFER ACTION CONDUCTED BY THE SAMAHANG NAYON OF VALLE, TALAVERA, NUEVA ECIA CONTAINS SUBSTANTIAL AND MATERIAL DEFECTS; [and]

- IN CONCLUDING THAT THE CANCELLATION OF TCT No. CLOA-0-3514 DOES NOT BIND FORTUNATA ELBAMBUENA AND ROSALINDA OLAR BECAUSE THEY WERE NOT MADE PARTY TO DARAB CASE NO. 6261'NNE'97.[12]

By the challenged Decision of November 23, 2004,[13] the appellate court affirmed in toto the DARAB decision, ratiocinating as follows:

The DARAB correctly found that petitioners-appellants' possession of the questioned property since 1960 is of dubious legality. No amount of possession under whatever claim (actual tilling and actual possession) can clothe petitioner-appellants with any lawful right over the questioned property. Reason: It can be gleaned from the factual antecedents that petitioners-appellants' stay in Cristobal Olar's property was, or had been, by mere tolerance of respondents-appellees. Indeed, so much is clear from the averments on page 5 of their petition: "xxx; that Cristobal Olar beginning 1959 up to the time of his death in 1995 lived all alone by himself and his companions in his house are the Spouses Iluminada and Cirilo Capitle xxx." These averments, being in the nature of judicial admissions, are conclusive and binding on petitioners-appellants and can no longer be controverted. This simply meant that no title of ownership as farmer beneficiary was passed unto the Capitles, thereby rendering ineffective the certification issued by the MARO of Talavera, Nueva Ecija. Even the Board Resolution of the Samahang Nayon of Valle, Talavera, Nueva Ecija, naming the Capitles as new allocatees of the landholding, had no binding effect, as the said samahang nayon is not the proper authority under the law with power to pass upon the legal issue as to who rightfully deserves to own Cristobal Olar's landholding after him. Besides which, there was nothing amiss with the DARAB's ruling relative to the issuance of the Certificate of Land Ownership Award to Cristobal Olar, as this was done in the regular course of an official function. It simply established the fact that petitioners-appellants' claim could in no way legally stand against Cristobal Olar, whose title under the CLOA cannot be overthrown or supplanted by some organizational resolution and/or barangay attestations/certifications. On the other hand, Cristobal Olar's death substantially passed all his rights and interest in and over the subject property to his legal heirs by operation of law. In the case at bench, to herein respondents-appellees: to Fortunata Elbambuena, being his surviving wife, and to Rosalinda Olar, his son's surviving spouse, acting for and in behalf of her children with Nemesio Olar. This is as it should, considering that rights to the succession are transmitted from the moment of death of the decedent. And since Fortunata Elbambuena and Rosalinda Olar's relationship with Cristobal Olar was in this case never put in issue, their being legal heirs of the deceased gave them unqualified right to participate in all proceedings affecting the subject property.

What is more, as shown in the records, the respondent in DARAB Case No. 6261'NN[']97 was the MARO OF TALAVERA, N.E. Private respondents-appellees were not impleaded therein. But as heirs of Cristobal Olar, private respondents-appellees ought to have been so impleaded. The Rules mandate that the full names of all the real parties in interest whether natural or juridical persons or entities authorized by law shall be stated in the caption of the complaint or petition. Who is a "real party in interest"? He is that party who stands to be benefited or injured by the judgment in the suit, or the party entitled to the avails of the suit. Tested by this criterion, Fortunata Elbambuena's legitimate and Rosalinda Olar stood to be "injured" by the glaringly erroneous decision of the PARAD, Talavera, Nueva Ecija. Hence, that decision must be vacated, it having transgressed substantive rights protected by law.[14] (Emphasis and italics in the original; underscoring supplied)

Hence, the present petition which reiterates the above-enumerated errors petitioners proffered before the appellate court.

Petitioners maintain that their possession since 1960 was satisfactorily established by evidence including Olar's "Waiver of Rights," Board Resolution of the Samahang Nayon of Valle naming petitioners as new allocatee, Joint Certification of the BARC Chairman and barangay chairman, and MARO Certification that they have been in actual possession of the lot.

Although the CLOA was issued to Olar, petitioners contend that their preferential right over the lot should be

recognized, they being the transferees pursuant to the "Waiver of Rights" and the actual tillers thereof.

Petitioners concede that although Olar's death passed all his rights and interest over the lot to his legal heirs, his intent of not bequeathing them to his estranged wife but to a relative, who helped him in tilling the lot and who took care of him, should be accorded respect over the intent of the law on hereditary succession.

Finally, petitioners claim that respondents are not qualified to become farmer-beneficiaries under the CARP as they did not till or cultivate the property nor help Olar in his farming activities.

The petition fails.

Petitioners' argument that "[i]t would be absurd for [Olar] to bequeath his property to his estranged wife not to a relative who had indeed helped him in tilling the property and [took] good care of his needs,"[15] is a virtual admission that their possession was not in the concept of owners, they having merely "helped" in tilling the lot, thereby acknowledging that Olar was the actual possessor and tiller.

Absent evidence to the contrary, the presumption that the public officers who issued the CLOA to Olar regularly performed their duties, including adhering to the provisions of Section 22 of the Comprehensive Agrarian Reform Law (CARL) which provides:

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

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

Provided, however, That the children of landowners who are qualified under Section 6 of this Act shall be given preference in the distribution of the land of their parents; And provided further, That actual tenant-tillers in the landholding shall not be ejected or removed therefrom.

Beneficiaries under Presidential Decree No. 27 who have culpably sold, disposed of, or abandoned their land are disqualified to become beneficiaries under this Program.

A basic qualification of a beneficiary shall be his willingness, aptitude and ability to cultivate and make the land as productive as possible. The DAR shall adopt a system of monitoring the record of performance of each beneficiary, so that any beneficiary guilty of negligence or misuse of the land or any support extended to him shall forfeit his right to continue as such beneficiary. The DAR shall submit reports on the performance of the beneficiaries to the PARC.

x x x x,

thus stands.

Even assuming arguendo that petitioners were indeed the actual tillers of the lot, their petition for the cancellation of the CLOA issued in favor of Olar would not bind respondents as they were not impleaded.

Although estranged from Olar, respondent Fortunata remained his wife and legal heir, mere estrangement not being a legal ground for the disqualification of a surviving spouse as an heir of the deceased spouse.[16]

Rosalinda, on the other hand, is the surviving spouse of Olar's son. The two are thus real parties-in-interest who stand to be injured or benefited by the judgment on the cancellation of the CLOA issued in Olar's name.[17]

WHEREFORE, the petition is DENIED.

Costs against petitioners.

SO ORDERED.

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

[1] Department of Agrarian Reform Adjudication Board (DARAB) records, p. 2. (The DARAB records are paginated from pp. 192-1).

[2] Id. at 16.

[3] Id. at 6-3.

[4] Id. at 94.

[5] Id. at 26.

[6] Id. at 25.

[7] Id. at 103-99.

[8] Id. at 99.

[9] Id. at 120.

[10] Id. at 177-170.

[11] Id. at 171-170.

[12] Court of Appeals (CA) rollo, pp. 8-9.

[13] CA rollo, pp. 136-146. Penned by Court of Appeals Associate Justice Renato C. Dacudao, with the concurrence of Justices Edgardo F. Sundiam and Japar B. Dimaampao.

[14] Id. at 143-145.

[15] Rollo, p. 17.

[16] Baritua v. Court of Appeals, G.R. No. 82233, March 22, 1990, 183 SCRA 565, 570.

[17] De Leon v. CA, 343 Phil. 254, 265 (1997).

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