

**SPS. TERESITO Y. VILLACASTIN AND LOURDES FUA VILLACASTIN,
PETITIONERS, VS. PAUL PELAEZ, RESPONDENT.***G.R. No. 170478. May 22, 2008*Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-170478/>**TINGA, J.:**

A conflict of jurisdiction between the Department of Agrarian Reform Adjudication Board (DARAB) and the regular trial courts is at the core of the present case. Petitioners question the Decision[1] of the Court of Appeals dated February 7, 2005, in CA-G.R. SP. No. 83873, which upheld the primary and exclusive jurisdiction of the DARAB in cases involving the use or possession of lands covered by agrarian laws.

The facts, as culled from the record, are as follows:

On June 29, 1976, respondent Paul Pelaez and his wife mortgaged their agricultural lands bearing Original Certificates of Title Nos. 0-10343, 0-10344 and 0-10345, situated in Barrio Kodia, Madridejos, Cebu, to the Development Bank of the Philippines (DBP) Bogo Branch, Cebu. For failure of the Pelaez spouses to pay their mortgage obligation, the properties were foreclosed and subsequently sold at public auction.

The purported tenants of the property, Anastacio Alob, Francisco Alob, Jesus Cordova, Manuel Sanchez, Elia Giltendez, Flora dela Peña, Eliseo Rayco, Benjamin Santillan, Pascual Gilbuena, Jesus Alob, Renaldo Grande, and Julieto Manzueto, filed an action to annul the mortgage, foreclosure and sale of the properties, claiming that they are the owners thereof under Presidential Decree No. 27. the case was docketed as Reg. Case No. VII-76-C-90.

In the meantime, on May 10, 1988, petitioners filed a Complaint for Forcible Entry with Prayer for a Writ of Preliminary Mandatory Injunction,[2] docketed as Civil Case No. 79, with the First Municipal Circuit Trial Court (MCTC) of Bantayan, Cebu, against respondent and a certain Elesio Monteseven. The complaint averred that plaintiffs (petitioners herein) are the owners and actual possessors of the subject landholding and that defendants, having entered the property through stealth and strategy, unlawfully deprived plaintiffs of possession thereof.

Respondent countered that he is the owner of the subject property, which was foreclosed by the DBP and later purchased by petitioners at an auction sale. Petitioners, however, were allegedly never in possession of the subject property as they failed to apply for a writ of possession therefor. Respondent further claimed that he had redeemed the property on March 3, 1988 and accordingly reacquired possession thereof.[3]

Meanwhile, the Provincial Agrarian Reform Adjudicator in Cebu rendered a decision in Reg. Case No. VII-76-C-90 dated February 15, 1993, in favor of the tenants, the dispositive portion of which states:

WHEREFORE, in the light of the foregoing view, DECISION is hereby rendered as follows:

- Declaring complainants herein with the exception of Silbino Arranquez[,] Jr. and Claro Gilbuela who earlier withdraw from this case as bonafide tenant farmers of the parcels in question covered by P.D. [No.] 27;
- Declaring the mortgage executed by Sps. Paul and Elnora Pelaez to respondent DBP and the subsequent

foreclosure and eventual sale thereof to Sps. Teresito and Lourdes Villacastin as null and void ab initio as it is contrary to law, public order and public policy;

- Declaring complainants herein to properly account their deposited shares/lease rentals before the DAR office of Bantayan[,] Cebu and deliver the said deposited [share/lease] rentals including the forthcoming harvest thereon to respondent landowners Sps. Paul and Elnora Pelaez with the assistance of the MARO of Bantayan, Madridejos, Cebu.

- No pronouncement as to cost.[4]

This decision was affirmed by the DARAB in a Decision[5] dated February 22, 2000.

On January 6, 2000, the MCTC rendered judgment in Civil Case No. 79 in favor of petitioners and disposed as follows:

WHEREFORE, premises considered, defendant is hereby ordered:

- a) To return to plaintiffs possession of the parcel of land above-described and vacate the premises;
- b) To pay the costs of litigation;
- c) Moral and exemplary damages not recoverable in ejectment suit is denied;
- d) Expenses claimed not duly proven are disallowed;
- e) To release in favor of the plaintiffs the cash bond the sum of P5,000.00 deposited pursuant to the issuance of a Writ of Preliminary Mandatory Injunction.[6]

In a Decision[7] dated March 10, 2004, the Regional Trial Court (RTC) of Dakit, Bogo, Cebu, Branch 61, affirmed the MCTC decision.

The Court of Appeals, however, ruled that regular courts should respect the primary jurisdiction vested upon the DARAB in cases involving agricultural lands such as the property subject of this case. Accordingly, it set aside the decision rendered by the RTC and the MCTC, and dismissed the complaint for forcible entry filed by petitioners in this case.

The appellate court denied reconsideration in its Resolution[8] dated November 11, 2005.

Petitioners contend that Civil Case No. 79 did not involve any agrarian matter and thus, the MCTC correctly exercised jurisdiction over the case.

In his Comment[9] dated March 21, 2006, respondent underscores the fact that the parcels of land subject of this case are tenanted agricultural lands. Before judgment was rendered in the forcible entry case, the tenants of the property already filed a suit with the DARAB for the annulment of the real estate mortgage executed by respondent over the same in favor of DBP and the subsequent foreclosure and auction sale in favor of petitioners. The DARAB's decision declaring the mortgage, foreclosure and auction sale null and void became final as regards petitioners who did not appeal from the decision. Respondent asserts that the complaint for forcible entry filed by petitioners had lost its legal basis after the DARAB declared that the foreclosure and auction sale of the subject property were null and void.

Petitioners filed a Reply[10] dated July 28, 2006, insisting that the tenant-farmers involved in the DARAB case were not parties to the forcible entry case, the only defendant therein being respondent in this case. Respondent, in turn, raised the defense of ownership, thereby joining the issues regarding possession and ownership.

Petitioners further note their argument in their Motion for Reconsideration[11] of the Decision of the Court of

Appeals that the subject property had been declared as wilderness area and the same had been classified as alienable and disposable on December 22, 1987. In support of this contention, they submitted a Department of Agrarian Reform Order[12] dated September 12, 1997 to the effect that the subject property falls within the administrative authority or competence of the Department of Environment and Natural Resources (DENR). The order directed the PARO of Cebu and the MARO of Bantayan, Cebu to cease and desist from further activities affecting the subject property under Operation Land Transfer, and to refer the matter to the DENR.

Jurisdiction over the subject matter is determined by the allegations of the complaint.[13] In ascertaining, for instance, whether an action is one for forcible entry falling within the exclusive jurisdiction of the inferior courts, the averments of the complaint and the character of the relief sought are to be examined.[14]

A review of the complaint reveals that the pertinent allegations thereof sufficiently vest jurisdiction over the action on the MCTC. The complaint alleges as follows:

III

That the plaintiffs are the owners and legal as well as actual possessors of a parcel of agricultural land more particularly described as follows:

x x x

IV

That the defendant, sometime in the second week of March 1988, by strategy and through stealth entered the above-described land of the plaintiffs and took possession thereof; thus, depriving said plaintiffs of the possession thereof;

V

That several demands were made the plaintiffs upon the defendants to restore to them the possession of the above-described parcel of land; but, defendants refused and still refuse to restore possession of said property to the plaintiffs;[15]

It has not escaped our notice that no landowner-tenant vinculum juris or juridical tie was alleged between petitioners and respondent, let alone that which would characterize the relationship as an agrarian dispute.[16] Rule II of the DARAB Rules[17] provides that the DARAB "shall have primary jurisdiction, both original and appellate, to determine and adjudicate all agrarian disputes, cases, controversies, and matters or incidents involving the implementation of the Comprehensive Agrarian Reform Program under Republic Act No. 6657, Executive Order Nos. 229, 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."

Petitioners' action is clearly for the recovery of physical or material possession of the subject property only, a question which both the MCTC and the RTC ruled petitioners are entitled to. It does not involve the adjudication of an agrarian reform matter, nor an agrarian dispute falling within the jurisdiction of the DARAB.

Courts have jurisdiction over possessory actions involving public or private agricultural lands to determine the issue of physical possession as this issue is independent of the question of disposition and alienation of such lands which should be threshed out in the DAR.[18] Thus, jurisdiction was rightfully exercised by the MCTC and the RTC.

WHEREFORE, the petition is GRANTED. The Decision of the Court of Appeals in CA-G.R. SP. No. 83873 dated February 7, 2005, and its Resolution dated November 11, 2005, are REVERSED and SET ASIDE. The Decision of the Regional Trial Court of Dakit, Bogo, Cebu, Branch 61, dated March 10, 2004, affirming the

decision of the Municipal Circuit Trial Court of Bantayan, Cebu, dated June 6, 2000, is REINSTATED. No pronouncement as to costs.

SO ORDERED.

Quisumbing, (Chairperson), Velasco, Jr., Leonardo-De Castro, and Brion, JJ., concur.

[1] Rollo, pp. 22-30; penned by Associate Justice Isaias P. Dicdican and concurred in by Associate Justices Pampio P. Abarintos and Vicente L. Yap.

[2] Records, pp. 1-4.

[3] Id. at 32-35.

[4] Id. at 80.

[5] Id. at 79-84.

[6] Id. at 120.

[7] Id. at 85-90.

[8] Id. at 46-47.

[9] Id. at 113-119.

[10] Id. at 128-132.

[11] Id. at 31-38.

[12] Id. at 41-45.

[13] *Sindico v. Diaz*, G.R. No. 147444, October 1, 2004, 440 SCRA 50, 53..

[14] *Sps. Tirona v. Hon. Alejo*, 419 Phil. 285, 297 (2001).

[15] Records, pp. 1-2.

[16] Section 3(d) of R.A. No. 6657 or the Comprehensive Agrarian Reform Law defines "agrarian dispute" over which the DARAB has exclusive original jurisdiction as:

(d) . . . refer[ing] 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.

[17] RULES OF PROCEDURE GOVERNING PROCEEDINGS BEFORE THE DAR ADJUDICATION BOARD AND DIFFERENT REGIONAL AND PROVINCIAL ADJUDICATORS.

[18] *David v. Cordova*, G.R. No. 152992, July 27, 2005, 463 SCRA 307, 403-404.

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