

ANDERSON CO AND JOSE CHUA, PETITIONERS, VS. THE HONORABLE INTERMEDIATE APPELLATE COURT, THE HONORABLE BIENVENIDO D. CHINGCUANGCO, AS PRESIDING JUDGE OF BRANCH XCI, QUEZON CITY, ...*G.R. No. 65928. June 21, 1988*

Ponente: CRUZ, J.

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This petition was filed late as the petitioners themselves admit.[1] Their reason is that they had not yet understood the then new Judiciary Reorganization Law, which is of course no reason at all. On this score alone, the petition should be denied.

Even on the merits, the petition cannot fare any better. The issues raised are mainly factual and are therefore not reviewable by this Court. Appeal under Rule 45 of the Rules of Court is not a matter of right but of sound judicial discretion. Moreover, only questions of law are allowed to be raised and strictly under the conditions therein specified. If this Court had to review every question of fact appealed to it, it would hardly have time for the weightier issues demanding — and deserving — its preferential attention.

The case at bar presents none of the allowable exceptions mentioned in Rule 45 that will warrant reversal of the challenged decision. On the contrary, we find that the factual findings of the respondent court are amply supported by the established evidence even as its legal conclusions are in accord with the applicable law and jurisprudence.

The lot in question was part of a parcel of land originally owned by Toribio Alarcon, who leased it to the Republic Broadcasting System (DZBB) in 1955.[2] Before that, and even before World War II, Miguel Alfonso was already tilling the land as an agricultural tenant, continuing to do so until shortly before his death in 1976.[3] His son-in-law, Joveno Roaring, private respondent herein, who had started helping him in 1968, then completely took over the cultivation of the property in his own right without objection from the DZBB.[4] The lot was later acquired at a foreclosure sale by the Philippine Commercial and Industrial Bank, which transferred it in 1979 to petitioner Anderson Co, who in turn assigned his rights to the other petitioner, Jose Chua, the present owner.[5] Co, later joined by Chua, repeatedly asked Roaring to vacate the property but the latter refused.[6] Efforts at an amicable settlement with the mediation of several government agencies were all unsuccessful.[7] Finally, the petitioners secured a clearance order of demolition from the National Housing Authority, and on November 22, 1980, the house occupied by Roaring on the disputed lot was completely demolished.[8]

Roaring filed a complaint for maintenance of possession and damages against Co and Napoleon Pobre, who had actually

participated in enforcing the demolition order.[9] Chua as owner was later included as an indispensable party defendant.[10] After trial, the court of agrarian relations of Quezon City[11] rendered judgment declaring Roaring

as tenant and/or agricultural lessee of the disputed lot; directing Chua as owner to maintain Roaring in the peaceful cultivation of the said lot, to recognize the tenancy relationship between the DZBB and Roaring, and to give the latter an adequate right of way to and from the said lot; and holding defendants Co, Chua and Pobre solidarily liable to Roaring for damages in the amount of P10,000.00.[12] On appeal, the decision was affirmed by the respondent court except for its modification absolving Pobre from financial liability.[13] Co and Chua then came to this Court in this tardy petition.

The first issue raised by the petitioners is the jurisdiction of the trial court over the land subject of the complaint. While not denying that the disputed lot was agricultural in nature at the time the action was commenced, they argue that its classification was legally changed to residential or light industrial by the zoning ordinance issued by the Metro Manila Commission in 1981. This resulted in the removal of the land from the jurisdiction of the agrarian court and, hence, also of the respondent court when the case was appealed to it.[14]

A reading of Metro Manila Zoning Ordinance No. 81-01, series of 1981, does not disclose any provision converting existing agricultural lands in the covered area into residential or light industrial. While it declared that after the passage of the measure, the subject area shall be used only for residential or light industrial purposes, it is not provided therein that it shall have retroactive effect so as to discontinue all rights previously acquired over lands located within the zone which are neither residential nor light industrial in nature. This simply means that, if we apply the general rule, as we must, the ordinance should be given prospective operation only. The further implication is that it should not change the nature of existing agricultural lands in the area or the legal relationships existing over such lands, including the agricultural lease between Roaring and DZBB.

This is not to suggest that a zoning ordinance cannot affect existing legal relationships for it is settled that it can legally do so, being an exercise of the police power. As such, it is superior to the impairment clause. In the case of *Ortigas & Co. v. Feati Bank*, [15] for example, we held that a municipal ordinance establishing a commercial zone could validly revoke an earlier stipulation in a contract of sale of land located in the area that it could be used for residential purposes only. In the case at bar, fortunately for the private respondent, no similar intention is clearly manifested. Accordingly, we affirm the view that the zoning ordinance in question, while valid as a police measure, was not intended to affect existing rights protected by the impairment clause.

It is always a wise policy to reconcile apparently conflicting rights under the Constitution and so preserve both instead of nullifying one against the other. This policy becomes all the more meaningful as applied to the case at bar, where the right sought to be recognized belongs to an ordinary tenant-farmer claiming the protection of the social justice policy.

We also stress at this point that what determines the competence of the court to act over the subject matter is the allegation in the complaint invoking jurisdiction, not the averment in the answer denying such jurisdiction.[16] In the case at bar, the plaintiff's allegation that he was a tenant-farmer cultivating agricultural land came under Section 12 of P.D. No. 946 providing that courts of agrarian relations (now integrated with the regional trial courts under B.P. Big. 129) shall have original jurisdiction over, first of all, "(a) Cases involving the rights and obligations of persons in the cultivation and use of agricultural land." Furthermore, it is axiomatic that jurisdiction once validly acquired is supposed to be retained despite subsequent laws transferring it elsewhere unless the contrary is indicated.[17]

The petitioners next claim that Roaring cannot qualify as a tenant-farmer because he is a regular full-time employee of the Artex Development Corporation and so cannot physically and personally till the disputed land as required by Section 5(a) of R.A. No. 1199 as amended. To bolster this argument, they point to the fact, which has not been denied, that he has hired transplanter and harvesters to help him in the cultivation of the land.

As correctly observed by the respondent court, the certification of employment[18] submitted by the petitioners does not indicate Roaring's hours of work in the said corporation so "as to establish that it is physically impossible for him to do the work of a tenant. On the other hand, plaintiff was categorical in his testimony that he plowed the land and hired help to complete the threshing and harvesting aspects of the work." Not only Roaring but other witnesses as well testified to his work on the lot, and as categorically as he did. Indeed, no less than four of his immediate neighbors, farmers like himself,[19] declared under oath that they saw Roaring working on his lot and doing the various aspects of farm labor as specified in the above-mentioned law, such as the preparation of the seedbed, the plowing, harrowing and watering of the area under cultivation, the maintenance of dikes and paddies, and the transplanting of the growing plants.

As for his hiring of help to do the transplanting and harvesting, these phases of farm labor are not among those required by the said law to be personally performed by the tenant-farmer. Section 35 thereof expressly allows the employment of helpers. This will not disqualify the tenant-farmer as long as it is shown that, like Roaring in the case at bar, he personally does the plowing, the harvesting, the planting of the seedlings, and the final harrowing before the transplanting of the seedlings.[20]

We also find that Roaring, besides paying rentals, regularly shared the harvest from the lot with the DZBB, which accepted the same and included it in the raffle of prizes held during the regular Christmas program for its employees.[21] That the DZBB was not much interested in such share and that its board of directors had not adopted a resolution recognizing the agricultural lease in favor of Roaring should not signify that the lease does not exist. The acts of the DZBB clearly show that it had impliedly allowed Roaring, in his own right, to continue with the original lease arrangement it had with his father-in-law. Notably, the latter's possession and cultivation of the land from the time it was leased to the DZBB in 1955 and until his death in 1976 were never questioned by the company.

As long as the legal possessor of the land constitutes a person as a tenant-farmer by virtue of an express or implied lease, such an act is binding on the owner of the property even if he himself may not have given his consent to such an arrangement. This is settled jurisprudence.[22] The purpose of the law is to protect the tenant-farmer's security of tenure, which could otherwise be arbitrarily terminated by an owner simply manifesting his non-conformity to the relationship.

At any rate, the determination that a person is a tenant-farmer is a factual conclusion made by the trial court on the basis of evidence directly available to it and will not be reversed on appeal except for the most compelling reasons. As we do not see any such reason in the instant case, we are not justified in rejecting such findings, more so since they have been affirmed in toto by the respondent court in the exercise of its own powers of review.

The petitioners' complaint over the denial of their motion to implead the DZBB as an indispensable party defendant requires no extended discussion. An indispensable party is one without whom the action cannot be finally determined,[23] whose interests in the subject matter of the suit and in the relief sought are so bound up with that of the other parties that his legal presence as a party to the proceeding is an absolute necessity.[24] Tested by this definition, the DZBB cannot be considered an indispensable party. The case at bar could in fact proceed without it; and it is not denied that the DZBB had no interest in the relief demanded from the petitioners, viz. maintenance of Roaring's possession and cultivation of the disputed lot and award of damages. There was no claim for damages against the DZBB and as far as it was concerned Roaring could remain or not in the lot without prejudice either way to its own interests. On the other hand, the petitioners were not prevented from calling on the officers and employees of the DZBB to testify in the trial of the case, as in fact they did, and explain the relationship between their company and the private respondent.

We also sustain the award of damages against the petitioners but for a different reason from that given by the respondent court. The challenged decision held that the private respondent's house should not have been demolished because the evidence showed that he was not a squatter but a lawful lessee.[25] In fact, the demolition order was issued not because he was a squatter but because the house had been constructed without a building permit, as found by the National Housing Authority.[26] This was not clearly established, however, to justify the extrajudicial demolition. As the house was originally constructed in 1948,[27]it could not be expected that Roaring would be able to produce any building permit issued then, considering that it would have been issued not to him but to the original owner, and thirty-two years ago at that. The presumption of regularity should have been applied here, particularly since, as admitted by the municipal attorney of Malabon, where the property was situated, it was not possible for a house constructed without a building permit to be covered by a tax declaration. Roaring's house was covered by Tax Declaration No. 6752.[28]

The evidence shows that Co and Chua, conspiring with Pobre, exercised their influence and approached several government offices, going to as high as Malacañan, to have Roaring's humble house demolished. It is hard to believe that they did this out of a sense of civic duty. More likely, they were motivated by a less altruistic purpose and wanted to punish Roaring for his adamant refusal to vacate the lot where they insisted he had no right to remain as tenant-farmer. What obviously moved them was malice, and the pity of it is that Roaring, pitted against these two influential and rich adversaries, was no match at all. As a result, this humble farmer and his family found themselves homeless, without the accustomed abode in which they had lived for many years.

We do not agree with the finding of the respondent court that Pobre should be absolved from liability. Our reading of the record has convinced us that he took an officious and suspicious part in the demolition of the private respondent's house. His presence and active role at the time of the demolition is something he could not satisfactorily explain and suggests all too plainly an illegitimate connivance with the petitioners to ensure attainment of their malicious purpose.[29] Were it not for the fact that Roaring has not appealed that part of the decision, this Court would have sustained the award in toto and held Pobre solidarity liable with Co and Chua.

Finally, we affirm the identification of the land in question by the trial court and the respondent court as Lot No. C-G-1. This is another factual determination that we do not find any reason to reverse. We note that since this petition was filed with this Court, Chua has commenced an action for ejectment against Roaring on the ground that the latter is illegally occupying not Lot No. C-G-1 but what the complainant calls Lot No. C-G-2. That case is not before us now. What we have decided only is the case at bar. The other case must take its course before it may be reviewed by us if the parties see fit to elevate it to this Court in a proper proceeding.

WHEREFORE, the petition is DENIED, with costs against the petitioners. It is so ordered.

Gancayco and Medialdea, JJ., concur.

Narvasa, J. (Chairman), took no part, related to counsel of one of the parties.

Griño-Aquino, J., took no part. I was a signatory of the IAC decision.

[1] Rollo, pp. 5, 48.

[2] Ibid., p. 24.

[3] Id., pp. 25-26.

[4] Id., p. 26.

[5] Id., pp. 78-79.

[6] Id- pp. 24, 80.

[7] Id., p. 80.

[8] Id., pp. 24, 81.

[9] Id., p. 81.

[10] Id., pp. 81-82.

[11] Id., p- 23.

[12] Id.

[13] Id., p.30.

[14] Id., pp. 8-10, 66-67.

[15] 94 SCRA 533.

[16] Salao v. Crisostomo, 138 SCRA 17; National Mines and Allied Workers' Union (NAMAWUM1F) v. Valero, 132 SCRA 578, citing Gonzalo Puyat & Sons, Inc. v. Labayo, 62 SCRA 488, Filipro. Inc. v. CIR, 46 SCRA 621, and Progressive Labor Association v. Atlas Consolidated Mining & Development Corporation, 33 SCRA 349; Municipality of La Trinidad v. CFL Baguio-Benguet, Branch I, 123 SCRA 81.

[17] Ramos v. Central Bank, 41 SCR A 565 and the cases cited therein; Bueno Industrial & Development Corporation v. Enage, 104 SCRA 600; People v. Buissan, 105 SCRA 547; Lee v. Presiding Judge, MTC of Legaspi City, Branch I, 145 SCRA 408.

[18] Rollo: pp. 90-91.

[19] Vicente Bautista, Dionisio Marcelo, Ignacio Cruz and Armando Oliveros; Rollo. pp. 101-102, citing TSNs, Juno 3. 1981, pp. 55-56; July 6. 1982, pp. 23-27; July 26, 1982, pp. 43-46; and August 3. 1982, pp. 16, 44.

[20] Ibid., p. 101. citing TSN. May II. 1981. pp. 26-29.

[21] Id., p. 28.

[22] Ponce v. Guevarra, 10 SCR A 649; Alarcon v. Santos, 5 SCRA 558; Joya. et al. v. Pareja, 106 Phil. 645: Cunanan v. Aguilar, 85 SCRA 47.c

[23] Moran, Comments on the Rules of Court, Vol. I, 1979 Edition, p. 186.

[24] Ibid., p. 198.

[25] Rollo, pp. 28-29.

[26] Ibid., p. 29.

[27] Id., p. 112, citing the trial court's decision.

[28] Id., p. 110, citing Exh. "II" & TSN, March 17. 1982, p. 180.

[29] Id., pp. 113-114, citing the trial court's conclusion & TSN. March 3, 1982, pp. 78-82.

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