

VICTORINO TORRES, PETITIONER, VS. LEON VENTURA, RESPONDENT.

G.R. No. 86044. July 02, 1990

Ponente: GANCAYCO, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-86044/>

GANCAYCO, J.:

This nation has a wealth of laws on agrarian reform. Such laws were enacted not only because of the constitutional mandate regarding the protection to labor and the promotion of social justice but also because of the realization that there is an urgent need to do something in order to improve the lives of the vast number of poor farmers in our land.

Yet, despite such laws, it is a fact that the agrarian problems which beset our nation have remained unsolved. Majority of our farmers still live a hand-to-mouth existence. The clamor for change has not died down.

One need not go far in order to search for the reason behind this. We all know that our beautifully-worded-agrarian laws have never really been effectively implemented. Unscrupulous individuals have found various ways in order to get around the laws. Loopholes in the law and the ignorance of the poor farmers have been taken advantage of by them. Consequently, the farmers who are intended to be protected and uplifted by the said laws find themselves back to where they started or even in a worse position. We must put a stop to this vicious cycle and the time to do it is now.

This case serves to remind those who are involved in the execution of agrarian laws that it is the farmer-beneficiary's interest that must be primarily served. This also holds that agrarian laws are to be liberally construed in favor of the farmer-beneficiary. Anyone who wishes to contest the rights of the farmer to land given to him by the government in accordance with our agrarian laws has the burden of proving that the farmer does not deserve the government grant.

Posed before Us for resolution in this petition for review on certiorari is the question of to whom ownership and possession of a certain landholding rightfully belongs: to petitioner who was the tiller of the land when Presidential Decree No. 27 was promulgated, or to private respondent in whose favor petitioner transferred his rights over the land in consideration of P5,000.00.

The following facts can be gathered from the records of this cases:

Petitioner was the leasehold tenant of a 4,000 square-meter parcel of land included in the Florencio Firme Estate and located at Caloocan, Cabatuan, Isabela. In 1972, when Presidential Decree No. 27 was signed into law, petitioner was the tiller of the aforementioned piece of land and was automatically deemed owner of the property. Under Presidential Decree No. 27, any form of transfer of those lands within the coverage of the law is prohibited except as otherwise provided therein.

In 1978, urgently in need of money, petitioner was forced to enter into what is called a "selda" agreement, with private respondent, wherein he transferred his rights of possession and enjoyment over the landholding in question

to the latter in consideration of a loan in the amount of P5,000.00 to be paid not earlier than 1980. As part of the agreement, petitioner signed an "Affidavit of Waiver" whereby he waived all his rights over the property in favor of private respondent. According to petitioner, it was also agreed upon by them that upon the payment of the loaned amount, private respondent will deliver possession and enjoyment of the property back to petitioner.

Two years later or in 1980, petitioner offered to pay the loaned amount but private respondent asked for an extension of one more year to continue cultivating the land and enjoying its fruits. Because of this, the money being offered by petitioner to pay for the loan was utilized for other purposes. In 1981, though petitioner really wanted to get the property back, he could not do so because he lacked the necessary funds. It was only in 1985 when petitioner was able to save enough money to make another offer but this time private respondent categorically denied said offer and refused to vacate the land.

Hence, petitioner filed a complaint with the barangay captain of Magsaysay, Cabatuan, Isabela stating therein that he mortgaged his land to private respondent and that he already wanted to redeem it. On the scheduled date of hearing, private respondent failed to appear.

Upon the issuance by the barangay captain of a certificate to file action, petitioner filed a complaint with the Regional Trial Court of Cauayan, Isabela for the recovery of possession of the parcel of land in question. After due trial, the said court rendered a decision in favor of petitioner with the following dispositive portion:

"WHEREFORE, in view of the foregoing considerations, judgment is hereby rendered:

- (1) DECLARING the affidavit of waiver (Exh. 1) executed by the plaintiff waiving his right as a leasehold tenant to the defendant null and void;
- (2) ORDERING the defendant, his agents, tenants or any person or persons acting on his behalf to deliver immediately the possession of the land in question to the plaintiff;
- (3) DECLARING the loan of P5,000.00 received by the plaintiff from the defendant in 1979 including interest thereon considered paid as of December 1, 1983;
- (4) ORDERING the defendant to pay the plaintiff total damages and in the amount of P5,200.00 up to December 1, 1986; and
- (5) ORDERING the defendant to pay the plaintiff 6 cavans of palay at 50 kilos per planting season from December 1, 1986, or their equivalent at the NFA price of P3.50 per kilo, until the possession of the land in question is delivered to the plaintiff."[1]

On appeal to the Court of Appeals, the decision of the trial court was reversed. Hence, this petition for review on certiorari.[2]

Taking into consideration the circumstances surrounding this case and bearing in mind the constitutional mandate on the promotion of agrarian reform, We rule in favor of petitioner.

It is not disputed by private respondent that petitioner was in fact the tiller of the subject land when Presidential Decree No. 27 was promulgated in 1972. As a consequence of the law, petitioner was granted the right to possess and enjoy the property for himself.

The conflict arose when petitioner, by force of circumstances, transferred possession of his land to private respondent in consideration of a sum certain. As to what was actually the contract that was entered upon is being contested by the two parties herein. Petitioner has insisted from the very beginning that the agreement entered into between him and private respondent was one of mortgage and that private respondent promised to give back to him his landholding upon payment of the loaned amount. The stand of private respondent, on the other hand, is

that petitioner relinquished all his rights over the property in his favor, as expressly written in the Affidavit of Waiver that petitioner signed.

In its decision, the trial court ruled in favor of petitioner having found his version more convincing than that of private respondent whose evasive attitude did not go unnoticed therein. The trial court further ruled that the transfer of property from petitioner to private respondent is null and void for being violative of Presidential Decree No. 27. The Court of Appeals, on the other hand, believed that petitioner completely waived his rights over the land as evidenced by the Affidavit of Waiver he executed. According to the Court of Appeals, the said Affidavit of Waiver is valid because at the time of its execution, petitioner was not yet the owner of the land there having been no title issued to him yet. As such, continued the Court of Appeals, the Affidavit of Waiver did not violate Presidential Decree No. 27. The Court of Appeals further added that petitioner abandoned his landholding and received benefits under the agreement, hence, should not be rewarded at the expense of private respondent.

After a careful scrutiny of the two conflicting decisions and an exhaustive study of the laws and jurisprudence applicable to this case, We affirm the judgment of the trial court. First of all, We have given much weight to the finding of the trial court that what was entered upon by the parties herein was a contract of mortgage. It need not be stressed that in the matter of credibility of witnesses, We rely heavily on the findings of the trial court because it had the opportunity to meet them face to face. As the trial court observed, petitioner's version is more convincing because of the apparent evasive attitude of private respondent as compared to the candid testimony of the petitioner.[3]

Indeed, We find it hard to believe that petitioner, who has been tilling the land in question for a long, long time would suddenly lose interest in it and decide to leave it for good at a time when he knew that full ownership over the same was soon going to be in his hands. Furthermore, if the situation were otherwise, petitioner would not have made repeated offers to pay for the amount he borrowed from private respondent and demand from the latter the possession of the land. He would not have even thought of bringing an action for the recovery of the same if he honestly believed that he had already given it up in favor of private respondent. Petitioner, or anyone in his right mind for that matter, would not waste his time, effort and money, especially if he is poor, to prosecute an unworthy action. If at all, petitioner is an example of a poor tenant farmer who, due to sheer poverty, was constrained to mortgage his only land[4] to somebody else[5] -- a situation which Presidential Decree No. 27 sought to prevent by providing an explicit prohibition on transfers.

The above finding notwithstanding, and assuming that petitioner really waived his tenancy rights in favor of private respondent, this case should still be resolved against private respondent. The transfer would still be void for being made in violation of Presidential Decree No. 27.

We shall now take a closer look at the law.

Presidential Decree No. 27 was signed into law in view of the fact that the old concept of land ownership by a few has spawned valid and legitimate grievances that gave rise to violent conflict and social tension.[6] The law points out that reformation must start with the emancipation of the tiller from the bondage of the soil.[7]

The fundamental policy of the law is reflected in its title, to wit: PRESIDENTIAL DECREE NO. 27 -- DECREETING THE EMANCIPATION OF TENANT FROM THE BONDAGE OF THE SOIL, TRANSFERRING TO THEM THE OWNERSHIP OF THE LAND THEY TILL AND PROVIDING THE INSTRUMENTS AND MECHANISM THEREFOR. This policy is intended to be given effect by the following provisions:

"x x x"

The tenant farmer, whether in land classified as landed estate or not, shall be DEEMED OWNER of a portion constituting a family size farm of five (5) hectares if not irrigated and three (3) hectares if irrigated; (Emphasis supplied.)

"x x x"

"TITLE TO LAND ACQUIRED PURSUANT TO THIS DECREE OR THE LAND REFORM PROGRAM OF THE GOVERNMENT SHALL NOT BE TRANSFERABLE except by hereditary succession or to the Government in accordance with the provisions of this Decree, the Code of Agrarian Reforms and other existing laws and regulations: (Emphasis supplied.)

"x x x"[8]

The law is clear and leaves no room for doubt. Upon the promulgation of Presidential Decree No. 27 on October 21, 1972, petitioner was DEEMED OWNER of the land in question. As of that date, he was declared emancipated from the bondage of the soil. As such, he gained the rights to possess, cultivate, and enjoy the landholding for himself. Those rights over that particular property were granted by the government to him and to no other. To insure his continued possession and enjoyment of the property, he could not, under the law, make any valid form of transfer except to the government or by hereditary succession, to his successors.

Yet, it is a fact that despite the prohibition, many farmer-beneficiaries like petitioner herein were tempted to make use of their land to acquire much needed money. Hence, the then Ministry of Agrarian Reform issued the following Memorandum Circular:

"Despite the above prohibition, however, there are reports that many farmer-beneficiaries of PD 27 have transferred the ownership, rights, and/or possession of their farms/homelots to other persons or have surrendered the same to their former landowners. All these transactions/surrenders are violative of PD 27 and therefore, null and void."[9] (Emphasis supplied.)

We do not agree with the Court of Appeals when it ruled that petitioner's land is not included in the legal prohibition since petitioner has not yet acquired absolute title to the land having failed to comply with all the conditions set forth by the law. With regard to the legal prohibition, We hold that title refers not only to that issued upon compliance by the tenant-farmer of the said conditions but also includes those rights and interests that the tenant-farmer immediately acquired upon the promulgation of the law. To rule otherwise would make a tenant-farmer falling in the category of those who have not yet been issued a formal title to the land they till -- easy prey to those who would like to tempt them with cash in exchange for inchoate title over the same. Following this, absolute title over lands covered by Presidential Decree No. 27 would end up in the name of persons who were not the actual tillers when the law was promulgated.

Furthermore, the evidence on hand shows that Certificate of Land Transfer No. 096267 covering the land in question is in the name of petitioner Victorino Torres.[10] This is admitted by private respondent.[11] In *Gloria de Oliver vs. Sisenando Cruz, et al.*, [12] the Court of Appeals correctly ruled that:

"The rights and interests covered by the Certificate of Land Transfer are beyond the commerce of man. They are not negotiable except when it is used by the beneficiary as a collateral for a loan with the rural bank for an agricultural production."

Having settled that the contract of transfer entered into between petitioner and private respondent is void ab initio, We now go to the issue of whether or not the principle of *pari delicto* [13] applies to this case. We rule in the negative. Public policy and the policy of the law must prevail. To hold otherwise will defeat the spirit and intent of Presidential Decree No. 27 and the tillers will never be emancipated from the bondage of the soil.

In *Catalina de los Santos vs. Roman Catholic Church*,^[14] this Court ruled that the *pari delicto* doctrine is not applicable to a homestead which has been illegally sold in violation of the homestead law. One of the reasons given by this Court for the ruling is that the policy of the law is to give land to a family for home and cultivation.

In *Acierto, et al. vs. De los Santos, et al.*,^[15] where the principle was reiterated, this Court, through Justice Alex Reyes, made the following pronouncement:

"Appellants, however, contend that the voiding provision of the Act may not be invoked in favor of plaintiffs as their predecessor in interest was in *pari delicto*, and that, since the same provision says the illegal sale shall have the effect of annulling the grant and cause the reversion of the property and its improvements to the State, plaintiffs may no longer claim the homestead. Similar contentions were made in the case of *Catalina de los Santos vs. Roman Catholic Church of Midsayap et al.*, G.R. No. L-6088, decided February 25, 1954, but they were there overruled, this Court holding that the *pari delicto* doctrine may not be invoked in a case of this kind since it would run counter to an avowed fundamental policy of the State, that the forfeiture of the homestead is a matter between the State and the grantee or his heirs, and that until the State had taken steps to annul the grant and asserts title to the homestead the purchaser is, as against the vendor or his heirs, 'no more entitled to keep the land than any intruder.'"^[16]

The pronouncements in the two above-mentioned cases were adopted by this Court in *Angeles, et al. vs. Court of Appeals, et al.*,^[17] wherein We ruled that the sale of the homestead by the homesteader is null and void and his heirs have the right to recover the homestead illegally disposed of.

In view of all the foregoing, We hold that the contract, being void *ab initio*, must be given no effect at all. The parties in this case are to be placed in status quo which was the condition prevailing prior to the execution of the void contract.

WHEREFORE, the Decision of the Court of Appeals in CA-G.R. CV No. 15482 is REVERSED AND SET ASIDE. The Decision of the Regional Trial Court of Cauayan, Isabela in Civil Case No. Br. XIX-167 is hereby ordered REINSTATED. Costs against private respondent.

SO ORDERED.

Narvasa, Acting C.J., (Chairman), Cruz, Griño-Aquino, and Medialdea, JJ., concur.

[1] Page 37, Rollo.

[2] Page 73, Rollo.

[3] Page 33, Rollo.

[4] Page 17, T.S.N.

[5] Private respondent Leon Ventura testified in the trial court that he owned nine hectares of riceland and one hectare of residential land which were mortgaged to the DBP.

[6] First paragraph, Presidential Decree No. 27.

[7] Third paragraph, Presidential Decree No. 27.

[8] Presidential Decree No. 27.

[9] Memorandum Circular No. 7, Series of 1979, April 23, 1979.

[10] Exhibits A and B.

[11] Page 30, T.S.N.

[12] CA-G.R. No. SP-11691-CAR, 22 June 1981.

[13] Article 1412 of the Civil Code, which embodies the *pari delicto* doctrine states: "If the act in which the unlawful or forbidden cause consists does not constitute a criminal offense, the following rules shall be observed:

(1) When the fault is on the part of both contracting parties, neither may recover what he has given by virtue of the contract, or demand the performance of the other's undertaking; xxx"

[14] 94 Phil. 405 (1954).

[15] 95 Phil. 887 (1954).

[16] *Id.*, at 889.

[17] 54 Off. Gaz. 4945, August, 1958.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.