

**GUILLERMO PONCE, PETITIONER, VS. MARCELO GUEVARRA, RICARDO DINGLASAN, FRANCISCO GUEVARRA, TIBURCIO DE JESUS, ET AL., RESPONDENTS.***G.R. Nos. 19629, and 19672-92. March 31, 1964*

Ponente: CONCEPCION, J.

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Petitioner Guillermo Ponce seeks the review by certiorari of a decision of the Court of Agrarian Relations in Cases Nos. 199 to 206, 208 to 220 and 222, Laguna, L'58, dismissing said cases and ordering him to maintain the defendants therein and respondents herein Marcelo Guevarra, Ricardo Dinglasan, Francisco Guevarra, Tiburcio de Jesus, Quirino Mendoza, Romeo Guevarra, Ruperto Latay, Luciano Escarez, Quirino Millar, Melecio Flores, Jose Centino, Baylon Latay, Braulio Angeles, Teofilo Guevarra, Catalino Reyes, Marciano Makahiya, Cayetano Malapascua, Juan Angeles, Flaviano Angeles, Manuel Latay, Ciriaco Guevarra, and Bonifacio Mabilangan -as tenant-leases, with all the rights accorded and obligations imposed upon them by Republic Act No. 1199, as amended.

On May 27, 1958, petitioner filed with said Court of Agrarian Relations 24 individual complaints against the above named respondents, and Hermenegildo Guevarra and Apolonio Javinia, to enjoin them from continuing with the plowing and cultivation of their holdings, referring to several parcels of agricultural land situated in the sitio of Balanoy, Municipality of Calauan, Province of Laguna, and belonging to said petitioner, and to recover from them a reasonable compensation for the use and occupation of said holdings, as well as damages and attorney's fees.

Upon denial of their motion to dismiss said complaints, the above-named defendants filed their answers admitting some allegations of the respective complaints, denying other allegations thereof and setting up special defenses. After appropriate proceedings, the lower court rendered the aforementioned decision dismissing the cases against respondent herein, but in favor of the petitioner as regards defendants Hermenegildo Guevarra and Apolonio Javinia. Hence, this appeal with respect to said dismissed cases, upon the ground that the lower court erred:

"x x x in not holding in disregard of the provisions of Law then in force and which should control, thit Respondents' tenantry relationship with petitioner's lessee (Miguel Donato), assuming the same even existed, terminated as of January, 1955.

"x x x in applying the provisions of Republic Act Nos. 1199 and 2263 to the cases at bar, rontrary for settled doctrine that no law should operate retroactively in innpairment of vested rights, and concluding thereby that upon the transfer of legal possession of the landholdinss in question from Miguel A. Donato to petitioner in January, 1958, the petitioner assumed the rights and obligations of Miguel A. Donato as landholder-lessor in relation to respondents as tenants-lessees.

"x x x in not holding that respondents violated material conditions of the tenancy agreements, if one be deemed to exist.

"x x x in not holding that more than half of the coconuts on the landholdings where coconuts were planted died because of the willful negligence of the respondents concerned.

"x x x in not holding that respondents failed to take care of the coconuts planted on the landholdings with the diligence of a good father of the family.

"x x x in not ordering the ejectment of respondents from petitioner's lands."

I. The records show that petitioner and his wife Adela R. Ponce are the registered owners of the aforementioned parcels of land, which have an aggregate area of 72 hectares, more or less; that on August 31, 1950, these spouses executed a contract of lease (Exhibit H, Donato) over said land, in favor of Miguel Donato, for a non-extendible period of 5 agricultural years, beginning from the crop-year 1950-1951; that, although the contract provided that the lessee could not sublease the land or any portion thereof without the written consent of the lessors, Donato did sublease said land to respondents herein, and the other two defendants in the lower court, as tenant lessees, without the lessors' consent; that by virtue of the deeds, Exhibits A-5 and A-6, executed, respectively, on January 31, 1956 and March 11, 1956, the lifetime of the lease contract was extended for two years (Exhibits A-6) ; and that when these extensions were agreed upon, and prior thereto, petitioners were aware of the said contracts of sublease between Donato as sublessor and the respondents, and the aforementioned defendants, as sublessees or tenant-lessees.

Petitioner maintains that having been made orally, these contracts of sublease are void pursuant to Act No. 4054 (Sec. 4) as amended, and that, in any event, the rights of the sub-lessees cannot, pursuant to the Civil Code of the Philippines, extend beyond the life-time of the right of the sublessor, which, petitioner avers in his brief, was extinguished in January, 1955.

At the outset, it should be noted that, in view of the extensions agreed upon on January 31, and March 11, 1956, the right of lease of Donato expired, not in January, 1955, but in March, 1958, as alleged in petitioner's complaints in the lower court. Then, too, although lease contracts, in general, are governed by the Civil Code of the Philippines, the provisions thereof, are qualified, insofar as rice share tenancy or agricultural tenancy is concerned, by those of Act No. 4054, Commonwealth Act No. 461 and 608, and Republic Act Nos. 44, 1199 and 2263. Again, although, Section 4 of Act No. 4054 provides that "the contract on share tenancy, in order to be valid and binding, shall be drawn" in writing, section 8 of the same act fixes the sharing basis between tenants and landlords "in the absence of a written agreement to the contrary." This indicates clearly that a tenancy relationship may validly be established, under said Act, without a written agreement therefor, (Deato vs. Rural Progress Administration, L-3414, April 13, 1951; Camacho vs. CIR, 80 Phil. 848), and that, under said section 4 of Act No. 4054, a written contract between the landholder and the tenant is necessary only to establish a sharing basis other than that fixed in section 8 of said Act. Besides, Commonwealth Act No. 461, as amended, explicitly provides that:

"Section 1. Any agreement or provision of law to the contrary notwithstanding, in all cases where land is held under any system of tenancy, the tenant shall not be dispossessed of the land cultivated by him except for any of the causes mentioned in section nineteen of Republic Act numbered Four thousand and fifty-four or for any just cause and without the approval of a representative of the Department of Justice x x x x x."

So too, Section 26 of said Act No. 4054, insofar as pertinent, reads:

"How extinguished. The contract of farm tenancy is extinguished.

x x x x

"(4) By the sale or alienation of the land which is the subject matter of the contract, in which case the

purchaser shall assume the rights and obligations of the landlord in relation with the tenant or farmer." (Underscoring ours.)

Similarly, Republic Act No. 1199, before its amendment by Republic Act No. 2263, provided:

"SEC. 6. Tenancy Relationship; Its Definition. Tenancy relationship is a juridical tie which arises between & landlord and a tenant once they agree, expressly or impliedly, to undertake jointly the cultivation of land belonging to the former either under the share tenancy or leasehold tenancy system, as a result of which relationship the tenant acquires the right to continue working on and cultivating the land, until and unless he is dispossessed of his holdings for any of the just causes enumerated in Section fifty or the relationship is terminated in accordance with Section nine" (Underscoring ours.)

"Section 7. Tenancy Relationship; How established; Security of Tenure.- Tenancy relationship may be established either verbally or in writing, expressly or impliedly. Once such relationship is established, the tenant shall be entitled to security of tenure as hereinafter provided." (Underscoring ours.)

"SEC. 9. Severance of Relationship. - The tenancy relationship is extinguished by the voluntary surrender of the land by, or the death or incapacity of, the tenant, but his heirs or the members of his immediate farm household may continue to work the land until the close of the agricultural year. The expiration of the period of the contract as fixed by the parties and the sale or alienation of the land do not of themselves extinguish the relationship. In the latter case, the purchaser or transferee shall assume the rights and obligations of the former landholder in relation to the tenant. In case of death of the landholder, his heir or heirs shall likewise assume his rights and obligations." (Underscoring ours.)

"Section 10. Contracts; Nature, and Continuity of Conditions.—The terms and conditions of tenancy contracts, as stipulated by the parties or as provided by law, shall be understood to continue until modified by the parties. Modifications of the terms and conditions of contracts shall not prejudice the right of the tenant to the security of his tenure on the land as determined in Sections seven, and forty-nine." (Underscoring ours.)

"Section 49. Ejectment of Tenant.—Notwithstanding any agreement or provision of law as to the period, in all cases where land devoted to any agricultural purpose is held under any system of tenancy, the tenant shall not be dispossessed of his holdings except for any of the causes hereinafter enumerated and only after the same has been proved before, and the dispossession is authorized by the court." (Underscoring ours.)

As amended by Republic Act No. 2263, section 9 of Republic Act No. 1199, is couched in the following language:

"Sec. 9. Severance of Relations.—The tenancy relationship is extinguished by the voluntary surrender or abandonment of the land by, or the death or incapacity of, the tenant: Provided, That in case of the tenant's death or incapacity, the tenancy relationship shall continue between the landholder and one member of the tenant's immediate farm household who is related to the tenant within the second degree by consanguinity and who shall cultivate the land himself personally unless the landholder shall cultivate the land himself personally or through the employment of mechanical farm implements, in accordance with Section 50 hereof. Should the deceased or incapacitated tenant have two or more members of his immediate farm household qualified to succeed him, the landholder shall have the right to choose from among them who should succeed. The expiration of the period of the contract as fixed by the parties, or the sale, alienation or transfer of legal possession of the land does not of itself extinguish the relationship. In the latter case, the purchaser or transferee shall assume the rights and obligations of the former landholder in relation to the tenant. In case of death of the landholder, his heir or heirs shall likewise assume his right and obligations." (Underscoring ours.)"

It is obvious from the foregoing provisions, that, regardless of the existence or not of a written contract between respondents on the one hand and either the petitioner or Donato, on the other, and regardless of the extinction of

the contractual relations between petitioner and Donato and between Donato and respondents herein, the latter cannot be ejected from petitioner's land except upon judicial authority and for one of the causes specified by law. Indeed, we so held in *Joya vs. Pareja* (L-13258, November 28, 1959) from which we quote:

"Admittedly, the respondent-tenant cultivated the land for the lessee for 16 years or for the entire duration of the lease agreement. There is no controversy either that tenancy relationship existed between Maximina Bondad, the lessee, and Pareja, the tenant. The question now interposed in this petition is whether the tenant of a lessee retains the right to work on the land despite the termination of the lease, or said in other words, whether his being a tenant of the lessee mates hint, upon the expiration of the contract, "a tenant of that lessor.

"The question thus presented must be answered in the affirmative, not so much because of Act 4054 relied upon by the Agrarian Court, but pursuant to Section 9 of Republic Act 1199, as amended by Section 3 of Republic Act 2283, which reads in part:

'Sec. 9. Severance of Relations.—The tenancy relationship is extinguished t>y the voluntary surrender or abandonment of the land by or the death or incapacity of, the tenant:

x x x x

The expiration of the period of the contract as fixed by the parties, or the sale, alienation or transfer of legal possession of the land does not of itself extinguish the relationship. In the latter case, the purchaser or transferee shall assume the rights and obligations of the former landholder in relation to the tenant. In case of death of the landholder, his heir or heirs, shall likewise assume his rights and obligations." (Exmphasis supplied.)

"It is clear from the foregoing that tenancy relationship is not extinguished by (1) the expiration of the contract (of tenancy); (2) sale; (3) alienation; or (4) transfer of legal possession of the land.

"In a contract of lease, the lessee, for the duration of the contract, acquires legal possession and control of the property subject to the agreement. (1) The return by the lessee of the property to the lessor upon expiration of the lease contract, naturally involves again a transfer of the possession from one lawful holder to another. But it may be asked, is this transfer of possession included in or comprehended by the aforementioned Section 9 of Republic Act 1199, as amended?

x x x x

"It is our considered judgment, since the return by the lessee of the leased property to the lessor upon the expiration of the contract involves also a transfer of legal possession, and taking into account the manifest intent of the lawmakiiiig body in amending the law, i.e., to provide the tenant with security of tenure in all cases of transfer of legal possession, that the instant case falls within and is governed by the provisions of Section 9 of Republic Act 1199, as amended by Republic Act 2263. (2) The termination of the lease, therefore, did not divest the tenant of the right to remain and continue on hie cultivation of the land. Furthermore, should any doubt exist as to the applicability of the aforementioned provisions of law to the case at bar, such doubt must be resolved in favor of the tenant. (3)" (Underscoring ours.)

II. Inasmuch, as the decision appealed from applied Republic Act Nos. 1199 and 2263, which became effective, respectively, on August 30, 1954 and June 19, 1959, it is urged that the lower court thereby gave retroactive effect to said laws and thus impaired rights vested in the petitioner prior thereto.

This pretense is patently untenable, for the contract between Donato and petitioner was renewed in 1956, or over a year and a half after Republic Act No. 1199 had been in force, and pursuant to Section 22 of Kepublic Act No. 2263, the provisions thereof "shall be applicable to all cases pending in any court" at the time of the approval of

said Act, on June 19, 1959, and these cases were not decided by the lower court until February 14, 1962. Furthermore, it is well settled that the application of our agrarian laws to contracts made prior to the enactment thereof constitutes a valid exercise of the police power of the State. (*Viuda de Ongsiako vs. Gamboa*, 47 Off. Gaz., 5613; *Valencia vs. Surtido*, L-17277, May 31, 1961.)

Petitioner maintains that the rule laid down in *Joya vs. Pareja* (supra) should be deemed superseded by the decision in *Ulpindo vs. Court of Agrarian Relations* (L-13891, October 31, 1960), in which we held that "the amendment to Section 9, Republic Act No. 1199 by Republic Act No. 2263 x x x can not be applied retroactively." This pretense can not be sustained, for the *Ulpindo* case involved a decision and resolutions of the Court of Agrarian Relations which had become final before the enactment of Republic Act No. 2263, whereas the *Joya* case like the cases at bar was pending in the lower court at the time of said enactment, and, hence, subject to the provision of Section 22 of said Act.

III. The third assignment of error is based upon the premise that Donato had violated the original contract of lease, by subleasing petitioner's land without his written consent; that the extension of the term of said contract was subject to the condition that coconut seedlings would be planted on the land in question; that respondents herein had agreed to such condition; and that, in violation thereof, respondents had refused to allow the planting of said coconut seedlings.

It is true that the subleasing of said land to respondents herein without the written consent of the petitioner, constituted a violation of the original contract of lease. The breach of contract was committed, however, by Donato, not by respondents, who were not parties to the contract. At any rate, said breach of contract was, in effect, condoned by petitioner when he extended the lifetime of the lease in 1956, with full knowledge of the fact that respondents had been and were still holding and intended to continue to hold his land as tenant-lessees of Donato.

As regards the planting of coconut seedlings as a condition for the extension of the term of the lease contract in favor of Miguel Donato, which was allegedly made known to respondents, and who agreed thereto according to the petitioner, the lower court found that no such agreement had been reached between respondents on the one hand, and either petitioner or Miguel Donato on the other. Petitioner's testimonial evidence thereon was contradicted by the evidence for respondents herein, which merited more credence from the lower court, and, we feel, correctly, for: (1) not being parties to the contracts for the extension of the original term of the lease, there was no reason why respondents should agree to the terms and conditions for said extension, although Donato may have informed them of the aforementioned conditions after the execution of Exhibits A-5 and A-6; and (2) had respondents agreed to be bound by said conditions petitioner would have caused their conformity to be put in writing.

Moreover, although respondents maintain that they were under no obligation to do the planting of said coconut seedlings, agents of Donato were allowed to plant, and some of the tenants did actually plant, altogether over 4,500 seedlings of coconuts. It is true that some tenants objected thereto and that there had been some incidents in connection therewith. This was obviously due, however, to the failure of either petitioner or Donato to reach an understanding with respondents on the conditions under which the seedling would be planted. As a consequence, some of the respondents felt that the planting of seedlings was undertaken in such a way as to unduly interfere with their rights as tenant-lessees under Sections 42 and 43 of Republic Act No. 1193.

IV and V. Under the last two assignments of error, petitioner blames respondents for the death of a substantial number of the coconut seedlings planted as above stated.

To begin with, petitioner would have us believe that only 2,000 - out of over 4,500 - seedlings had survived.

Testifying for the petitioner herein, Miguel Donato affirmed, however, that the number of seedlings that survived was 3,000, not 2,000. As regards the cause for the death of over 1,500 seedlings, the lower court had the following to say:

"To substantiate his allegations, among them that defendants intentionally and maliciously effected destruction of the permit trees planted in their respective holdings, plaintiff presented his wife Adela E. Fonce, Miguel A. Donato, Flaviano Banasiban and Quintin Danf as witnesses. Adela Ponce and Flaviano Banasihan had did not testify on the alleged causes of destruction of the coconut trees. Miguel Donato and Quintin Dangui testified, generally, that the coconut trees they had planted died because of negligence of the defendants in taking care of them. It was, however, elicited from witness Dangui, an expert in planting and care of coconut trees, that to have a reasonable expectancy for coconut seedlings to survive, the same should be planted during the rainy season and thereafter the seedlings should be exposed to rain at least six (6) months (TSN October 10, 1961, p. 16). Most of the 4,522 seedlings planted in the holdings in question were planted in October and November of the same year (TSN October 11, 1961, p. 10). The dry season in the locality, as admitted by Miguel Donato himself, starts in the month of January and ends in April of the same year (TSN October 10, 1961, p. 10). Thus the coconut seedlings planted by Donato from October to December of 1957 had little, if any, expectancy to survive because barely three (3), months after, their planting the dry season set in. It is incorrect, therefore, to lay the blame upon defendants for the non survival of the coconut trees. We are more inclined to believe that most of the coconut seedlings planted in the landholdings of defendants died because of inappropriate or untimely planting.

"The alleged destruction of the trees by defendants furthermore, is only a conclusion of Miguel A. Donato derived, as he admitted from the fact that when he visited the holdings in question on Weekends the trees were being destroyed. He did not, however, actually see the alleged intentional and malicious destruction of the trees (TSN January 15, 1960, p. 19). For that matter, no witness was presented by plaintiff to prove the alleged intentional and malicious destruction of the coconut trees by defendants."

In other words—except as regards Hermenegildo Guevarra and Apolonio Javinia, who were held responsible for the death of 28 and 6 coconut trees, respectively, for which reason judgment was rendered against them—the lower court found, not only that respondents are not to blame for the loss of the other coconut seedlings, but also, that such loss was due to the "inappropriate or untimely planting". Petitioner herein has not even tried to refute this conclusion, which is substantially borne out by the record before us.

WHEREFORE, the decision appealed from should be, as it is hereby affirmed, with costs against petitioner herein.

### **IT IS SO ORDERED.**

Bengzon, C. J., Padilla, Bautista Angelo, Labrador, Reyes J. B. L., Barrera, Dizon, and Regala, JJ., concur.

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