

SECOND DIVISION

[G.R. No. 192270, January 26, 2015]

IRENE D. OFILADA, PETITIONER, VS. SPOUSES RUBEN ANDAL AND MIRAFLORE ANDAL, RESPONDENTS.

DECISION

DEL CASTILLO, J.:

This Petition for Review on *Certiorari*^[1] assails the July 13, 2009 Decision^[2] of the Court of Appeals (CA) in CA-G.R. CV^[3] No. 101603 which: (1) granted the Petition for Review^[4] filed therein; (2) reversed and set aside the August 28, 2007 Decision^[5] of the Regional Trial Court (RTC), Lucena City, Branch 56 in SPEC. CIV. ACTION 2007-01-A, affirming *in toto* the February 27, 2007 Decision^[6] of the Municipal Trial Court (MTC) of San Antonio, Quezon in Civil Case No. 188 which, in turn, ordered the ejectment of respondents spouses Ruben Andal and Miraflore Andal (spouses Andal) from the properties of petitioner Irene Ofilada (Irene); and, (3) declared the said MTC Decision null and void for lack of jurisdiction.

Also questioned in this Petition is the CA's May 6, 2010 Resolution^[7] denying Irene's Motion for Reconsideration of the assailed CA Decision.

Factual Antecedents

Irene, together with her husband Carlos Ofilada (Carlos), bought from the heirs of Teresita Liwag (Teresita) a 27,974-square meter parcel of land principally planted with rambutan, a number of coconut trees and other fruit-bearing plants located in *Barrio Puri*, Tiaong, Quezon. The sale is evidenced by a February 13, 1997 Extra-Judicial Settlement of Estate with Absolute Sale^[8] wherein respondent Miraflore Andal (Miraflore), who brokered the sale of the property, signed as 'tenant.' Apparently, ten days prior to the sale, Miraflore appeared before Anastacio Lajara (Anastacio), the then *Barangay* Agrarian Reform Council (BARC) Chairman of *Barangay Puri*, San Antonio, and executed a *Pagpapatunay*^[9] stating that:

Sa kinauukulan:

Ito ay pagpapatunay na si Miraflore Andal ay kusang[-]loob na dumulog sa aking tanggapan upang ipagbigay[-]alam na ang lupa na pag-aari ni TERESITA LIWAG x x x ay walang "tenant" o magtatrabaho at hiniling niya na ang nasabing lupa ay mapalipat sa pangalan ng mga bumili na walang iba kundi sina Carlos at Irene Ofilada.

Pinagtibay nya na wala na siyang paghahabol na ano man laban sa may-ari o kahalili nito sa karapatan sapagkat siya ay tumanggap na ng kaukulang halaga hinggil sa naging pagtatrabaho niya sa nasabing lupa

at gayon din ang kanyang mga magulang.

SA KATUNAYAN NG LAHAT NG ITO ay ako ay nagbibigay ng pahintulot na ang nasabing lupa ay mapagbili na at mapatala sa bagong may-ari na ligtas sa ano mang pananagutan.^[10]

Two weeks after the sale or on February 27, 1997, Miraflor, with the consent of her husband, respondent Ruben Andal (Ruben), executed a *Sinumpaang Salaysay*^[11] wherein she acknowledged Irene and Carlos as the new owners of the property. While it was stated therein that she will continue to take care of the property, she nevertheless waived any tenancy rights that she and her husband might have over the land, viz.:

1. NA AKO ang [n]agtatrabaho o "tenant" sa lupang pag-aari ni TERESITA LIWAG at ang nasabing lupa ay matatagpuan sa Brgy. Puri, San Antonio, Quezon x x x
2. NA AKO ay kusang loob na nag-alok sa tagapagmana ng may-ari ng lupa na pinangatawanan ni Ginoong JOSE LIWAG na ipagbili na ang nasabing lupa sa mag-asawang CARLOS OFILADA at IRENE OFILADA sapagkat magpapatuloy naman ang aking pangangalaga sa nasabing lupa;
3. NA AKO at ang aking asawa ay kusang loob na sumang[-]jayon na ang Titulo ng [na]sabing lupa ay mapalipat sa mga bumili at simula sa araw na ito ay matahimik kong isinusulit ang pamomosesyon sa mga bagong may-ari;
4. NA kami ay kusang[-]loob na tumatalikod na sa karapatan ko bilang "tenant" na kahit kailan [ay] hindi na maghahabol laban sa dating may-ari o sa kaniyang mga tagapagmana sapagkat wala silang ano mang pananagutan sa amin at gayon[din] ang bagong may-ari na mag-asawang CARLOS OFILADA at IRENE OFILADA;^[12]

Eventually, the land was registered in the names of Irene and Carlos.^[13]

Eight years later or in October 2005, Irene filed against the spouses Andal a Complaint^[14] for Ejectment and Damages before the MTC of San Antonio, Quezon. She averred that aside from the aforementioned property, she and Carlos also acquired an 8,640-square meter ricefield located in Pulo, San Antonio, Quezon. For humanitarian reasons, she acceded to the spouses Andal's request to take care of her two parcels of land, provided that they would not be considered as tenants. To stress the fact that neither she nor the spouses Andal intended that the latter be deemed as tenants, Irene pointed to the following: (1) the condition for her purchase of the property in Tiaong that the same should not have any tenants; and (2) Miraflor's execution of a *Sinumpaang Salaysay* wherein she waived any tenancy rights that she and her husband might have over the said property.

In their Answer,^[15] the spouses Andal denied Irene's allegations and claimed that they were tenants of Irene's predecessor-in-interest and continued to be such despite the transfer of ownership of the properties to Irene. They likewise contended

that since the suit is an action to dispossess them as tenants, it is not the MTC which has jurisdiction over the complaint but the Department of Agrarian Reform Adjudication Board (DARAB).

Rejecting the tenancy claim, Irene averred in her Memorandum^[16] that her real properties are not covered by agrarian reform laws as they are within the retention limit allowed by law. She again stressed that the spouses Andal had already voluntarily surrendered their rights as tenants way back in 1997 as evidenced by the *Pagpapatunay* and the *Sinumpaang Salaysay*. She added the said spouses voluntarily waived their rights and received P1.1 million as commission for brokering the sale of the Tiaong property to her. This was after Irene made clear that the sale would not materialize and, consequently spouses Andal would not get the commission, if the property has tenants. Irene averred that the spouses Andal's receipt of the said amount of money, being advantageous to them, is a valid ground for termination of tenancy relations.

Ruling of the Municipal Trial Court

Prior to the preliminary conference, the MTC heard the respective sides of the parties for a preliminary determination of the existence of tenancy.

The spouses Andal, in support of their claim that the controversy should be resolved by the DARAB because of the issue of tenancy, submitted the following evidence to prove their status as Irene's tenants: (1) their December 19, 2005 Affidavit^[17] attesting that: a) they agreed to act as agents for the sale of the lands on the condition that they would remain as tenants; b) they personally cultivated Irene's lands and; c) they have been receiving 1/4 shares of the proceeds of the sales of the coconut, rambutan, and harvested *palay*; (2) the December 19, 2005 Affidavit^[18] of Anastacio corroborating the spouses Andal's statements in their affidavit of even date; (3) a receipt^[19] dated July 27, 2005 showing that Irene received from the spouses Andal P9,694.00 as her share in the harvest equivalent to 30 sacks of *palay* and; 4) a February 27, 1997 Affidavit of Landholding^[20] executed by Irene and Carlos, the second paragraph of which provides:

2. That we hereby testify that said parcel of land containing an area of 27,974 Square Meters is the only parcel of agricultural land registered in our names; **and we hereby agree that the same tenant Mirafior Andal, will continue as a tenant, over the said parcel of land.**
(Emphasis supplied)

On the other hand, Irene insisted that the spouses Andal are not tenants but mere caretakers of her lands. She disputed the documentary evidence of the said spouses as follows: (1) it is the *Pagpapatunay* issued by Anastacio in 1997 and furnished the Registry of Deeds of Lucena City and Department of Agrarian Reform (DAR) which must be considered as more credible evidence over his apparently fabricated affidavit executed at a later time (2005); (2) the share in the produce of the lands as reflected in the receipt was the only share given to her by the spouses Andal throughout the eight years that they took care of her properties; and, (3) the copy of the Affidavit of Landholding presented by the spouses Andal contained in the second paragraph thereof an insertion made through a manual typewriter. Irene claimed that the said insertion which reads "and we [Irene and Carlos] hereby

agree, that the same tenant *Miraflor Andal*, will continue as a tenant, over the said parcel of land," was made without her knowledge and consent. In fact, her copy^[21] of the said document does not contain such inserted portion.

In its August 14, 2006 Order,^[22] the MTC found no *prima facie* showing of tenancy relations between the parties and proceeded with the case.

On February 27, 2007, the MTC rendered its Decision^[23] holding that spouses Andal failed to adduce proof that they are tenants. It gave weight to the *Pagpapatunay* issued by Anastacio in 1997 as against the affidavit he executed in 2005 which it found ambivalent as to whether spouses Andal are working as tenants on the lands of Irene. The MTC did not also accord any evidentiary weight to the copy of the Affidavit of Landholding presented by spouses Andal because of the doubtful insertion. Hence, it concluded that the spouses Andal were in possession of the properties by mere tolerance of Irene. It ultimately ruled:

WHEREFORE, on the basis of the foregoing findings, the Court hereby renders judgment in favor of the plaintiff and against the defendants, ordering:

- a) Defendants and all other persons living in said premises without permission of the plaintiff, to vacate and restore to the plaintiff the peaceful possession and occupation of the landholdings in question;
- b) Defendants to pay the plaintiff the amount of P30,000.00 as attorney's and appearance fees[;]
- c) Defendants to pay the plaintiff the amount of P80,000.00 as actual damages.

SO ORDERED.^[24]

Ruling of the Regional Trial Court

Resolving the appeal of the spouses Andal, the RTC in its August 28, 2007

Decision^[25] affirmed *in toto* the MTC ruling. The motion for reconsideration thereto was also denied in the RTC Resolution^[26] dated November 22, 2007.

Ruling of the Court of Appeals

The CA, on the other hand, took a different view of the case. In its assailed Decision^[27] of July 13, 2009, the CA ratiocinated that since the existence of tenancy relations between the previous owners of the properties and the spouses Andal is undisputed, the question of whether the said spouses may be dispossessed therefrom constitutes an agrarian dispute despite the severance of such relations. This is considering that severance of the tenurial arrangement does not render the action beyond the ambit of an agrarian dispute and, hence, jurisdiction over the same remains with the DARAB. In support of its conclusion, the CA cited the cases of *Rivera v. David*^[28] and *Spouses Amurao v. Spouses Villalobos*.^[29]

The dispositive portion of the CA Decision reads:

WHEREFORE, the instant petition for review is GRANTED. The assailed Decision of the Regional Trial Court of Lucena City, Branch 56, in Special Civil Case No. 2007-01-A, is hereby REVERSED and SET ASIDE. The Decision dated 27 February 2007 of the Municipal Trial Court of San Antonio, Quezon in Civil Case No. 188, is declared NULL and VOID for lack of jurisdiction.

SO ORDERED.^[30]

Irene filed a Motion for Reconsideration,^[31] which was denied in the CA Resolution^[32] dated May 6, 2010.

Hence, this Petition.

The Issue

Forcible entry and unlawful detainer cases fall under the exclusive original jurisdiction of the metropolitan trial courts, municipal trial courts, and the municipal circuit trial courts.^[33] On the other hand, the DAR is vested with primary jurisdiction to determine and adjudicate agrarian reform matters and has exclusive original jurisdiction over all matters involving the implementation of agrarian reform.^[34] As DAR's adjudicating arm,^[35] it is the DARAB that has exclusive and original jurisdiction involving all agrarian disputes. Republic Act (RA) No. 6657, Section 3(d) defines an 'agrarian dispute' as follows:

(d) Agrarian Dispute refers 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.

The term also "refers to any controversy relating to, among others, tenancy over lands devoted to agriculture."^[36]

Significantly, Rule II of the 2009 DARAB Rules of Procedure reads:

SECTION 1. *Primary and Exclusive Original and Appellate Jurisdiction.* – The Board shall have primary and exclusive jurisdiction, both original and appellate, to determine and adjudicate all agrarian disputes involving the implementation of the Comprehensive Agrarian Reform Program (CARP) under R.A. No. 6657, as amended by R.A. No. 9700, E.O. Nos. 228, 229,