

SECOND DIVISION

[G.R. No. 178672, March 19, 2009]

**JULIO MERCADO, PETITIONER, VS. EDMUNDO MERCADO,
RESPONDENT.**

D E C I S I O N

CARPIO MORALES, J.:

Julio Mercado (petitioner) was a tenant of an agricultural land (the property) owned by the grandfather of Edmundo Mercado (respondent). In 1976, petitioner was issued a Certificate of Land Transfer^[1] (CLT) covering the property pursuant to Presidential Decree No. 27. In 1982, he was issued an Emancipation Patent (EP).^[2]

On August 1, 1994, respondent, relying on a Certificate of Retention (CR) issued in his name on the strength of his grandfather's *Huling Habilin*,^[3] filed a complaint^[4] against petitioner, for rescission of contract, cancellation of the CLT and EP, payment of rentals in arrears, and ejectment, before the Provincial Adjudication Board (PARAB), Department of Agrarian Reform Adjudication Board (DARAB), docketed as DARAB Case No. 733-Bul-94.

Respondent alleged that petitioner's CLT and EP were irregularly issued as the property is covered by his CR, and that petitioner had not been paying rentals on the property since 1979 despite repeated demands.

Respondent later amended his complaint by impleading the son of petitioner whom he allowed to erect a house on the property.^[5]

In his Answer,^[6] petitioner, invoking his rights under the EP, contends that respondent's CR was anomalously issued and, in any event, respondent's claim is barred by the statute of limitations under Section 38 of Republic Act No. 3844, as amended by Republic Act No. 6389.

The PARAB, declaring that petitioner's EP was legally and validly issued, dismissed respondent's complaint.^[7]

On respondent's appeal^[8] which was docketed as DARAB Case No. 4389, the DARAB, finding petitioner to have deliberately failed to comply with the law, **reversed** the PARAB decision in this wise:

It is categorically admitted by respondent[-herein petitioner] Julio Mercado in his memorandum/position paper dated 05 April 1995 that in 1981, he ceased paying lease rentals and instead paid his amortizations with the Land Bank of the Philippines, Baliuag, Bulacan Branch. x x x To be precise, the payment of lease rentals to the landowner terminates

only on the date the value of the land is established. In a situation where the value of the land is yet to be determined, the farmer-beneficiary shall continue paying the lease rentals to the landowner x x x It is the assertion of [herein petitioner] that he paid his amortization with the Land Bank of the Philippines since 1981 but his evidence show[s] that he made payment with the LBP only in 1990 and 1992. It was not explained where he brought the landowner's share or the alleged amortizations from 1981 when he stopped paying the lease rentals to the landowner as well as those from 1993 up to the filing of the instant case. Considering the length of time that the respondent did not pay lease rentals nor paid amortizations, it can be safely concluded that his omission is not merely simple but a **deliberate non-compliance** with the mandate of Presidential Decree No. 816 x x x.

x x x x^[9] (Underscoring supplied)

The DARAB accordingly ordered, among other things, the rescission of the leasehold contract between petitioner and respondent, disposing as follows:

WHEREFORE, premises considered, the appealed Decision is hereby **SET ASIDE** and a new judgment is rendered as follows:

1. Declaring the respondent Julio Mercado guilty of deliberate non-payment of lease rentals pursuant to Section 3 of Presidential Decree No. 816 and Section 26 and 36 of Republic Act No. 3844, as amended;
2. Ordering the rescission of the leasehold contract between the plaintiff and respondent;
3. Ordering the ejectment of respondent Julio Mercado and all person or persons acting in his behalf to vacate the area in dispute and deliver to the same to the peaceful possession and enjoyment of the plaintiff-appellant herein;
4. The concerned official of the DAR is hereby directed to cause the cancellation of CLT No. 033197 and CLT No. 033198 from its record considering that the land covered by said certificate had been certified as retention areas;
5. All claims and counterclaims for damages are dismissed.

NO COSTS.

SO ORDERED.^[10] (Emphasis in the original, underscoring supplied)

The DARAB decision having become final and executory, a Writ of Execution^[11] was issued.

The finality of the DARAB decision notwithstanding, petitioner filed a Petition for Certiorari with Prayer for Preliminary Injunction^[12] before the Court of Appeals which dismissed it, due to, in the main, the finality of the DARAB decision.^[13]

Petitioner thereupon filed a Petition for Review on Certiorari^[14] before this Court which it denied due to procedural flaws.^[15]

Undaunted, petitioner filed a Petition for Relief from Judgment^[16] of the DARAB decision before the DARAB itself which denied the same. Petitioner went on to challenge the denial of the petition via Petition for Review^[17] before the Court of Appeals, in which same petition he again sought the review of the DARAB decision on his appeal in DARAB Case No. 4389,^[18] contending that:

1. The assailed decision in DARAB Case No. 4389 was rendered **WITHOUT** or **IN EXCESS OF JURISDICTION** and is, therefore, **NULL** and **VOID** *ab initio*; and,
2. The Board seriously **ERRED** and/or **GRAVELY ABUSED** its discretion amounting to lack or excess of jurisdiction when it issued the assailed resolutions denying the petition and petitioner's *Motion for Reconsideration* despite the miserable failure of respondent to produce any single authentic document that would *prima facie* establish his ownership of the parcels of land in question to qualify him as a "*landlord*" or "*land owner*" thereof and despite the clear showing therein that the complaint filed by respondent, as well as the appeal he filed before the Board *a quo*, was barred under the *Statute of Limitations*.
3. The Board seriously ERRED and/or GRAVELY ABUSED its discretion amounting to lack or excess of jurisdiction when it rendered the assailed decision in violation of petitioner's constitutional right to due process of law.^[19] (Emphasis and italics in the original)

By Decision^[20] of March 21, 2007, the Court of Appeals denied petitioner's petition as well as his Motion for Reconsideration.^[21] Hence, the present petition^[22] which faults the Court of Appeals in deciding his petition "in a way not in accord[ance with] law or with applicable decisions of [this] Court"^[23] and raises the same arguments he raised before the Court of Appeals.^[24]

The petition is bereft of merit.

The DARAB decision in DARAB Case No. 4389 had long become final and executory, hence, immutable and unalterable. It may thus no longer be modified in any respect, even if the modification is meant to correct erroneous conclusions of fact or law.^[25] Excepted from this rule is when the modification involves correction of 1) clerical errors, 2) *nunc pro tunc* entries which cause no prejudice to any party, and 3) void judgments.^[26] None of these exceptions is present in the case at bar, however.

Petitioner insists that the decision in DARAB Case No. 4389 is void for having been rendered without jurisdiction, there having been no more tenancy relationship between him and respondent after the issuance to him of the EP.

Since jurisdiction over the subject matter is determined by the allegations in the complaint,^[27] a recital of the following allegations of respondent in his Complaint which were reproduced substantially in his Amended Complaint is in order:

x x x x

3. That plaintiff is the owner of a parcel of agricultural land, with an area of more than two (2) hectares and located at Niugan, Angat, Bulacan; said land is being tenanted by the defendant, with whom plaintiff has executed an agricultural leasehold contract in 1976 as shown by a copy of a document herewith attached as Annex "A";
4. That as per said contract, defendant is obligated to pay plaintiff an annual rental of sixty (60) cavans of palay, payable on two occasions, namely 25 cavans during the "panag-ulan" season; and 35 cavans during the "panag-araw" season;

x x x x^[28] (Emphasis and underscoring supplied)

Those allegations show the existence of the following elements of a tenancy relationship between the parties, viz:

- 1) that the parties are the landowner and the tenant or agricultural lessee; 2) that the subject matter of the relationship is an agricultural land; 3) that there is consent between the parties to the relationship; 4) that the purpose of the relationship is to bring about agricultural production; 5) that there is personal cultivation on the part of the tenant or agricultural lessee; and 6) that the harvest is shared between the landowner and the tenant or agricultural lessee.^[29]

Precisely, respondent filed the complaint against petitioner to question the regularity of the issuance to petitioner of the EP on which EP petitioner anchors his denial of the existence of a tenancy relationship. *Ayo-Alburo v. Matobato*^[30] instructs:

The **mere issuance of an emancipation patent does not put the ownership of the agrarian reform beneficiary beyond attack and scrutiny.** Emancipation patents may be cancelled for violations of agrarian laws, rules and regulations. Section 12(g) of P.D. 946 (issued on June 17, 1976) vested the then Court of Agrarian Relations with jurisdiction over cases involving the cancellation of emancipation patents issued under P.D. 266. **Exclusive jurisdiction over such cases was later lodged with the DARAB** under Section 1 of Rule 11 of the DARAB Rules of Procedure.^[31] (Emphasis and underscoring supplied)

Jurisdiction over a case does not thus disappear the moment a certificate of title is issued, for the issuance of such certificate is not a mode of transfer of property but merely an evidence of such transfer.^[32]

IN ANY EVENT, petitioner may not question the jurisdiction of the DARAB and its adjudicative arm at this late juncture of the proceedings, he having actively participated in the proceedings below.^[33]

Respecting the affirmance by the appellate court of the denial by the DARAB of