

FIRST DIVISION

[G.R. No. 163285, February 27, 2008]

DEPARTMENT OF AGRARIAN REFORM, rep. by REGIONAL DIRECTOR NASER M. MUSALI, Petitioner, vs. HON. HAKIM S. ABDULWAHID, Presiding Judge, Regional Trial Court, Br. XII of Zamboanga City, and YUPANGCO COTTON MILLS, INC., Respondents.

D E C I S I O N

PUNO, CJ.:

The Department of Agrarian Reform Adjudication Board (DARAB) is vested with primary and exclusive jurisdiction to determine and adjudicate agrarian reform matters, including all matters involving the implementation of the agrarian reform program. Thus, when a case is merely an incident involving the implementation of the Comprehensive Agrarian Reform Program (CARP), then jurisdiction remains with the DARAB, and not with the regular courts.

This is a petition for review by *certiorari* under Rule 45 of the 1997 Rules of Court of a Decision dated November 21, 2003, and the Resolution dated April 21, 2004, both of the Court of Appeals (CA) in C.A.-G.R. SP No. 69699, entitled "**Department of Agrarian Reform (DAR) vs. Hon. Hakim S. Abdulwahid, as RTC Judge & Yupangco Cotton Mills, Inc.,**" on pure question of law. Particularly, the issue concerns the jurisdiction of the trial court below over the complaint in Civil Case No. 5113 vis-à-vis the original, primary and exclusive jurisdiction of the Department of Agrarian Reform (DAR) and the DARAB over agrarian disputes and/or agrarian reform implementation as provided for under Section 50 of Republic Act (R.A.) No. 6657.

On December 28, 2000, Yupangco Cotton Mills, Inc. (Yupangco) filed a complaint for "**Recovery of Ownership and Possession, Violations of R.A. Nos. 6657 and 3844[,] as amended, Cancellation of Title, Reconveyance and [D]amages with Prayer for the Issuance of Preliminary Mandatory Injunction and/or Temporary Restraining Order**" against Buenavista Yupangco Agrarian Reform Beneficiaries Association, Inc. (BYARBAI), the DAR and the Land Bank of the Philippines. The case was docketed as Civil Case No. 5113 and raffled to the Regional Trial Court (RTC), Branch 12 of Zamboanga City.^[1]

On January 26, 2001, the DAR filed a Motion to Dismiss on the following grounds: (a) Yupangco's causes of action were not within the jurisdiction of the RTC, (b) forum shopping, and (c) *litis pendentia*.^[2]

On November 6, 2001, the RTC denied the Motion to Dismiss, ruling that Yupangco's action was within the jurisdiction of the RTC pursuant to Section 19, Chapter II of **Batas Pambansa Blg. 129**.^[3] DAR and BYARBAI filed a motion for reconsideration,

[4] which was denied for lack of merit.[5]

On March 20, 2002, DAR filed a special civil action for *certiorari* under Rule 65 of the 1997 Rules of Court with the CA, alleging that the trial court acted with grave abuse of discretion amounting to lack of jurisdiction when DAR's motion to dismiss was denied. [6]

The appellate court sustained the RTC, finding that the action falls within the jurisdiction of the regular courts and not the DARAB because Yupangco primarily sought the recovery and possession of the subject parcel of land.

Hence the petition at bar. In its lone assignment of error, petitioner submits that the CA erred "when it upheld the jurisdiction of the [RTC] purely on the ground that [Yupangco] primarily seeks the recovery of ownership and possession of subject parcel of land, jurisdiction over which is lodged with regional trial courts, not the DARAB." [7]

We grant the petition.

It is the rule that the jurisdiction of a tribunal, including a quasi-judicial office or government agency, over the nature and subject matter of a petition or complaint is determined by the material allegations therein and the character of the relief prayed for, irrespective of whether the petitioner or complainant is entitled to any or all of such reliefs.[8] It is also settled that jurisdiction should be determined by considering not only the status or relationship of the parties but also the nature of the issues or questions that is the subject of the controversy.[9] Thus, if the issues between the parties are intertwined with the resolution of an issue within the exclusive jurisdiction of the DARAB, such dispute must be addressed and resolved by the DARAB.[10]

In the case at bar, the complaint filed by Yupangco seems at first blush to be within the jurisdiction of the RTC, as it has been denominated as "**Recovery of Ownership and Possession, Violations of R.A. Nos. 6657 and 3844[,]** as amended, **Cancellation of Title, Reconveyance and [D]amages with Prayer for the Issuance of Preliminary Mandatory Injunction and/or Temporary Restraining Order.**" [11] But as correctly pointed out by the DAR, the allegations of the complaint actually impugn the CARP coverage of the landholding involved and its redistribution to farmer beneficiaries, and seek to effect a reversion thereof to the original owner, Yupangco.[12] Thus, the complaint filed by Yupangco alleged, *inter alia*, the following:

- (a) [Yupangco] was the registered owner of certain parcels of land[13] primarily devoted to coconut plantation, under the administration and supervision of plaintiff corporation with several employees and other persons hired as laborers;[14]
- (b) Sometime in 1993, the DAR placed the subject parcels of land under the Comprehensive Agrarian Reform Program of the government pursuant to the provisions of Republic Act No. 6657, and four (4) Transfer Certificate Titles over the subject land were subsequently issued in favor of BYARBAI;[15]

- (c) [Yupangco] vehemently objected to the coverage of the subject parcels of land by the DAR and the valuation made by LBP, by filing protest and objection with DAR and LBP; [16]
- (d) DAR, through the DAR Regional Director, Zamboanga City, issued the four questioned Transfer Certificates of Title (or Certificates of Land Ownership Awards-- CLOAs) to BYARBAI pursuant to R.A. No. 6657, without LBP paying [Yupangco] the just compensation of the subject parcels of land which valuation was then being contested before the DAR Adjudication Board; [17]
- (e) Majority of the members of BYARBAI are not employees nor hired workers of [Yupangco], hence, [Yupangco] alleged that they should not have been given preference nor be entitled as allocatees in the subject parcels of land; [18]
- (f) Soon after the CLOAs were issued to BYARBAI, the latter took possession of the subject parcels of land to the prejudice and damage of [Yupangco]; [19]
- (g) BYARBAI's real motive in having the land distributed to them (pending resolution of all protests with the DAR and the contested valuation made by the LBP) was to convert the land into rice production resulting in the destruction of coffee plantations and other crops, including the cutting of several hundreds of coconut trees. This conversion was illegal and in gross violation of Republic Act No. 6657 and Republic Act No. 3844, as amended, and other existing laws and Administrative Issuances. [20]

Yupangco also alleged in its complaint that other acts were committed **"with the purpose of land speculation, for business or industrial purpose, for immediate sale thereof for business profits and not for planting, care and tending of the coconut plantation, which would defeat the purposes and policies of the Agrarian Reform Laws and [breached] the conditions of the questioned award of the land, rendering the acquisition by or distribution to [BYARBAI] as the tenant-tillers of the land null and void, and thus reverting back the ownership and possession thereof to [Yupangco]."** [21]

These allegations clearly show that Yupangco sought the recovery of the subject property by disputing its inclusion in the CARP, and imputing errors in the enforcement of the law pertaining to the agrarian reform. The primal issues raised in the complaint, viz.: protest against the CARP coverage, alleged breach of conditions of the DAR award under the CARP by the farmer beneficiaries resulting to forfeiture of their right as such; nonpayment of rentals by the farmers to the petitioner under R.A. No. 3844 (Agricultural Land Reform Code), gravitate on the alleged manner the implementation of the CARP under R.A. No. 6657 was carried out.

Under Section 50 of R.A. No. 6657, **"all matters involving the implementation of agrarian reform"** are within the DAR's primary, exclusive and original jurisdiction, and at the first instance, only the DARAB—as the DAR's quasi-judicial body, can "determine and adjudicate all agrarian disputes, cases, controversies, and matters or incidents involving the implementation of the Comprehensive Agrarian Reform Program under R.A. No. 6657, E.O. Nos. 229, 228 and 129-A, R.A. No. 3844

as amended by R.A. 6389, P.D. No. 27 and other agrarian laws and their implementing rules and regulations.”^[22]

Ultimately, the complaint in the petition at bar seeks for the RTC to cancel Certificates of Land Ownership Awards (CLOAs) issued to the beneficiaries and the Transfer Certificates of Title (TCTs) issued pursuant thereto. These are reliefs which the RTC cannot grant, since the complaint essentially prays for the annulment of the coverage of the disputed property within the CARP, which is but an incident involving the implementation of the CARP. These are matters relating to terms and conditions of transfer of ownership from landlord to agrarian reform beneficiaries over which DARAB has primary and exclusive original jurisdiction, pursuant to Section 1(f), Rule II, DARAB New Rules of Procedure.

The ruling in **Social Security System (SSS) v. Department of Agrarian Reform**^[23] is apropos. In this case, the former landowner, the SSS, made a similar attempt to circumvent the jurisdiction of the DARAB by filing a complaint for recovery of possession with the RTC of San Mateo, Rizal. When the RTC dismissed the complaint for lack of jurisdiction, the SSS came to this court for recourse. We ruled:

Irrefragably, the titles sought to be annulled by the SSS, namely, TCTs No. 1259 No. 1260 and No. 1261 originated from the CLOAs issued by the DAR in pursuance of, and in accordance with, the provisions of Rep. Act No. 6657, the Comprehensive Agrarian Reform Program.

Specifically, the SSS in its Complaint implored the trial court "to restrain the DAR from implementing Rep. Act No. 6657 and the defendants, farmers-beneficiaries from occupying/tilling, cultivating/disposing the properties."

Section 1, Rule II, 2002 DARAB Rules of Procedure provides that:

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 Republic Act No. 6657, Executive Order Nos. 228, 229, and 129-A, Republic Act No. 3844 as amended by Republic Act No. 6389, Presidential Decree No. 27 and other agrarian laws and their implementing rules and regulations. Specifically, such jurisdiction shall include but not be limited to cases involving the following:

a) The rights and obligations of persons, whether natural or juridical engaged in the management, cultivation and use of all agricultural lands covered by the CARP and other agrarian laws.