

FIRST DIVISION

[G.R. NO. 140796, June 30, 2006]

PURIFICACION PEREZ-ROSARIO, FEDERICO ROSARIO, RICARDO PEREZ, MARIA PAZ PEREZ-PASION, GUALBERTO PEREZ, LADISLAO PEREZ, MARCELO PEREZ AND TEODORA PEREZ, PETITIONERS, VS. HON. COURT OF APPEALS, ADJUDICATION BOARD OF THE DEPARTMENT OF AGRARIAN REFORM, MERCEDES RESULTAY, BASILIO CAYABYAB, FEDERICO BANIQUED, AND MIGUEL RESULTAY (DECEASED) SUBSTITUTED BY HIS HEIR, ARTURO RESULTAY, RESPONDENTS.

D E C I S I O N

AUSTRIA-MARTINEZ, J.:

Before this Court is a petition for *certiorari* under Rule 65 of the Rules of Court questioning the Decision^[1] dated January 14, 1999 promulgated by the Court of Appeals (CA) in CA-G.R. SP No. 43905 which affirmed *in toto* the Decision dated June 10, 1994 of the Adjudication Board of the Department of Agrarian Reform (DARAB); and the CA Resolution^[2] dated November 8, 1999 which denied the petitioners' Motion for Reconsideration.

The petition originated from an action for ejectment filed with the DARAB principally on the grounds of non-payment of lease rentals and sub-leasing without the knowledge and consent of the owners of a parcel of agricultural land, consisting of 2.2277 hectares, more or less, devoted to rice and mango production, located at Barangay Obong, Basista, Pangasinan and registered in the name of Nicolasa Tamondong Vda. de Perez, predecessor-in-interest of the petitioners, under Transfer Certificate of Title (TCT) No. T-31822.

The facts declared by the DARAB, as supported by the evidence on record, are clear:

On January 28, 1973, Nicolasa Tamondong Vda. de Perez sold the property with a right to repurchase in favor of [respondent] Miguel Resultay who was already cultivating the subject land under a 50-50 sharing basis of the rice harvest. After said sale, Miguel Resultay stopped delivering the shares to Nicolasa Tamondong and it was during this period or sometime in 1976, that [respondent] Miguel Resultay constituted [respondent] Basilio Cayabyab to work on a one-half (1/2) hectare portion of the land devoted to rice under an agreed lease rental agreement of seven (7) cavans per cropping season (T.S.N., February 16, 1989, pp. 7-9).

On July 15, 1977, Nicolasa Tamondong Vda. de Perez died. She is survived by her children [petitioners herein].

On November 29, 1983, [petitioners] Purificacion and Federico Rosario repurchased the subject property from [respondent] Miguel Resultay in the total amount of P16,000.00 as evidenced by a document denominated as DEED OF RESALE OF LAND UNDER PACTO DE RETRO. Thereafter, defendant Miguel Resultay resumed his delivery of 50% share of the rice harvest to the plaintiffs-heirs [petitioners] through [petitioners] Purificacion and Federico Rosario on the portion of 1.6 hectares of the land planted to rice [sic] while the other one-half hectare portion of this 2.2277 of hectares land [sic] continued to be cultivated by defendant Basilio Cayabyab who then dealt directly with [petitioners] Purificacion and Federico Rosario. On November 28, 1986, Basilio Cayabyab deposited with the Gangano's Family Rice Mill at Malimpec, Bayambang, Pangasinan a total of fourteen (14) cavans at forty-five (45) kilos per cavan of palay.

On December 20, 1986, [petitioner] Federico Rosario received from [respondent] Basilio Cayabyab seven (7) cavans at forty-five (45) kilos per cavan of clean and dry palay representing lease rental for 1984 and also seven (7) cavans at forty-five (45) kilos per cavan of clean and dry palay representing lease rental for 1985, or a total of fourteen (14) cavans of clean and dry palay.

On February 1, 1989, [petitioner] Purificacion Rosario received from [respondent] Basilio Cayabyab the total amount of Php 2,511.60 representing the lease rentals for 1985 and 1986.^[3]

On February 16, 1989, [petitioner] Purificacion Rosario received from [respondent] Cayabyab the amount of P1,228.50 representing the lease rental for 1988.

On May 25, 1990, [petitioner] Federico Rosario received from [respondent] Cayabyab seven (7) cavans of palay at 45 kilos per cavan.

On December 11, 1990, [petitioner] Federico Rosario received from defendant Cayabyab seven (7) cavans of palay.

Sometime in 1988, [respondent] Miguel Resultay who is already old and senile was paralyzed. However, [the] shares of [petitioner] Purificacion Rosario from the rice harvest were being delivered.

On November 24, 1988, [petitioners] filed the instant complaint for ejectment of defendants from the land on the grounds that: a) [respondent] Miguel Resultay delivered only 33.30 cavans of palay to them (plaintiffs); b) [respondents] Miguel Resultay and Federico Baniqued constructed their own residential houses on the subject landholding without their knowledge and consent; c) [respondent] Miguel Resultay is now old and senile and is no longer capable of doing the necessary manual work; and, d) due to old age, [respondent] Miguel Resultay sub-leased the land to [respondents] Federico Baniqued and Basilio Cayabyab without [petitioners'] knowledge and consent.

[Respondents] controverted the allegations of [petitioners] by averring that: 1) [respondent] Federico Baniqued is only a hired farm worker who constructed a shanty inside the disputed landholding for the purpose of guarding the plants inside the land; 2) [respondent] Miguel Resultay has been cultivating the land since 1973 and he had constructed his house on the land itself; 3) the net harvest during the agricultural year of 1987 was twenty-one (21) cavans and one (1) can, and it was divided into 50-50 basis; 4) [respondent] Basilio Cayabyab is an agricultural lessee on a portion of one-half hectare of the land paying a lease rental of seven (7) cavans of palay; and 5) the lease rental of seven (7) cavans which is being paid by Basilio Cayabyab is excessive and unjustifiable considering that he can produce 14 to 18 cavans of palay.^[4]

The Office of the Provincial Agrarian Reform Adjudicator identified the issues as follows: *first*, whether respondent Miguel Resultay or his wife, respondent Mercedes Resultay, is entitled to remain as agricultural lessee of the land in question with respondent Federico Baniqued as their hired farm worker; and, *second*, whether respondent Basilio Cayabyab is entitled to remain as an agricultural lessee on the one-half hectare riceland portion of the landholding in question.^[5]

On June 14, 1991, the Office of the Provincial Agrarian Reform Adjudicator promulgated its decision, the dispositive portion of which reads:

WHEREFORE, judgment is hereby rendered:

1. Declaring [respondent] Mercedes Resultay as having succeeded [respondent] Miguel Resultay as agricultural lessee of the land in question as of the time the former suffered a stroke which paralyzed him;
2. Dispossessing the [respondent] Basilio Cayabyab for deliberate non-payment of the 1986, 1987, 1988 and 1989 lease rental of the one-half (1/2) hectare riceland portion until the filing of this complaint against him;
3. Ordering [respondent] Federico Baniqued to refrain from further performing farmworks on the riceland in question;
4. Dispossessing [respondent] Mercedes Resultay from the riceland portion of the land in question which she retained after giving the one-half (1/2) hectare portion to [respondent] Basilio Cayabyab;
5. Maintaining [respondent] Mercedes Resultay as agricultural lessee on the non-riceland portion of the land in question.^[6]

In support of the foregoing, the Office of the Provincial Agrarian Reform Adjudicator held that although respondent Mercedes Resultay succeeded respondent Miguel Resultay after a stroke which caused his paralysis, she did not perform the farm work on the land in question; that, for this reason, she hired respondent Federico Baniqued to work for her; that the hiring of respondent Baniqued amounted to a "substantial non-compliance of her obligation" as an agricultural tenant and a ground for dispossession under Section 36, paragraph 2,^[7] of Republic Act No.

3844, as amended; that although the receipt of the lease rentals by petitioner Federico Rosario is indicative of respondent Cayabyab's status as an agricultural lessee on the one-half hectare riceland portion, he should be evicted on the ground of deliberate refusal to pay rental; that respondent Baniqued is merely a hired farm laborer and, thus, he "has no better right than (respondent) spouses Miguel Resultay and Mercedes Resultay who hired him;" and that the non-riceland portion where respondent spouses Resultay reside does not appear to have been subleased or given to any third party for farm work and, hence, they should remain in possession of the same.^[8]

Respondents appealed to the DARAB. On June 10, 1994, the DARAB promulgated its decision, the decretal portion of which states:

WHEREFORE, the assailed judgment dated June 14, 1991 is hereby REVERSED and SET ASIDE. Miguel and Mercedes Resultay are declared to be agricultural tenants on the land they till. Likewise, Basilio Cayabyab is maintained in peaceful possession and enjoyment of the land he tills as an agricultural lessee. The responsible officials of the Department of Agrarian Reform in the Province of Pangasinan, specifically in the Municipality of Basista, Pangasinan are hereby ordered to fix the lease rental on the land being cultivated by Miguel and Mercedes Resultay in accordance with pertinent agrarian laws, rules and regulations.

IT IS SO ORDERED.^[9]

The DARAB declared that respondent Cayabyab is a *bona fide* agricultural lessee; that he substantially complied with his obligation to deliver the landholders' share and was not remiss in paying the rentals whenever they fell due; that he could not be faulted for seemingly delayed payment of lease rentals after the institution of the complaint on November 24, 1988, nor could he be blamed for the confusion in the accounting and liquidation of harvests since the petitioners gave rise to it by refusing to receive promptly his tender of lease rentals; that petitioner Purificacion Rosario herself admitted in her testimony that she received the rental payments; that the conclusion that respondent Mercedes Resultay, as successor of her old and paralyzed husband Miguel Resultay, did not herself perform the farm work on the land had no factual basis; that the burden to prove the averment that she did not actually perform her obligations as an agricultural tenant rested with the petitioners and they failed to discharge that burden; that the hiring of the services of a farm laborer to do certain piece work or on an occasional basis is not prohibited by law, as long as the agricultural tenant herself cultivates the farm and manages it with due diligence; that the hiring of a farm laborer to do a certain phase of farming is, in itself, a generally accepted practice in a farming community; that respondent Mercedes Resultay had faithfully and religiously shared the rice produce with the petitioners; that there is no legal impediment for respondent Miguel Resultay to build his house within the landholding, and neither did petitioners adduce any concrete evidence to show that respondent Baniqued had constructed a house thereon, since Baniqued, who is only a farm helper, merely built a shanty which is not a dwelling contemplated by law; that petitioners failed to prove the existence of any other lawful cause for the ejectment of the respondents; and that since the juridical relationship between the parties appears to be a share tenancy which is contrary to law and public policy, it should be converted to a leasehold pursuant to law and existing rules and regulations.

On February 11, 1997, the DARAB denied petitioners' Motion for Reconsideration.

On April 16, 1997, petitioners filed a Petition for Review with the CA, raising the following grounds:

1. That public respondent Adjudication Board grossly misappreciated the established facts and evidence adduced in the above-entitled case;
2. That the Decision dated June 10, 1994 and Resolution dated February 11, 1997 rendered by public respondent Adjudication Board in the instant case, were contrary to existing agrarian laws and jurisprudence applicable on the matter at issue; and
3. That due to public respondent Adjudication Board's patent and gross errors committed in the issuances of the assailed Decision and Resolution, petitioners suffered not only irreparable damage and prejudice but also caused grave injustice to petitioners.^[10]

On January 14, 1999, the CA rendered the assailed Decision which affirmed *in toto* the DARAB ruling. In particular, the CA agreed with the DARAB that no factual basis supported the averment that respondent Mercedes Resultay did not comply with her obligations as an agricultural tenant; that the hiring of a farm helper in itself is not prohibited; that the land in question had not been abandoned as it is actively being cultivated by the respondents; that respondent spouses have been paying their shares and rentals to the landowners, herein petitioners; that respondent Mercedes Resultay succeeded her incapacitated husband, co-respondent Miguel Resultay, by operation of law; that respondent Cayabyab is a *bona fide* agricultural lessee on the one-half hectare riceland portion; that the evidence clearly shows that he paid the lease rentals from 1984 to 1989; that there was no delay in payment; that petitioner Purificacion Rosario admitted the receipt of these payments; that while the withdrawal of deposited rentals by the petitioners *litis pendencia* should not be construed as a recognition of the tenancy relationship between them and respondent Cayabyab, the fact that petitioner Federico Rosario received on December 20, 1986 the lease rental pertaining to 1984 as well as the rental for 1986 is indeed indicative of respondent Cayabyab's status as an agricultural lessee of the one-half hectare; and that respondent Cayabyab had no conscious intent to unlawfully deprive the landholders of their share in the farm proceeds, considering that they had received from Cayabyab in 1989 and 1990 the rentals for the other years.^[11]

Petitioners moved to reconsider, but the CA denied the motion through its Resolution dated November 8, 1999, a copy of which was received by the petitioners on November 15, 1999.

Twenty-two days later, or on December 7, 1999, petitioners filed the instant Petition for *Certiorari* under Rule 65.

Petitioners raise the following issues before this Court: