

FIRST DIVISION

[G. R. NO. 164147, June 16, 2006]

AGUSTIN VITALISTA, ORLANDO VITALISTA, LEONARDO VITALISTA, AURELIO VITALISTA, LAZARO VITALISTA, PEDRO MEMPIN, AND ENRIQUE DELA CRUZ, PETITIONERS, VS. FLORENTINO BANTIGUE PEREZ, JOSE BANTIGUE PEREZ, JACINTO BANTIGUE PEREZ, ERNESTO BANTIGUE PEREZ, FELICISIMA BANTIGUE PEREZ, BELEN BANTIGUE PEREZ, AND JOSELITO PEREZ TUANO RESPONDENTS.

D E C I S I O N

NAZARIO, J.:

This is a Petition for Review on *Certiorari* under Rule 45 of the 1997 Rules of Court, as amended, seeking to set aside a Decision^[1] of the Court of Appeals dated 12 January 2004 allowing the petitioners and the private respondents to file their respective applications for one-half of Lot No. 2195, Psd-52045 of the Buenavista Estate, San Ildefonso, Bulacan, while crediting the previous payments made by Ester Bantigue as part of the appraised value of the land. The Court of Appeals in its assailed Decision affirmed the Decision^[2] of the Office of the President dated 4 March 1998 and the Order^[3] of the Department of Agrarian Reform (DAR) Secretary dated 13 September 1994 reversing the Order^[4] of the DAR Regional Director dated 9 December 1992.

The land in question, registered as Lot No. 2195, with an area of 222,147 square meters, located in San Ildefonso, Bulacan, was once part of Hacienda Buenavista, a property owned by the Roman Catholic Church and administered by the San Juan de Dios Hospital. In 1940, Commonwealth Act (C.A.) No. 539 was enacted authorizing the President of the Philippines to acquire private lands and to subdivide the same into home lots or small farms for resale to *bona fide* tenants, occupants and other qualified individuals.^[5]

Benito Bantigue was one of the tenants of Hacienda Buenavista who had a lease contract with the hospital. Upon his death in 1929, his leasehold right was inherited by his daughter, Ester Bantigue.^[6] When the government offered to resell parcels of land from Hacienda Buenavista to its tenants, Ester Bantigue partially paid for the disputed lot under Official Receipt No. 0135880 dated 20 September 1944, as well as the outstanding rentals for the years 1939 up to 1944 under Official Receipt No. 0135881 dated 20 September 1944.^[7] Furthermore, Ester Bantigue was the registered claimant of the subject landholding, per Certifications dated 27 September 1979 and 28 September 1992 of DAR Team Leader Cesar C. Jimenez and Municipal Agrarian Reform Officer Florizel F. Villegas, respectively.^[8]

From 1945 to 1960, the children of Ester Bantigue, private respondents herein,

worked on the landholding in question. In 1961, petitioner Agustin Vitalista worked on the land as a tenant of the Bantigues, per agreement with respondent Jose Perez, acting as administrator of the said land. The other petitioners were subsequently allowed to occupy and cultivate the land.^[9]

Three years before her death, Ester Bantigue carried out contradictory acts in connection with the disposition of the landholding. On 4 November 1976, Ester Bantigue allowed her children and grandson to file an application to purchase one-half (1/2) of the disputed land.^[10] However, on 26 May 1977, or six months after the application was filed, Ester Bantigue executed an affidavit waiving her rights to the said landholding in favor of the government, stating further that she would consent to the sale of the land by the DAR to persons qualified to purchase the same. Four months later, she executed another document whose terms were patently contrary to those of the aforementioned waiver. On 19 September 1977, Ester Bantigue and the petitioners herein executed a document with the title *Kasunduan*, wherein one-half of the disputed property was given *gratis* to the petitioners while the remaining half was retained by Ester Bantigue. Thereafter Certificates of Land Transfers (CLTs) were applied for by and issued in favor of the petitioners. In 1980, Ester Bantigue died and the landholding was transferred to the private respondents as successors-in-interest.^[11]

On 15 May 1992, private respondents filed a letter-petition claiming ownership over the entire landholding based on the payments made by their mother during the Japanese period, as evidenced by Official Receipts No. 0135880 and 0135881. They also questioned the validity of the *Kasunduan* dated 19 September 1977.^[12]

On 9 December 1992, the Regional Director issued an order recognizing the partial payments made by Ester Bantigue during the Japanese period. However, the Regional Director ruled that Ester Bantigue and her heirs had forfeited their rights over the entire parcel of land by employing tenants in violation of the rules and regulations of the Land Tenure Administration (LTA), specifically Sections 24 and 25 of LTA Administrative Order No. 2, issued in 1956, and DAR Administrative Order No. 3, Series of 1990.^[13] The dispositive portion of the said Order is quoted hereunder:

WHEREFORE, premises considered, Order is hereby issued

1. DECLARING the heirs of Ester Bantigue no better right to acquire Lot No. 2195, Psd-52045 of the Buenavista Estate, San Ildefonso, Bulacan;
2. DECLARING Lot 2195, Psd-52045 vacant and open for disposition to actual occupants/cultivator and who are qualified to purchase thereof;
3. FORFEITING all payments made by Ester Bantigue over the aforesaid lot in favor of the government.^[14]

On appeal, the Secretary of Agrarian Reform reversed and set aside the Order issued by the Regional Director, pronouncing that the provisions of LTA Administrative Order No. 2, issued in 1956, and the DAR Administrative Order No. 3, Series of 1990, have no retroactive effect on the implied contract between Ester

Bantigue and the government in 1944, in accordance with the constitutional prohibition against the impairment of contracts^[15]. However, the implied contract is subject to limitations imposed by the *Kasunduan* she later executed.^[16] The dispositive portion of the said Order dated 13 September 1994 states:

WHEREFORE, premises considered, Order is hereby issued giving due course to the instant appeal filed by the petitioner, thus setting aside the Order dated December 09, 1992 of the Regional Director. Lot No. 2195, Psd-52045 containing an area of 22.2147 hectares shall be divided equally between the heirs of Ester Bantigue and Agustin Vitalista, et al. They shall be allowed to file their separate applications or if filed already, it should be processed, and the previous payments made by Ester Bantigue shall be credited as part of the appraised value of the land.^[17]

A Motion for Reconsideration was filed by the petitioners, but the same was denied by the DAR for lack of merit in an Order dated 12 December 1995.^[18]

The petitioners then filed an appeal before the Office of the President, but on 4 March 1998, the appeal was again dismissed for lack of merit and the Order appealed from was affirmed. In addition, the Office of the President called attention to the evidence presented by the private respondents indicating that their successor-in-interest had occupied and cultivated the land as early as 1929, while the petitioners were unable to prove that they occupied the land earlier than 1960; thus, the private respondents had the better right to the land.^[19]

The petitioners filed a Motion for Reconsideration, which was subsequently denied on 20 January 2000.^[20]

The petitioners filed a Petition for Review under Rule 43 of the 1997 Rules of Court. In a Decision dated 12 January 2004, the Court of Appeals denied their Petition.^[21] In affirming the factual findings of the DAR Secretary and the Office of the President, the Court of Appeals disregarded the petitioners' allegation that they were the original possessors and occupants of the disputed land.^[22]

The Court of Appeals declared that since the provisions of LTA Administrative Order No. 2 requiring personal occupation and cultivation came into effect after Ester Bantigue purchased her land, these cannot be applied retroactively without violating the Constitutional proscription against impairing the obligations of contracts.^[23]

The Court of Appeals also ruled that the entirety of her acts should be taken into account in interpreting Ester Bantigue's intent in executing the waiver; in such a case, her intent in executing the waiver was a desire to benefit the petitioners without sacrificing her children's right to the land.^[24]

The Court of Appeals likewise held that there was a contract to sell between the government and the private respondents' predecessor-in-interest. Although it was only partly paid, the contract was not cancelled. Thus, the full implementation of the transfer while taking into account the *Kasunduan* or agreement with the petitioners was correct and just.^[25]

The petitioners filed a Motion for Reconsideration of the Decision dated 12 January 2004 that was rendered by the Court of Appeals. On 11 June 2004, the Court of Appeals issued a Resolution denying their motion.^[26]

Hence this petition, wherein the petitioners raised the following issues:

I.

WHETHER OR NOT, THE HONORABLE PUBLIC RESPONDENT COURT OF APPEALS MISERABLY FAILED TO RESOLVE WHETHER PRIVATE RESPONDENTS HAVE HAD TRANSMISSIBLE RIGHTS OVER THE LOT IN QUESTION.

II.

WHETHER OR NOT, THE HONORABLE PUBLIC RESPONDENT COURT OF APPEALS GRAVELY ERRED IN AFFIRMING THE DECISIONS OF THE HONORABLE OFFICE OF THE PRESIDENT AFFIRMING THE DECISION OF THE HONORABLE DAR SECRETARY, THAT IS, EQUAL DIVISION OF THE LOT IN QUESTION BASED ON THE ALLEGED AGREEMENT BETWEEN THE PETITIONERS AND THE DECEASED ESTER BANTIGUE.

III.

WHETHER OR NOT, EQUAL DIVISION OF THE LOT IN QUESTION BETWEEN THE PETITIONERS AND PRIVATE RESPONDENTS (IS) IN ACCORDANCE WITH THE FACTS, LAWS, RULES AND REGULATIONS GOVERNING THE DISPOSITION AND AWARD OF LOTS WITHIN THE BUENAVISTA ESTATE.^[27]

Respondent failed to file a memorandum, despite due notice and sufficient time that this Court allowed them. Accordingly, the petition was decided based on the records and the pleadings already before this Court.

In this case, petitioners raised not only questions of law but also issues of fact in their petition for review. They argued that the Court of Appeals failed to consider the fact that it is the petitioners, not the private respondents nor their predecessor-in-interest, who had occupied, possessed and cultivated the land in question even before the government acquired the Buenavista Estate.^[28]

Well-settled is the rule that the jurisdiction of this Court in a Petition for Review on *Certiorari* under Rule 45 of the 1997 Revised Rules of Court is limited to reviewing only errors of law, not of fact, especially if the factual findings of the Court of Appeals coincide with those of the DAR, an administrative body with expertise on matters within its specific and specialized jurisdiction. Such factual findings can be questioned only if, among other exceptions,^[29] they are completely devoid of support from the evidence on record or the assailed judgment is based on a gross misapprehension of facts.^[30]

In the present case, there is no reason to disregard the findings of fact of the Court of Appeals. The factual findings are borne out by the records and are supported by substantial evidence. The records do not contain any evidence to support the petitioners' allegation that they occupied the landholding before the 1960's. A party claiming a right granted or created by law must prove his claim by competent

evidence and is duty bound to prove his allegations and cannot simply rely on the weakness of the other party's evidence.^[31]

On the other hand, the private respondents were able to prove that they were *bona fide* tenants qualified to acquire subdivided farm lots as provided under Section 1 of C.A. No. 539.^[32] They presented a Lease Contract between their predecessor-in-interest, Ester Bantigue, and the San Juan De Dios Hospital, as well Official Receipts as evidence of payments for rent in-arrears and partial payments for the purchase of the land made in 1944.

Significantly, the Order issued by the DAR Regional Director dated 9 December 1992 recognizes that Ester Bantigue is the registered claimant of the disputed land, while the petitioners are registered tenants of Ester Bantigue over the said land.^[33] The Regional Director decreed that the private respondents' preferential right to acquire the disputed land was forfeited for violating the rules against employing tenants, the petitioners, in accordance with LTA Administrative Order No. 2, and DAR Administrative Order No. 3, series of 1990.^[34] Certifications issued by no less than two DAR officials affirm Ester Bantigue's status as the registered claimant.^[35]

Finally, when the petitioners executed a document entitled *Kasunduan* with Ester Bantigue in 1977, they necessarily recognized her right to give them half of her interest in the said land and to keep the other half for herself. From 1977 to 1993 when the private respondents brought this case on appeal, the petitioners did not question the validity of the *Kasunduan*. Instead, they filed an application for one-half of the land immediately after the *Kasunduan* was executed, and not for the entire portion as would have been the case had there been no one with a superior right to the land.^[36]

The petitioners in this case cannot claim a superior right to acquire the land in question since they cannot be considered as ***bona fide*** tenants or occupants as provided under C.A. No. 539. A *bona fide* tenant or occupant is one who supposes that he has a good title and knows of no adverse claim. They were aware of the private respondents' prior claim since the registered claimant of the said land was Ester Bantigue and the petitioners had in fact been tenants hired by the Bantigues.

In the case of *Fernando Santiago v. Realeza Cruz*,^[37] this Court emphasized that where there is more than one claimant or applicant for the purchase of land acquired under C.A. No. 539, the same law provides for a rule on preference in favor of a *bona fide* tenant:

The next question to be determined refers to the preference that should be observed in the allocation of the lots in dispute among their different claimants which constitutes the root cause of the present controversy x x x. This law is Commonwealth Act No. 539. Section 1 of this Act provides that the home lots into which the lands acquired thereunder are to be subdivided to promote its objective shall be resold at reasonable prices and under such terms and conditions as may be fixed "to their *bona fide* tenants or occupants or private individuals who will work the lands themselves and who are qualified to acquire and own lands in the Philippines." An analysis of this provision would at once reveal that the intendment of the law is to award the lots to those who may apply in the