481 Phil. 239

SECOND DIVISION

[G.R. No. 150106, September 08, 2004]

AMANDO G. SUMAWANG, PETITIONER, VS. ENGR. ERIC D. DE GUZMAN, RESPONDENT.

D E C I S I O N

CALLEJO, SR., J.:

On June 8, 1999, Engineer Eric de Guzman, as plaintiff, filed a complaint in the Municipal Trial Court (MTC) of Guimba, Nueva Ecija, against Amando G. Sumawang, for unlawful detainer with damages. The case was docketed as Civil Case No. 3778. The plaintiff alleged therein that the President of the Philippines issued, on August 19, 1988, Emancipation Patent No. 288843 in his favor, over a parcel of agricultural land, designated as Lot 33, with an area of 9,970 square meters, located in Macatcatuit, Guimba, Nueva Ecija; on December 12, 1988, the Register of Deeds issued Transfer Certificate of Title (TCT) EP No. 31683 over the landholding; thereafter, he leased a portion of the property to the defendant where the latter constructed a small hut, and remitted the rentals therefor; in the early part of 1999, the defendant failed to pay the agreed rentals for the landholding based on said patent; despite his demand on March 10, 1999, the defendant failed to vacate the property; and no amicable settlement of the matter was arrived at by the parties in the Office of the Barangay Captain.

The plaintiff prayed that judgment be rendered ordering the defendant to vacate the property and to pay damages and attorney's fees. In his answer to the complaint, the defendant alleged that Gloria Zulueta Rominquit was the owner of a large tract of agricultural land, designated as Lot 1402, which was placed under the Comprehensive Agrarian Reform Law; he cultivated a portion of the property and was one of the farmers-beneficiaries of the landholding, as listed in the Office of the Municipal Agrarian Reform; sometime in 1965, he swapped the portion of the property he was cultivating with Lot 33 which was cultivated by Antonio Ferrer and, thenceforth, he had been cultivating the same lot; in 1994, he built a house of strong materials in the property where he and his family resided; he sought the assistance of his first cousin, Judge Felix de Guzman, the father of the plaintiff, to secure a patent and title over the property in his name but the plaintiff, who was the son of Judge De Guzman and an engineer by profession and a non-resident of Guimba, secured through fraud an emancipation patent and title over the property in his name.

The defendant interposed the defense of lack of jurisdiction of the trial court over the action and the subject matter thereof, and prayed that the complaint be dismissed on those grounds; and that he be awarded damages and attorney's fees.

The plaintiff adduced evidence that per Parcellary Mapping Survey (PMS) No. 067, the subject property owned by Rominquit was designated Lot 12011, with an area of

9,100 square meters, covered by Certificate of Land Title (CLT) No. 0114427 issued to Antonio Ferrer, the farmer-beneficiary thereof; but per final survey, the property was designated as Lot 33, with an area of 9,970 square meters; he was granted Emancipation Patent No. 288843 over Lot 33 and on the basis of said patent, TCT EP No. 31683 was issued by the Register of Deeds. He declared the property under his name under Tax Declaration No. 94-10032-00515, free of any encumbrance, after paying the amortizations due to the Land Bank of the Philippines; and that, during the period from 1991 to 1997, he employed the plaintiff as farmer-worker to whom he remitted sums of money for the expenses for the cultivation of the property such as soil, fertilizer, seedlings, rentals for a rotorator, etc. The defendant, for his part, presented certifications from the former *barangay* captains that, since 1969, he had been the tenant on the farmland covered by CLT No. 0114427 under the name of Antonio Ferrer, the beneficiary of the property; and that, in 1987, he built a house of strong materials thereon; in 1991, the plaintiff, through his father, Judge Felix de Guzman, suggested a sharing system between the plaintiff and the defendant, whereby the plaintiff will provide monetary assistance for the expenses for the cultivation of the property by the defendant and would share in the produce thereof and net of expenses.

On June 27, 2000, the trial court rendered judgment in favor of the plaintiff and against the defendant. The *fallo* of the decision reads:

> WHEREFORE, foregoing considered, judgment is hereby rendered in favor of plaintiff and against defendant, ordering the latter to:
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> 1. Vacate the property and to remove his hut/house erected thereon;
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> 2. Pay plaintiff reasonable rental for the use of the property at the rate of ₱500.00 per month from March 12, 1999 until he finally vacates the same;
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> 3. Reimburse plaintiff ₱170.00 representing the amount spent for filing fees; and
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> 4. Pay the costs of suit.[1]

The trial court ruled that the defendant was not the legitimate tenant-beneficiary over the property, as certified by the Office of the Municipal Agrarian Reform, but Antonio Ferrer, who transferred the property to the plaintiff; and that there was no landlord-tenant relationship over the property between the plaintiff and the defendant; hence, it had jurisdiction over the action.

The defendant appealed the decision to the Regional Trial Court (RTC) which rendered judgment on October 9, 2000, reversing the decision of the MTC. The RTC ruled that, based on the facts on record, the controversy between the plaintiff and the defendant was an agrarian dispute within the exclusive jurisdiction of the Department of Agrarian Reform Adjudicatory Board (DARAB).

The plaintiff, then the petitioner, filed a petition for review of the decision with the Court of Appeals (CA), which rendered judgment on September 25, 2001, reversing the decision of the RTC and reinstating the decision of the MTC. The appellate court held that it was not prepared, based on the record, to hold that the petitioner was

the agricultural tenant of the respondent therein.

The respondent therein, now the petitioner, filed a petition for review on certiorari with this Court contending that:

> 1. The respondent Honorable Court of Appeals erred in its conclusion, that it is not prepared to declare petitioner-appellant not (*sic*) a tenant (p. 128, Records), concluding that petitioner's occupation of subject land is by mere tolerance of private respondent and without any contract between them, petitioner-appellant is necessarily bound by an implied promise that he will vacate upon demand (p. 129, Records) (italics, ours);
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> 2. The respondent Honorable Court of Appeals gravely erred in not taking cognizance of the doctrine of estoppel, as against the private respondent-appellee (pp. 7-8, Comments to Petition for Review);
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> 3. The respondent Honorable Court of Appeals gravely erred in not applying the provisions of R.A. 6657 (New CARP Law), as applied by the court *ad quem*, considering that the petitioner-appellant has met the six (6) requirements that concur to make a tenancy relationship (pp. 6-8, Comments to Petition for Review).[2]

The petitioner asserts that he had been a farmer-beneficiary of the land since 1965 and even after the respondent fraudulently secured title over the property, the latter allowed him to cultivate the property and supplied him with farm inputs and implements; the respondent also shared with him the harvests therefrom on a 50-50 basis, net of costs of production. The petitioner asserts that, under the factual milieu, he was the agricultural tenant of the respondent and not merely his farm worker. Hence, the dispute between them is within the exclusive jurisdiction of the DARAB as held by the RTC, and not the MTC, as ruled by the CA.

The threshold issue is whether or not the MTC had jurisdiction over the action of the respondent. The resolution of the issue is anchored on our resolution of the issue of whether or not the petitioner was the agricultural tenant of the respondent or merely the latter's farm worker.

The petition has no merit.

The well-entrenched principle is that the jurisdiction of the court over the subject matter on the existence of the action is determined by the material allegations of the complaint and the law, irrespective of whether or not the plaintiff is entitled to recover all or some of the claims or reliefs sought therein.[3] In *Basco Integrated Port Services, Inc. v. Cyborg Leasing Corporation*,[4] we had ruled that the jurisdiction of the court over the nature of the action and the subject matter thereof cannot be made to depend upon the defenses set up in the court or upon a motion to dismiss for, otherwise, the question of jurisdiction would depend almost entirely on the defendant.[5] Once jurisdiction is vested, the same is retained up to the end of the litigation.[6] The Municipal Trial Court does not lose its jurisdiction over an ejectment case by the simple expedient of a party raising as a defense therein the alleged existence of a tenancy relationship between the parties.[7] But it is the duty