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THIRD DIVISION

[G.R. No. 127536, February 19, 2002]

CESAR JARO, PETITIONER, VS. HON. COURT OF APPEALS, THE DEPARTMENT OF AGRARIAN REFORM ADJUDICATION BOARD (DARAB), AND ROSARIO VDA. DE PELAEZ, RESPONDENTS.

D E C I S I O N

CARPIO, J.:

Rules of procedure are essential to the proper, efficient and orderly dispensation of justice. Such rules are to be applied in a manner that will help secure and not defeat justice. Thus, we have ruled against the dismissal of appeals based solely on technicalities, especially so when the appellant had substantially complied with the formal requirements. Substantial compliance warrants a prudent and reasonable relaxation of the rules of procedure. Circumspect leniency will give the appellant "the fullest opportunity to establish the merits of his complaint rather than to lose life, liberty, honor or property on technicalities."[1]

The Case

Petitioner Cesar Jaro ("petitioner" for brevity) seeks the reversal of the three resolutions[2] of the Court of Appeals (Eleventh Division), dated October 23, 1996, November 15, 1996 and January 6, 1997, that dismissed his petition in CA-G.R. SP No. 42231. The Court of Appeals dismissed the petition for failure to comply with the requirements of Supreme Court Revised Administrative Circular No. 1-95 and Administrative Circular No. 3-96.

The Antecedent Facts

On November 12, 1992, Rosario Vda. de Pelaez ("respondent" for brevity) filed a complaint for prohibition under Section 27 of the Agricultural Tenancy Act (R.A. No. 1199) against petitioner before the Department of Agrarian Reform Adjudication Board, Provincial Adjudicator Board, Lucena City, Quezon ("Provincial Adjudicator" for brevity). Respondent alleged in the complaint that the late Rosenda Reyes y Padua ("Rosenda" for brevity) was the original owner of a parcel of coconut land covered by TCT No. T-79099 with an area of 3.0896 hectares, situated in Barangay Mangilag Norte, Candelaria, Quezon. Rosenda allegedly instituted respondent and her husband, the late Igmedio Pelaez, as tenants of the land. In 1978, Ricardo Padua Reyes ("Ricardo" for brevity), the heir of Rosenda, sold the land to petitioner who, respondent alleged, now wants to eject respondent from the land.

In his Answer, petitioner countered that respondent is not and had never been a tenant of the land for respondent never shared in the harvests nor was respondent given any share as payment for her work. In 1978, when petitioner purchased the land from Ricardo, petitioner allowed respondent to remain on the land allegedly

with the understanding that petitioner could remove respondent's house at any time if petitioner so desired.

On October 6, 1993, the Provincial Adjudicator rendered a decision[3] in favor of petitioner. In ruling that respondent was not a tenant, the Provincial Adjudicator noted that the affidavits presented as evidence were conflicting and the inconsistencies therein were material to the resolution of the case. The affidavit executed by Ricardo in November, 1992, presented by respondent as evidence, contradicted an earlier affidavit of Ricardo, executed by him on May 15, 1978. In the affidavit dated November, 1992, executed 14 years after he had sold the land, Ricardo stated that respondent is a tenant of the land. However, in his 1978 affidavit, Ricardo declared that the land is not tenanted and is not covered by the agrarian reform program since it is neither rice nor corn land. The Provincial Adjudicator also held that the joint affidavit executed by respondent with her husband on May 15, 1978 was an admission that they were not tenants of the land. In that joint affidavit, the spouses stated that they are mere occupants by virtue of the landowner's generosity, and they are willing to vacate the same in case it is sold to another person.

The dispositive portion of the Provincial Adjudicator's decision reads:

> "WHEREFORE, premises considered, the instant case is hereby DISMISSED for lack of merit.
>
> SO ORDERED."[4]

Respondent appealed the adverse decision to the Department of Agrarian Reform Adjudication Board in Diliman, Quezon City ("DARAB" for brevity).

On April 22, 1996, the DARAB issued its decision reversing the decision[5] of the Provincial Adjudicator. The DARAB ruled that the land in question is agricultural and the applicable agrarian law is Republic Act No. 1199, the Agricultural Tenancy Act, and not Presidential Decree No. 27 which applies only to tenanted rice or corn lands covered by Operation Land Transfer. While the joint affidavit of respondent and her husband and the earlier affidavit of Ricardo declared that the land was untenanted, the DARAB nonetheless found substantial evidence to show that respondent is indeed a tenant of the land in question. The DARAB gave more weight to the November, 1992 affidavit of Ricardo which stated that his mother, Rosenda, instituted respondent and her spouse as tenants of the land. The DARAB resolved the issue of the conflicting affidavits in this wise:

> "The inconsistencies between the affidavits executed by the spouses Igmidio and Rosario Pelaez dated May 15, 1978, as well as, the affidavit executed by Ricardo Padua Reyes and the two (2) other affidavits executed in November, 1992 by the same persons, deserve a closer look. While the former affidavits attested that the land formerly owned by Rosenda Padua Reyes was not tenanted, it was executed for purposes of facilitating the sale of the landholding to a third party."[6]

The DARAB also took notice of the "practice of the landowners, by way of evading the provision of tenancy laws, to have their tenants sign contracts or agreements intended to camouflage the real import of their relationship."[7]

Applying RA No. 1199, the DARAB declared that respondent enjoys security of tenure as tenant of the land there being no showing that she had renounced her rights as such.

The dispositive portion of the DARAB decision reads:

> "WHEREFORE, in view of the foregoing considerations, the challenged decision dated October 6, 1993 is hereby REVERSED and SET ASIDE. A new order is hereby entered:
>
> 1. Ordering defendant Cesar Jaro to recognize plaintiff Rosario Vda. de Pelaez as his *de jure* tenant and to maintain her in peaceful possession and cultivation of the land subject of this case; and
>
> 2. Ordering Cesar Jaro and Rosario Vda. de Pelaez to enter into a leasehold contract over the land in question with the technical assistance of the Municipal Agrarian Reform Office of Candelaria, Quezon.
>
> Let the entire records of this case be remanded to the Adjudicator a quo for the immediate execution of this new ORDER.
>
> SO ORDERED."[8]

On August 23, 1996, the DARAB denied the Motion for Reconsideration of petitioner in a Resolution that reads:

> "WHEREFORE, in view of the foregoing, the motion for reconsideration is hereby denied.
>
> SO ORDERED."[9]

Aggrieved, petitioner filed an appeal on certiorari with the Court of Appeals pursuant to Section 1, Rule XIV of the DARAB's New Rules of Procedure. On October 23, 1996, the Court of Appeals issued a Resolution dismissing outright the petition. The Resolution reads:

> "Upon examination of the present appeal on certiorari, the Court RESOLVED to outrightly DISMISS the same for the following reasons:
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> (a) it should be in the form of a petition for review as required by Supreme Court Revised Adm. Circ. No. 1-95; and
>
> (b) the annexes to the petition are certified as true xerox copy by counsel for the petitioner, and not by the proper public official who has custody of the records, in violation of the same Circular and Adm. Circ. No. 3-96.
>
> SO ORDERED."[10]

On November 5, 1996, before receipt of the Resolution of the Court of Appeals dismissing his petition, petitioner filed his Amended Petition. On November 8, 1996, upon verification that his petition had been dismissed, petitioner filed a Motion for Reconsideration and for Admission of Amended Petition.

On November 15, 1996, the Court of Appeals issued a Resolution denying the Motion for Reconsideration and for Admission of Amended Petition of petitioner. The Resolution reads:

> "Acting on the Motion for Reconsideration and for Admission of Amended Petition, dated November 8, 1996, filed by the petitioner and considering that Supreme Court Administrative Circular No. 3-96 trenchantly provides that:
>
> > "It shall be the duty and responsibility of the party using the documents required by Paragraph (3) of Circular No. 1-88 (certified true copies of judgment or resolution sought to be reviewed) to verify and ensure compliance with all the requirements therefor as detailed in the preceding paragraphs. Failure to do so shall result in the rejection of such annexes and the dismissal of the case. Subsequent compliance shall not warrant any consideration unless the court is fully satisfied that the non-compliance was not in any way attributable to the party, despite due diligence on his part, and that there are highly justifiable and compelling reasons for the court to make such other disposition as it may deem just and equitable. (underscoring supplied)
>
> and considering further that non-compliance in the original petition is admittedly attributable to the petitioner and that no highly justifiable and compelling reason has been advanced for us to depart from the mandatory requirements of the Circular, we RESOLVED to DENY the motion for lack of merit.
>
> SO ORDERED."[11]

On December 13, 1996, petitioner again filed a Manifestation and Motion praying for the admission of his amended petition.

On January 6, 1997, the Court of Appeals denied the motions of petitioner in a Resolution that reads:

> "Since under Section 11 of BP Blg. 129, Section 4 of the Interim Rules and Section 3, Rule 9 of the Revised Internal Rules of the Court of Appeals, as amended, no second motion for reconsideration from the same party of a decision or final resolution/order is allowed, the herein Manifestation and Motion, dated December 12, 1996, filed by the petitioner, which is in effect a second motion for reconsideration, is hereby DENIED.
>
> SO ORDERED."[12]

Hence, this petition.

The Issue

Petitioner raises this issue before us:

> "IS PETITIONER ENTITLED TO AN ANNULMENT OF THE IMPUGNED DECISION AND RESOLUTIONS OF THE DARAB AND THE HONORABLE COURT OF APPEALS?"[13]

The Court's Ruling

The petition has merit. Without in any way implying that the DARAB decision and resolution are void, we agree with petitioner that the Court of Appeals' dismissal of the amended petition on purely technical grounds was unwarranted.

We first address petitioner's contention that the DARAB decision and resolution are void because of respondent's alleged failure to pay the appeal fee when respondent appealed the decision of the Provincial Adjudicator to the DARAB. The non-payment of the appeal fee would have rendered the decision of the Provincial Adjudicator, which was favorable to petitioner, as the final adjudication of the case. The DARAB then would have no jurisdiction to rule on the case and the eventual dismissal of the petition by the Court of Appeals would amount to nothing because the Provincial Adjudicator's decision would still stand as final judgment.

We are not persuaded. Petitioner failed to substantiate his claim that respondent failed to pay the appeal fee. There is nothing in the records to support this allegation. What the records show is that petitioner filed with the DARAB a Motion to Dismiss the Appeal[14] of respondent, but petitioner did not even cite in said motion respondent's alleged failure to pay the appeal fee as one of the grounds for the dismissal of respondent's appeal. The fact that the non-payment of the appeal fee is belatedly raised as an issue before us is a clear indication that this issue was just an afterthought.

Petitioner maintains that even if respondent is a pauper litigant exempted from paying the appeal fee, the DARAB decision is still void because it "is predicated on speculations, surmises, conjectures and suspicions".[15] The DARAB's alleged disregard of the fundamental principles of evidence tainted the decision with grave abuse of discretion amounting to lack or excess of jurisdiction, making its decision a mere scrap of paper.

We do not agree. A perusal of the decision of the DARAB does not show that its rulings are so glaringly erroneous as to constitute serious abuse of discretion. The term "grave abuse of discretion" has a technical and settled meaning. Grave abuse of discretion implies a capricious and whimsical exercise of power amounting to lack or excess of jurisdiction, or the exercise of power in an arbitrary or despotic manner by reason of passion or personal hostility. The abuse of discretion must be so patent and so gross as to amount to an evasion of a positive legal duty or a virtual refusal to perform such duty.[16]

The perceived errors committed by the DARAB, if at all, merely amount to errors of judgment, not errors of jurisdiction. The errors that a court may commit in the