437 Phil. 274

# SECOND DIVISION

# [ G. R. No. 140164, September 06, 2002 ]

## DIONISIA L. REYES, PETITIONER, VS. RICARDO L. REYES, LAZARO L. REYES, NARCISO L. REYES AND MARCELO L. REYES, RESPONDENTS.

## D E C I S I O N

**QUISUMBING, J.:**

This petition assails the decision[1] dated September 20, 1999 of the Court of Appeals in CA-G.R. SP No. 47033, which reversed that of the Department of Agrarian Reform Adjudication Board (DARAB-Central Office) in DARAB Case No. 3625. The DARAB-Central Office had affirmed the ruling of the Provincial Adjudicator, DARAB-Region III in Case No. 249-Bul-91, declaring petitioner Dionisia L. Reyes the lawful agricultural lessee of a parcel of land in Bulacan owned by the late Marciano Castro, and thus she is entitled to security of tenure.

After a thorough review of the records including the memoranda of the parties, we find this petition meritorious.

The parties are among the nine children of the late Felizardo J. Reyes, who prior to his death was the agricultural tenant of the land subject of this uncivil dispute over tenancy rights. The core question in this petition is, who among the parties should be considered the lawful and rightful tenant of the Castro property? The DARAB ruled in favor of petitioner, the appellate court held otherwise.

As disclosed by the record, the instant case stemmed from a complaint for reinstatement with damages filed with the DARAB Region III Office by Dionisia Reyes on April 22, 1991 against her four younger brothers, herein respondents. She alleged that her father, the late Felizardo Reyes, was the tenant of a two-hectare agricultural lot in Parulan, Plaridel, Bulacan, owned by Marciano Castro. After her father's death on February 17, 1989, she and Marciano Castro, through the latter's son and attorney-in-fact, Ramon R. Castro, executed a leasehold contract naming her as the agricultural lessee of the property. However, sometime before the start of the planting of the dry season crop in 1989, herein respondents forcibly entered the area and occupied a one-hectare portion of the property. They claimed to be the tenants thereof. Respondents then paid rent to the Castros' overseer, Armando Duran, and continued to occupy half of the property to petitioner's damage and prejudice.

In their answer, respondents denied Dionisia's claim that she was the bona fide leasehold tenant. They claimed that they inherited the lease rights to the property from their deceased father. Respondents pointed out that petitioner was a woman who could not possibly work or till the land by herself. They likewise averred that they were the ones actually cultivating the portion occupied by them. Hence,

petitioner's claim to be the lawful agricultural lessee had no basis, either in fact or in law.

After attempts to amicably solve the dispute failed, the DARAB Provincial Adjudicator (PARAD) ruled for petitioner, thus:

WHEREFORE, premises considered, judgment is hereby rendered as follows:

> 1. Ordering respondents Ricardo Reyes, Lazaro Reyes, Narciso Reyes and Marcelo Reyes to respect the tenurial status of herein petitioner Dionisia Reyes over the disputed landholding;
>
> 2. Ordering respondents to return the one-hectare portion which had been taken forcibly and to cease and desist from molesting, interfering, occupying petitioner's peaceful possession over the disputed landholding;
>
> 3. No pronouncement as to costs.
>
> SO ORDERED.[2]

Respondents then seasonably appealed the PARAD's judgment to the DARAB-Central Office. In its decision of September 1, 1997, however, the DARAB-Central Office disposed of the appeal as follows:

> WHEREFORE, premises considered, the instant appeal is hereby DISMISSED for lack of merit and the subject decision AFFIRMED.
>
> SO ORDERED.[3]

In affirming the ruling of the PARAD, the DARAB Central Office found that pursuant to the agricultural lease contract entered into between Dionisia and the Castros, the former was designated by the latter to substitute the late Felizardo Reyes as tenant. It held:

When an agricultural tenant dies, the choice for the substitute tenant is given to the land owner. It is the latter who has the option to place a new tenant of his choice on the land. That choice is, however, not absolute as it shall be exercised from among the surviving compulsory heirs of the deceased tenant. Hence, the surviving heirs cannot preempt that choice by deciding among themselves who shall take-over the cultivation or opting to cultivate the land collectively. It is only when the landowner fails to exercise such right, or waive the same, that the survivors may agree among themselves regarding the cultivation. The law is specific on the matter as so provided in Section 9, Republic Act No. 3844[4]

x x x

Neither is their argument that Plaintiff-Appellee, being a woman, is not capable of discharging the demands of farming, valid. This Board finds said argument anachronistic with the changing times of great awareness of the potentials of women. Women today are found manning our commerce and industry, and agriculture is no exception.[5]

In accordance with Section 54 of the Comprehensive Agrarian Reform Law (R. A. No. 6657),[6] respondents elevated the case to the Court of Appeals, which docketed their appeal as CA-G.R. SP No. 47033. On appeal, respondents changed their

theory. They abandoned their argument that they had inherited the tenancy rights of their late father and instead postulated that an "implied tenancy" had been created when the Castros' overseer accepted rentals totaling 40 cavans of palay from them on behalf of the owner. As earlier stated, the appellate court reversed the decision of the DARAB-Central Office. The decretal portion of its decision reads:

> WHEREFORE, premises considered, the petition is hereby GRANTED. The respondent is ordered to respect the tenurial status of petitioners over the one (1) hectare portion of the two (2) hectare-property of Ramon R. Castro situated in Barangay Parulan, Plaridel, Bulacan.
>
> No costs.
>
> SO ORDERED.[7]

The Court of Appeals held that an "implied tenancy" existed between herein respondents and the landowner because:

> …In point of time, Ricardo Reyes' actual possession and cultivation of the subject property came earlier than the possession of respondent Dionisia Reyes by virtue of the said leasehold contract executed on November 6, 1989. Further, Armando Duran testified that he served as the overseer of the subject property from the period 1967 to 1993, since the time of Antonio Castro, after which, during the time of Marciano Castro up to the time of the administration of the subject property by Ramon R. Castro who inherited the same (TSN July 12, 1994, pp. 3, 9; *Rollo*, pp. 98, 104). In effect, Armando Duran was still the overseer of the subject property after the death of Felizardo Reyes on February 17, 1989 and was still the overseer of the subject property when he allowed petitioners to continue the tenancy thereof left by the late Felizardo. The fact that Armando Duran was the overseer for a period of sixteen (16) years, the petitioners were made to believe of his authority from the Castro family relative to the administration of the subject property. On this account, the acquiescence of Duran in allowing or permitting petitioner Ricardo Reyes to posses and cultivate of the one (1) hectare subject property immediately after the death of Felizardo is binding to the Castro family including Ramon Castro, the new landowner.[8]

The appellate court then went on to rule that by virtue of this "implied tenancy" created in favor of herein respondents, the leasehold contract between the Castros and petitioner could be made effective only on the other one - hectare portion of the disputed property.

Hence, the instant petition, anchored on the following assignment of errors:

A.

THE COURT OF APPEALS COMMITTED REVERSIBLE ERROR OF LAW IN DISREGARDING THE SUBSTANTIAL EVIDENCE RULE BY OVERTURNING THE BINDING FINDINGS OF FACT OF THE DARAB PROVINCIAL ADJUDICATOR AND THE NATIONAL DARAB ITSELF.

B.

THE COURT OF APPEALS COMMITTED REVERSIBLE ERROR OF LAW IN HOLDING, WITHOUT BASIS IN FACT AND LAW, BUT MERELY ON THE BASIS OF ILLOGICAL SURMISE AND MANIFESTLY MISTAKEN INFERENCE, THAT HEREIN RESPONDENTS WERE MADE TO BELIEVE THAT THE OVERSEER HAD AUTHORITY FROM THE LANDOWNER TO INSTITUTE TENANT/S FOR THE LAND, UPON THE BARE PREMISE THAT THE OVERSEER WAS SUCH FOR 16 YEARS.

C.

THE COURT OF APPEALS COMMITTED REVERSIBLE ERROR OF LAW IN HOLDING, WITHOUT BASIS IN FACT AND LAW, BUT MERELY ON THE BASIS OF ILLOGICAL SURMISE AND MANIFESTLY MISTAKEN INFERENCE, THAT THE ACQUIESCENCE OF THE OVERSEER TO RICARDO REYES' POSSESSION AND CULTIVATION OF THE 1-HECTARE PORTION OF THE LAND IMMEDIATELY AFTER THE DEATH OF THE ORIGINAL TENANT IS BINDING ON THE LANDOWNER.

D.

THE COURT OF APPEALS COMMITTED REVERSIBLE ERROR OF LAW IN HOLDING, WITHOUT BASIS IN FACT AND LAW, BUT MERELY ON THE BASIS OF ILLOGICAL SURMISE AND MANIFESTLY MISTAKEN INFERENCE THAT AN IMPLIED TENANCY WAS ESTABLISHED BETWEEN THE LANDOWNER AND HEREIN RESPONDENTS RICARDO L. REYES, ET AL., UPON THE BARE PREMISE THAT THE OVERSEER HAD ALLOWED THEM TO CONTINUE THE LEASEHOLD RELATION LEFT BY THE ORIGINAL TENANT AS TO THE 1-HECTARE PORTION OF THE LAND.

E.

THE COURT OF APPEALS COMMITTED REVERSIBLE ERROR OF LAW IN HOLDING, WITHOUT BASIS IN FACT AND LAW, BUT MERELY ON THE BASIS OF ILLOGICAL SURMISE AND MANIFESTLY MISTAKEN INFERENCE, THAT HEREIN PETITIONER DIONISIA L. REYES CANNOT BE CONSIDERED A TENANT EVEN IF SO DESIGNATED IN A WRITTEN CONTRACT, UPON THE BARE PREMISE THAT THE 1-HECTARE PORTION OF THE LAND WAS IN THE ACTUAL POSSESSION OF HEREIN RESPONDENTS RICARDO L. REYES, ET AL.

F.

THE COURT OF APPEALS COMMITTED REVERSIBLE ERROR OF LAW IN HOLDING, WITHOUT BASIS IN FACT AND LAW, BUT MERELY ON THE BASIS OF ILLOGICAL SURMISE AND MANIFESTLY MISTAKEN INFERENCE, THAT HEREIN RESPONDENTS RICARDO L. REYES, ET AL. HAVE SQUARELY MET THE REQUIREMENTS OF THE LAW FOR THE EXISTENCE OF A TENANCY RELATIONSHIP BETWEEN THEM AND THE LANDOWNER.[9]

The grounds relied upon by petitioner can be reduced to only two issues, to wit:

> (1) Did the Court of Appeals err in disregarding the substantial evidence rule with respect to the DARAB findings?
>
> (2) Did the appellate court commit a reversible error of law in finding that respondents had satisfactorily met the requirements of a tenancy relationship?