



Republic of the Philippines
 Supreme Court
 Baguio

CERTIFIED TRUE COPY

Wilfredo V. Lapitan
 WILFREDO V. LAPITAN
 Division Clerk of Court
 Third Division

MAY 26 2017

THIRD DIVISION

TEDDY CASTRO AND LAURO G.R. No. 212778
SEBASTIAN,

Petitioners,

- versus -

PABLITO V. MENDOZA, SR., on his behalf and as attorney-in-fact of RICARDO C. SANTOS, ARLENE C. MENDOZA, MARGIE AC DE LEON, NANCY S. REYES, MARITA PAGLINAWAN, NATIVIDAD C. MUNDA, MARILOU DE GUZMAN RAMOS, LEONCIA PRINCIPIO, CECILIA DINIO, ANGEL DELA CRUZ, ZENAIDA SANTOS, LOURDES S. LUZ, MARIFE F. CRUZ, ANTONIO H. SANTOS, CONSTANCIA SANTOS, MARCELINA SP. DAMEG, PLACIDO DE LEON, LILIAN SANTOS, (collectively organized as Bustos Public Market II Vendors and Stall Owners Association) and MUNICIPALITY OF BUSTOS, BULACAN,

Present:
 VELASCO, JR., J., *Chairperson,*
 BERSAMIN,
 REYES,
 JARDELEZA, and
 TIJAM, *JJ.*

Respondents. Promulgated:
 April 26, 2017

Wilfredo V. Lapitan

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DECISION

JARDELEZA, J.:

This is a petition for review on *certiorari* under Rule 45 of the Rules of Court assailing the Decision¹ of the Court of Appeals (CA) in CA-G.R.

¹ Penned by Associate Justice Sesinando E. Villon with Justices Florito S. Macalino and Pedro B. Corales concurring, *rollo* pp. 55-73.

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SP No. 108859. The CA reversed and set aside issuances of the Provincial Agrarian Reform Adjudicator (PARAD) in connection with the execution of its Decision in Reg. Case No. 739-Bulacan '94.² The PARAD held that petitioners Teddy Castro and Lauro C. Sebastian (petitioners) are entitled to redeem the property subject of this case.

The PARAD had issued orders to effect the redemption of the property subject of this case: (1) two Resolutions dated June 8, 2007 and August 23, 2006; (2) Writ of Execution dated March 2, 2006 and Writ of Execution and Possession dated September 29, 2006; and (3) Order dated February 12, 2009.³ These issuances were questioned before the CA *via* a petition for *certiorari* and *mandamus*⁴ under Rule 65 of the Rules of Court filed by private respondents Pablito V. Mendoza, Sr. on his behalf and as attorney-in-fact of Ricardo C. Santos, Arlene C. Mendoza, Margie A.C. De Leon, Nancy S. Reyes, Marita Paglinawan, Natividad C. Munda, Marilou De Guzman Ramos, Leoncia Principio, Cecilia Dinio, Angel Dela Cruz, Zenaida Santos, Lourdes S. Luz, Marife F. Cruz, Antonio H. Santos, Constancia Santos, Marcelina SP. Dameg, Placido De Leon, and Lilian Santos, individuals organized as Bustos Public Market II Vendors and Stall Owners Association (Bustos Market Stall Owners) against petitioners and the public respondent Municipality of Bustos, Bulacan (respondent Municipality).

The property is part of a parcel of land with a total area of 14,827 square meters, originally covered by Transfer Certificate of Title No. T-20427 registered in the name of Simeon Santos, married to Laura Cruz (original Santos property). Upon the death of Simeon, his compulsory heirs, surviving spouse, Laura, and his children, Rosalina, Natividad, Melencio, Valentin, Jesus, Tirso, and Luis, all surnamed Santos, executed a deed of extrajudicial partition with waiver of rights and sale on May 16, 1977.⁵

Petitioners, on the other hand, are agricultural tenants of the original Santos property.⁶ From July 1981 when Teddy substituted his mother Rosalina Castro in the tenancy of the original Santos property, he has been in its actual possession, occupation, and cultivation, personally performing all aspects of production with the aid of labor from the other petitioner Sebastian and paying the agreed lease rentals.⁷

The controversy started when Jesus (owner-heir) sold his share in the original Santos property⁸ to respondent Municipality on October 27, 1992. Jesus sold his undivided interest therein of 2,132.42 square meters for the

² *Id.* at 76-90.

³ *Id.* at 56.

⁴ *Id.* at 188-234.

⁵ *Id.* at 76.

⁶ *Id.* at 77.

⁷ *Id.* at 87.

⁸ Refers to both the entire landholding of Simeon co-owned by his heirs, and the portion thereof owned and subsequently sold by Jesus to the Municipality of Bustos

amount of ₱1.2 Million which the respondent Municipality acquired for the expansion and construction of the Bustos public market.⁹ Hereafter, we shall refer to the 2,132.42 square meter property sold by Jesus as the property. As of 1989, the lots surrounding the first public market in respondent Municipality, including the original Santos property and the portion sold by Jesus, have been classified as a commercial area.¹⁰

From 1991 to 1994, all phases of the sales transaction between Jesus and respondent Municipality (negotiation and acquisition) and the subsequent construction and completion of the public market, were effected without issue or complaint from the petitioners. Most notably, after the transfer of ownership of the property to respondent Municipality, the latter, in 1993, began construction of the public market which was eventually inaugurated on August 18, 1994.¹¹

On August 22, 1994, after the inauguration of the public market, petitioners filed their complaint for Maintenance of Peaceful Possession with prayer for Restraining Order/Preliminary Injunction; Pre-emption and Redemption; and Damages before the PARAD docketed as Reg. Case No. 739-Bulacan '94 against respondent Municipality.¹² In their complaint, petitioners "categorically manifest[ed] their serious intent to exercise their rights of pre-emption and redemption provided for under Sections 11 and 12, Republic Act No. 3884, as amended."¹³ On August 26, 1994, petitioners deposited the amount of ₱2,300.00 as redemption price for the property.¹⁴

On June 28, 1995, the PARAD ruled that: (1) petitioners are the conclusive tenants of the entire original Santos property, including the property now owned by respondent Municipality; and (2) both Jesus and respondent Municipality failed to give notice of the sale of the property to the tenants, herein petitioners.¹⁵ Thus:

WHEREFORE, premises considered, judgment is hereby rendered in favor of [petitioners] and against defendants [Santos and the Municipality of Bustos]. Likewise, [petitioners] are entitled to exercise the right of redemption of the property in question.

No pronouncement as to costs.¹⁶

On appeal by both defendants, the Department of Agrarian Reform Adjudication Board (DARAB) in DARAB Case No. 4384 affirmed that petitioners are bona fide tenants of the property. However, it also ruled that it would be impractical to reinstate petitioners in the possession thereof or

⁹ *Rollo* p. 83.

¹⁰ *Id.* at 84.

¹¹ *Id.* at 93-94.

¹² *CA rollo*, p. 235.

¹³ *Rollo*, pp. 78-79.

¹⁴ *Id.* at 85.

¹⁵ *Id.* at 86-87.

¹⁶ *Id.* at 90.

allow them to redeem it where there is no showing of petitioners' capacity to pay the redemption price.¹⁷ Consequently, the DARAB modified the decision of the PARAD, directing instead respondent Municipality to pay disturbance compensation to petitioners:

WHEREFORE, premises considered, judgment is hereby rendered modifying the decision rendered by the Provincial Adjudicator of Malolos, Bulacan and entering new decision ordering the herein Defendants-Appellants [respondent Municipality] to:

1. Pay [petitioners] the disturbance compensation equivalent to six hundred fifty two (652) cavans at forty (40) kilos per cavan and twenty five (25) kilos palay to be paid in cash at the prevailing market price at the time of tender of payment.¹⁸

This time petitioners appealed to the CA and their case was docketed as CA-G.R. SP No. 47234.¹⁹ On July 17, 2002, the CA affirmed the uniform rulings of the PARAD and the DARAB that petitioners are tenants of the property who did not receive notice of its sale by Jesus. The CA reinstated the PARAD's original ruling:

WHEREFORE, the petition is GRANTED and the appealed Decision of the DARAB [is] SET ASIDE. The Decision of the PARAD is hereby REINSTATED with the MODIFICATION that Jesus Santos and the [respondent Municipality] are ordered to pay, jointly and severally, petitioners the amount of FIFTY THOUSAND (P50,000.00) PESOS as payment of moral damages and the amount of TWENTY THOUSAND (P20,000.00) PESOS as attorney's fees.²⁰

This lapsed into finality on November 27, 2003.²¹

On March 2, 2006, upon motion of petitioners, the PARAD issued a Writ of Execution, which states in pertinent part:

Whereas on November 27, 2003, an Entry of Judgment was issued by Division Clerk of Court, Ma. Roman L. Ledesma of Court of Appeals certifying that the Decision promulgated on July 17, 2002 had been final and executory on November 27, 2003.

NOW THEREFORE, you are hereby directed to implement and make effective the Decision of this Board dated July 17, 2002 with the assistance of the MARO of Bustos, Bulacan, Barangay Captain of Barangay Poblacion,

¹⁷ *Id.* at 98.

¹⁸ *Id.* at 100.

¹⁹ Penned by then Associate Justice Ruben T. Reyes (who became Associate Justice of this Court) with Justices Renato C. Dacudao and Amelita G. Tolentino concurring, *id.* at 101-112.

²⁰ *Id.* at 111.

²¹ *Id.* at 114.

Bustos, Bulacan and the PNP of the locality, if necessary, and make a return of this writ within ten (10) days from receipt hereof.²²

The succeeding Orders of the PARAD reciting the incidents and its respective rulings thereon are contained in its Writ of Execution and Possession dated September 29, 2006:

WHEREAS, on March 9, 2006, an Implementation Report was submitted by the DARAB Sheriff stating that on March 6, 2006, he personally delivered [a] copy of the said writ to all persons concerned particularly to the Municipal Mayor of Bustos, Bulacan, together with the manager[']s check with an amount of One Million Two Hundred Thousand pesos to redeem the subject landholding, Mr. Carlito Reyes, Municipal Mayor of Bustos thru Mr. Vandervert Bruales, the [m]ayor's private secretary, received their copy but refused to receive the said check averring that they will refer this matter to their counsel;

WHEREAS, on May 4, 2006, an Order was issued directing the Clerk of the Board to deposit the amount of ₱1.2 Million in the name of DARAB in trust for the Municipality of Bustos with the Land Bank of the Philippines;

WHEREAS, on May 12, 2006, a Report was submitted by the Clerk of the Board, Br. II, Elizabeth F. Londera, stating that **on May 10, 2006, an account was opened with the Land Bank of the Philippines (LBP-Malolos, Hi-way Branch) in the name of DARAB, in trust for the Municipality of Bustos, Bulacan, under Account No. 2791-1052-88;**

WHEREAS, on May 22, 2006, [petitioners] filed a Motion to Issue Writ of Possession;

WHEREAS, on July 7, 2006, [petitioners] filed another Motion praying that the decretal portion of the decision be amended to conform [to] the intent and spirit of the decision, in this wise:

- a) Ordering the defendant Municipality of Bustos, Bulacan to receive the redemption price amounting to ₱1.2 Million which amount is now deposited with the Land Bank of the Philippines, Malolos, Bulacan as per order of this Honorable Board;
- b) Ordering the defendant Municipality of Bustos, Bulacan to immediately execute a deed of conveyance in favor of the herein [petitioner] Teddy Castro covering the land in question;

- c) Ordering the Register of Deeds of Guiguinto, Bulacan to register the document of sale to be executed by the defendant Municipality of Bustos, Bulacan in favor of the [petitioner] Teddy Castro and effect the cancellation of the TCT No. T-86727 in the name of Municipality of Bustos and issuing a new one in favor of Teddy Castro;
- d) After full compliance of the above-stated, the DARAB Clerk of the Board is hereby ordered to issue the corresponding writ of possession directing the defendant to vacate and turn over the possession of the subject land in favor of the [petitioner] Teddy Castro.

WHEREAS, on August 23, 2006, a Resolution was issued, the dispositive portion of which reads as follows:

“WHEREFORE, order is issued as follows:

1. Ordering the issuance of Writ of Possession in favor of the [petitioners];
2. Ordering the defendants and all individuals claiming right and interest under them to remove all improvements that [were] introduced in the landholding sought to be redeemed;
3. **Ordering the amendment of the dispositive portion of the July 17, 2002 decision by including the following orders:**
 - 3.1 **Setting the redemption price of the subject landholding with an area of 2,132.42 square meters, more or less, covered by TCT No. T-86727 of the Registry of Deeds of Guiguinto, in the amount of ₱1.2 Million which is the reasonable price of the property;**
 - 3.2 **Ordering the defendant Municipality of Bustos, Bulacan to withdraw [the redemption] price amounting to ₱1.2 Million which amount is now deposited with the Land Bank of the Philippines, Malolos, Bulacan;**
 - 3.3 **Ordering defendants to execute the necessary Deed of Redemption []/Conveyance in favor of the [petitioners] within a period of thirty (30) days from receipt of this order;**
 - 3.4 **Ordering the Register of Deeds for the Province of Bulacan to cause the registration of the Deed of Redemption/Conveyance and documents of sale that will be executed by the defendants.**

SO ORDERED.



WHEREAS, on August 28, 2006, a Return of Service was submitted by the DARAB Sheriff, Virgilio DJ. Robles, Jr. stating that the copy of the Resolution dated August 23, 2006 was personally served to the Municipality of Bustos, Bulacan and counsel, Atty. Eugenio Resurreccion on August 25, 2006;

WHEREAS, it is the stand of this Forum that the issuance of a Writ of Possession is sanctioned by existing laws in this jurisdiction and by generally accepted principles upon w[h]ich the administration of justice rests. (Ramasanta, et al., vs. Platon, 34 O.G. 76; Abulacion, et al., -vs- CFI of Iloilo, et al., 100 Phil. 95) Likewise, this Forum as a quasi-judicial body parenthetically has the inherent power to issue a Writ of Demolition where, as in the instant case, such issuance is reasonably necessary to do justice to petitioner who is being deprived of the possession of his property by continued refusal of [defendant] to restore possession of the premises to said petitioner. [Marcelo vs. Mencias, 107 Phil. (1060)]

NOW THEREFORE, you are hereby directed to implement the decision [of the CA] dated July 17, 2002 as amended by the Resolution dated August 23, 2006.

Likewise, you are hereby ordered to direct the defendants and all persons claiming rights and interests under them to vacate the subject landholding and place [petitioners] in physical possession of the said landholding, including the removal and demolition of any standing structures in the subject landholding, with the assistance of the military and police authorities with competent jurisdiction, and make a written report relative thereto within a period of five (5) days from service hereof.²³ (Emphasis ours.)

In March 2007, both petitioners and private respondents filed various motions before the PARAD: (1) petitioners filed a Motion to Cite Defendants in Contempt (both public and private respondents) and Issue Writ of Demolition, and Motion for Execution of Deed of Conveyance; and (2) respondents, as actual possessors of the property, filed their Affidavit of Third Party Claim.²⁴

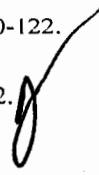
On June 8, 2007, the PARAD issued a Resolution²⁵ disposing of the foregoing motions, completely favoring petitioners and their claim to the property, ordering the execution of a Deed of Conveyance in petitioners' favor but denying the issuance of a Writ of Demolition:

After going over the records, the Board resolves to grant the motion for the execution of deed of conveyance.

²³ *Rollo*, pp. 120-122.

²⁴ *Id.* at 128.

²⁵ *Id.* at 128-132.



x x x

Likewise, the earlier awarding of the possession of the subject landholding through the issuance of writ of possession and the granting of [petitioners'] motion for issuance of deed of conveyance ruled out whatever claim that the third party claimants have over the subject property as manifested in their affidavit of third party claim addressed to his Board's sheriff. Their right as declared in their affidavit of third party claim cannot stand over and above the rights of [petitioners] who were already issued writ of possession anchored under the premise that they are tenants of the subject landholding, thus, entitled to redeem the same.

Additionally, this Board cannot confer recognition on their personality to participate in the present stage of the proceedings by banking on their affidavit of third party claim that was evidently filed pursuant to Section 16, Rule 39 of the Rules of Court.

x x x

WHEREFORE, in view of the foregoing, order is hereby issued as follows:

1. Declaring the defendant Municipality of Bustos, Bulacan to have unjustifiably failed to execute the Deed of Conveyance in favor of the [petitioner] covering the subject landholding;
2. Granting the [petitioners'] Motion for Execution of Deed of Conveyance;
3. Appointing DARAB Sheriff Virgilio DJ Robles Jr. as the one tasked to execute said Deed of Conveyance;
4. Directing said DARAB Sheriff to execute Deed of Conveyance that has its object the landholding subject matter of this case, covered by TCT No.[]86727, in favor of [petitioner] Teddy Castro;
5. Ordering the Register of Deeds of Bulacan to effect the registration of the said Deed of Conveyance after payment by [petitioners] of the legal fees required by law;
6. After the execution and registration of the Deed of Conveyance, ordering the Register of Deeds of Bulacan to cancel TCT No. 86727 and to issue new title in the name of [petitioner] Teddy Castro covering the subject landholding;
7. Denying [petitioners'] motion to cite defendants in contempt, and;

8. Denying [petitioners'] motion for issuance of writ of demolition.²⁶

Consequently, private respondents filed various motions to assail the PARAD's issuances: (1) Motion for Reconsideration²⁷ of the Resolutions dated August 23, 2006 and June 8, 2007; (2) Motion to Quash Resolutions dated August 23, 2006, September 29, 2006 and June 8, 2007, Writ of Execution and Possession dated September 29, 2006; (3) Motion to Set Aside Subsequent Proceedings such as, but not limited to the deed of conveyance executed by Sheriff Virgilio DJ Robles, Jr., and the issuance of TCT No. T-257885 in the name of the petitioners;²⁸ (4) Urgent Motion For Leave To Intervene as Defendant Intervenor; and (5) Motion for Inhibition.²⁹

Once again, private respondents did not gain reprieve before the PARAD. In its Order dated July 23, 2008,³⁰ the PARAD denied all of private respondents' motions:

WHEREFORE, premises considered, order is hereby issued as follows:

1. Denying the Motion to Intervene filed by Bustos Public Market Vendors and Stall Owners Association and Pablo Mendoza for lack of merit;
2. Denying the Motion for Reconsideration of the Resolution dated August 23, 2006 and the Resolution dated June 8, 2007; Motion to Quash Resolutions of August 23, 2006, September 29, 2006 and June [8], 2007, Writ of Execution and Possession of September 29, 2006 and to Set Aside Subsequent Proceedings Such As, But Not Limited to Deed of Conveyance Executed by Sheriff Virgilio DJ Robles, Jr. and the Issuance of TCT No. T-257885;
3. Denying the Motion for Inhibition filed by Third Party Claimants for lack of merit, and;
4. Directing the DAR Survey Division, DAR Provincial Office, Baliuag, Bulacan, through the Provincial Agrarian Reform Officer (PARO), to conduct verification/relocation survey within a period of ten (10) days from receipt of this order purposely to determine the identity and the metes and bounds of the 2,132.42 square meter landholding that Jesus Santos sold in favor of the Municipality of Bustos and was the subject of redemption. Likewise, to ascertain whether the landholding where the Bustos Public Market stands


²⁶ *Id.* at 129-131.

²⁷ *CA rollo*, pp. 116-125.

²⁸ *Id.* at 126-156.

²⁹ *Rollo*, p. 178.

³⁰ *Id.* at 178-182.



is a part and parcel thereof. The PARO is directed to make a report of the findings within a period of five (5) days from the termination of the verification/relocation survey.³¹

Persistent in obtaining relief, and after discovering a written report of a Survey Team pointing to a discrepancy in the location of the property as sold by Jesus in relation to where the public market now stood, private respondents filed a Motion to Set Verification/Survey Report for Hearing.³²

On February 12, 2009, the PARAD denied respondents' motion.³³

From this latest denial, private respondents directly sought relief from the CA in CA-G.R. SP No. 108859.³⁴ They alleged grave abuse of discretion by the PARAD in amending the already final and executory decision of June 28, 1995 and imposing the transfer of ownership of the property to petitioners. Private respondents questioned the following: (1) inadequacy of the redemption price set at ₱1.2 Million, which was way below the actual amount of ₱6 Million spent by respondent Municipality in the construction of the public market; (2) petitioners' belated and invalid tender of payment of the ₱1.2 Million redemption price; (3) issuance of a Writ of Possession and the subsequent execution of a Deed of Conveyance in favor of petitioners; and (4) failure to ascertain the actual lot description and titling of the property.

The CA granted the petition. The CA declared that private respondents, as lessees of the market stalls, have *locus standi*, i.e. they stand to benefit or be injured by the judgment in the suit as lawful tenants and occupants of the market stalls. With respect to the merits, the CA ruled that the PARAD committed grave abuse of discretion: (1) in amending the June 28, 1995 Decision to order the transfer of ownership of the property;³⁵ (2) in not finding that petitioners failed to timely exercise their right of redemption;³⁶ and (3) in disregarding the devotion to public use of the property.³⁷ The CA disposed, thus:

WHEREFORE, in light of the foregoing, the petition is **GRANTED**. Judgment is hereby rendered as follows:

1. The *resolutions* dated August 23, 2006 and June 8, 2007, *writ of execution* dated March 2, 2006, *writ of execution and possession* dated September 29, 2006 and *order* dated February 12, 2009, and all proceedings pursuant thereto and in furtherance thereof including but not limited to the Deed of Conveyance executed by

³¹ *Id.* at 181-182.

³² *Id.* at 183-185.


³³ *Id.* at 186-187.

³⁴ *Id.* at 188-234.

³⁵ *Id.* at 66.

³⁶ *Id.* at 68.

³⁷ *Id.* at 72.



Sheriff Virgilio DJ Robles, [Jr.,] issued by Provincial Agrarian Reform Adjudicator (PARAD), in DARAB Case No. 4384 (Reg. Case No. 739-Bulacan '94) are hereby **REVERSED and SET ASIDE**.

2. Transfer Certificate of Title No. T-257885 in the name of [petitioners] Teddy Castro and Lauro C. Sebastian is hereby **ANNULLED**.
3. [Petitioners] Teddy Castro and Lauro C. Sebastian are hereby **ORDERED** to vacate and surrender the possession of the Bustos Public Market, including Lot 1-A-7, to public respondent Municipality of Bustos.³⁸

Hence, this appeal by *certiorari* raising the following errors:


A. THE COURT OF APPEALS COMMITTED SERIOUS ERROR AND/OR PROCEDURAL LAPSES IN REVERSING AND SETTING ASIDE THE RESOLUTIONS, WRITS AND ORDER ISSUED BY THE PROVINCIAL AGRARIAN REFORM ADJUDICATOR (PARAD) IN DARAB CASE NO. 4384 (REG. CASE NO. 739-BULACAN[]'94), INCLUDING THE PROCEEDINGS PURSUANT THERETO AND THE DEED OF CONVEYANCE EXECUTED BY SHERIFF VIRGILIO DJ ROBLES[, JR.] CONSIDERING THAT –

(i) SAID ISSUANCES, PROCESSES AND PROCEEDINGS, EXCEPT FOR THE ORDER DATED FEBRUARY 12, 2009, WERE MADE AND DONE SEVERAL YEARS PRIOR TO THE FILING OF THE PETITION FOR CERTIORARI AND MANDAMUS (CA-G.R.[.] SP NO.[]108859), THUS, ALREADY WAY BEYOND THE 60-DAY REGLEMENTARY PERIOD REQUIRED UNDER SECTION 4, RULE 65 OF THE RULES OF COURT;

(ii) THE TIMELINESS OF THE FILING OF THE SAID PETITION WAS BEING RECKONED SOLELY ON THE RECEIPT OF THE PARAD ORDER DATED FEBRUARY 12, 2009 DENYING PRIVATE RESPONDENTS' MOTION TO SET VERIFICATION/SURVEY REPORT FOR HEARING, WHICH THEREFORE SHOULD HAVE BEEN THE ONLY ISSUANCE OR ACT OF PARAD WHICH COULD BE THE PROPER SUBJECT OF THE SAID PETITION.

B. THE COURT OF APPEALS GRIEVOUSLY ERRED IN NOT FINDING THAT AS MERE LESSEES OR CONCESSIONAIRES OF MARKET STALLS OF RESPONDENT MUNICIPALITY IN BUSTOS PUBLIC MARKET, PRIVATE RESPONDENTS COULD NOT BE

³⁸ *Id.* at 72-73.



ALLOWED TO INTERVENE IN THE SAID DARAB CASE NOR TO CHALLENGE VIA CERTIORARI AND MANDAMUS THE RESOLUTIONS, WRITS AND ORDERS ISSUED THEREIN SINCE THEY HAVE NO RIGHTS OR INTERESTS IN THE PARCEL OF LAND SUBJECT OF THE SAID DARAB CASE SEPARATE AND DISTINCT FROM OR INDEPENDENT OF THAT OF THEIR LESSOR-RESPONDENT MUNICIPALITY, ESPECIALLY SO AFTER THE JUDGMENT AGAINST THE LATTER BECAME FINAL AND EXECUTORY AND WAS SUBSEQUENTLY IMPLEMENTED BY THE PARAD.

C. THE COURT OF APPEALS COMMITTED PALPABLE ERROR IN APPLYING THE DOCTRINE OF *LOCUS STANDI* TO JUSTIFY PRIVATE RESPONDENTS' BID TO INTERVENE IN DARAB CASE NO. 4384 AND TO ASSAIL, THROUGH THE SAID PETITION FOR CERTIORARI AND MANDAMUS, THE SAID RESOLUTIONS, WRITS AND ORDERS ISSUED THEREIN BY THE PARAD EVEN WHEN—

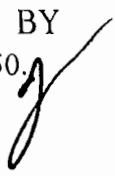
(i) THERE IS NO CONSTITUTIONAL ISSUE INVOLVED IN THE SAID DARAB CASE AND PETITION, THESE CASES NOT BEING PUBLIC SUITS;

(ii) THE RULE ON REAL PARTY-IN-INTEREST IS THE ONE APPLICABLE THEREIN, THE SAME BEING A CONCEPT OF CIVIL PROCEDURE STRICTLY OBSERVED AND APPLIED IN PRIVATE SUITS, LIKE THE ONE OBTAINING IN THE SAID DARAB CASE.

D. THE COURT OF APPEALS SERIOUSLY ERRED WHEN IT FAILED TO CONSIDER AND HOLD THAT THE PETITION FOR CERTIORARI AND MANDAMUS IS ALREADY BARRED BY *RES JUDICATA* SINCE –

(i) AS MERE LESSEES OF RESPONDENT MUNICIPALITY, THE PRIVATE RESPONDENTS THEREFORE ARE JUST PRIVIES OF THE LATTER, AND AS SUCH, THEY ARE BOUND BY THE FINALITY OF THE JUDGMENT RENDERED IN THE SAID DARAB CASE, AS WELL AS BY THE EXECUTION PROCEEDINGS TAKEN THEREIN;

(ii) SOME OF THE PRIVATE RESPONDENTS HEREIN LED BY DR. PABLITO MENDOZA, SR., HAD EARLIER FILED AN INJUNCTION SUIT ASSAILING THE SAME PARAD RESOLUTION DATED AUGUST 23, 2006 WHICH WAS DISMISSED BY THE TRIAL COURT ON GROUND OF LACK OF JURISDICTION, FOR BEING AN AGRARIAN CASE, AND WHICH DISMISSAL WAS AFFIRMED WITH FINALITY BY THE COURT OF APPEALS IN CA-GR CV NO. 90750.

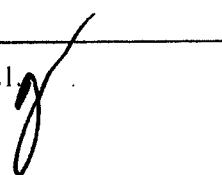


- E. THE COURT OF APPEALS GRAVELY ERRED IN APPLYING THE 180-DAY REDEMPTION PERIOD UNDER SECTION 12 OF REPUBLIC ACT (RA) NO. 3844 AS AMENDED BY RA NO. 6389, AND IN HOLDING THAT THE TENDER AND CONSIGNATION OF THE REDEMPTION PRICE WERE EFFECTED BY PETITIONERS BEYOND THE SAID PERIOD OF TIME.
- F. THE COURT OF APPEALS GRIEVOUSLY ERRED IN HOLDING THAT SINCE A PUBLIC MARKET NOW STANDS ON THE SUBJECT LOT, THE NATURE AND USE OF THE SAID LOT HAVE CHANGED, THEREBY MAKING IT A PUBLIC PROPERTY, SUCH THAT PETITIONERS RIGHT TO REDEEM THE SAME, THOUGH RECOGNIZED BY IT IN CA-GR SP NO. 47234, CAN NO LONGER BE EXERCISED.
- G. THE COURT OF APPEALS SERIOUSLY ERRED IN CONCLUDING THAT THE ASSAILED ISSUANCES OF THE PARAD HAVE ALTERED AND SUBSTANTIALLY MODIFIED THE PARAD DECISION AND ALSO IN HOLDING THAT THE ASSAILED WRIT OF POSSESSION ISSUED BY THE PARAD IN THE SUBJECT DARAB CASE IS NOT PROPER AS SUCH A WRIT MAY BE ISSUED ONLY IN THE THREE (3) INSTANCES CITED IN ITS DECISION.
- H. THE COURT OF APPEALS FURTHER ERRED IN CONCLUDING THAT GRAVE ABUSE OF DISCRETION OBTAINS IN CA-G.R SP NO. 108859 WHEN IT COULD NOT EVEN SPECIFY OR CITE THE PARTICULAR ACTS OR OMISSIONS ON THE PART OF PARAD WHICH CONSTITUTE OR AMOUNT TO GRAVE ABUSE OF DISCRETION.³⁹

We simplify the issues for our resolution, to wit:

1. Whether private respondents, as owners of the market stalls and lessees in the public market, are real parties-in-interest.
2. Whether the PARAD correctly amended its June 28, 1995 Decision.
 - 2.1. Whether the transfer of ownership is covered by the PARAD's original ruling recognizing petitioners' right to redeem the property.

³⁹ *Id.* at 18-21.



2.2. Whether petitioners timely and validly exercised their right of redemption under Section 12 of Republic Act No. 3844 (RA 3844),⁴⁰ as amended by RA 6389; and

3. Whether petitioners may recover possession, and obtain ownership, of the property.

We deny the petition. We agree with the CA's ultimate disposition that petitioners, albeit found to be agricultural tenants of the property, cannot recover possession and gain its actual ownership.

I

First, we lay down the following clarifications:

1. The June 28, 1995 Decision of the PARAD indeed recognized petitioners' right of redemption, a real right,⁴¹ but it did not contemplate an adjudication of ownership.

2. In its execution, Section 11,⁴² not Section 10,⁴³ of Rule 39 is applicable. It is a special judgment since the act sought to be executed,

⁴⁰ Otherwise known as the Agricultural Land Reform Code.

⁴¹ In a juridical sense, things as property includes not only material objects, but also rights over the object. Only rights which are patrimonial in character can be considered as things. See CIVIL CODE, Art. 414 and Arturo Tolentino, II CIVIL CODE OF THE PHILIPPINES 5 (1983).

⁴² Sec. 11. *Execution of special judgments.* — When a judgment requires the performance of any act other than those mentioned in the two preceding sections, a certified copy of the judgment shall be attached to the writ of execution and shall be served by the officer upon the party against whom the same is rendered, or upon any other person required thereby, or by law, to obey the same, and such party or person may be punished for contempt if he disobeys such judgment.

⁴³ Sec. 10. *Execution of judgments for specific act.* —

(a) *Conveyance, delivery of deeds, or other specific acts; vesting title.* — If a judgment directs a party to execute a conveyance of land or personal property, or to deliver deeds or other documents, or to perform any other specific act in connection therewith, and the party fails to comply within the time specified, the court may direct the act to be done at the cost of the disobedient party by some other person appointed by the court and the act when so done shall have like effect as if done by the party. If real or personal property is situated within the Philippines, the court in lieu of directing a conveyance thereof may by an order divest the title of any party and vest it in others, which shall have the force and effect of a conveyance executed in due form of law.

(b) *Sale of real or personal property.* — If the judgment be for the sale of real or personal property, to sell such property, describing it, and apply the proceeds in conformity with the judgment.

(c) *Delivery or restitution of real property.* — The officer shall demand of the person against whom the judgment for the delivery or restitution of real property is rendered and all persons claiming rights under him to peaceably vacate the property within three (3) working days, and restore possession thereof to the judgment obligee, otherwise, the officer shall oust all such persons therefrom with the assistance, if necessary, of appropriate peace officers, and employing such means as may be reasonably necessary to retake possession, and place the judgment obligee in possession of such property. Any costs, damages, rents or profits awarded by the judgment shall be satisfied in the same manner as a judgment for money.

(d) *Removal of improvements on property subject of execution.* — When the property subject of the execution contains improvements constructed or planted by the judgment obligor or his agent, the officer shall not destroy, demolish or remove said improvements except upon special order of the court, issued upon motion of the judgment obligee after the hearing and after the former has failed to remove the same within a reasonable time fixed by the court.

(e) *Delivery of personal property.* — In judgment for the delivery of personal property, the officer shall take possession of the same and forthwith deliver it to the party entitled thereto and satisfy any judgment for money as therein provided.

redemption of the property, involves a prestation to be reciprocally performed by the petitioners and the respondent Municipality.⁴⁴

3. The property is not levied property to answer for the judgment liability of a judgment obligor.⁴⁵ It is the object of petitioners' property right, *i.e.*, redemption of the property.

4. The bone of contention among the parties is possession and occupation of the property in their various capacities: (i) petitioners, as possessors-holders of the real right pertaining to the property, agricultural tenants with a right of redemption; (ii) respondent Municipality, as actual owner and lessor of the public market constructed thereon; and (iii) respondents, as owners of the market stalls, vendors-lessees in the public market.

Petitioners maintain that the CA erred in applying the rule on *locus standi* absent a constitutional issue raised by private respondents. In addition, even applying the applicable rule in civil cases on real parties-in-interest, petitioners insist that private respondents are not entitled to the avails of the suit and have not shown material and substantial interest in the property separate and distinct from that of their lessor, respondent Municipality.

We disagree.

A real party-in-interest is the party who stands to be benefited or injured by the judgment or the party entitled to the avails of the suit.⁴⁶ 'Interest' within the meaning of the rule means material interest, an interest in issue and to be affected by the decree, as distinguished from mere interest in the question involved, or a mere incidental interest.⁴⁷

The subject matter of the proceedings before the PARAD was possession of the property. The property had been sold to respondent Municipality on which it constructed a public market that began operations in 1994. At this point, we find it *apropos* to note that, notwithstanding petitioners' declared status as agricultural tenants of the property, its sale to respondent Municipality was valid. The sale transferred and vested ownership of the property to the latter. An agricultural lessor, owner of tenanted agricultural property, has the right to sell his land, with or without the knowledge of the agricultural lessee, subject to the latter's right of redemption over it.⁴⁸

We emphasize that the right of redemption is a different property right owned and held by petitioners against the ostensible ownership of

⁴⁴ See CIVIL CODE, Art. 1191 and *Megaworld Properties and Holdings, Inc. v. Majestic Finance and Investment Co., Inc.*, G.R. No. 169694, December 9, 2015, 777 SCRA 37, 46-47.

⁴⁵ See RULES OF COURT, Rule 39, Sec. 9 (b) and Sec. 10.

⁴⁶ RULES OF COURT, Rule 3, Sec. 2.

⁴⁷ *Oco v. Limbaring*, G.R. No. 161298, January 31, 2006, 481 SCRA 348, 358.

⁴⁸ *Perez v. Aquino*, G.R. No. 217799, March 16, 2016, 787 SCRA 581, 588.

respondent Municipality of the lot sold to it by Jesus, where the public market stands.

This is where the confusion in the execution of the PARAD ruling arises—the separate and distinct concepts of ownership of property, as material, corporeal or physical as opposed to intangible, incorporeal or juridical.⁴⁹ In this case, the recognition of the right of redemption did not assume with it an adjudication of ownership over the thing itself, the property. Petitioners' ownership of the property is dependent on a valid and effective exercise of the right of redemption. In fact, in several instances where we sustained a tenant's right of redemption, we ultimately denied redemption of the property where the tenants failed to comply with the requisites for a valid redemption of agricultural property.⁵⁰ Clearly, in the implementation of the PARAD's ruling, it remained incumbent upon petitioners to effect a timely and valid redemption, without which they cannot gain ownership of the property.

There is no quarrel that private respondents are market stall owners and vendors of the public market, owned and operated by respondent Municipality.⁵¹ At the time of the filing of their Affidavit of Third Party Claim and their Motion to Intervene, private respondents had a contract of lease with the respondent Municipality expiring on August 17, 2008. Private respondents, as vendors-lessees in the public market, are possessors, holder of the property to keep or enjoy, the ownership pertaining to another person.⁵² Notwithstanding the legal controversy between petitioners and the Municipality of Bustos, private respondents validly obtained possession of the property, under color of title, from respondent Municipality. As a possessor in the concept of owner, respondent Municipality enjoyed the legal presumption that it possesses with just title without obligation to show or prove it.⁵³ The public market was already constructed when private respondents became its lessees; private respondents were not aware that there exists in their title any flaw which invalidates it.⁵⁴ Because of the assailed PARAD rulings, private respondents' possession of the property, as market stall vendors, became precarious.

In refusing to recognize private respondents' *terceria* claim⁵⁵ and denying their Motion to Intervene, the PARAD through its assailed Resolution dated June 8, 2007 and Order dated July 23, 2008, rejected private respondents' claims. According to the PARAD, they are mere

⁴⁹ See Edgardo L. Paras, II CIVIL CODE OF THE PHILIPPINES ANNOTATED 3 (2016).

⁵⁰ *Estrella v. Francisco*, G.R. No. 209384, June 27, 2016; *Perez v. Aquino*, *supra*.

⁵¹ In its Answer to the original Complaint, the respondent Municipality alleged that: “[I]n as much that a certificate of ownership of the lot on which to construct our public market is required before our application for loan could be approved, this Office submitted to the Minute II Fringe Program Office, the Deed of Absolute Sale (Exhibit “A”) executed by the Spouses Jesus Santos and Simplicio Pablo in favor of the Municipality of Bustos, Bulacan.” *Rollo*, p. 84.

⁵² See CIVIL CODE, Art. 525.

⁵³ See CIVIL CODE, Art. 541.

⁵⁴ See CIVIL CODE, Art. 526.

⁵⁵ RULES OF COURT, Rule 39, Sec. 16

successors-in-interest of respondent Municipality whose dispossession from the property had long been adjudicated, the judgment therein already under execution.

It is apparent however, that despite their decreed expulsion and dispossession from the property, private respondents have not been given their day in court. They were simply decreed deprived of their market stalls upon their refusal to pay rentals to petitioners who, curiously, do not appear to be in continuous cultivation of the property.⁵⁶ Thus, their intervention even after finality of judgment, only at the execution proceedings, should have been allowed.⁵⁷

We are not unaware that private respondents, vendor-owner of the market stalls, merely derived their right to possess the property from their contract of lease with respondent Municipality such that the final and executor judgment against respondent Municipality is likewise conclusive upon them.

However, therein lies the rub since the DARAB's resolutions assailed by private respondents unceremoniously effected their dispossession from the property by adjudicating and transferring its ownership, declaring an owner different from their original lessor, respondent Municipality. Plainly, as vendor-owner of the market stalls, possessors of the property, private respondents are necessary parties who ought to have been impleaded in the case if complete relief is to be accorded those already parties, or for a complete determination or settlement of the claim subject of the action.⁵⁸

Considering the nature and devotion to public use of the property, the questionable redemption made by petitioners, the continued existence of the public market on the property, and absence of proof of petitioners' continued cultivation of the property, we allow the intervention filed by respondents even at that late stage.

True, the rule on intervention requires that the motion be filed at any time before rendition of judgment by the trial court.⁵⁹ On more than one occasion, however, we have allowed, in exceptional circumstances, intervention even after judgment of the trial court or lower tribunal.⁶⁰ The rule on intervention, like all other rules of procedure is intended to make the powers of the Court fully and completely available for justice. It is aimed to facilitate a comprehensive adjudication of rival claims overriding technicalities on the timeliness of its filing.⁶¹ Applied to this case, the

⁵⁶ The records do not show how petitioners remain in cultivation of the entirety of the property.

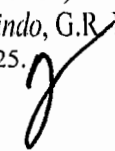
⁵⁷ See *Pinlac v. Court of Appeals*, G.R. No. 91486, September 10, 2003, 410 SCRA 419, 425-426, citing *Mago v. Court of Appeals*, G.R. No. 115624, February 25, 1999, 303 SCRA 600, 608-609.

⁵⁸ RULES OF COURT, Rule 3, Sec. 8.

⁵⁹ RULES OF COURT, Rule 19, Sec. 2.

⁶⁰ *Navy Officers' Village Association, Inc. (NOVAI) v. Republic*, G.R. No. 177168, August 3, 2015, 764 SCRA 524; *Galicia v. Manriquez Vda. De Mindo*, G.R. No. 155785, April 13, 2007, 521 SCRA 85.

⁶¹ *Pinlac v. Court of Appeals*, *supra* at 424-425.



intervention ought to be allowed after judgment because it is necessary to protect some interest which cannot otherwise be protected.⁶²

In *Mago v. Court of Appeals*, intervention was granted even after the decision became final and executory, thus:

The permissive tenor of the provision on intervention shows the intention of the Rules to give to the court the full measure of discretion in permitting or disallowing the same. But needless to say, this discretion should be exercised judiciously and only after consideration of all the circumstances obtaining in the case.⁶³

Moreover, we emphasize that it is an accepted rule of procedure for this Court to strive to settle the entire controversy in a single proceeding, leaving no root or branch to bear the seeds of future litigation.⁶⁴ In all, to accord complete relief to all parties and a complete determination or settlement of the claim, petitioners' intervention should have been allowed.

Significantly, respondent Municipality adopted the position of private respondents in CA-G.R. SP No. 108859. Respondent Municipality likewise sought the annulment and reversal of the assailed PARAD rulings pointing out that:

A. THE DECISION OF [THE PARAD] ISSUED ON
JUNE 28, 1995 IS INCOMPLETE AND
UNENFORCEABLE

x x x

B. ASSUMING WITHOUT ADMITTING THAT THE
JUNE 28, 1995 DECISION IS VALID AND COMPLETE,
THE ISSUED RESOLUTIONS AND WRITS BY [THE]
PARAD HAVE NO FORCE AND EFFECT IN LAW
AND THUS, ILLEGAL FOR THEY ALL WORK TO
MODIFY THE DECISION OF JUNE 28, 1995

x x x

C. THE WRITS ISSUED BY PARAD PLACING AND
RECONVEYING THE OWNERSHIP OF THE
PROPERTY IN QUESTION UPON HEREIN
[PETITIONERS] IS VIOLATIVE OF THE LAW SINCE
THE PROPERTY BECOMES A PUBLIC PROPERTY

x x x

D. ASSUMING THAT THE [PETITIONERS] MAY
PROPERLY REDEEM THE PROPERTY IN QUESTION,
THEY CANNOT DO SO SINCE THEY HAVE FAILED

⁶² See *Navy Officers' Village Association, Inc. (NOVAI) v. Republic*, *supra* at 544.

⁶³ *Mago v. Court of Appeals*, *supra* at 608.

⁶⁴ *National Power Corporation v. Court of Appeals*, G.R. No. 84695, May 8, 1990, 185 SCRA 169, 173.

TO EXERCISE THE RIGHT OF REDEMPTION IN
ACCORDANCE WITH LAW⁶⁵

and praying for the following:

a. Reversing and setting aside as null and void the Resolutions of August 23, 2006, September 29, 2006 and June 8, 2007, and the Writ of Execution of March []2, 2006 and February 12, 2009, and Writ of Execution and Possession of September 29, 2006, and subsequent proceedings including but not limited to [the] Deed of Conveyance executed by Sheriff Virgilio DJ Robles, and the issuance of TCT No. T-257885 in the name of the [petitioners];

b. Declaring that respondents' right of redemption had expired and [was] rendered *functus officio*, and that the DARAB has no more jurisdiction to act on the matter, for failure of respondents to exercise it in accordance with Sec. 12, RA 3844, and prevailing jurisprudence;

c. Ordering [petitioners] to vacate and surrender possession of the [p]ublic [m]arket including Lot 1-A-7 to the Municipality of Bustos and to account for any and all rentals received by them and to reimburse [] the Municipality of Bustos.

[Respondents] pray for other reliefs which may be legal and equitable under the premises. (Emphasis in the original.)⁶⁶

We now come to the central issue of whether the PARAD acted correctly when it amended the decretal portion of its June 28, 1995 Decision and ordered the redemption and consequent transfer of ownership of the property.

Basic is the rule that a decision that has acquired finality becomes immutable and unalterable. Indeed, nothing is more settled in law than that a judgment, once it attains finality, can no longer be modified in any respect, regardless of whether the modification is attempted to be made by the court rendering it or by the highest court of the land.⁶⁷ Once a case is decided with finality, the controversy is settled and the matter is laid to rest.⁶⁸ Such a rule rests on public policy and sound practice that at the risk of occasional error, the judgment of courts and the award of quasi-judicial agencies must become final at some definite date fixed by law.⁶⁹ All litigation must come to an end; any contrary posturing renders justice inutile and reduces to

⁶⁵ CA *rollo*, pp. 335-337. Underlining in the original.

⁶⁶ *Id.* at 339-340.

⁶⁷ *De Ocampo v. RPN-9/Radio Philippines, Inc.*, G.R. No. 192947, December 9, 2015, 777 SCRA 183, 189-190.

⁶⁸ *Siy v. National Labor Relations Commission*, G.R. No. 158971, August 25, 2005, 468 SCRA 154, 161.

⁶⁹ *Filipro, Inc. v. Permanent Savings & Loan Bank*, G.R. No. 142236, September 27, 2006, 503 SCRA 430, 438.

futility the winning party's capacity to benefit from a resolution of the case.⁷⁰

The CA correctly ruled that the assailed orders and resolutions of the PARAD altered the June 28, 1995 Decision and disposed of matters which were not originally contemplated by the decision. However, after stating the rule on finality of judgments and enumerating the instances when a Writ of Possession may issue, the CA concluded that the assailed PARAD rulings were not covered by the original decision, without elaborating its reasons for so ruling.

On the other hand, in ordering the amendment of its June 28, 1995 Decision, the PARAD cited the exception to the rule of clarifying an ambiguity caused by an omission in the disposition of the decision which may be clarified by reference to the body of the decision.

A writ of execution, as a general rule, should strictly conform to every particular of the judgment to be executed and not vary the terms of the judgment it seeks to enforce. Neither may it go beyond the terms of the judgment sought to be executed; the execution is void if it is in excess of and beyond the original judgment or award.⁷¹

Thus, we reference again the dispositive portions of the original ruling as against the August 23, 2006 Resolution which amended the former, in pertinent part:

WHEREFORE, premises considered, judgment is hereby rendered in favor of [petitioners] and against [respondent Municipality and Jesus Santos]. Likewise, [petitioners] are entitled to exercise the right of redemption of the property in question.⁷²

x x x

3. Ordering the amendment of the dispositive portion of the July 17, 2002 decision by including the following orders:

3.1 Setting the redemption price of the subject landholding with an area of 2,132.42 square meters, more or less, covered by TCT No. T-86727 of the Registry of Deeds of Guiguinto, in the amount of [P]1.2 Million which is the reasonable price of the property;

3.2 Ordering the [respondent Municipality] to withdraw the redemption price amounting to [P]1.2 Million which is now deposited with the Land Bank of the Philippines, Malolos, Bulacan;

⁷⁰ *CO IT a.k.a. Gonzalo Co It v. Anthony Co, et al.*, G.R. No. 198127, October 5, 2016.

⁷¹ *Pascual v. Daquioag*, G.R. No. 162063, March 31, 2014, 720 SCRA 230, 240-241.

⁷² *Rollo*, p. 90.

3.3 Ordering [respondent Municipality and Jesus Santos] to execute the necessary Deed of Redemption/Conveyance in favor of the [petitioners] within a period of thirty (30) days from receipt of this order;

3.4 Ordering the Register of Deeds for the Province of Bulacan to cause the registration of the Deed of Redemption/Conveyance and documents of sale that will be executed by the [respondent Municipality and Jesus Santos].⁷³

We also cite Section 12 of RA 3844, as amended by RA 6389, which provides:

Sec. 12. *Lessee's right of Redemption.* – In case the landholding is sold to a third person without the knowledge of the agricultural lessee, the latter shall have the right to redeem the same at a reasonable price and consideration: *Provided,* That where there are two or more agricultural lessees, each shall be entitled to said right of redemption only to the extent of the area actually cultivated by him. The right of the redemption under this Section may be exercised within one hundred eighty days from notice in writing which shall be served by the vendee on all lessees affected and the Department of Agrarian Reform upon the registration of the sale, and shall have priority over any other right of legal redemption. The redemption price shall be the reasonable price of the land at the time of the sale.

Upon filing of the corresponding petition or request with the department or corresponding case in court by the agricultural lessee or lessees, the said period of one hundred eighty days shall cease to run.

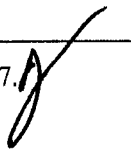
Any petition or request for redemption shall be resolved within sixty days from the filing thereof; otherwise, the said period shall start to run again.

The Department of Agrarian Reform shall initiate, while the Land Bank shall finance, said redemption as in the case of pre-emption.

We find that the amendment and the subsequent issuances of the PARAD did not simply clarify an ambiguity in the dispositive portion of its decision. It expanded the original ruling, ordering a transfer of ownership despite petitioners' invalid redemption of the property.

We have reviewed the rulings of the PARAD, the DARAB, and the CA on the original case determining petitioners' right over the property. We fail to see in any of the bodies of each decision the extent of the amendment made by the PARAD. The three (3) rulings uniformly dwelt on petitioners'

⁷³ CA rollo, pp. 96-97.



status as agricultural tenants with right of redemption over the property. In fact, in their appeal to the CA questioning the DARAB's ruling, petitioners raised two (2) errors of the DARAB: (a) in not ruling that petitioners are entitled to exercise the right of redemption over the property being the lessees-tenants; and (b) in not awarding moral damages and attorney's fees to petitioners.

Moreover, the ruling of the CA in CA-G.R. SP No. 47234, which attained finality and reinstated the ruling of the PARAD with modification on the award of moral damages and attorney's fees, likewise did not discuss any consequent transfer or adjudication of ownership of the property. For reference, we cite the brief headings of the CA's ruling:

Petitioners Are Entitled to Exercise The Right of Redemption Over The Subject Farmholding⁷⁴

x x x

Petitioners Are Entitled To An Award Of Moral Damages And Attorney's Fees⁷⁵

By contrast, the bodies of the three (3) rulings lacked the following: (1) discussion on the reasonable redemption price; (2) consignation by petitioners of the redemption price at the time of the filing of the complaint, not simply the amount of only ₱2,300.00; (3) liquidation and determination of the useful expenses and improvements made on the lot by the respondent Municipality as transferee-owner of the property; (4) validity of the tender of payment made by petitioners; and (5) discussion on automatic transfer of ownership and execution of a deed of conveyance.

Evidently and as previously pointed out, the rulings of the three (3) tribunals did not delve into an adjudication of ownership over the property since petitioners first had to validly redeem it. We cannot overemphasize that the right of redemption, albeit a property right, is not an adjudication of ownership.

An adjudication of ownership as decreed in the judgment is a categorical determination of rights to the thing by the winning party, to enjoy and dispose of it, without other limitations than those established by law.⁷⁶ In this case, the PARAD ruling favoring petitioners simply recognized their property right to redeem the property. Without such redemption, petitioners could not own and appropriate it.

In the alternative, we have ruled that an adjudication of ownership necessarily includes delivery of possession. Possession is an incident of ownership; whoever owns the property has the right to possess it. Thus, in

⁷⁴ *Rollo*, p. 106. Underlining in the original.

⁷⁵ *Id.* at 109. Underlining in the original.

⁷⁶ See CIVIL CODE, Art. 428; *De Leon v. Public Estates Authority*, G.R. No. 181970, August 3, 2010, 626 SCRA 547.

several occasions, we sustained a writ of execution awarding possession of land, though the decision sought to be executed did not direct the delivery of the possession of the land to the winning parties.⁷⁷

Even a Certificate of Land Transfer (CLT) does not vest ownership in its holder. In *Dela Cruz v. Quiazon*,⁷⁸ we held that a CLT under Presidential Decree No. 27⁷⁹ (P.D. No. 27) merely evinces that its grantee is qualified to avail himself of the statutory mechanism for the acquisition of ownership of the land tilled by him as provided under P.D. No. 27.⁸⁰ It is not a muniment of title that vests in the farmer/grantee absolute ownership of his tillage.⁸¹ It is only after compliance with the conditions which entitle a farmer/grantee to an emancipation patent that he acquires the vested right of absolute ownership in the landholding—a right which then would have become fixed and established, and no longer open to doubt or controversy.⁸²

We now examine the redemption made by petitioners.

Under Section 12 of the RA 3844, the right of redemption is validly exercised upon compliance with the following requirements: (a) the redemptioner must be an agricultural lessee or share tenant; (b) the land must have been sold by the owner to a third party without prior written notice of the sale given to the lessee or lessees and the DAR; (c) only the area cultivated by the agricultural lessee may be redeemed; and (d) the right of redemption must be exercised within 180 days from written notice of the sale by the vendee.⁸³

Jurisprudence instructs that tender or consignation is an indispensable requirement to the proper exercise of the right of redemption by the agricultural lessee.⁸⁴ **An offer to redeem is validly effected through: (a) a formal tender with consignation, or (b) a complaint filed in court coupled with consignation of the redemption price** within the prescribed period.⁸⁵ In making a repurchase, it is not sufficient that a person offering to redeem merely manifests his desire to repurchase. This statement of intention must be accompanied by an actual and simultaneous tender of payment of the full amount of the repurchase price, *i.e.*, the consideration of the sale, **otherwise the offer to redeem will be held ineffectual.** In *Quiño v. CA*,⁸⁶ the Court explained the rationale for the consignation of the full amount of the redemption price:

⁷⁷ *Pascual v. Daquioag*, *supra* note 71, at 240-242.

⁷⁸ G.R. No. 171961, November 28, 2008, 572 SCRA 681.

⁷⁹ DECREEING THE EMANCIPATION OF TENANTS FROM THE BONDAGE OF THE SOIL, TRANSFERRING TO THEM THE OWNERSHIP OF THE LAND THEY TILL AND PROVIDING THE INSTRUMENTS AND MECHANISM THEREFOR.

⁸⁰ *Dela Cruz v. Quiazon*, *supra* at 692-693.

⁸¹ *Martillano v. Court of Appeals*, G.R. No. 148277, June 29, 2004, 433 SCRA 195, 204.

⁸² *Pagtalunan v. Tamayo*, G.R. No. 54281, March 19, 1990, 183 SCRA 252, 259.

⁸³ *Perez v. Aquino*, *supra* note 48, at 588-589.

⁸⁴ *Estrella v. Francisco*, *supra* note 50.

⁸⁵ *Perez v. Aquino*, *supra* at 589.

⁸⁶ G.R. No. 118599, June 26, 1998, 291 SCRA 249

It is not difficult to discern why the *full* amount of the redemption price should be consigned in court. Only by such means can the buyer become certain that the offer to redeem is one made seriously and in good faith. A buyer cannot be expected to entertain an offer of redemption without the attendant evidence that the redemptioner can, and is willing to accomplish the repurchase immediately. A different rule would leave the buyer open to harassment by speculators or crackpots, as well as to unnecessary prolongation of the redemption period, contrary to the policy of the law in fixing a definite term to avoid prolonged and anti-economic uncertainty as to ownership of the thing sold. Consignation of the entire price would remove all controversies as to the redemptioner's ability to pay at the proper time. x x x⁸⁷

Applying the foregoing, we find that petitioners did not validly exercise their right of redemption.

In this case, it is undisputed that petitioners are *bona fide* tenants of the original Santos property. A portion of that land was sold by an owner-heir, Jesus, to a third party, respondent Municipality, without any written notice of the sale to petitioners and the DAR. Albeit petitioners' right of redemption had long been sustained and upheld, it fell upon them to comply with the requirements for a valid and effective exercise of such right. Otherwise stated, the filing of the complaint should have been coupled with the consignation of the redemption price to show their willingness and ability to pay within the prescribed period.

In this regard, we agree with the CA's ruling that petitioners belatedly tendered payment and effected consignation of the redemption price of ₱1.2 million. Notably, petitioners filed on August 26, 1994 a Motion for Consignation of Reasonable Redemption Amount of only ₱2,300.00 for the 2,132.42 square meters landholding sold by Jesus to respondent Municipality.⁸⁸ The discrepancy between the amounts of ₱2,300.00 and ₱1.2 Million clearly calls to question petitioners' willingness and ability to pay.

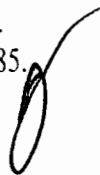
Even if we liberally reckon the prescriptive period to tender payment of the redemption price from the date when the original ruling of the PARAD became final and executory on November 27, 2003, petitioners still belatedly tendered and consigned payment of the redemption price, on May 9 and 10, 2006, respectively, way beyond the 180-day prescriptive period provided by law.⁸⁹

Considering that petitioners failed to consign the full redemption price of ₱1.2 Million when they filed the complaint before the PARAD in August 22, 1994, there was no valid exercise of the right to redeem the property. It

⁸⁷ *Id.* at 257.

⁸⁸ *Rollo*, p. 85.

⁸⁹ *Id.* at 68.



bears stressing that the right of redemption under Section 12 of RA 3844, as amended, is an essential mandate of the agrarian reform legislation to implement the State's policy of owner-cultivatorship and to achieve a dignified, self-reliant existence for small farmers. Such laudable and commendable policy, however, is never intended to unduly transgress the corresponding rights of purchasers of land.⁹⁰ Consequently, petitioners cannot redeem the property and gain its ownership.

We are not unaware that the new owner, respondent Municipality, is bound to respect and maintain petitioners as tenant of the property because of the latter's tenancy right attached to the land regardless of who the owner may be.⁹¹ Under the law, the existence of an agricultural leasehold relationship is not terminated by changes in ownership in case of sale, as in this case, since the purpose of the law is to strengthen the security of tenure of tenants.⁹²

However, the following circumstances prevent our recognition of petitioners' continued (tenancy) possession and cultivation of the property:

1. As of 1991, respondent Municipality entered into the property and began construction of the public market. As possessors-tenants of the property, petitioners became, or ought to have been immediately, aware of the respondent Municipality's entry which perforce must have caused their dispossession.

2. Amendments to Section 12 of RA 3844 shortened the period of redemption to 180 days in order to immediately settle all questions of ownership to the land.⁹³ Stacked against the law and these facts, we are baffled by petitioners' silence and inaction to tender or consign the exact redemption price for an unreasonable length of time.

3. Corollary to paragraph 2, private respondents have alleged, which petitioners failed to refute, that the latter have instead collected rentals from them for the use of the market stalls.⁹⁴ We view this as acquiescence to the reclassification of the property as commercial and to respondent Municipality's ownership and possession. Palpable from the records is that petitioners have not been cultivating that portion of the property contrary to their posturing to redeem it.

4. Indeed, the lots surrounding the original Santos property have been classified as commercial since 1989. The respondent Municipality has consistently asserted that the actual amount it expended on the construction

⁹⁰ *Perez v. Aquino*, *supra* note 48, at 590-591.

⁹¹ *Estrella v. Francisco*, *supra* note 50.

⁹² *Planters Development Bank v. Garcia*, G.R. No. 147081, December 9, 2005, 477 SCRA 185, 195.

⁹³ *Estrella v. Francisco*, *supra*.

⁹⁴ See Motion for Reconsideration filed by private respondents of the August 23, 2006 Resolution of the PARAD; *rollo*, pp. 139-140.

of the public market is ₱6 Million. It has proffered this amount as the redemption price.

5. Lastly, the undeniable public use of the property.

On the whole, petitioners cannot gain possession and continue tenancy of the property which is undeniably devoted to public use.

As far back as *Manila Railroad Company v. Paredes*,⁹⁵ we have held that a registered owner may be precluded from recovering possession of his property and denied remedies usually afforded to him against usurpers, because of the irremediable injury which would result to the public in general. In that case, a registered owner failed to recover possession of the litigated property and the Court made a factual finding that the land owner acquiesced to petitioner Manila Railroad Company's occupation of the land.⁹⁶

Fairly recent, in *Forfom Development Corporation v. Philippine National Railways*,⁹⁷ citing *Manila Railroad Company v. Paredes*, we again disallowed recovery of possession of the property by the landowner on grounds of estoppel and, more importantly, of public policy which imposes upon the public utility the obligation to continue its services to the public. We ruled that Forfom consented to the taking of its land when it negotiated with PNR knowing fully well that there was no expropriation case filed at all.⁹⁸

Our holding that the property has been devoted to public use and cannot be appropriated and possessed by petitioners is unavoidable. The reclassification and public use of the property were recognized in the PARAD's original ruling in DARAB Case No. 739-Bulacan '94, quoting respondent Municipality's arguments in its Answer:

That since the year 1989 when our first public market was constructed in the Poblacion from the CDF of Congressman Vicente Rivera, the lots surrounding it, including the property of the heirs of Simeon delos Santos, became a commercial area, thus, the increase in valuation of said lots;


That the reclassification of the agricultural lots surrounding our public market into commercial purposes had been approved by the Sangguniang Bayan, pursuant to Section 20, chapter 2, Book I, RA 7160, for as a consequence of the establishment of our public market, the said lots gained substantial increase in economic value;

⁹⁵ 32 Phil. 534 (1915).

⁹⁶ *Id.* at 540.

⁹⁷ G.R. No. 124795, December 10, 2008, 573 SCRA 341.

⁹⁸ *Id.* at 366-367.



That in as much that a certificate of ownership of the lot on which to construct our public market is required before our application for loan could be approved, this Office submitted to the Minute II Fringe Program Office, the Deed of Absolute Sale (Exhibit "A") executed by the Spouses Jesus Santos and Simplicio Pablo in favor of the Municipality of Bustos, Bulacan;

That with the release of [the] loan, construction of the public market which commenced in 1993 and was completed in July[] 1994, with its blessing and inauguration held last August 18, 1994;⁹⁹

Thus, in *De Guzman v. Court of Appeals*,¹⁰⁰ we took into consideration the municipality's zoning ordinance identifying the land as commercial notwithstanding petitioners' continued tillage, and the municipality's failure to successfully realize the commercial project.

By contrast, petitioners are not registered owners, but possessors who ought to be in continuous cultivation and possession of the property. Their belated and ineffective redemption of the property, coupled with their collection of rentals from private respondents, speaks volumes of their acquiescence to the classification and public use of the property. In fact, petitioners awaited inauguration of the public market before they filed suit against respondent Municipality to recover possession of the property. During construction of the public market for more than a year, petitioners did not appear to question their dispossession from the property.

Nonetheless, as valid tenants-possessors of the property, petitioners are entitled to disturbance compensation under Section 36 (1)¹⁰¹ of RA 3844, as amended. We remand this case to the DARAB for determination of disturbance compensation due petitioners reckoned from the time of their actual dispossession from the property. The DARAB, through the PARAD, shall conduct a hearing and receive evidence from both petitioners and the respondent Municipality to determine the amount of disturbance compensation, and the amount of rentals allegedly collected by petitioners from the vendors in the public market, if any.

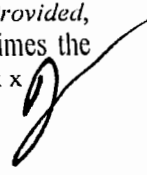
WHEREFORE, the petition is **DENIED**. The Decision of the Court of Appeals in CA-G.R. SP No. 108859 is **AFFIRMED**. The Department of Agrarian Reform Adjudication Board in DARAB Case No. 749-Bulacan '94 is directed to compute the amount of disturbance compensation to be paid

⁹⁹ *Rollo*, p. 84.

¹⁰⁰ G.R. No. 156965, October 12, 2006, 504 SCRA 238.


¹⁰¹ Sec. 36. *Possession of Landholding; Exceptions* — Notwithstanding any agreement as to the period or future surrender, of the land, an agricultural lessee shall continue in the enjoyment and possession of his landholding except when his dispossession has been authorized by the Court in a judgment that is final and executory if after due hearing it is shown that:

(1) The landholding is declared by the department head upon recommendation of the National Planning Commission to be suited for residential, commercial, industrial or some other urban purposes: *Provided*, That the agricultural lessee shall be entitled to disturbance compensation equivalent to five times the average of the gross harvests on his landholding during the last five preceding calendar years; x x x




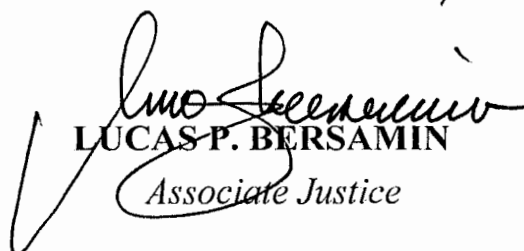
petitioners Teddy Castro and Lauro Sebastian by public respondent Municipality of Bustos, Bulacan in accordance with the provisions of Republic Act No. 3844, as amended. No costs.


SO ORDERED.

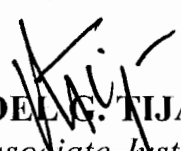

FRANCIS M. JARDELEZA
Associate Justice

WE CONCUR:


PRESBITERO J. VELASCO
Associate Justice
Chairperson

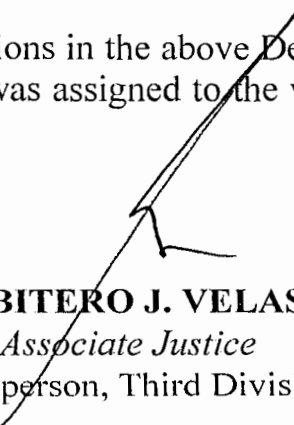

LUCAS P. BERSAMIN
Associate Justice


BIENVENIDO L. REYES
Associate Justice


NOEL C. TIJAM
Associate Justice

A T T E S T A T I O N

I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

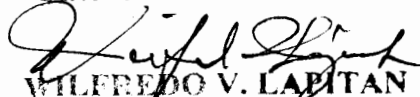

PRESBITERO J. VELASCO
Associate Justice
Chairperson, Third Division

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the Division Chairperson's Attestation, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

**MARIA LOURDES P. A. SERENO***Chief Justice*

CERTIFIED TRUE COPY


WILFREDO V. LAPITAN
Division Clerk of Court
Third Division

MAY 26 2017