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Republic of the Philippines Supreme Court Manila

SECOND DIVISION

HEIRS OF PABLITO ARELLANO, namely, ELENA ARELLANO, REYNANTE ARELLANO, and RUBY ARELLANO,

G.R. No. 207152

Present:

Petitioners,

CARPIO, J., Chairperson, PERLAS-BERNABE,^{*} CAGUIOA, REYES, J. JR., and LAZARO-JAVIER, JJ.

- versus -

MARIA TOLENTINO,

Respondent.

Promulgated:	Th
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DECISION

REYES, J. JR., J.:

This is a Petition for Review on *Certiorari* under Rule 45 of the Rules of Court, assailing the Decision¹ dated October 1, 2012 and the Resolution² dated April 29, 2013 of the Court of Appeals (CA) in CA-G.R. SP No. 115597.

The Factual Antecedents

Subject of this case is a 2.5-hectare parcel of agricultural land situated in Barangay Mambog, Hermosa, Bataan, covered by Transfer Certificate of Title (TCT) No. 3530. This land was owned by Bartolome Songco³ (Bartolome), who was later on succeeded by his son Enrique Songco⁴ (Enrique).⁵

On official leave.

¹ Penned by Associate Justice Ricardo R. Rosario, with Associate Justices Rosmari D. Carandang (now a Member of the Court) and Leoncia Real-Dimagiba, concurring; *rollo*, pp. 29-40.

² Id. at 41.

³ Also referred to as "Bartolome Sangco" in some parts of the *rollo*.

⁴ Also referred to as "Enrique Sangco" in some parts of the *rollo*.

⁵ *Rollo*, pp. 11 and 30.

Timoteo Tolentino (Timoteo), deceased husband of Maria Tolentino (respondent), executed a leasehold agreement with Bartolome entitled *Kasunduan Buwisan sa Sakahan* dated February 5, 1973. In January 1985, said leasehold contract was renewed, this time, with Enrique. In the said contracts, Timoteo undertook to cultivate *palay* during the rainy season and to make annual rental payments in the amount of 21 cavans of *palay* (1973 leasehold contract) and 22 cavans of *palay* (1985 contract).⁶

During Timoteo's lifetime, he permitted Pablito Arellano (Pablito), respondent's son from a former marriage, to assist him in cultivating the subject land and remitting the landowner's share to the produce.⁷

Upon Timoteo's death in 2004, a conflict arose between family members as to who was the lawful successor to Timoteo's tenancy in the subject land. On one hand, respondent claims that she and her children as heirs of Timoteo, designated Juanito Tolentino (Juanito), respondent and Timoteo's son, to be the successor of Timoteo's tenancy rights. On the other, Pablito claims that he is the rightful tenant as his continuous cultivation of the subject land, known to the Songcos, was tantamount to his stepfather's abandonment of his tenancy rights and relinquishment thereof to him.⁸

The controversy was then brought to the Provincial Agrarian Reform Adjudicator (PARAD) through a Complaint for Recovery of Possession⁹ filed by respondent, represented by Juanito, against Pablito.

On December 22, 2007, the PARAD rendered its Decision¹⁰ in respondent's favor, upholding the leasehold contracts evidencing Timoteo's tenancy rights; and ruling that Pablito cannot claim that his stepfather abandoned said rights when the very reason why he was allowed to cultivate the subject property was the liberality of his stepfather. The PARAD concluded that in case of death or permanent incapacity of the agricultural lessor, the leasehold shall bind his legal heirs. It disposed, thus:

WHEREFORE, premises considered, judgment is hereby rendered:

1. DECLARING x x x Juanit[o] Tolentino as the legitimate agricultural lessee/tenant on the subject landholding;

2. ORDERING the x x x [legal heirs of x x x Pablito Arellano] and all other person[s] acting for and in his behalf to surrender and return the possession and cultivation of the subject landholding in favor of x x x Juanit[o] Tolentino.

⁶ Id. at 30-31.

 $^{^{7}}$ 1d. at 11 and 31.

⁸ Id. at 12 and 31.

⁹ Id. at 69-70.

¹⁰ Id. at 127-132.

SO ORDERED.¹¹

On appeal to the Department of Agrarian Reform Adjudication Board (DARAB), Pablito was substituted by his heirs, Romero Arellano, Rosella Arellano, and herein petitioners Elena Arellano, Reynante Arellano, and Ruby Arellano.

The DARAB, in its Decision¹² dated March 9, 2010, reversed and set aside the PARAD's Decision. Finding that it was Pablito who has been personally cultivating the subject land and remitting rentals to the Songcos, the DARAB ruled that Timoteo failed to meet the requisites of a tenancy relationship. Further, the DARAB found that an implied tenancy agreement arose between Pablito and the Songcos by virtue of the latter's continuous acceptance of the rentals from the former. Thus, the DARAB disposed as follows:

WHEREFORE, premises considered, the Decision dated December 22, 2007 is hereby REVERSED and SET ASIDE, and a new judgment is hereby rendered as follows:

1. DISMISSING the instant complaint for lack of merit;

2. DECLARING Pablito Arellano as the lawful agricultural tenant of the subject landholding in question; and

3. DIRECTING the MARO of Hermosa, Bataan to assist the Heirs of Pablito Arellano and the owner of the subject landholding in the preparation and execution of a leasehold contract.

SO ORDERED.¹³

In its October 1, 2012 assailed Decision,¹⁴ the CA reverted to the PARAD's ruling, upholding Timoteo's tenancy rights and rejecting petitioners' contention as to Timoteo's alleged failure to personally cultivate the subject land. The CA explained the concept of an agricultural lessee and personal cultivation citing the Republic Act (R.A.) No. 3844 or the Agricultural Land Reform Code, *viz*.:

"Agricultural lessee" means a person who, by himself and with the aid available from within his immediate farm household, cultivates the land belonging to, or possessed by, another with the latter's consent for purposes of production, for a price certain in money or in produce or both.

"**Personal cultivation**" means cultivation by the lessee or lessor in person and/or with the aid of labor from within his immediate household.

¹¹ Id. at 132.

¹² Id. at 151-156.

¹³ Id. at 155-156.

¹⁴ Id. at 29-40.

"Immediate farm household" means the members of the family of the lessee or lessor and other persons who are dependent upon him for support and who usually help him in his activities.¹⁵

From the foregoing legal definitions, the CA explained that a tenant is still considered to be undertaking personal cultivation despite assistance from an immediate farm household in cultivating the land. Here, Pablito is Timoteo's stepson and as such, his assistance in cultivating the land did not divest Timoteo of his tenancy rights. According to the CA, Pablito's act of cultivating the subject land was not done in his own capacity, but merely to complement Timoteo's act of cultivation. The CA emphatically ruled that at no point did Pablito acquire the status of a lawful tenant because he was merely a helper of the registered tenant. Besides, the CA added, a tenant has neither the right nor the prerogative to create another tenant in the same landholding without the consent of the landholder.¹⁶

The CA concluded that as Timoteo's tenancy stands, there is no question that his wife and children, as his legal heirs, are his lawful successor to the tenancy.¹⁷ The dispositive portion of the CA's assailed Decision reads as follows:

WHEREFORE, premises considered, the Petition is GRANTED. The assailed Decision of the Department of Agrarian Reform Adjudication Board in DARAB Case No. 15927 is hereby REVERSED and SET ASIDE. The Decision of the Office of the Provincial Agrarian Reform Adjudicator dated 22 December 2007 is hereby REINSTATED.

SO ORDERED.18

Petitioners' motion for reconsideration was denied by the CA in its April 29, 2013 Resolution:¹⁹

WHEREFORE, the motion for reconsideration is DENIED for lack of merit.

SO ORDERED.²⁰

Hence, this Petition.

Undaunted, petitioners essentially contend that their predecessor-ininterest, Pablito, has validly succeeded Timoteo in his tenancy rights in the subject land through the latter's abandonment thereof and/or failure to perform his obligation as a tenant, *i.e.*, to personally cultivate the land, and the former's fulfillment thereof.²¹

¹⁵ Id. at 36.

¹⁶ Id. at 36-37.

¹⁷ Id. at 38.
¹⁸ Id. at 39-40.

¹⁹ Id. at 41.

²⁰ Id. at 41.

²¹ Id. at 20-21.

Decision

The Issue

In the main, the resolution of the instant controversy boils down to the question of whether or not Pablito can be considered as a lawful tenant of the subject land.

The Court's Ruling

The petition has no merit. The CA correctly ruled that Timoteo, not Pablito, is the lawful tenant to the Songcos' agricultural land. As such, upon Timoteo's death, his legal heirs shall succeed to his tenancy rights.

Timoteo's tenancy in the subject land by virtue of the leasehold agreements with the Songcos is undisputed. That Timoteo allowed Pablito to aid him in cultivating the subject land is likewise admitted. Petitioners argue that by allowing Pablito to actually cultivate the land, Timoteo fell short of the requirement of "personal cultivation" to be a lawful tenant. As such, petitioners argue that Timoteo should be considered to have effectively abandoned his tenancy rights and had been replaced by Pablito as tenant.

This contention is erroneous.

Time and again, this Court has ruled that cultivation of an agricultural land will not *ipso facto* make one a *de jure* tenant. Independent and concrete evidence is necessary to prove personal cultivation, sharing of harvest, and consent of the landowner. Also, while implied tenancy is recognized in this jurisdiction, for it to arise, it is also necessary that all the essential requisites of tenancy must be proven to be present, to wit:

(1) [T]he parties are the landowner and the tenant;

(2) [T]he subject matter is agricultural land;

(3) [T]here is consent between the parties to the relationship;

(4) [T]he purpose the relationship is to bring about agricultural production;

(5) [T]here is personal cultivation on the part of the tenant or agricultural lessee; and

(6) [T]he harvest is shared between landowner and tenant or agric 22

In this case, Pablito failed to prove that he has successfully replaced Timoteo in the latter's tenancy rights over the subject land.

First, there is no proof that Pablito "personally cultivates" the subject land.

²² Caluzor v. Llanillo, 762 Phil. 353, 365-366 (2015).

As correctly held by the CA, the mere fact that Pablito is the one who "physically" cultivates the subject land does not, by itself, make him the lawful tenant thereof.

Under Chapter XI, Section $166(13)^{23}$ of R.A. No. 3844, the concept of "personal cultivation" has a specific definition. It does not only mean actual physical cultivation by the tenant, but it could also mean cultivation "with the aid of labor from within his immediate household." Under Section $166(8)^{24}$ of the same Chapter, "members of the family of the lessee" are considered as "immediate farm household" who could aid the agricultural lessee in personally cultivating the land. Allowing, thus, Pablito, Timoteo's stepson, to cultivate the land in his stead still comes within the purview of "personal cultivation" on the part of Timoteo in legal contemplation. It cannot, by itself, be considered as a violation of Timoteo's obligation as a tenant, much less, an abandonment of his tenancy rights.

Consistently, an "agricultural lessee" is defined under Section 166(2) of the said Code as "a person who, *by himself and with the aid available from within his immediate farm household*, cultivates the land belonging to, or possessed by, another with the latter's consent for purposes of production, for a price certain in money or in produce or both."

At most, therefore, Pablito could only be considered as a farmhand, helping in the cultivation of the land tenanted by his stepfather.

Second, there was no proof of a harvest sharing relationship between Pablito and the Songcos.

It should be emphasized that harvest sharing is a vital element of every tenancy.²⁵ In this case, Pablito presented receipts to prove his claimed harvest sharing relationship with the Songcos. Unfortunately, said receipts are not sufficient to serve such purpose. Such receipts cannot sufficiently and persuasively prove that Pablito and the Songcos have a definite sharing arrangement in their supposed tenancy relationship. Neither would such receipts sufficiently prove that the Songcos consented to have a tenancy relationship with Pablito. At most, such receipts could only prove the fact of delivery of shares to the Songcos, but as to whether such shares were recognized to be delivered under the terms of an arrangement between Pablito and the Songcos, or whether the same were delivered merely on behalf of Timoteo under the terms of their existing leasehold agreements, such receipts are clearly insufficient.

²³ Sec. 166(13) "Personal cultivation" means cultivation by the lessee or lessor in person and/or with the aid of labor from within his immediate household.

²⁴ Sec. 166(8) "Immediate farm household" means the members of the family of the lessee or lessor and other persons who are dependent upon him for support and who usually help him in his activities.

²⁵ Caluzor v. Llanillo, supra note 22, at 368.

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Notably, the number of shares delivered to the Songcos stated in the receipts is consistent with the terms under the leasehold agreement between Timoteo and the Songcos. Thus, not only are the receipts insufficient to prove a harvest sharing agreement between Pablito and the Songcos, the fact that the receipts were consistent with the terms of Timoteo's leasehold agreement, with the Songcos made it worse for petitioners' case. Such fact only bolsters the conclusion that Pablito was only acting on behalf of Timoteo.

Being the lawful agricultural lessee or tenant, therefore, Timoteo is entitled to security of tenure. In fact, not even death can extinguish his agricultural leasehold relation with the Songcos.²⁶ He may only be dispossessed of the landholding on the grounds provided by law, *i.e.*, Section 36^{27} of R.A. No. 3844. It bears stressing that physical cultivation of the land *per se* would not warrant the lawful tenant to automatically be dispossessed of the tenanted land. The dispossession should be court-authorized after due

In case of death or permanent incapacity of the agricultural lessor, the leasehold shall bind his legal heirs.

Republic Act No. 3488, Chapter (I) 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:

(2) The agricultural lessee failed to substantially comply with any of the terms and conditions of the contract or any of the provisions of this Code unless his failure is caused by fortuitous event or *force majeure*;

(3) The agricultural lessee planted crops or used the landholding for a purpose other than what had been previously agreed upon;

(4) The agricultural lessee failed to adopt proven farm practices as determined under paragraph 3 of Section twenty-nine;

(5) The land or other substantial permanent improvement thereon is substantially damaged or destroyed or has unreasonably deteriorated through the fault or negligence of the agricultural lessee;

(6) The agricultural lessee does not pay the lease rental when it falls due: *Provided*, That if the non-payment of the rental shall be due to crop failure to the extent of seventy-five *per centum* as a result of a fortuitous event, the non-payment shall not be a ground for dispossession, although the obligation to pay the rental due that particular crop is not thereby extinguished; or

(7) The lessee employed a sub-lessee on his landholding in violation of the terms of paragraph 2 of Section twenty-seven.

⁶ Republic Act No. 3844, Chapter [1], Sec. 9. Agricultural Leasehold Relation Not Extinguished by Death or Incapacity of the Parties - In case of death or permanent incapacity of the agricultural lessee to work his landholding, the leasehold shall continue between the agricultural lessor and the person who can cultivate the landholding personally, chosen by the agricultural lessor within one month from such death or permanent incapacity, from among the following: (a) the surviving spouse; (b) the eldest direct descendant by consanguinity; or (c) the next eldest descendant or descendants in the order of their age: *Provided*, That in case the death or permanent incapacity of the agricultural lessee occurs during the agricultural year, such choice shall be exercised at the end of that agricultural year: *Provided*, further, That in the event the agricultural lessor fails to exercise his choice within the periods herein provided, the priority shall be in accordance with the order herein established.

⁽¹⁾ The agricultural lessor-owner or a member of his immediate family will personally cultivate the landholding or will convert the landholding, if suitably located, into residential, factory, hospital or school site or other useful non-agricultural purposes: *Provided*; That the agricultural lessee shall be entitled to disturbance compensation equivalent to five years rental on his landholding in addition to his rights under Sections twenty-five and thirty-four, except when the land owned and leased by the agricultural lessor is not more than five hectares in which case instead of disturbance compensation the lessee may be entitled to an advanced notice of at least one agricultural year before ejectment proceedings are filed against him: *Provided*, *further*, That should the landholder not cultivate the land himself for three years or fail to substantially carry out such conversion within one year after the dispossession of the tenant, it shall be presumed that he acted in bad faith and the tenant shall have the right to demand possession of the land and recover damages for any loss incurred by him because of said dispossession;

determination of the existence of any of the grounds under R.A. No. 3844.²⁸ While there may be implied tenancy, there can be no implied dispossession of a landholding, nor can there be an implied rescission of an agricultural leasehold agreement.

This Court is, thus, one with the CA in ruling that Timoteo cannot be considered to have failed to perform his duties as agricultural lessee or tenant, nor could he be considered to have abandoned his tenancy rights, to result to the extinguishment of the leasehold relation.

The continuance of Timoteo's tenancy rights over the subject land being established, the CA correctly concluded that there can be no implied tenancy when there is another express tenancy on the same landholding.

Upon Timoteo's death, therefore, the leasehold shall continue between the Songcos and the respondent, Timoteo's surviving spouse, in accordance with Section 9 of R.A. No. 3844.

WHEREFORE, premises considered, the Petition is **DENIED**. The Decision dated October 1, 2012 and the Resolution dated April 29, 2013 of the Court of Appeals in CA-G.R. SP No. 115597 are hereby AFFIRMED.

SO ORDERED.

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JØSE C. REYES, JR. Associate Justice

WE CONCUR:

ANTONIO T. CARPIO Senior Associate Justice Chairperson

(On Official Leave) ESTELA M. PERLAS-BERNABE Associate Justice

ALFREDO BENJAMIN S. CAGUIOA Associate Assice

ZARO-JAVIER AMY Associate Justice

²⁸ Id.

Decision

ATTESTATION

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.

ANTONIO T. CARPIO Senior Associate Justice Chairperson, Second 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.

S P. BERSAMIN Shief Justike