

Republic of the Philippines Supreme Court Manila

FIRST DIVISION

HEIRS

OF

TEOFILO

G.R. No. 204420

BASTIDA,

represented

CRISELDA BERNARDO,

Petitioners,

Present:

versus -

PERALTA, CJ., Chairperson,

CAGUIOA.

LAZARO-JAVIER,

LOPEZ, and

GAERLAN, JJ.

OF ANGEL HEIRS FERNANDEZ, namely, FERNANDO A. FERNANDEZ

married to

GEMMA

NAPALCRUZ, ERMELITA F. MA. LUISA

CASIMIRO, FERNANDEZ,

married to

ENRIQUEZ, SR.. CESAR ZENAIDA F. PELAYO married to GHANDIE PELAYO, and

LUCIA F. PAJARITO, married to EDITO PAJARITO,

Respondents.

Promulgated:

OCT 0 7 2020

RESOLUTION

LOPEZ, J.:

A conflict of jurisdiction between the Department of Agrarian Reform Adjudication Board and the Department of Agrarian Reform Secretary over the cancellation of a certificate of land ownership award, is the main issue in this Petition for Review on Certiorari under Rule 45 of the Rules of Court, assailing the Court of Appeals-Cagayan de Oro City's (CA) Decision dated July 13, 2012 in CA-G.R. SP No. 02220-MIN.

Rollo, pp. 40-53; penned by Associate Justice Maria Elisa Sempio Diy, with the concurrence of Associate Justices Edgardo T. Lloren and Jhosep Y. Lopez.

ANTECEDENTS

In 1955, Teofilo Bastida (Teofilo) applied for a homestead patent over a landholding that included an agricultural lot with an area of 9.8307 hectares (Lot No. 990) situated at Tagpangi, Vitali, Zamboanga City. On the same year, the Bureau of Lands certified and recommended that the application be approved. Later, Teofilo died and his children (heirs of Teofilo) continued to cultivate the landholding.

In 1959, however, Angel Fernandez (Angel) also applied for a homestead patent over Lot No. 990 which Teofilo allegedly sold to him. The heirs of Teofilo protested the application before the Regional Office of the Department of Environment and Natural Resources (DENR). Meanwhile, Angel died during the pendency of the case. But in 1989, the DENR Regional Office granted Angel's homestead application and awarded Lot No. 990 to his heirs (heirs of Angel). Dissatisfied, the heirs of Teofilo appealed to the DENR Central Office.

In 1998, the heirs of Teofilo learned that Lot No. 990 had been placed under the Comprehensive Agrarian Reform Program (CARP) and that the Department of Agrarian Reform (DAR) already issued to the heirs of Angel a Certificate of Land Ownership Award No. 00006890 (CLOA No. 00006890) recorded in the Registry of Deeds as OCT No. 0-4633. Thus, the heirs of Teofilo sought to cancel the CLOA before the Provincial Agrarian Reform Adjudicator (PARAD) and claimed that it was prematurely issued since the dispute involving Angel's homestead patent is still pending appeal before the DENR Central Office. In contrast, the heirs of Angel assailed the PARAD's jurisdiction because the controversy did not involve an agrarian dispute.

On June 1, 1999, the PARAD cancelled CLOA No. 00006890 and recalled OCT No. 0-4633. Citing DAR Memorandum Circular No. 07 dated May 26 1993,² the PARAD ruled that "[*l*] ands with adverse claims shall not be covered until the adverse claims are resolved administratively or judicially in which event, the "adjudicate" shall have the option to be a CARP beneficiary." The PARAD disposed that the heirs of Angel cannot be considered adjudicates of the land entitled to be CARP beneficiaries because of the pending protest between the parties, 4 thus:

WHEREFORE, x x x judgment is hereby rendered, as follows:

1. Declaring the coverage of the land in question and the issuance of OCT No. 0-4633 (CLOA No. 00006890) premature and improper;

² IMPLEMENTING GUIDELINES ON THE DISTRIBUTION AND TITLING OF PUBLIC AGRICULTURAL LANDS TURNED OVER BY THE NATIONAL LIVELIHOOD AND SUPPORT FUND (NSLF) TO THE DEPARTMENT OF AGRARIAN REFORM FOR DISTRIBUTION UNDER THE CARP PURSUANT TO E.O. 407, SERIES OF 1990, AS AMENDED BY E.O. 448, SERIES OF 1991, AND AS CLARIFIED UNDER MEMORANDUM ORDER NO. 107 OF THE PRESIDENT OF THE PHILIPPINES; dated March 23, 1993.

³ *Rollo*, p. 74.

⁴ *Id.* at 71-75.

- 2. Ordering public respondents to recall OCT No. 0-4633 (CLOA No. 00006890) issued to private respondents and to surrender the same to the Office of the Registrar, Registry of Deeds, Zamboanga City, for cancellation;
- 3. Ordering the Registrar, Registry of Deeds, Zamboanga City to cancel OCT No. 0-4633 (CLOA No. 00006890);
- 4. Dismissing other claims and counter-claims for lack of evidence.

No costs.

SO ORDERED.5

Unsuccessful to secure a reconsideration, the heirs of Angel appealed to the Department of Agrarian Reform Adjudication Board (DARAB). On July 7, 2005, the DARAB dismissed the appeal and sustained the PARAD's findings without prejudice to the outcome of the protest,⁶ to wit:

WHEREFORE, x x x the Appeal is DISMISSED for lack of merit. The Decision dated 01 June 1999 is hereby MODIFIED without prejudice to the outcome of the protest and/or appeal before the Office of the Secretary of DENR.

SO ORDERED.7

The heirs of Angel elevated the case to the CA through a Rule 43 petition for review docketed as CA-G.R. SP No. 02220-MIN. They argued that the PARAD and DARAB have no jurisdiction over the case and that the heirs of Teofilo committed forum shopping when they filed an action to cancel the CLOA before the PARAD despite pendency of their protest on the homestead patent before the DENR.

On July 13, 2012, the CA granted the petition and held that PARAD and DARAB have no authority to take cognizance of the controversy absent any agrarian dispute between the parties. The CA likewise found the heirs of Teofilo guilty of forum shopping, viz:

WHEREFORE, the petition is hereby GRANTED. The assailed Decision dated July 7, 2005 and Resolution dated October 9, 2007, both of the Department of Agrarian Reform Adjudication Board (DARAB), are SET ASIDE. Accordingly, the amended complaint of respondents in Regional Case No. IX-ZC-833-R-98 is hereby DISMISSED.

SO ORDERED.9

Hence, this recourse. The heirs of Teofilo insist that the DARAB has jurisdiction over the cancellation of the CLOA because it was already recorded

⁵ *Id.* at 75.

⁶ Id. at 80-86.

⁷ *Id.* at 86.

⁸ *Id.* at 40-53.

⁹ *Id.* at 53.

with the Registry of Deeds. The DAR Secretary can assume jurisdiction only in complaints involving unregistered CLOAs. Finally, the heirs of Teofilo argue that they did not violate the rule against forum shopping given that the actions pending in the DENR and the DARAB are separate and distinct. On the other hand, the heirs of Angel posit that the DARAB has no authority over the controversy absent agrarian dispute between the parties. They also contend that the heirs of Teofilo are guilty of forum shopping because the issues raised before the DENR and the DARAB are intertwined.

RULING

The petition is partly meritorious.

Jurisdiction is defined as the power and authority to hear, try, and decide a case. In order for the court or an adjudicative body to have authority to dispose of the case on the merits, it must acquire jurisdiction over the subject matter. It is axiomatic that jurisdiction over the subject matter is conferred by law in force at the time the action was filed.¹⁰ Moreover, what determines the nature of an action are the allegations in the complaint and the character of the reliefs sought.¹¹ Thus, when a court or tribunal has no jurisdiction over the subject matter, the only power it has is to dismiss the case.¹²

Here, the heirs of Teofilo filed their complaint before the PARAD in 1998 and is covered by the 1994 DARAB Rules of Procedure. Specifically, the rules provide that the DARAB has primary jurisdiction to determine and adjudicate all agrarian disputes involving the implementation of the CARP which includes the issuance, correction, and cancellation of CLOAs which have been registered with the Land Registration Authority, to wit:

RULE II

Jurisdiction of the Adjudication Board

SEC. 1. Primary and Exclusive Original and Appellate Jurisdiction. — The Board shall have primary and exclusive jurisdiction, both original and appellate, to determine and adjudicate all agrarian disputes involving the implementation of the Comprehensive Agrarian Reform Program (CARP) under Republic Act No. 6657, Executive Order Nos. 228, 229, and 129-A, Republic Act No. 3844 as amended by Republic Act No. 6389, Presidential Decree No. 27 and other agrarian laws and their implementing rules and regulations. Specifically, such jurisdiction shall include but not be limited to cases involving the following:

$\mathbf{X} \mathbf{X} \mathbf{X} \mathbf{X}$

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Alemar's (Sibal & Sons), Inc. v. CA, 403 Phil 236, 242 (2001).

¹¹ Spouses Atuel v. Spouses Valdez, 451 Phil 631, 642 (2003).

Mitsubishi Motors Phils. Corp. v. Bureau of Customs, 760 Phil. 954, 960 (2015), citing COCOFED v. Republic of the Phils., 679 Phil. 508, 560-562 (2012); Spouses Genato v. Viola, 625 Phil. 514, 527-529 (2010); Perkin Elmer Singapore Pte Ltd. v. Dakila Trading Corp., 556 Phil. 822, 836-837 (2007); Allied Domecq Phils. Inc. v. Judge Villon, 482 Phil. 894, 900-902 (2004); Katon v. Palanca, Jr., 481 Phil. 168, 182 (2004); and Zamora v. CA, 262 Phil. 298, 308-309 (1990).

(f) Those involving the issuance, correction and cancellation of Certificates of Land Ownership Award (CLOAs) and Emancipation Patents (EPs) which are registered with the Land Registration Authority [LRA];

X X X X

Matters involving strictly the administrative implementation of Republic Act No. 6657, otherwise known as the Comprehensive Agrarian Reform Law (CARL) of 1988 and other agrarian laws as enunciated by pertinent rules shall be the exclusive prerogative of and cognizable by the Secretary of the DAR.¹³ (Emphases supplied.)

X X X X

At first glance, it would appear that jurisdiction over the cancellation of CLOA recorded with the Registry of Deeds lies with the DARAB. However, jurisprudence edifies that for the DARAB to have jurisdiction, the case must relate to an agrarian dispute between landowners and tenants to whom a CLOA had been issued An¹⁴ "agrarian dispute" is defined under Section 3(d) of Republic Act (RA) No. 6657 or the "Comprehensive Agrarian Reform Law of 1988," as:

(d) Agrarian Dispute refers to any controversy relating to tenurial arrangements, whether leasehold, tenancy, stewardship or otherwise, over lands devoted to agriculture, including disputes concerning farmworkers' associations or representation of persons in negotiating, fixing, maintaining, changing, or seeking to arrange terms or conditions of such tenurial arrangements.

It includes any controversy relating to compensation of lands acquired under this Act and other terms and conditions of transfer of ownership from landowners to farmworkers, tenants and other agrarian reform beneficiaries, whether the disputants stand in the proximate relation of farm operator and beneficiary, landowner and tenant, or lessor and lessee. (Emphases supplied.)

Simply put, the DARAB can validly take cognizance of the controversy if there is tenancy relationship between the parties, with the following indispensable elements, 15 to wit:

- (1) [t]hat the parties are the landowner and the tenant or agricultural lessee:
- (2) that the subject matter of the relationship is an agricultural land;
- (3) that there is consent between the parties to the relationship;

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^{13 1994} DARAB Rules and Procedure.

The Hon. Secretary of the Department of Agrarian Reform v. Heirs of Abucay, G.R. Nos. 186432 & 186964, March 12, 2019, citing Sutton vs. Lim, 700 Phil. 67, 74 (2012); Phil. Overseus Telecommunications Corp. v. Gutierrez, 537 Phil. 682, 685 (2006); Mateo v. CA, 497 Phil. 83-92 (2005); Spouses Atuel v. Spouses Valdez, 451 Phil. 631, 643 (2003); Arzaga v. Copias, 448 Phil. 171, 177-178 (2003); Monsanto v. Zerna, 423 Phil. 151, 160-161 (2001); Almuete v. Andres, 421 Phil. 522, 529-530 (2001); Heirs of the Late Herman Rey Santos v. CA, 384 Phil. 26, 32 (2000).

¹⁵ Mateo v. CA, supra at 93-94.

- (4) that the purpose of the relationship is to bring about agricultural production;
- (5) that there is personal cultivation on the part of the tenant or agricultural lessee; and
- (6) that the harvest is shared between the landowner and the tenant or agricultural lessee. ¹⁶

Here, the heirs of Teofilo did not allege any tenancy, leasehold, or agrarian relations with the heirs of Angel except for the fact that Lot No. 990 is an agricultural land. In their complaint, the heirs of Teofilo focused on the erroneous grant of the CLOA based on the grounds that Lot No. 990 was prematurely placed under the CARP; the heirs of Angel committed misrepresentation; and there was no ocular investigation, *viz*.:

- 3. That sometime in 1994 or immediately the years before that, the Department of Agrarian Reform was assisting farmers who possessed all the qualifications and none of the disqualifications of a CARP beneficiary in titling lands they were possessing and cultivating which are alienable and disposable;
- 4. That complainants tried to avail of such program of the DAR for themselves but parcels of land complainants were possessing and cultivating, which was applied by Teofilo Bastida, father of complainants described as Lot Nos. 990, 989, and 1721 were and still are a subject matter on appeal in the office of [the] Department of Environment and Natural Resources at Diliman, Quezon [C]ity, that complainants' desire could not prosper;
- 5. That on the latter part of 1996, complainants noticed the heirs of Angel Fernandez were harvesting the fruits of Lanzones, coconuts and some other agricultural products on the lot we are possessing and cultivating, complainants tried to stop them but their efforts proved in vain;
- 6. That Last February 9, 1998, Criselda Bernardo went to [the] Department of Agrarian Reform Regional Office, inquiring whether Lot nos. 990, 989 and 1721 can be titled but the former was **shocked to have been informed that Lot 990 has [already been] titled by the DAR since 1994**, and that "Certificate of Land Ownership Award" (CLOA for short) with the number 00006890 was already granted to the heirs of Angel Fernandez[.] x x x;
- 7. That complainants heirs of Teofilo Bastida, are questioning why lot 990 was titled in the names of the respondent heirs of Angel Fernandez;
- 8. That the heirs of Teofilo Bastida are questioning the legality of the CLOA No. 00006890 issued to the heirs of Angel Fernandez because x x x the respondent heirs have mis-represented [sic] the date information which tended to support as basis [for] the issuance of a collective [CLOA] by the DAR in their (respondents') favor;
- 9. That the DAR employees Task Force during 1994, or immediately the years before that, under the Provincial Agrarian Reform officer (PARO) xxx and team leader Municipal Agrarian Reform Officer (MARO) x x x failed to and did not conduct ocular Investigation to determine and prove whether the



¹⁶ Mateo v. CA, supra at 94; Morta, Sr. v. Occidental, 367 Phil. 438, 446 (1999).

heirs of Angel Fernandez were really the possessors-cultivators of Lot No. 990 at Tagpangi, Vitali, Zamboanga City[.]¹⁷ (Emphases supplied.)

Verily, these allegations fall outside the authority of the DARAB and have no bearing on tenancy relationship. The mere fact that Lot No. 990 is an agricultural land and that the heirs of Teofilo are cultivating it does not *ipso facto* make them a tenant. As aptly discussed in *Estate of Pastor M. Samson v. Spouses Susano*, there must be substantial evidence to prove a leasehold relationship between the parties, to wit:

It has been repeatedly held that occupancy and 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, or consent of the landowner. Substantial evidence necessary to establish the fact of sharing cannot be satisfied by a mere scintilla of evidence; there must be concrete evidence on record adequate to prove the element of sharing. To prove sharing of harvests, a receipt or any other credible evidence must be presented, because self-serving statements are inadequate. Tenancy relationship cannot be presumed; the elements for its existence are explicit in law and cannot be done away with by conjectures. Leasehold relationship is not brought about by the mere congruence of facts but, being a legal relationship, the mutual will of the parties to that relationship should be primordial. 20 x x x. (Emphases supplied; citations omitted.)

On this point, the Heirs of Julian dela Cruz v. Heirs of Alberto Cruz²¹ is instructive:

The Court agrees x x x that, under Section 2(f), Rule II of the DARAB Rules of Procedure, the DARAB has jurisdiction over cases involving the issuance, correction and cancellation of CLOAs which were registered with the LRA. However, for the DARAB to have jurisdiction in such cases, they must relate to an agrarian dispute between landowner and tenants to whom CLOAs have been issued by the DAR Secretary. The cases involving the issuance, correction and cancellation of the CLOAs by the DAR in the administrative implementation of agrarian reform laws, rules and regulations to parties who are not agricultural tenants or lessees are within the jurisdiction of the DAR and not of the DARAB.

$x \times x \times x$

In fine then, the petitioners should have filed their petition x x x with the DAR Secretary instead of the DARAB. For its part, the DARAB should have dismissed the petition for lack of jurisdiction; or, at the very least, transferred the petition to the DAR Secretary for resolution on its merits. In case the DAR Secretary denies their petition, the petitioners may appeal to the Office of the President, and in case of an adverse ruling, a petition for review with the CA under Rule 43 of the 1997 Rules of Civil Procedure.²² (Emphases supplied.)



¹⁷ *Rollo*, pp. 102-103.

¹⁸ Isidro v. CA (7th Div.), 298-A Phil. 481, 490 (1993).

¹⁹ 664 Phil. 590 (2011).

²⁰ *Id.* at 612-613.

²¹ 512 Phil. 389 (2005).

²² *Id.* at 404-406.

Notably, the DAR Secretary issued CLOA No. 00006890 in favor of the heirs of Angel in the exercise of his administrative powers. Correlatively, the DAR Secretary also had the authority to withdraw the CLOA upon a finding that it is contrary to law and DAR orders, circulars and memoranda. The resolution of such issue will entail the application and implementation of agrarian reform laws. ²³ Indeed, RA No. 9700 ²⁴ made clear that all cases involving the cancellation of CLOAs and other titles issued under any agrarian reform program are now within the exclusive and original jurisdiction of the DAR Secretary. Also, the 2009 DARAB Rules of Procedure authorizes the adjudicator to dismiss the complaint without prejudice and refer it to the DAR Secretary in the event a case shall necessitate the determination of a prejudicial issue involving an agrarian law implementation case. ²⁵ As such, the CA properly dismissed the complaint of the heirs of Teofilo before the DARAB for lack of jurisdiction, *viz*:

The Court agrees with respondents' contention that under Section 2(f), Rule II of the DARAB Rules of Procedure, the DARAB has jurisdiction over cases involving the issuance, correction and cancellation of CLOAs which were registered with the LRA x x x. However, for the DARAB to have jurisdiction in such cases, they must relate to an agrarian dispute between landowner and tenants to whom CLOAs have been issued by the DAR Secretary. The cases involving the issuance, correction and cancellation of the CLOAs by the DAR in the administrative implementation of agrarian reform laws, rules and regulations to parties who are not agricultural tenants or lessees, are within the jurisdiction of the DAR and not of the DARAB. For the DARAB to have jurisdiction over the case, there must be a tenancy relationship between the parties. $x \times x$

X X X X

In this case, no juridical tie of land ownership and tenancy was alleged between petitioner-heirs of Angel Fernandez and respondent-heirs of Teofilo Bastida, which would so categorize the controversy as an agrarian dispute. In fact, the parties were contending for the ownership of the same parcel of land.²⁶ (Citations omitted.)

Nevertheless, we disagree with the CA's conclusion that the heirs of Teofilo are guilty of forum shopping. It bears emphasis that forum shopping is

²³ Id. at 404.

AN ACT STRENGTHENING THE COMPREHENSIVE AGRARIAN REFORM PROGRAM (CARP), EXTENDING THE ACQUISITION AND DISTRIBUTION OF ALL AGRICULTURAL LANDS, INSTITUTING NECESSARY REFORMS, AMENDING FOR THE PURPOSE CERTAIN PROVISIONS OF REPUBLIC ACT NO. 6657, OTHERWISE KNOWN AS THE COMPREHENSIVE AGRARIAN REFORM LAW OF 1988, AS AMENDED, AND APPROPRIATING FUNDS THEREFOR; approved on August 7, 2009.

Section 9 of RA No. 9700 provides that: "Section 9. Section 24 of Republic Act No. 6657, as amended, is hereby further amended to read as follows: x x x 'All cases involving the cancellation of registered emancipation patents, certificates of land ownership award, and other titles issued under any agrarian reform program are within the exclusive and original jurisdiction of the Secretary of the DAR."

Rule II, Section 4 of the 2009 DARAB Rules of Procedure provides that: "SECTION 4. Referral to Office of the Secretary (OSEC).— In the event that a case filed before the Adjudicator shall necessitate the determination of a prejudicial issue involving an agrarian law implementation case, the Adjudicator shall dismiss the case without prejudice to its re-filing, and, for purposes of expediency, refer the same to the Office of the Secretary or his authorized representative in the locality."

the institution of two or more actions or proceedings involving the same parties for the same cause of action, either *simultaneously or successively*, on the expectation that one or the other court would render a favorable disposition.²⁷ It exists when the following requisites concur: (1) that the parties to the action are the same or at least representing the same interests in both actions; (2) that there is substantial identity in the causes of action and reliefs sought, the relief being founded on the same facts; and (3) that the result of the first action is determinative of the second in any event and regardless of which party is successful or that judgment in one, would amount to *res judicata*²⁸ or constitute *litis pendentia*.²⁹

Here, there is no identity in the rights asserted and relief sought. The pending protest with the DENR is against the homestead application of the heirs of Angel while the case before the DARAB is for CLOA cancellation. Evidently, the issues require the resolution of matters within the competence of DAR with respect to the implementation of the CARP and with the DENR as regards public land applications. More importantly, the DENR's ruling on the rightful homestead grantee will not amount to *res judicata* with respect to the validity of the CLOA. Suffice it to say that a homestead grantee is not automatically a CARP beneficiary or CLOA awardee. The DAR will still have to ascertain whether a homestead grantee fulfilled the requirements of Section 6 of RA 6657 in order to retain the land.³⁰

FOR THESE REASONS, the petition is PARTLY GRANTED. The Court of Appeals' Cagayan de Oro City's Decision dated July 13, 2012 in CA-GR. SP No. 02220-MIN is AFFIRMED with MODIFICATION in that the dismissal of the complaint for lack of jurisdiction is without prejudice to its re-filing before the Department of Agrarian Reform Secretary.

SO ORDERED.

²⁷ Madara v. Hon. Perello, 584 Phil. 613, 628 (2008).

Phil. Radiant Products, Inc. v. Metropolitan Bank & Trust Company, Inc., 513 Phil. 414, 429 (2005); PAL Employees Savings & Loan Ass'n. Inc. v. PAL, Inc., 520 Phil. 502, 517 (2006); Veluz v. CA, 399 Phil. 539, 548 (2000), citing Alejandrino v. CA, 356 Phil. 851, 868 (1998); and Dasmariñas Village Assoc., Inc. v. CA, 359 Phil. 944, 954 (1998).

³⁰ Almero v. Heirs of Miguel Pacquing, 747 Phil. 479, 485 (2014).

Dayot v. Shell Chemical Company, (Phils.), Inc. 552 Phil. 602, 614 (2007); Taningco v. Taningco, 556 Phil. 567, 575 (2007); Go v. Looyuko, 563 Phil. 36, 71-72 (2007); Spouses Arquiza v. CA, 498 Phil. 793, 804 (2005); Sherwill Development Corp. v. Sitio Sto. Niño Residents Association, Inc., 500 Phil. 288, 301 (2005); and Ssangyong Corp. v. Unimarine Shipping Lines, Inc. 512 Phil. 171, 180 (2005).

WE CONCUR:

DIOSDADO M. PERALTA

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Chief Justice Chairperson

ALFREDO BENJAMIN S. CAGUIOA

Associate Justice

AMY C. LAZARO-JAVIER

Associate Justice

SAMUEL H. GAERLAN

Associate Justice

CERTIFICATION

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

DIOSDADOM. PERALTA

Chief Justice