



Republic of the Philippines
Supreme Court
Manila

SECOND DIVISION

DELIA T. SUTTON,

Petitioner,

G.R. No. 191660

Present:

-versus-

CARPIO, *Chairperson*,
BRION,
DEL CASTILLO,
PEREZ, and
PERLAS-BERNABE, *JJ.*

ROMANITO P. LIM, EFREN C.
LIM AND ALLAN C. LIM,
MUNICIPAL AGRARIAN
REFROM OFFICER OF
ARORAY, MASBATE,
PROVINCIAL AGRARIAN
REFORM OFFICER OF
MASBATE, AND THE
REGISTER OF DEEDS FOR
THE PROVINCE OF MASBATE,
Respondents.

Promulgated:

DEC 03 2012 *HH Cabalag Inflecto*

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DECISION

PERLAS-BERNABE, *J.*:

In this Petition for Review on *Certiorari*¹ under Rule 45 of the Rules of Court, Delia Sutton (petitioner) seeks to reverse and set aside the July 23, 2009 Decision² and March 23, 2010 Resolution³ of the Court of Appeals

¹ *Rollo*, pp. 8-32.

² Penned by Associate Justice Noel G. Tijam, with Associate Justices Arturo G. Tayag and Ricardo R. Rosario, concurring. *Id.* at 34-45.

³ Penned by Associate Justice Noel G. Tijam, with Associate Justices Sesinando E. Villon and Ricardo R. Rosario, concurring. *Id.* at 47-50.

(CA) in CA-G.R. SP No. 91971, which dismissed on jurisdictional grounds the Department of Agrarian Reform Adjudication Board (DARAB) Regional Adjudicator Case No. 05-004-98 and DARAB Case No. 8902 for cancellation of the Certificate of Land Ownership Award (CLOA) No. 00122354 and Original Certificate of Title (OCT) No. CLOA 0-1615⁴ issued in the names of private respondents Romanito P. Lim and his sons, namely: Efren C. Lim and Allan C. Lim (private respondents).

The Factual Antecedents

On December 7, 1993, private respondents applied for the issuance of a CLOA over a parcel of land with an area of 73,105 square meters located in Barangay Amotag, Aroroy, Masbate, described as Lot No. 1493 of Cadastral Survey No. Pls-77 of Aroroy Public Subdivision, before the Department of Agrarian Reform (DAR) Secretary.⁵ Upon the recommendation of the Municipal Agrarian Reform Officer (MARO) of Aroroy, Masbate, the application was granted and they were issued CLOA No. 00122354. Subsequently, on January 31, 1994, the Register of Deeds of Masbate issued the corresponding OCT No. CLOA 0-1615.

On November 23, 1994, petitioner filed a petition for the cancellation of the said CLOA and title before the Office of the Provincial Agrarian Reform Adjudicator (PARAD), docketed as DARAB Case No. 05-077, assailing the validity of the said issuances on the ground that the subject parcel of land is a private land devoted to cattle raising which she inherited from her deceased father, Samuel Sutton, who, in turn, previously bought the subject parcel of land from Romanito P. Lim and his wife, Lolita L. Cedillo,

⁴ CA *rollo*, pp. 54-55.

⁵ Id. at 90.

on August 7, 1958.⁶ Petitioner also claimed to have been denied due process for not receiving any notice of private respondents' application proceedings for CLOA. On March 5, 1998, the petition was amended⁷ to include the MARO of Aroroy, Masbate, Provincial Agrarian Reform Officer (PARO) of Masbate and the Register of Deeds of Masbate as additional respondents, and was re-docketed as DARAB Case No. 05-004-98.

In their answer,⁸ private respondents averred that, being the actual occupants and qualified beneficiaries of the subject lot which formed part of the alienable and disposable portion of the public domain, the DAR Secretary correctly issued the CLOA in their favor. While admitting having sold a lot in favor of Samuel Sutton from whom petitioner purportedly inherited the subject parcel of land, they asserted that the lot sold was different from Lot No. 1493. Moreover, they interposed the defense of prescription since the petition for cancellation was filed after the subject title became indefeasible.

On the other hand, the MARO and PARO, in their Answer with Motion to Dismiss,⁹ invoked the presumption of regularity in the performance of their official functions in issuing the CLOA, which according to them was issued in accordance with the implementing rules and regulations of Republic Act (R.A.) No. 6657.¹⁰ They also clarified that the subject parcel of land has been classified as Government Owned Land (GOL) or Kilusang Kabuhayan at Kaunlaran (KKK) areas pursuant to

⁶ Deed of Sale dated August 7, 1958. Id. at 56-57.

⁷ Id. at 50-53.

⁸ Id. at 58-62.

⁹ Id. at 64-66.

¹⁰ Otherwise known as the "Comprehensive Agrarian Reform Law of 1988."

Presidential Proclamation No. 2282,¹¹ hence, subject to the Comprehensive Agrarian Reform Program's immediate coverage (CARP coverage). Moreover, petitioner was not able to prove that she is the registered owner of the subject parcel of land and that it is exempt from the CARP coverage.

The RARAD Ruling

In its May 4, 1999 Decision,¹² the Regional Agrarian Reform Adjudicator (RARAD) ordered, among others, the cancellation of CLOA No. 00122354 and the corresponding OCT No. CLOA 0-1615 issued in the names of private respondents. The RARAD found that public respondents failed to exercise due care in identifying the lots of the public domain and their actual occupants, and accordingly, restored the ownership and possession of the subject parcel of land to petitioner.

The DARAB Ruling

In its December 29, 2004 Decision,¹³ the DARAB reversed the ruling of the RARAD. It found no irregularities in the issuance of the subject CLOA or lawful ground to warrant its cancellation, under Administrative Order No. 02, Series of 1994.¹⁴ It did not find the issue of ownership consequential in the implementation of the land reform program and brushed aside petitioner's claim that since the landholding is devoted to cattle raising, it is exempt from the CARP coverage. It also emphasized that the issue of whether or not the landholding is exempt from the CARP coverage

¹¹ Reclassifying Certain Portions of the Public Domain as Agricultural Land and Declaring the same Alienable and Disposable for Agricultural and Resettlement Purposes of the Kilusang Kabuhayan at Kaunlaran Land Resource Management Program of the Kilusang Kabuhayan at Kaunlaran of the Ministry of Human Settlements.

¹² Penned by Regional Adjudicator Isabel E. Florin. *CA rollo*, pp. 118-123.

¹³ *Id.* at 26-33.

¹⁴ Rules of Procedure for Agrarian Law Implementation (ALI) Cases.

falls within the exclusive jurisdiction of the Office of the DAR Secretary in the exercise of its administrative function to implement R.A. No. 6657. Aggrieved, petitioner elevated the matter to the CA on petition for review.

The CA Ruling

In its July 23, 2009 Decision, the CA denied the petition on jurisdictional grounds and dismissed the case without prejudice to its re-filing. It held that the DARAB does not have jurisdiction over the instant controversy due to the absence of a landlord-tenant relationship or any agrarian relations between the parties. It also ruled that since the issuance of the subject CLOA was made in the exercise of the DAR Secretary's administrative powers and function to implement agrarian reform laws, the jurisdiction over the petition for its cancellation lies with the Office of the DAR Secretary.

The Issues

Hence, the instant petition ascribing to the CA the following errors:

I. WHEN IT HELD THAT THE DAR PROVINCIAL/ REGIONAL ADJUDICATOR (PARAD/RARAD) AND DARAB DO NOT HAVE JURISDICTION TO ENTERTAIN THE PETITION FOR CANCELLATION OF THE CLOA AND CORRESPONDING TITLE ISSUED THEREFOR;

II. WHEN IT FOUND THAT SINCE NO LANDLORD-TENANT RELATIONSHIP EXISTED BETWEEN THE PARTIES, THERE IS NO "AGRARIAN DISPUTE" INVOLVED; and

III. WHEN IT DISREGARDED PETITIONER'S UNDISPUTED OWNERSHIP AND POSSESSION OVER LOT 1493 AND DENIAL OF DUE PROCESS OVER SAID LOT.¹⁵

The Ruling of the Court

The petition is without merit.

Section 1, Rule II of the 1994 DARAB Rules of Procedure, the rule in force at the time of the filing of the petition, provides:

Section 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 following:

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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;

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While the DARAB may entertain petitions for cancellation of CLOAs, as in this case, its jurisdiction is, however, confined only to agrarian disputes.

¹⁵ *Rollo*, p. 12

As explained in the case of *Heirs of Dela Cruz v. Heirs of Cruz*¹⁶ and reiterated in the recent case of *Bagongahasa v. Spouses Cesar Caguin*,¹⁷ for the DARAB to acquire jurisdiction, the controversy must relate to an agrarian dispute between the landowners and tenants in whose favor CLOAs have been issued by the DAR Secretary, to wit:

The Court agrees with the petitioners' 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. 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 the DARAB.**(Emphasis supplied)

Thus, it is not sufficient that the controversy involves the cancellation of a CLOA already registered with the Land Registration Authority. What is of primordial consideration is the existence of an agrarian dispute between the parties.

As defined in Section 3(d) of R.A. No. 6657, an agrarian dispute relates 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

¹⁶ G.R. No. 162890, November 22, 2005, 475 SCRA 743, 759-760.

¹⁷ G.R. No. 179844, March 23, 2011, 646 SCRA 338, 349.

the said 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.”

Based on the above-cited provision, however, petitioner posits that an agrarian dispute can be dissected into purely tenurial (paragraph 1 of Section 3[d]) and non-tenurial arrangements (paragraph 2, Section 3[d]). This theory deserves no credence.

Verily, an agrarian dispute must be a controversy relating to a tenurial arrangement over lands devoted to agriculture.¹⁸ Tenurial arrangements pertain to agreements which set out the rights between a landowner and a tenant, lessee, farm worker or other agrarian reform beneficiary involving agricultural land. Traditionally, tenurial arrangements are in the form of tenancy¹⁹ or leasehold arrangements.²⁰ However, other forms such as a joint production agreement to effect the implementation of CARP have been recognized as a valid tenurial arrangement.²¹

Accordingly, paragraph 2 of Section 3(d), by its explicit reference to controversies between landowners and farmworkers, tenants and other agrarian reform beneficiaries with respect to the compensation of lands

¹⁸ See *Isidro v. CA*, G.R. No. L-105586, December 15, 1993, 228 SCRA 503, 510.

¹⁹ Tenancy relationship is a juridical tie which arises between a landowner and a tenant once they agree, expressly or impliedly, to undertake jointly the cultivation of a land belonging to the landowner, as a result of which relationship the tenant acquires the right to continue working on and cultivating the land. See *Adriano v. Tanco*, G.R. No. 168164, July 5, 2010, 623 SCRA 218, 228; citing R.A. No. 1199, Section 6, or the Agricultural Tenancy Act of the Philippines.

²⁰ Under Sec. 2.2 of DAR Administrative Order No. 6, Series of 2003, an agricultural leasehold contract is defined as a formal tenurial arrangement reduced into writing between a lessor-landholder and lessee-farmer where the former consents to the latter's personal cultivation in consideration for a fixed rental either in money or produce or both.

²¹ *Islanders Carp-Farmers Beneficiaries Multi-Purpose Cooperative, Inc. v. Lapanday Agricultural and Development Corporation*, G.R. No. 159089, May 3, 2006, 489 SCRA 80, 88-90.

acquired under R.A. No. 6657 or other terms and conditions relating to the transfer of such lands, undoubtedly implies the existence of a tenurial arrangement. Also, the phrase “whether the disputants stand in the proximate relation of farm operator and beneficiary, landowner and tenant, or lessor and lessee” in paragraph 2 lists certain forms of tenurial arrangements consistent with the phrase “whether leasehold, tenancy or stewardship, or otherwise” stated in paragraph 1 of the same section.

Moreover, it is a rule in statutory construction that every part of the statute must be interpreted with reference to the context – particularly, that every part of the statute must be interpreted together with the other parts, and kept subservient to the general intent of the whole enactment.²² Therefore, in line with the purpose of recognizing the right of farmers, farmworkers and landowners under the agrarian reform program, both paragraphs 1 and 2 of Section 3(d) of R.A. No. 6657 should be understood within the context of tenurial arrangements, else the intent of the law be subverted.

To be sure, the tenurial, leasehold, or agrarian relations referred to may be established with the concurrence of the following: 1) the parties are the landowner and the tenant or agricultural lessee; 2) the subject matter of the relationship is an agricultural land; 3) there is consent between the parties to the relationship; 4) the purpose of the agricultural relationship is to bring about agricultural production; 5) there is personal cultivation on the part of the tenant or agricultural lessee; and 6) the harvest is shared between the landowner and the tenant or agricultural lessee.²³

²² *Enriquez v. Enriquez*, 505 Phil. 193, 199 (2005); citing *Paras v. Comelec*, 332 Phil. 56 (1996).

²³ *Morta, Sr. v. Occidental*, G.R. No. 123417, 367 Phil. 438 (1999).

In this case, a punctilious examination reveals that petitioner's allegations are solely hinged on the erroneous grant by the DAR Secretary of CLOA No. 00122354 to private respondents on the grounds that she is the lawful owner and possessor of the subject lot and that it is exempt from the CARP coverage. In this regard, petitioner has not alleged any tenurial arrangement between the parties, negating the existence of any agrarian dispute and consequently, the jurisdiction of the DARAB. Indisputably, the controversy between the parties is not agrarian in nature and merely involves the administrative implementation of the agrarian reform program which is cognizable by the DAR Secretary. Section 1, Rule II of the 1994 DARAB Rules of Procedure clearly provides that "matters involving strictly the administrative implementation of R.A. No. 6657, and other agrarian reform laws and pertinent rules, shall be the exclusive prerogative of and cognizable by the DAR Secretary."

Furthermore, it bears to emphasize that under the new law, R.A. No. 9700,²⁴ which took effect on July 1, 2009, 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. Section 9 of the said law provides:

Section 9. Section 24 of Republic Act No. 6657, as amended, is further amended to read as follows:

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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.

²⁴ 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."

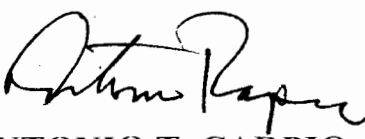
Consequently, the DARAB is bereft of jurisdiction to entertain the herein controversy, rendering its decision null and void. Jurisdiction lies with the Office of the DAR Secretary to resolve the issues of classification of landholdings for coverage (whether the subject property is a private or government owned land), and identification of qualified beneficiaries. Hence, no error can be attributed to the CA in dismissing the case without prejudice to its re-filing, in accordance to DAR Administrative Order No. 6, Series of 2000.

WHEREFORE, the instant petition is **DENIED** and the assailed July 23, 2009 Decision and March 23, 2010 Resolution of the Court of Appeals in CA G.R. SP No. 91971 are **AFFIRMED**.

SO ORDERED.


ESTELA M. PERLAS-BERNABE
Associate Justice

WE CONCUR:


ANTONIO T. CARPIO
Associate Justice
Chairperson

**ARTURO D. BRION**

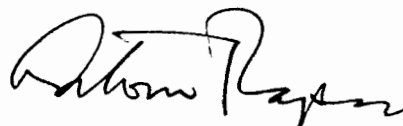
Associate Justice

**MARIANO C. DEL CASTILLO**

Associate Justice


JOSE PORTUGAL PEREZ
Associate Justice**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.

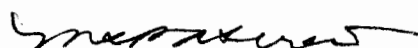
**ANTONIO T. CARPIO**

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.

**MARIA LOURDES P. A. SERENO**

Chief Justice