



Republic of the Philippines
Supreme Court
 Manila

SECOND DIVISION

HEIRS OF LORENZO BUENSUCESO, G.R. No. 173926
 represented by German Buensuceso, as
 substituted by Iuminada Buensuceso,
 Ryan Buensuceso and Philip
 Buensuceso,

Petitioners,

- versus -

Present:

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

**LOVY PEREZ, substituted by Erlinda
 Perez-Hernandez, Teodoro G. Perez and
 Candida Perez-Atacador,**
 Respondents.

Promulgated:

MAR 06 2013 *H.M. Cabalag*

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DECISION

BRION, J.:

We resolve the petition for review on *certiorari*¹ filed by the Heirs of Lorenzo Buensuceso (*Lorenzo*), represented by German Buensuceso (*German*), to nullify the decision² dated April 27, 2006 and the resolution³ dated August 4, 2006 of the Court of Appeals (CA) in CA-G.R. SP No. 85931 insofar as it reversed the September 4, 2003 resolution⁴ of the Department of Agrarian Reform Adjudication Board (*DARAB*) in *DARAB* Case No. 7178. The *DARAB* resolution set aside its earlier decision⁵ and the decision of the Provincial Agrarian Reform Adjudication Board

¹ Dated and filed on September 20, 2006 under Rule 45 of the Rules of Court; *rollo*, pp. 8-13.

² Penned by Associate Justice Lucas P. Bersamin (now a member of this Court), and concurred in by Associate Justices Renato C. Dacudao and Magdangal M. de Leon; *id.* at 15-23.

³ *Id.* at 25-26.

⁴ Penned by Assistant Secretary and Vice-Chairman Lorenzo R. Reyes; *id.* at 34-37. The *DARAB* set aside its January 16, 2001 decision upon the petitioner's motion for reconsideration.

⁵ Per the CA decision, the *DARAB*'s January 16, 2001 decision affirmed *in toto* the *PARAD*'s decision.

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(PARAD)⁶ dismissing German's complaint for recovery of possession⁷ against Lovy Perez.

The Factual Antecedents

As the CA summarized in the assailed decision, German was the son and heir of Lorenzo Buensuceso, the farmer-beneficiary of an agricultural lot, one point thirty-seven (1.37) hectares in area, situated in Sto. Cristo, Gapan, Nueva Ecija (*disputed lot*). The disputed lot was awarded to Lorenzo pursuant to Operation Land Transfer under Presidential Decree (P.D.) No. 27, and covered by Certificate of Land Transfer No. 049645 (CLT)⁸ issued on July 28, 1973. Upon Lorenzo's death, German allegedly immediately occupied the disputed lot and had been cultivating and residing within its premises since then. German claimed that, in 1989, Lovy Perez forcibly entered the disputed lot, thus, compelling him to file a petition for recovery of possession with the PARAD.

In her answer with counterclaim, Lovy argued that she is the real and lawful tenant of the disputed lot as evidenced by: (1) the duly acknowledged and registered contract of leasehold (*lease contract*)⁹ dated October 5, 1988, between her and the landowner, Joaquin Garces, which Lorenzo signed as a witness; and (2) the certifications issued by the Municipal Agrarian Reform Officer (MARO) of the Department of Agrarian Reform (DAR),¹⁰ Gapan, Nueva Ecija, and by the Barangay Agrarian Reform Council¹¹ stating that she is the disputed lot's registered agricultural lessee. She also claimed that she has been paying the lease rentals to Garces, as shown by receipts,¹² and the irrigation services¹³ beginning 1984 as certified to by the National Irrigation Administration, and that she is a bona fide member of the *Samahang Nayon*.

On July 31, 1997, the PARAD dismissed the petition, ruling that German failed to prove that he or his father, Lorenzo, was the farm helper or the regular tenant-lessee of the disputed lot. In contrast, Lovy successfully proved that she was the lawful tenant-lessee from all of her documentary

⁶ Dated July 31, 1997; *rollo*, pp. 30-33.

⁷ Petition for Recovery of Possession with prayer for Temporary Restraining Order and Preliminary Mandatory Injunction dated May 26, 1997; *id.* at 27-28.

⁸ CA *rollo*, pp. 50-51.

⁹ Denominated as "Kasunduan Buwisan Sa Sakahan," dated October 10, 1988; attached as annex "A" to the respondents' Comment; *rollo*, pp. 57-58.

¹⁰ Dated August 9, 1996; *id.* at 60.

¹¹ Dated November 20, 1996; *id.* at 61.

¹² As noted by the CA, from the January 16, 2001 decision of the DARAB; *id.* at 22.

¹³ As certified by the National Irrigation Administration, dated November 1996 (exact date, unreadable); *id.* at 59.

evidence, particularly the lease contract, which established the tenancy relation between her and Garces. German appealed the dismissal to the DARAB.

The Ruling of the DARAB

On January 16, 2001, the DARAB affirmed *in toto* the PARAD's decision. German sought reconsideration, which he obtained in due course.

In its resolution, the DARAB set aside its earlier decision and ordered Lovy to surrender possession of the disputed lot to German. This time, the DARAB considered the CLT as clear evidence of the Government's recognition of Lorenzo as the tenant-beneficiary of the disputed lot entitled to avail of the statutory mechanisms under P.D. No. 27 for acquiring its ownership. It maintained the presumption of the CLT's continued validity, as the record neither showed that it was cancelled nor that grounds exist for its cancellation. Also, the DARAB refused to recognize the personality of Garces to execute the lease contract and declared it void. It held that Lorenzo is deemed the owner of the disputed lot from the time the CLT was issued in 1973. When the DARAB denied her motion for reconsideration, Lovy filed a petition for review¹⁴ with the CA.

While the case was pending before the CA, Lovy died and was substituted by her heirs - Erlinda Perez-Hernandez, Teodoro G. Perez and Candida Perez-Atacador (*respondents*).

The Ruling of the CA

The CA granted Lovy's appeal and reversed the DARAB resolution. As the decisions of the PARAD and the DARAB earlier did, the CA ruled that Lorenzo had long abandoned the disputed lot, which he confirmed when he signed as a witness to the lease contract between Garces and Lovy; that, with the execution of the lease contract, Lovy became the qualified farmer-beneficiary, who then cultivated the disputed lot on her own account.

Additionally, the CA declared that Lorenzo's CLT was not sufficient to constitute him as the owner of the disputed lot since Lorenzo failed to comply with the obligation to pay the lease rentals that Section 26 of Republic Act (R.A.) No. 3844 requires. The CA denied German's motion

¹⁴ Petition for review under Rule 43 of the Rules of Court.

for reconsideration in its August 4, 2006 resolution,¹⁵ prompting the present recourse.

The Petition

German faults the CA for not upholding the validity and legality of Lorenzo's CLT. He argues that, as holder of the CLT, he – as Lorenzo's heir – was entitled not only to the possession of the disputed lot¹⁶ but also to the full benefits of a farmer-tenant under P.D. No. 27. He also argues that nothing on the records showed that the CLT had been cancelled; that Lorenzo had failed to comply with his obligations as tenant-beneficiary; or that he or Lorenzo had abandoned the disputed lot.¹⁷

On October 16, 2006,¹⁸ during the pendency of the case before the Court, German died and was substituted by his wife, Iluminada, and his sons, Ryan and Philip (a minor), all surnamed Buensuceso.¹⁹

The Case for the Respondents

In their defense, the respondents argue that: *first*, a petition for review under Rule 45 is restricted to questions of law. The question of who between Lorenzo and German, on the one hand, and Lovy, on the other, actually tilled and cultivated the disputed lot is a clear question of fact that is not proper for a Rule 45 petition.²⁰

Second, no cogent reason exists to modify or reverse the CA's decision as the duly notarized and registered lease contract, among others, indisputably shows that Lovy had been actually cultivating the disputed lot since 1984.²¹

Third, the factual findings of the PARAD, the DARAB (in its earlier January 16, 2001 decision) and the CA are binding and conclusive on this Court, especially when, as in this case, they are supported by substantial evidence.²²

¹⁵ *Supra* note 3.

¹⁶ *Rollo*, pp. 106-107.

¹⁷ *Id.* at 10-11.

¹⁸ As shown by the Death Certificate; *id.* at 102.

¹⁹ Per the Notice of Death with Motion for Substitution; *id.* at 100-101.

²⁰ *Id.* at 44-45 and 123-125.

²¹ *Id.* at 46-48.

²² *Id.* at 48-53 and 125-127.

Lastly, on the issue of ownership, the respondents maintain that Lorenzo's CLT is not sufficient to constitute him as owner of the disputed lot since he must first comply with certain requisites and conditions before he can acquire absolute ownership over it. By abandoning the disputed lot, Lorenzo failed to comply with his obligations as a CLT holder, thus disqualifying him from its possession.²³

The Court's Ruling

We first address the procedural matters raised.

The rules invoked by the respondents are well settled: a Rule 45 petition is limited to questions of law, and the factual findings of the lower courts are, as a rule, conclusive on this Court.²⁴ The question of who, between German and the respondents, is entitled to the continued possession of the disputed lot involves factual issues and is not the proper subject of a Rule 45 petition.

Despite this Rule 45 requirement, however, our pronouncements have likewise recognized exceptions, such as the situation obtaining here – where the tribunals below conflict in their factual findings.²⁵ We note that the DARAB (in its resolution) in effect reversed its earlier decision and the PARAD's ruling while the CA, in turn, set aside the DARAB's September 4, 2003 resolution. In this light, we cannot support the procedural objection raised.

On the merits, German, as substituted by his heirs, asserts possession and ownership over the disputed lot, emphasizing the issuance of and the continued validity of Lorenzo's CLT. They invoke *P.D. No. 27* to justify their position, arguing that as holder in due course of a CLT, Lorenzo remains a qualified beneficiary under the Act.

²³ Comprehensive Agrarian Reform Law, approved on June 14, 1990. Set forth under Presidential Decree No. 27 and R.A. No. 6657.

²⁴ Section 1, Rule 45 of the Rules of Court provides:

Section 1. *Filing of petition with Supreme Court.* — A party desiring to appeal by *certiorari* from a judgment or final order or resolution of the Court of Appeals, the Sandiganbayan, the Regional Trial Court or other courts whenever authorized by law, may file with the Supreme Court a verified petition for review on *certiorari*. **The petition shall raise only questions of law which must be distinctly set forth.** [emphasis ours; italics supplied]

See *Maylem v. Ellano*, G.R. No. 162721, July 13, 2009, 592 SCRA 440, 448-449; *Buada v. Cement Center, Inc.*, G.R. No. 180374, January 22, 2010, 610 SCRA 622, 629; and *Oarde v. Court of Appeals*, 345 Phil. 457, 466 (1997).

²⁵ *Esquivel v. Atty. Reyes*, 457 Phil. 509, 516 (2003); and *Oarde v. Court of Appeals*, *supra*, at 466-467.

The respondents, on the other hand, claim entitlement to the continued possession of the disputed lot following the declarations of the PARAD, the DARAB (in its earlier decision) and the CA that Lovy is the disputed lot's lawful tenant. Also, they insist that Lorenzo or his heirs cannot be the owners of the disputed lot because Lorenzo failed to comply with his obligations under the CLT. Neither can German possess the disputed lot because Lorenzo had long abandoned it.

On the issue of ownership of the disputed lot

We agree with the CA that the mere issuance of the CLT does not vest full ownership on the holder²⁶ and does not automatically operate to divest the landowner of all of his rights over the landholding. The holder must first comply with certain mandatory requirements to effect a transfer of ownership. Under R.A. No. 6657²⁷ in relation with P.D. No. 27²⁸ and E.O.

²⁶ *Dela Cruz v. Quiazon*, G.R. No. 171961, November 28, 2008, 572 SCRA 681, 692-693.

²⁷ The pertinent portions of R.A. No. 6657 are as follows:

SECTION 16. *Procedure for Acquisition of Private Lands.* — x x x.

x x x x

SECTION 17. *Determination of Just Compensation.* — x x x.

x x x x

SECTION 18. *Valuation and Mode of Compensation.* — The LBP shall compensate the landowner in such amounts as may be agreed upon by the landowner and the DAR and the LBP, in accordance with the criteria provided for in Sections 16 and 17, and other pertinent provisions hereof, or as may be finally determined by the court, as the just compensation for the land.

x x x x

SECTION 22. *Qualified Beneficiaries.* — The lands covered by the CARP shall be distributed as much as possible to landless residents of the same barangay, or in the absence thereof, landless residents of the same municipality in the following order of priority:

- (a) agricultural lessees and share tenants;
- (b) regular farmworkers;
- (c) seasonal farmworkers;
- (d) other farmworkers;
- (e) actual tillers or occupants of public lands;
- (f) collectives or cooperatives of the above beneficiaries; and
- (g) others directly working on the land.

Provided, however, That the children of landowners who are qualified under Section 6 of this Act shall be given preference in the distribution of the land of their parents: and *Provided, further,* That actual tenant-tillers in the landholdings shall not be ejected or removed therefrom.

Beneficiaries under Presidential Decree No. 27 who have culpably sold, disposed of, or abandoned their land are disqualified to become beneficiaries under this Program.

A basic qualification of a beneficiary shall be his willingness, aptitude, and ability to cultivate and make the land as productive as possible. The DAR shall adopt a system of monitoring the record or performance of each beneficiary, so that any beneficiary guilty of negligence or misuse of the land or any support extended to him shall forfeit his right to continue as such beneficiary. x x x.

x x x x

SECTION 24. *Award to Beneficiaries.* — The rights and responsibilities of the beneficiary shall commence from the time the DAR makes an award of the land to him, which award shall be completed within one hundred eighty (180) days from the time the DAR takes actual possession of the land. Ownership of the beneficiary shall be evidenced by a Certificate of Land Ownership Award, which shall contain the restrictions and conditions provided for in this Act, and shall be recorded in the Register of Deeds concerned and annotated on the Certificate of Title.

x x x x

No. 228,²⁹ the title to the landholding shall be issued to the tenant-farmer only upon the satisfaction of the following requirements: (1) *payment in full of the just compensation for the landholding, duly determined by final judgment of the proper court*; (2) *possession of the qualifications of a farmer-beneficiary under the law*; (3) *full-pledged membership of the farmer-beneficiary in a duly recognized farmers' cooperative*; and (4) *actual cultivation of the landholding*. We explained in several cases that while a tenant with a CLT is **deemed the owner** of a landholding, **the CLT does not vest full ownership on him**.³⁰ The tenant-holder of a CLT merely possesses an inchoate right that is subject to compliance with certain legal preconditions for perfecting title and acquiring full ownership. For these reasons, we hold that Lorenzo's right and claim to ownership over the disputed lot were, at most, inchoate.³¹

In the same vein, we hold that German – as Lorenzo's heir – is not automatically rendered the owner of the disputed lot. German must also still first comply with certain procedural and mandatory requirements in order to acquire Lorenzo's rights under the CLT, including the right to acquire ownership of the disputed lot. Under *Section 27 of R.A. No. 6657*, lands not yet fully paid by the beneficiary may be transferred, with prior approval of the DAR, to any heir of the beneficiary who, as a condition for such transfer, shall cultivate the land for himself.

SECTION 26. *Payment by Beneficiaries.* — Lands awarded pursuant to this Act shall be paid for by the beneficiaries to the LBP in thirty (30) annual amortizations at six percent (6%) interest per annum. [italics supplied]

²⁸ P.D. No. 27, in part, provides:

“**The total cost of the land**, including interest at the rate of six (6) per centum per annum, **shall be paid by the tenant** in fifteen (15) years of fifteen (15) equal annual amortizations;

“In case of default, the amortization due shall be paid by the farmers' cooperative in which the defaulting tenant-farmer is a member, with the cooperative having a right of recourse against him;

x x x x

“**No title to the land owned by the tenant-farmers** under this Decree **shall be actually issued to a tenant-farmer unless and until the tenant-farmer has become a full-fledged member of a duly recognized farmer's cooperative**[.]” [emphases ours]

²⁹ DECLARING FULL LAND OWNERSHIP TO QUALIFIED FARMER BENEFICIARIES COVERED BY PRESIDENTIAL DECREE NO. 27: DETERMINING THE VALUE OF REMAINING UNVALUED RICE AND CORN LANDS SUBJECT TO P.D. NO. 27; AND PROVIDING FOR THE MANNER OF PAYMENT BY THE FARMER BENEFICIARY AND MODE OF COMPENSATION TO THE LANDOWNER.

³⁰ *Levarado v. Yatco*, G.R. No. 165494, March 20, 2009, 582 SCRA 93, 106; *Dela Cruz v. Quiazon*, *supra* note 26, at 692-693; *Martillano v. Court of Appeals*, G.R. No. 148277, June 29, 2004, 433 SCRA 195, 203-204; and *Heirs of Batongbacal v. Court of Appeals*, 438 Phil. 283, 294 (2002).

³¹ *Dela Cruz v. Quiazon*, *supra* note 26, at 692-693.

On the validity of the lease contract between Garces and Lovy

We agree with the DARAB, in its resolution, that Garces had no authority to execute the lease contract. While Garces, as landowner, retained an interest over the disputed lot, any perceived failure on Lorenzo's part to comply with his obligations under the CLT did not cause the automatic cancellation of the CLT nor of the disputed lot's reversion to Garces. "[L]and[s] acquired under P.D. No. 27 [do] not revert to the landowner,"³² and this is true even if the CLT is cancelled. The land must be transferred back to the government and Garces could not, by himself, institute Lovy as the new tenant-beneficiary.

Pursuant to *R.A. No. 6657* in relation with *P.D. No. 27*,³³ any sale or disposition of agricultural lands made after the effectivity of *R.A. No. 6657* which has been found contrary to its provisions shall be null and void. **The proper procedure for the reallocation of the disputed lot must be followed** to ensure that there indeed exist grounds for the cancellation of the CLT or for forfeiture of rights under it, and that the lot is subsequently awarded to a qualified farmer-tenant pursuant to the law.³⁴

Under Ministry Memorandum Circular No. 04-83 in relation with Ministry Memorandum Circular No. 08-80 and Ministry Memorandum Circular No. 07-79, the following procedures must be observed for the reallocation of farmholdings covered by *P.D. No. 27* by reason of abandonment or the refusal to become a beneficiary, among others:

³² Id. at 693.

³³ The pertinent provisions of *R.A. No. 6657*, in part, provide:

SECTION 6. *Retention Limits.* — x x x.

x x x x

Upon the effectivity of this Act, any sale, disposition, lease, management, contract or transfer of possession of private lands executed by the original landowner in violation of the Act shall be null and void: x x x.

x x x x

SECTION 70. *Disposition of Private Agricultural Lands.* — x x x.

Any sale or disposition of agricultural lands after the effectivity of this Act found to be contrary to the provisions hereof shall be null and void.

x x x x

SECTION 75. *Suppletory Application of Existing Legislation.* — The provisions of Republic Act No. 3844 as amended, Presidential Decree Nos. 27 and 266 as amended, Executive Order Nos. 228 and 229, both Series of 1987; and other laws not inconsistent with this Act shall have suppletory effect. [italics supplied]

³⁴ *Estolas v. Mabalot*, 431 Phil. 462, 472 (2002).

I. Investigation Procedure

1. The conduct of **verification** by the concerned Agrarian Reform Team Leader (*ARTL*) to ascertain the reasons for the refusal. All efforts shall be exerted to convince the tenant-farmer to become a beneficiary and to comply with his obligations as such beneficiary.
2. If the tenant-farmer still refuses, the ARTL shall **determine the substitute**. The ARTL shall first consider the immediate member of the tenant-farmer's family who assisted in the cultivation of the land, and who is willing to be substituted to all the rights and obligations of the tenant-farmer. In the absence or refusal of such member, the ARTL shall choose one from a list of at least three qualified tenants recommended by the President of the Samahang Nasyon or, in default, any organized farmer association, subject to the award limits under P.D. No. 27.
3. **Formal notice** of the report shall be given to the concerned farmer-beneficiary together with all the pertinent documents and evidences.
4. The ARTL shall **submit the records of the case** with his report and recommendation **to the District Officer** within 5 days from the ARTL's determination of the substitute. The District Officer shall likewise submit his report and recommendation to the Regional Director and the latter to the Bureau of Agrarian Legal Assistance, for review, evaluation, and preparation of the final draft decision for final approval.
5. The **decision** shall declare the **cancellation of the CLT** if issued.³⁵

In the event of the farmer-beneficiary's death, the transfer or reallocation of his landholding to his heirs shall be governed by *Ministry Memorandum Circular No. 19-78*.

In the present case, as Associate Justice Estela M. Perlas-Bernabe observed in her Reflections, Lorenzo's CLT was not shown to have been properly cancelled in light of the failure to observe the required procedures

³⁵ See Ministry Memorandum Circular No. 04-83 in relation to Ministry Memorandum Circular No. 08-80 and Ministry Memorandum Circular No. 07-79.

or processes. Thus, we declare the lease contract between Garces and Lovy as void. Consequently, we cannot recognize Lovy's claim that she is the present and actual agricultural lessee of the disputed lot.

As to whether Lorenzo abandoned the disputed lot

We find merit in the respondents' argument that Lorenzo had long abandoned the disputed lot, thus, depriving him and his heirs of possession over it. Abandonment is a ground for the termination of tenancy relations under *Section 8 of R.A. No. 3844*,³⁶ and, under *Section 22 of R.A. No. 6657* as well as under *DAR Administrative Order No. 02-94* in relation to *Section 22, R.A. 6657*, disqualifies the beneficiary of lots awarded under P.D. No. 27 from its coverage. To additionally reiterate what we have discussed above, actual cultivation of the farmholding is a mandatory condition for the transfer of rights under the CLT to qualify the transferee as a beneficiary under *Section 22 of R.A. No. 6657*.

For abandonment to exist, the following requisites must concur: (1) a clear intent to abandon; and (2) an external act showing such intent.³⁷ The term is defined as the "willful failure of the ARB, together with his farm household, to cultivate, till, or develop his land to produce any crop, or to use the land for any specific economic purpose continuously for a period of two calendar years."³⁸ It entails, among others, the relinquishment of possession of the lot for at least two (2) calendar years and the failure to pay the amortization for the same period.³⁹ "What is critical in abandonment is intent which must be shown to be deliberate and clear."⁴⁰ The intent must be established by the factual failure to work on the landholding absent any valid reason⁴¹ as well as a clear intent, which is shown as a separate element.

³⁶ R.A. No. 3844, entitled "AN ACT TO ORDAIN THE AGRICULTURAL LAND REFORM CODE AND TO INSTITUTE LAND REFORMS IN THE PHILIPPINES, INCLUDING THE ABOLITION OF TENANCY AND THE CHANNELING OF CAPITAL INTO INDUSTRY, PROVIDE FOR THE NECESSARY IMPLEMENTING AGENCIES, APPROPRIATE FUNDS THEREFOR AND FOR OTHER PURPOSES."

"Section 8. *Extinguishment of Agricultural Leasehold Relation* - The agricultural leasehold relation established under this Code shall be extinguished by:

(1) **Abandonment of the landholding without the knowledge of the agricultural lessor**[.] (emphasis ours; italics supplied)

³⁷ *Estolas v. Mabalot*, *supra* note 34, at 471.

³⁸ See *DAR Administrative Order No. 02-94 - RULES GOVERNING THE CORRECTION AND CANCELLATION OF REGISTERED/UNREGISTERED EMANCIPATION PATENTS (EPS), AND CERTIFICATES OF LAND OWNERSHIP AWARD (CLOAS) DUE TO UNLAWFUL ACTS AND OMISSIONS OR BREACH OF OBLIGATIONS OF AGRARIAN REFORM BENEFICIARIES (ARBS) AND FOR OTHER CAUSES*.

³⁹ *Maylem v. Ellano*, *supra* note 24, at 451.

⁴⁰ *Verde v. Macapagal*, G.R. No. 151342, March 4, 2008, 547 SCRA 542, 553.

⁴¹ *Ibid*.

In the present case, Lorenzo, in allowing and acquiescing to the execution of the lease contract through his signature, with presumed full awareness of its implications,⁴² effectively surrendered his rights over the disputed lot. His signing of the lease contract constitutes the external act of abandonment. Notably, neither Lorenzo nor German impugned the existence or the execution of the lease contract or the validity of Lorenzo's signature on it during the proceedings before the PARAD and the DARAB. Additionally, German did not present any evidence to support his position that Lovy forcibly entered the disputed property, thus depriving them of its possession and actual cultivation.

We observe that, in contrast with the respondents' unwavering position that Lovy had been in actual possession and cultivation of the disputed lot since 1988, German's assertion of continuous possession and cultivation is significantly weakened by the inconsistencies in his pleadings. German claimed that Lorenzo had been continuously tilling the disputed lot until 1989 when Lovy forcibly entered and took over its possession. At the same time, he maintained that he immediately took possession and actual cultivation of the disputed lot upon Lorenzo's death and had been in its possession since then. Interestingly, Lorenzo died in 1992. What is clear, however, from German's various averments is that Lorenzo had not been cultivating the disputed lot since 1988. Even if we were to believe German's claim of continued possession and actual cultivation of the disputed lot even after Lovy forcibly entered in 1989, this claim only supports the finding of abandonment. Lorenzo would not have stood idly and allowed Lovy to cultivate the disputed lot if he did not have the intention to abandon its possession in favor of the latter.

We reiterate that abandonment is a ground for the cancellation of a CLT and the forfeiture of the farmer-beneficiary's right to the landholding. Nevertheless, for a cancellation or forfeiture to take place, the proper procedures must be observed and a final judgment rendered declaring a cancellation or forfeiture.

⁴² Section 3, Rule 131, Rules of Court.

SEC. 3. *Disputable presumptions.* — The **following presumptions are satisfactory if uncontradicted**, but may be contradicted and overcome by other evidence:

x x x x

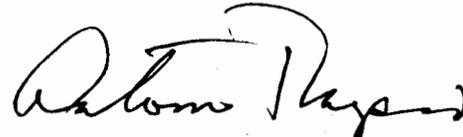
(c) **That a person intends the ordinary consequences of his voluntary act[.]** [emphases ours]

WHEREFORE, in view of these considerations, we hereby **REMAND** this case to the Department of Agrarian Reform for the conduct of investigation and of the necessary proceedings to determine the qualified beneficiary of the disputed lot. No costs.

SO ORDERED.

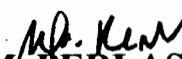

ARTURO D. BRION
Associate Justice

WE CONCUR:


ANTONIO T. CARPIO
Associate Justice
Chairperson


MARIANO C. DEL CASTILLO
Associate Justice


JOSE PORTUGAL PEREZ
Associate Justice


ESTELA M. BERLAS-BERNABE
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