Republic of the Philippines
Supreme Court
Manila

SECOND DIVISION

CHARLES BUMAGAT, JULIAN BACUDIO, ROSARIO PADRE, SPOUSES ROGELIO and ZOSIMA PADRE, and FELIPE DOMINCIL, *Petitioners,*	**G.R. No. 194818**
	Present:
- versus -	CARPIO, *Chairperson,* BRION, DEL CASTILLO, PEREZ, *and* PERLAS-BERNABE, *JJ.*
REGALADO ARRIBAY, *Respondent.*	Promulgated: JUN 09 2014

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DECISION

DEL CASTILLO, *J.*:

A case involving agricultural land does not immediately qualify it as an agrarian dispute. The mere fact that the land is agricultural does not *ipso facto* make the possessor an agricultural lessee or tenant; there are conditions or requisites before he can qualify as an agricultural lessee or tenant, and the subject matter being agricultural land constitutes simply one condition. In order to qualify as an agrarian dispute, there must likewise exist a tenancy relation between the parties.

This Petition for Review on *Certiorari*[1] seeks to set aside the February 19, 2010 Decision[2] of the Court of Appeals (CA) in CA-G.R. SP No. 101423, entitled "*Regalado Arribay, Petitioner, versus Charles Bumagat, Julian Bacudio, Rosario Padre, Spouses Rogelio and Zosima Padre, and Felipe Domincil,*" as well as its November 9, 2010 Resolution[3] denying reconsideration of the assailed judgment.

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1 *Rollo*, pp. 11-55.

2 Id. at 56-72; penned by Associate Justice Franchito N. Diamante and concurred in by Associate Justices Sesinando E. Villon and Mario L. Guariña III.

3 Id. at 73-74; penned by Associate Justice Franchito N. Diamante and concurred in by Associate Justices Japar B. Dimaampao and Sesinando E. Villon

Factual Antecedents

Petitioners are the registered owners, successors-in-interest, or possessors of agricultural land, consisting of about eight hectares, located in Bubog, Sto. Tomas, Isabela Province, to wit:

> 1. Charles Bumagat (Bumagat) – 14,585 square meters covered by Transfer Certificate of Title No. (TCT) 014557;[4]
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> 2. Julian Bacudio (Bacudio) – 14,797 square meters covered by TCT 014556;[5]
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> 3. Rosario Padre – 14,974 square meters covered by TCT 014554[6] in the name of Dionicio Padre;[7]
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> 4. Spouses Rogelio and Zosima Padre – 6,578 square meters covered by TCT 014561[8] in the name of Ireneo Padre;[9]
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> 5. Spouses Rogelio and Zosima Padre – 6,832 square meters covered by TCT 014560 in the name of their predecessor-in-interest Felix Pacis;[10]
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> 6. Felipe Domincil – 14,667 square meters covered by TCT 014558;[11] and
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> 7. Felipe Domincil – 7,319 square meters.[12]

The certificates of title to the above titled properties were issued in 1986 pursuant to emancipation patents.[13]

On July 19, 2005, petitioners filed a Complaint[14] for forcible entry against respondent before the 2nd Municipal Circuit Trial Court (MCTC) of Cabagan-Delfin Albano, Isabela. The case was docketed as Special Civil Action No. 475 (SCA 475). In an Amended Complaint,[15] petitioners alleged that on May 9, 2005, respondent – with the aid of armed goons, and through the use of intimidation and threats of physical harm – entered the above-described parcels of land and ousted them from their lawful possession; that respondent then took over the physical

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4 Id. at 86-87.
5 Id. at 88-89.
6 Id. at 90-91.
7 The pleadings do not state whether Rosario is the spouse, heir or transferee of the registered owner of TCT 014554, Dionicio Padre, although it appears undisputed that she is suing to protect an apparent interest in TCT 014554.
8 *Rollo*, pp. 92-93.
9 Petitioner Rogelio Padre is the son of Ireneo Padre. See *Rollo*, pp. 106, 161, 162, 165, 191, 193.
10 Id. at 96-97, 106, 161, 162, 165, 191, 194.
11 Id. at 94-95.
12 Id. at 107, 161, 162, 165, 191, 194.
13 Id. at 86-95.
14 Id. at 79-85.
15 Id. at 104-111.

possession and cultivation of these parcels of land; and that petitioners incurred losses and injuries by way of lost harvests and other damages. Petitioners thus prayed for injunctive relief, actual damages in the amount of not less than ₱40,000.00 for each cropping season lost, ₱30,000.00 attorney's fees, and costs.

Respondent filed a Motion to Dismiss,[16] claiming that the subject properties are agricultural lands – which thus renders the dispute an agrarian matter and subject to the exclusive jurisdiction of the Department of Agrarian Reform Adjudication Board (DARAB). However, in a January 30, 2006 Order,[17] the MCTC denied the motion, finding that the pleadings failed to show the existence of a tenancy or agrarian relationship between the parties that would bring their dispute within the jurisdiction of the DARAB. Respondent's motion for reconsideration was similarly rebuffed.[18]

Respondent filed his Amended Answer with Counterclaim,[19] alleging among others that petitioners' titles have been ordered cancelled in a December 1, 2001 Resolution[20] issued by the Department of Agrarian Reform, Region 2 in Administrative Case No. A0200 0028 94; that he is the absolute owner of approximately 3.5 hectares of the subject parcels of land, and is the administrator and overseer of the remaining portion thereof, which belongs to his principals Leonardo and Evangeline Taggueg (the Tagguegs); that petitioners abandoned the subject properties in 1993, and he planted the same with corn; that in 2004, he planted the land to rice; that he sued petitioners before the Municipal Agrarian Reform Office (MARO) for non-payment of rentals since 1995; and that the court has no jurisdiction over the ejectment case, which is an agrarian controversy.

The parties submitted their respective Position Papers and other evidence.[21]

During the proceedings before the MCTC, respondent presented certificates of title, supposedly issued in his name and in the name of the Tagguegs in 2001, which came as a result of the supposed directive in Administrative Case No. A0200 0028 94 to cancel petitioners' titles. As claimed by respondent, the subject parcels of land formed part of a 23.663-hectare property owned by one Romulo Taggueg, Sr. (Romulo Sr.) and covered by Original Certificate of Title No. (OCT) P-4835, which was placed under the Operation Land Transfer Program pursuant to Presidential Decree No. 27[22] (PD 27). Petitioners supposedly became farmer-beneficiaries under the program, and the parcels of land were awarded to them.

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16 Id. at 112-114.
17 Id. at 119-120; penned by Judge Rogelio S. Anapi.
18 Id. at 121-122.
19 Id. at 123-128.
20 The records reveal that there is an Order in Administrative Case No. A0200 0028 94, dated December 29, 1994, and not a December 1, 2001 Resolution, "recalling/cancelling any certificate of land transfer (CLT) or Emancipation Patents (EPs) generated/issued" to petitioners.
21 *Rollo*, pp. 132-148, 152.
22 Decreeing The Emancipation Of Tenants From The Bondage Of The Soil, Transferring To Them The Ownership Of The Land They Till And Providing The Instruments And Mechanism Therefor.

Meanwhile, Romulo Sr. died and his heirs instituted Administrative Case No. A0200 0028 94 to cancel petitioners' titles. The heirs won the case, and later on new titles over the property were issued in their favor. In turn, one of the heirs transferred his title in favor of respondent.

Ruling of the Municipal Circuit Trial Court

On April 12, 2007, a Decision[23] was rendered by the MCTC in SCA 475, the dispositive portion of which reads:

> WHEREFORE, judgment is hereby rendered in favor of the plaintiffs and against the defendant as follows:
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> 1. Ordering the defendant or any person or persons acting in his behalf to vacate the entire SEVENTY NINE THOUSAND SEVEN HUNDRED FIFTY TWO (79,752)[-]SQUARE METERS, property described under paragraph 2 of the amended complaint and to peacefully surrender the physical possession thereof in favor of each of the plaintiffs;
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> 2. Ordering the defendant to pay each of the plaintiffs representing actual damages as follows:
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> - Charles Bumagat ……... ₱109,390.00
> - Julian Bacudio ……... ₱110,980.00
> - Rosario Padre …… ₱112,305.00
> - Sps. Rogelio and Zosima Padre ……. ₱100,575.00
> - Felipe Domincil …… ₱165,429.00
>
> 3. Ordering the defendant to pay plaintiffs representing the Attorney's fees in the amount of ₱10,000.00.
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> 4. Ordering the defendant to pay costs of the suit.
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> SO ORDERED.[24]

Essentially, the MCTC held that based on the evidence, petitioners were in actual possession of the subject parcels of land, since respondent himself admitted that he brought an action against petitioners before the MARO to collect rentals which have remained unpaid since 1995 – thus implying that petitioners, and not respondent, were in actual possession of the land, and belying respondent's claim that he took possession of the property in 1993 when petitioners supposedly abandoned the same. The court added that petitioners' claims were corroborated by the statements of other witnesses – farmers of the adjoining lands – declaring that petitioners have been in unmolested and peaceful possession of the subject property until May 9, 2005, when they were dispossessed by respondent.

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23 *Rollo*, pp. 153-163; penned by Judge Rogelio S. Anapi.
24 Id. at 162-163.

The MCTC added that it had jurisdiction over the case since there is no tenancy relationship between the parties, and the pleadings do not allege such fact; that respondent's own witnesses declared that the subject property was never tenanted nor under lease to tenants.

Finally, the MCTC held that while respondent and his principals, the Tagguegs, have been issued titles covering the subject property, this cannot give respondent "license to take the law into his own hands and unilaterally eject the plaintiffs from the land they have been tilling."[25]

Ruling of the Regional Trial Court

Respondent appealed[26] the MCTC Decision before the Regional Trial Court (RTC), insisting that the DARAB has jurisdiction over the case; that he has been in actual possession of the subject land since 2003; that while petitioners hold certificates of title to the property, they never acquired ownership over the same for failure to pay just compensation therefor; that petitioners' titles have been ordered cancelled, and they reverted to the status of mere tenants; and that the MCTC erred in granting pecuniary awards to petitioners.

On October 15, 2007, the RTC issued its Order[27] denying the appeal for lack of merit and affirming *in toto* the appealed MCTC judgment. In sum, the RTC pronouncement echoed the MCTC findings that no tenancy or any other agrarian relationship existed between the parties, nor do the pleadings bear out such fact; that the evidence preponderantly shows that petitioners were in actual possession of the subject land; and that petitioners were entitled to compensation as awarded by the court *a quo*.

Ruling of the Court of Appeals

Respondent went up to the CA by Petition for Review,[28] assailing the Decision of the RTC and claiming that since petitioners acquired title by virtue of PD 27, this should by itself qualify the controversy as an agrarian dispute covered by the DARAB; that there is no need to allege in the pleadings that he and the heirs of Romulo Sr. acquired title to the property, in order for the dispute to qualify as an agrarian dispute; that petitioners' titles were ordered cancelled in Administrative Case No. A0200 0028 94; that he has been in possession of the property since 2003; and that the trial court erred in granting pecuniary awards to petitioners.

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25 Id. at 159.

26 Docketed as Special Civil Action No. 1073 and assigned to Branch 22 of the Regional Trial Court, Second Judicial Region, Cabagan, Isabela.

27 *Rollo*, pp. 185-191; penned by Judge Felipe J. Torio II.

28 Id. at 192-210.

On February 19, 2010, the CA issued the assailed Decision, which held thus:

> IN VIEW WHEREOF, the petition is GRANTED. The assailed Order of the Regional Trial Court of Cabagan, Isabela, Branch 22, dated October 15, 2007, affirming *in toto* the previous Decision of the MCTC of Cabagan-Sto. Tomas, Isabela is hereby REVERSED and SET ASIDE. Civil Case No. 475, entitled "Charles Bumagat, Julian Bacudio, Rosario Padre, Sps. Rogelio and Zosima Padre and Felipe Domincil versus Regalado Arribay" is DISMISSED.
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> SO ORDERED.[29]

In reversing the trial court, the CA agreed that the parties' dispute fell under the jurisdiction of the DARAB since petitioners' titles were obtained pursuant to PD 27, and under the 1994 DARAB rules of procedure, cases 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 fall under DARAB jurisdiction.[30] The appellate court added that the Complaint for ejectment attacked the certificates of title issued in favor of respondent and the Tagguegs because the complaint prayed for –

> x x x the annulment of the coverage of the disputed property within the Land Reform Law which is but an incident involving the implementation of the CARP. These are matters relating to terms and conditions of transfer of ownership from landlord to agrarian reform beneficiaries over which DARAB has primary and exclusive original jurisdiction, pursuant to Section 1(f), Rule II, DARAB New Rules of Procedure.[31]

Petitioners moved for reconsideration, but in a November 9, 2010 Resolution, the CA stood its ground. Hence, the present recourse.

Issue

Petitioners raise the following issue in this Petition:

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29 Id. at 70-71.

30 1994 DARAB RULES OF PROCEDURE, Rule II, Section 1(f), which was then applicable, 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 the following:
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> x x x x
>
> 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;

31 *Rollo*, pp. 69-70.

> WITH ALL DUE RESPECT, THE COURT OF APPEALS ERRED WHEN IT RULED THAT THE MCTC HAD NO JURISDICTION OVER THE COMPLAINT OF THE (PETITIONERS), INSTEAD IT IS THE DARAB THAT HAS JURISDICTION, SINCE THE COMPLAINT ESSENTIALLY PRAYS FOR THE ANNULMENT OF THE COVERAGE OF THE DISPUTED PROPERTY WITH THE LAND REFORM LAW WHICH IS BUT AN INCIDENT INVOLVING THE IMPLEMENTATION OF THE CARP.[32]

Petitioners' Arguments

In their Petition and Reply,[33] petitioners seek a reversal of the assailed CA dispositions and the reinstatement of the MCTC's April 12, 2007 Decision, arguing that their Complaint for ejectment simply prays for the recovery of *de facto* possession from respondent, who through force, threat and intimidation evicted them from the property; that there is no agrarian reform issue presented therein; that the fact that the controversy involved agricultural land does not *ipso facto* make it an agrarian dispute; that the parties' dispute does not relate to any tenurial arrangement over agricultural land; and that quite the contrary, the parties are strangers to each other and are not bound by any tenurial relationship, whether by tenancy, leasehold, stewardship, or otherwise.[34]

Petitioners add that when certificates of title were issued in their favor, they ceased to be tenant-tillers of the land but became owners thereof; that full ownership over the property was acquired when emancipation patents were issued in their favor;[35] that when their certificates of title were issued, the application of the agrarian laws was consummated; and that as owners of the subject property, they were thus in peaceful and adverse physical possession thereof when respondent ousted them by force, threat and intimidation. Petitioners argue further that respondent is not the former landowner, nor the representative thereof; he is merely an absolute stranger who came into the picture only later.

Finally, petitioners argue that it was erroneous for the CA to rule that in seeking to evict respondent, they were in effect mounting an attack on the latter's title and thus their Complaint in effect sought the "the annulment of the coverage of the disputed property within the Land Reform Law which is but an incident involving the implementation of the CARP,"[36] which thus relates to "terms and conditions of transfer of ownership from landlord to agrarian reform beneficiaries

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32 Id. at 30.
33 Id. at 307-323.
34 Citing *Isidro v. Court of Appeals*, G.R. No. 105586, December 15, 1993, 228 SCRA 503; *Sindico v. Hon. Diaz*, 483 Phil. 50, 55 (2004); *Mateo v. Court of Appeals*, 497 Phil. 83 (2005); *Dandoy v. Tongson*, 514 Phil. 384 (2005); *Hon. Nuesa v. Court of Appeals*, 428 Phil. 413 (2002); *Morta, Sr. v. Occidental*, 367 Phil. 438 (1999); and *Philippine Overseas Telecommunications Corporation v. Gutierrez*, 537 Phil. 682 (2006).
35 Citing *Martillano v. Court of Appeals*, G.R. No. 148277, June 29, 2004, 433 SCRA 195.
36 *Rollo*, p. 69.

over which DARAB has primary and exclusive original jurisdiction x x x."[37]

Respondent's Arguments

Seeking the denial of the Petition, respondent in his Comment[38] insists that the ejectment case is intertwined with the CARP Law,[39] since petitioners' titles were obtained by virtue of the agrarian laws, which thus places the controversy within the jurisdiction of the DARAB; that under the 2003 DARAB Rules of Procedure, specifically Rule II, Section 1, paragraph 1.4[40] thereof, cases involving the ejectment and dispossession of tenants and/or leaseholders fall within the jurisdiction of the DARAB; that under such rule, the one who ejects or dispossesses the tenant need not be the landowner or lessor, and could thus be anybody, including one who has no tenurial arrangement with the evicted/ dispossessed tenant.

Respondent adds that with the cancellation of petitioners' titles, they were directed to enter into a leasehold relationship with the owners of the subject parcels of land, or the heirs of Romulo Sr. – whose petition for exemption and application for retention were granted and approved by the Department of Agrarian Reform, Region 2 in Administrative Case No. A0200 0028 94 – and later, with him as transferor and purchaser of a 3.5-hectare portion thereof.

Our Ruling

The Court grants the Petition.

In declaring that the parties' dispute fell under the jurisdiction of the DARAB, the CA held that respondents' titles were obtained pursuant to PD 27, and pursuant to the 1994 DARAB rules of procedure then applicable, cases involving the issuance, correction and cancellation of CLOAs and EPs which are registered with the Land Registration Authority fall under DARAB jurisdiction. It added that since the Complaint prayed for the annulment of the coverage of the disputed property under the land reform law, which thus relates to terms and conditions of transfer of ownership from landlord to agrarian reform beneficiaries, the DARAB exercises jurisdiction.

What the appellate court failed to realize, however, is the fact that as

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37 Id. at 70.

38 Id. at 294-301.

39 REPUBLIC ACT NO. 6657, or the Comprehensive Agrarian Reform Law of 1988.

40 Rule II – Jurisdiction of the Board and its Adjudicators

SECTION 1. Primary and Exclusive Original Jurisdiction. — The Adjudicator shall have primary and exclusive original jurisdiction to determine and adjudicate the following cases:

x x x x 1.4 Those cases involving the ejectment and dispossession of tenants and/or leaseholders;

between petitioners and the respondent, there is no tenurial arrangement, not even an implied one. As correctly argued by petitioners, a case involving agricultural land does not immediately qualify it as an agrarian dispute. The mere fact that the land is agricultural does not *ipso facto* make the possessor an agricultural lessee or tenant. There are conditions or requisites before he can qualify as an agricultural lessee or tenant, and the subject being agricultural land constitutes just one condition.[41] For the DARAB to acquire jurisdiction over the case, there must exist a tenancy relation between the parties. "[I]n order for a tenancy agreement to take hold over a dispute, it is essential to establish all its indispensable elements, to wit: 1) that 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; 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."[42] In the present case, it is quite evident that not all of these conditions are present. For one, there is no tenant, as both parties claim ownership over the property.

Besides, when petitioners obtained their emancipation patents and subsequently their certificates of title, they acquired vested rights of absolute ownership over their respective landholdings. "It presupposes that the grantee or beneficiary has, following the issuance of a certificate of land transfer, already complied with all the preconditions required under P.D. No. 27, and that the landowner has been fully compensated for his property. And upon the issuance of title, the grantee becomes the owner of the landholding and he thereby ceases to be a mere tenant or lessee. His right of ownership, once vested, becomes fixed and established and is no longer open to doubt or controversy."[43] Petitioners "became the owner[s] of the subject property upon the issuance of the emancipation patents and, as such, [enjoy] the right to possess the same—a right that is an attribute of absolute ownership."[44]

On the other hand, it appears that respondent obtained title through Romulo Sr.'s heirs, whose claim to the property is by virtue of an unregistered deed of donation in their favor supposedly executed prior to September 21, 1972. On this basis, the heirs filed in 1993 a petition with the Department of Agrarian Reform, Region 2 to exempt the property from coverage under PD 27, which was granted in a December 29, 1994 Order.[45] By then, or way back in 1986 petitioners had been issued certificates of title thus, respondent's acquisition of the property appears questionable, considering the Court's pronouncement in *Gonzales v. Court of Appeals*,[46] thus:

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41 *Isidro v. Court of Appeals*, supra note 34 at 511.
42 *Spouses Atuel v. Spouses Valdez*, 451 Phil 631, 643 (2003).
43 *Maylem v. Ellano*, 610 Phil. 113, 122 (2009).
44 Id.
45 *Rollo*, pp. 149-151.
46 411 Phil. 232 (2001).

The sole issue to be resolved is whether the property subject of the deed of donation which was not registered when P.D. No. 27 took effect, should be excluded from x x x Operation Land Transfer.

Petitioners insist that the deed of donation executed by Ignacio Gonzales validly transferred the ownership and possession of Lot 551-C which comprises an area of 46.97 hectares to his 14 grandchildren. They further assert that inasmuch as Lot 551-C had already been donated, the same can no longer fall within the purview of P.D. No. 27, since each donee shall have a share of about three hectares only which is within the exemption limit of seven hectares for each landowner provided under P.D. No. 27.

Article 749 of the Civil Code provides *inter alia* that "in order that the donation of an immovable may be valid, it must be made in a public document, specifying therein the property donated and the value of the charges which the donee must satisfy." Corollarily, Article 709 of the same Code explicitly states that "the titles of ownership, or other rights over immovable property, which are not duly inscribed or annotated in the Registry of property shall not prejudice third persons." From the foregoing provisions, it may be inferred that as between the parties to a donation of an immovable property, all that is required is for said donation to be contained in a public document. Registration is not necessary for it to be considered valid and effective. However, in order to bind third persons, the donation must be registered in the Registry of Property (now Registry of Land Titles and Deeds). Although the non-registration of a deed of donation shall not affect its validity, the necessity of registration comes into play when the rights of third persons are affected, as in the case at bar.

It is actually the act of registration that operates to convey registered land or affect title thereto. Thus, Section 50 of Act No. 496 (Land Registration Act), as amended by Section 51 of P.D. No. 1529 (Property Registration Decree), provides:

> SEC. 51. Conveyance and other dealings by registered owner - . . . But no deed, mortgage, lease, or other voluntary instrument, except a will purporting to convey or affect registered land, shall take effect as a conveyance or bind the land, but shall operate only as a contract between the parties and as evidence of authority to the Register of Deeds to make registration.
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> The act of registration shall be the operative act to convey or affect the land insofar as third persons are concerned, . . .

Further, it is an entrenched doctrine in our jurisdiction that registration in a public registry creates constructive notice to the whole world (Olizon vs. Court of Appeals, 236 SCRA 148 [1994]). Thus, Section 51 of Act No. 496, as amended by Section 52 of P.D. No. 1529, provides:

> SEC. 52. Constructive notice upon registration - Every conveyance, mortgage, lease, lien, attachment, order, judgment, instrument or entry affecting registered land shall, if registered, filed or entered in the Office of the Register of Deeds for the province or city where the land to which it relates lies, be

> constructive notice to all persons from the time of such registering, filing or entering.
>
> It is undisputed in this case that the donation executed by Ignacio Gonzales in favor of his grandchildren, although in writing and duly notarized, has not been registered in accordance with law. For this reason, it shall not be binding upon private respondents who did not participate in said deed or had no actual knowledge thereof. Hence, while the deed of donation is valid between the donor and the donees, such deed, however, did not bind the tenants-farmers who were not parties to the donation. As previously enunciated by this Court, non-registration of a deed of donation does not bind other parties ignorant of a previous transaction (Sales vs. Court of Appeals, 211 SCRA 858 [1992]). So it is of no moment that the right of the [tenant]-farmers in this case was created by virtue of a decree or law. They are still considered "third persons" contemplated in our laws on registration, for the fact remains that these [tenant]-farmers had no actual knowledge of the deed of donation.
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> x x x x
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> As a final note, our laws on agrarian reform were enacted primarily because of the realization that there is an urgent need to alleviate the lives of the vast number of poor farmers in our country. Yet, despite such laws, the majority of these farmers still live on a hand-to-mouth existence. This can be attributed to the fact that these agrarian laws have never really been effectively implemented. Certain individuals have continued to prey on the disadvantaged, and as a result, the farmers who are intended to be protected and uplifted by the said laws find themselves back in their previous plight or even in a more distressing situation. This Court ought to be an instrument in achieving a dignified existence for these farmers free from pernicious restraints and practices, and there's no better time to do it than now.[47]

When petitioners' titles were issued in 1986, these became indefeasible and incontrovertible. Certificates of title issued pursuant to emancipation patents acquire the same protection accorded to other titles, and become indefeasible and incontrovertible upon the expiration of one year from the date of the issuance of the order for the issuance of the patent. Lands so titled may no longer be the subject matter of a cadastral proceeding; nor can they be decreed to other individuals.[48] "The rule in this jurisdiction, regarding public land patents and the character of the certificate of title that may be issued by virtue thereof, is that where land is granted by the government to a private individual, the corresponding patent therefor is recorded, and the certificate of title is issued to the grantee; thereafter, the land is automatically brought within the operation of the Land Registration Act, the title issued to the grantee becoming entitled to all the safeguards provided in Section 38 of the said Act. In other words, upon expiration of one year from its issuance, the certificate of title shall become irrevocable and indefeasible like a certificate issued in a registration proceeding."[49]

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47 Id. at 239-243.

48 *Estribillo v. Department of Agrarian Reform*, 526 Phil. 700, 719 (2006).

49 Id., citing *Lahora v. Dayanghirang, Jr.*, 147 Phil. 301, 304 (1971).

For the above reasons, the Court is not inclined to believe respondent's contention that with the issuance of the December 29, 1994 Order of the Department of Agrarian Reform, Region 2 in Administrative Case No. A0200 0028 94 ordering the cancellation of petitioners' titles, the latter were relegated to the status of mere tenants. Nor can the Court agree with the appellate court's observation that through the forcible entry case, petitioners impliedly seek to exclude the property from land reform coverage; there is no factual or legal basis for such conclusion, and no such inference could be logically generated. To begin with, petitioners acknowledge nothing less than ownership over the property.

Likewise, for the foregoing reasons, it may be concluded that petitioners exercised prior peaceful and uninterrupted possession of the property until the same was interrupted by respondent's forcible intrusion in 2005; being farmer-beneficiaries under PD 27 and finally having acquired title to the property in 1986, the Court is inclined to believe that petitioners continued to till their landholdings without fail. Indeed, the evidence on record indicates such peaceful and undisturbed possession, while respondent's claim that he entered the property as early as in 1993 remains doubtful, in light of his own admission that he sued petitioners for the collection of supposed rentals which they owed him since 1995. Petitioners' witnesses further corroborate their claim of prior peaceful possession. With regard to the portion of the property which is not titled to petitioners but over which they exercise possessory rights, respondent has not sufficiently shown that he has any preferential right to the same either; the Court adheres to the identical findings of fact of the MCTC and RTC.

Finally, respondent's submissions are unreliable for being contradictory. In some of his pleadings, he claims to have acquired possession over the property as early as in 1993; in others, he declares that he entered the land in 2003. Notably, while he claimed in his Answer in the MCTC that he entered the land in 1993, he declared in his appeal with the RTC and Petition for Review in the CA that he took possession of the property only in 2003.[50] Irreconcilable and unexplained contradictions on vital points in respondent's account necessarily disclose a weakness in his case.[51]

Regarding the award of actual damages, which respondent prominently questioned all throughout the proceedings, this Court finds that there is sufficient basis for the MCTC to award petitioners the total amount of ₱598,679.00 by way of actual damages. The trial court's findings on this score are based on the evidence presented by the petitioners and the respective statements of their witnesses, who themselves are farmers cultivating lands adjacent to the subject property.[52]

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50 *Rollo*, pp. 124, 166, 195, 205.
51 See *People v. Jalon*, G.R. No. 93729, November 13, 1992, 215 SCRA 680, 691.
52 *Rollo*, pp. 135, 139, 141.

WHEREFORE, the Petition is **GRANTED**. The assailed February 19, 2010 Decision and November 9, 2010 Resolution of the Court of Appeals in CA-G.R. SP No. 101423 are **REVERSED and SET ASIDE**. The April 12, 2007 Decision of the 2nd Municipal Circuit Trial Court of Cabagan-Delfin Albano, Isabela in Special Civil Action No. 475 is **REINSTATED** and **AFFIRMED**.

SO ORDERED.

MARIANO C. DEL CASTILLO
Associate Justice

WE CONCUR:

ANTONIO T. CARPIO
Associate Justice
Chairperson

ARTURO D. BRION
Associate Justice

JOSE PORTUGAL PEREZ
Associate Justice

ESTELA M. PERLAS-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

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