Republic of the Philippines
Supreme Court
Baguio City

EN BANC

ANTONIO R. CRUZ AND LORETO TERESITA CRUZ-DIMAYACYAC, AS HEIRS OF THE LATE SPOUSES DR. PROGEDIO R. CRUZ AND TERESA REYES,
Petitioners,

- versus -

CARLING CERVANTES AND CELIA CERVANTES SANTOS AND ALL PERSONS CLAIMING RIGHTS UNDER THEM,
Respondents.

G.R. No. 244433

Present:

GESMUNDO, *C.J.*,
PERLAS-BERNABE,
LEONEN,
CAGUIOA,
HERNANDO,
LAZARO-JAVIER,
INTING,
ZALAMEDA,
LOPEZ, M.,
GAERLAN,*
ROSARIO,
LOPEZ, J.,
DIMAAMPAO,
MARQUEZ, and
KHO, Jr., *JJ.*

Promulgated:

April 19, 2022

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DECISION

ROSARIO, *J.*:

This resolves the Petition for Review on *Certiorari*[1] under Rule 45 of the Revised Rules of Court assailing the Decision[2] dated September 27, 2018 and the

* On official leave.
[1] *Rollo*, pp. 3-28.
[2] Id. at 30-41. Penned by Associate Justice Ramon R. Garcia and concurred in by Associate Justices Eduardo B. Peralta, Jr. and Germano Francisco D. Legaspi.

Resolution[3] dated January 21, 2019 of the Court of Appeals (CA), Manila, in CA-G.R. SP. No. 155023. The CA decision denied petitioners' appeal, assailing the Decision[4] dated February 28, 2018 of the Regional Trial Court (RTC), Branch 15, Malolos City, which, in turn, denied petitioners' appeal from, and affirmed, the Order[5] dated February 9, 2017 of the Municipal Trial Court (MTC) of Plaridel, Bulacan, which dismissed the complaint for unlawful detainer filed by petitioners.

The case stemmed from a Complaint[6] for unlawful detainer, dated February 22, 2016, filed with the MTC, Plaridel, Bulacan, by Antonio R. Cruz and Loreto Teresita Cruz-Dimayacyac (petitioners) against Carling Cervantes and Celia Cervantes Santos (respondents). Petitioners alleged that they were the children and surviving heirs of the late spouses Dr. Progedio R. Cruz (Progedio) and Teresa Reyes (Teresa) (collectively, spouses Cruz). During the lifetime of spouses Cruz, they owned a parcel of land (subject property) with an area of 2,702.10 m^2 situated in Bintog, Plaridel, Bulacan. The subject property was declared for taxation purposes in the name of spouses Cruz.[7]

Sometime in 1960, Carling Cervantes' (Carling) father Isidro Sta. Cruz Cervantes (Isidro), accompanied by a close relative of Progedio, went to the residence of spouses Cruz in Oroquieta, Manila, to ask permission if he and his family could temporarily occupy a portion of the subject property and erect a residential house thereon. Teresa granted Isidro's request subject to the condition that he and his family would vacate the property upon the demand of spouses Cruz when the need for the property arises.[8]

Progedio and Teresa died in 1966 and 1999, respectively. Petitioners, who became the owners of the subject property by succession, continued to tolerate the occupation of Isidro and his family. In 2005, Isidro passed away. His children, herein respondents Carling and Celia Cervantes Santos (Celia), continued to occupy the subject property with the same condition that such possession would only be temporary and that they would vacate the same upon petitioners' demand.[9]

In 2015, petitioners decided to sell the property in order to generate funds for their daily medical maintenance. Hence, on October 20, 2015, petitioners, through their counsel, sent a demand letter to respondents through registered mail. The letter formally revoked the permission and tolerance they had extended to respondents to possess a portion of the subject property. Respondents were directed to vacate the same within fifteen (15) days from receipt of the letter. Notwithstanding receipt of the demand letter, respondents failed and refused to turn over the possession of the subject property to petitioners.[10]

Hence, the complaint for unlawful detainer prayed that respondents be ordered to vacate the subject property and turn over the possession thereof to petitioners as well

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[3] Id. at 43-44. Penned by Associate Justice Ramon R. Garcia and concurred in by Associate Justices Eduardo B. Peralta, Jr. and Germano Francisco D. Legaspi.
[4] Id. at 142-144. Penned by Judge Alexander P. Tamayo.
[5] *Rollo*, p. 124.
[6] Id. at 53-57.
[7] Id. at 31.
[8] Id.
[9] Id.
[10] Id.

as to pay petitioners rentals in the amount of ₱5,000.00 monthly or any amount as may be fixed by the court, from the time of the filing of the complaint until they finally vacate the subject property.[11]

In respondents' Answer[12] dated March 11, 2016, they averred that petitioners had no cause of action against them because the latter never produced any proof that they had the sole right to succeed to the ownership of the subject property. It was also argued that the MTC had no jurisdiction over the complaint for unlawful detainer because the subject property is an agricultural land and respondents are tenants thereof. They succeeded in the tenancy rights of their father Isidro who was the tenant of spouses Cruz. As such, it was the Department of Agrarian Reform Adjudication Board (DARAB) which should determine the rights and obligations of the parties over the subject property.[13]

Respondents further alleged that their father Isidro became the tenant of spouses Cruz from 1965 to 2005, during which he cultivated the land and planted thereon *camote*, *palay*, *mustasa*, corn, tomato and fruit-bearing trees such as coconut and mango trees. Upon Isidro's death, respondents continued to cultivate the property, raised livestock thereon, and planted *palay*, string beans, eggplants, coconuts, mangoes and bananas. Respondents likewise paid compensation to the owners, as shown by a tally sheet issued by C. Adella Rice Mill showing the following entry: *"Name: Mrs. Teresa Reyes Vda de Cruz; Kasama: Isidro Cervantez;"*[14] and a handwritten receipt dated March 31, 1992 with the following notations: *"Buwis sa Bakuran x x x ni Sidro Cervantes; Tinanggap ni Kapt. Peping Villalon x x x."*[15] Hence, respondents prayed that the complaint for unlawful detainer be dismissed. By way of compulsory counterclaim, they likewise prayed that petitioners be ordered to pay them moral damages, attorney's fees and the costs of suit.[16]

Petitioners, on the other hand, averred that respondents and their father were not tenants of the subject property. They were merely allowed to occupy a portion thereof measuring around 300m^2. While the parcel of land was classified as sugar land for taxation purposes, no crops were planted thereon. The rest of the subject property had been occupied by petitioners' niece Rosanna V. Silverio, who regularly trimmed the grass that grew thereon. Petitioners denied that respondents regularly paid rental to them or to their parents during their lifetime. They further alleged that prior to the filing of the instant complaint, petitioners gave respondents an opportunity to buy the portion of the subject property on which their houses were erected. Respondents failed, however, to pay the down payment agreed upon.[17]

In an Order[18] dated March 29, 2016, MTC, Plaridel, Bulacan, referred the case to the Provincial Agrarian Reform Office (PARO) for determination as to whether the case involved an agrarian dispute and to submit to the court the required certification once the appropriate determination was made. The order was made pursuant to

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[11] Id. at 32.
[12] Id. at 69-74.
[13] Id. at 71-72.
[14] Id. at 78.
[15] Id. at 79.
[16] Id. at 74.
[17] Id. at 32-33.
[18] Id. at 96-98.

Republic Act (RA) No. 6657, otherwise known as the Comprehensive Agrarian Reform Law of 1988, as amended by RA No. 9700,[19] and Office of the Court Administrator (OCA) Circular No. 62-10 dated April 28, 2010, issued by the Supreme Court Office of the Court Administrator.[20]

During the proceedings before the PARO, the parties were required to submit their respective position papers. On October 28, 2016, Engineer Emmanuel G. Aguinaldo, Provincial Agrarian Reform Program Officer II of PARO Baliuag, Bulacan, issued a Certification[21] to the effect that the case was agrarian in nature because it involves an agricultural land and the cause of action was the ejectment of a farmer, farmworker or a tenant which was within the primary and exclusive jurisdiction of the Department of Agrarian Reform (DAR). The PARO recommended the MTC's dismissal of the case for lack of jurisdiction.[22]

Pursuant thereto, the MTC, Plaridel, Bulacan, issued an Order[23] dated February 9, 2017 dismissing the case for lack of jurisdiction, the pertinent portion of which reads:

> **WHEREFORE**, in view of the determination made and the certification issued by the Department of Agrarian Reform that the instant case involves an agrarian dispute, the above-entitled action is hereby **DISMISSED**.
>
> Let a copy of this order be furnished to all the parties, their counsels and the Department of Agrarian Reform in B.S. Aquino Avenue, Baliuag, Bulacan.
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> **SO ORDERED.**[24]

Aggrieved, petitioners filed an appeal before RTC, Malolos, Bulacan, Branch 15.

In a Decision[25] dated February 28, 2018, the RTC denied the appeal and affirmed the MTC's ruling. The RTC ruled that pursuant to OCA Circular No. 62-10 and RA No. 6657, as amended, all courts and judges concerned are enjoined to strictly observe the referral of all cases to the DAR when either party alleges an agrarian dispute. Accordingly, when the DAR certified that the instant case is agrarian in nature, the MTC was divested of its jurisdiction and the case shall be under the primary and exclusive jurisdiction of the DAR. The pertinent portions of the RTC decision are quoted, as follows:

> Upon a judicious review, the court finds the appeal to be without merit.
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> Guided by the provisions of RA No. 6657, as amended by RA No. 9700, and pursuant to OCA Circular No. 62-10, all courts and judges concerned are enjoined to strictly observe referral of all cases to the Department of Agrarian Reform (DAR) when either party alleges an agrarian dispute. Accordingly, when the DAR certified that the

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[19] 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 (August 7, 2009).
[20] *Rollo*, p. 33.
[21] Id. at 108.
[22] Id. at 33.
[23] Id. at 109.
[24] Id.
[25] Id. at 142-144.

instant case is agrarian in nature, the lower court is divested of its jurisdiction and the case shall be under the primary and exclusive jurisdiction of the DAR.

The initial referral is to obviate the rigors of conducting summary hearing on agrarian issues and submits the same to the special competence and expertise granted by law to the DAR on such matters. Referral to the DAR, however, does not leave the parties without recourse as appeal is allowed for the aggrieved parties relative to the determination by the DAR.

x x x x

WHEREFORE, in view of all the foregoing, the instant appeal is hereby DENIED and the Order issued by the Municipal Trial Court of Plaridel, Bulacan dated February 9, 2017 is AFFIRMED.

SO ORDERED.[26]

Aggrieved, petitioners filed an appeal before the CA.

In its Decision[27] dated September 27, 2018, the CA denied the appeal and affirmed the RTC decision. It ruled that the MTC correctly referred the action to the PARO of Bulacan pursuant to respondents' allegation that they were agricultural tenants of petitioners' parents, spouses Cruz. Thereafter, the PARO issued a Certification,[28] dated October 28, 2016, that the case is agrarian in nature since it involves an agricultural land and the cause of action is the ejectment of a farmer, farmworker or tenant, which is within the primary and exclusive jurisdiction of the DAR. Pursuant thereto, the MTC correctly dismissed the complaint for unlawful detainer due to lack of jurisdiction.

Subsequently, petitioners filed a motion for reconsideration which was denied in the assailed Resolution dated January 21, 2019.

Hence, this Petition for Review on *Certiorari* where petitioners argue that 1) the CA gravely erred in refusing to rule that Section 19 of RA No. 9700 and OCA Circular No. 62-10 are unconstitutional, and hence, must be disregarded in the resolution of the case and 2) the CA gravely erred in affirming the MTC's dismissal of the complaint for unlawful detainer, by merely relying on the determination made and the certification issued by the PARO that the case involves an agrarian dispute, without hearing and affording the petitioners of their right to be heard.[29]

In their Comment,[30] respondents essentially reiterated the ruling of the CA. In their Reply,[31] the petitioners argued that the case is one for unlawful detainer and thus, within the jurisdiction of the MTC. Except for the fact that the subject property is agricultural, all the other elements of tenancy relations are absent. Hence, there is no agrarian dispute that is under the jurisdiction of the DARAB in this case.

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[26] Id. at 143-144.
[27] Id. at 30-41.
[28] Id. at 108.
[29] Id. at 12.
[30] Id. at 378-390.
[31] Id. at 395-409.

The issue for consideration is whether the CA correctly affirmed the dismissal of the complaint for unlawful detainer on the ground of lack of jurisdiction, pursuant to the PARO certification that the action involves an agrarian dispute.

We rule in the negative. Consequently, we grant the petition and remand the case to the MTC for further proceedings.

Section 3(d) of RA No. 6657, otherwise known as the Comprehensive Agrarian Reform Law of 1988, defines an agrarian dispute as 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.

Section 50 of the same law provides for the quasi-judicial functions of the DAR. It reads, in part, as follows:

> x x x The DAR is hereby vested with primary jurisdiction to determine and adjudicate agrarian reform matters and shall have exclusive original jurisdiction over all matters involving the implementation of agrarian reform except those falling under the exclusive jurisdiction of the Department of Agriculture (DA) and the Department of Environment and Natural Resources (DENR).
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> x x x x

This section was amended by R.A. No. 9700.[32] It added Section 50-A, which provides:

> SEC. 50-A. *Exclusive Jurisdiction on Agrarian Dispute.* — No court or prosecutor's office shall take cognizance of cases pertaining to the implementation of the CARP except those provided under Section 57 of Republic Act No. 6657, as amended. If there is an allegation from any of the parties that the case is agrarian in nature and one of the parties is a farmer, farmworker, or tenant, the case shall be automatically referred by the judge or the prosecutor to the DAR which shall determine and certify within fifteen (15) days from referral whether an agrarian dispute exists: *Provided*, That from the determination of the DAR, an aggrieved party shall have judicial recourse. In cases referred by the municipal trial court and the prosecutor's office, the appeal shall be with the proper regional trial court, and in cases referred by the regional trial court, the appeal shall be to the Court of Appeals.
>
> In cases where regular courts or quasi-judicial bodies have competent jurisdiction, agrarian reform beneficiaries or identified beneficiaries and/or their associations shall have legal standing and interest to intervene concerning their individual or collective rights and/or interests under the CARP.
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> x x x x

To implement the amendatory provision, the Supreme Court, through OCA Circular No. 62-10,[33] directed all judges of the lower courts to judiciously and faithfully

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[32] 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 (August 7, 2009).

[33] Issued on April 28, 2010.

observe the same in order to ensure the prompt and smooth acquisition and distribution of agricultural lands to farmers in the countryside.

The DAR, for its part, issued Administrative Order (AO) No. 04, series of 2009 and AO No. 03-11, which provide that the referral shall be made by the concerned judge or prosecutor *motu proprio*, or upon motion by the party concerned, to the Provincial Agrarian Reform Office (PARO) of the place where the agricultural land subject of the case is located.

Here, the MTC referred the case to the PARO of Bulacan pursuant to the above issuances and the respondents' allegation of the existence of an agricultural tenancy relationship between them and the petitioners.

As stated, the PARO issued a certification to the effect that the case was agrarian in nature since it involved an agricultural land and the cause of action was the ejectment of a farmer, farmworker or tenant, within the primary and exclusive jurisdiction of the DAR.

Thereafter, the MTC, relying on the PARO certification, dismissed the complaint for unlawful detainer on the ground of lack of jurisdiction. On appeal, the RTC and the CA both upheld the dismissal of the complaint.

The crux of the controversy in this case revolves around the propriety of such dismissal based on the PARO certification.

We hold that, pursuant to the relevant provisions of RA No. 6657, as amended, and taking into consideration the issuances appurtenant thereto, the MTC did not err when it referred the case to the PARO.

In *Chailese Development Co, Inc. v. Dizon* (*Chailese*),[34] this Court had the opportunity to expound on Section 50-A, as follows:

> The exclusive jurisdiction of the DAR over agrarian cases was further amplified by the amendment introduced by Section 19 of R.A. 9700 to Section 50. The provision reads:
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> **Section 19.** Section 50 of Republic Act No. 6657, as amended, is hereby further amended by adding Section 50-A to read as follows:
>
> > SEC. 50-A. *Exclusive Jurisdiction on Agrarian Dispute.* — No court or prosecutor's office shall take cognizance of cases pertaining to the implementation of the CARP except those provided under Section 57 of Republic Act No. 6657, as amended. If there is an allegation from any of the parties that the case is agrarian in nature and one of the parties is a farmer, farmworker, or tenant, the case shall be automatically referred by the judge or the prosecutor to the DAR which shall determine and certify within fifteen (15) days from referral whether an agrarian dispute exists: Provided, that from the determination of the DAR, an aggrieved party shall have judicial recourse. In cases referred by the municipal trial court and the prosecutor's office, the appeal shall be with the proper regional trial

[34] 826 Phil. 51 (2018).

> court, and in cases referred by the regional trial court, the appeal shall be to the Court of Appeals.
>
> In cases where regular courts or quasi-judicial bodies have competent jurisdiction, agrarian reform beneficiaries or identified beneficiaries and/or their associations shall have legal standing and interest to intervene concerning their individual or collective rights and/or interests under the CARP.
>
> The fact of non-registration of such associations with the Securities and Exchange Commission, or Cooperative Development Authority, or any concerned government agency shall not be used against them to deny the existence of their legal standing and interest in a case filed before such courts and quasi-judicial bodies.

In this regard, it must be said that there is no merit in the contention of petitioner that the amendment introduced by R.A. No. 9700 cannot be applied retroactively in the case at bar. Primarily, a cursory reading of the provision readily reveals that Section 19 of R.A. No. 9700 merely highlighted the exclusive jurisdiction of the DAR to rule on agrarian cases by adding a clause which mandates the automatic referral of cases upon the existence of the requisites therein stated. Simply, R.A. No. 9700 does not deviate but merely reinforced the jurisdiction of the DAR set forth under Section 50 of R.A. No. 6657. Moreover, in the absence of any stipulation to the contrary, as the amendment is essentially procedural in nature it is deemed to apply to all actions pending and undetermined at the time of its passage.

Thence, having settled that Section 19 of R.A. No. 9700 is applicable in this controversy, the Court now proceeds with the examination of such amendment. Based on the said provision, the judge or prosecutor is obligated to automatically refer the cases pending before it to the DAR when the following requisites are present:

> a. There is an allegation from any one or both of the parties that the case is agrarian in nature; and
>
> b. One of the parties is a farmer, farmworker, or tenant.
>
> x x x x

Contrary to the CA's conclusion and as opposed to the first requisite, mere allegation would not suffice to establish the existence of the second requirement. Proof must be adduced by the person making the allegation as to his or her status as a farmer, farmworker, or tenant.

The pertinent portion of Section 19 of R.A. No. 9700 reads:

> If there is an allegation from any of the parties that the case is agrarian in nature and one of the parties is a farmer, farmworker, or tenant, the case shall be automatically referred by the judge or the prosecutor to the DAR x x x.

The use of the word "an" prior to "allegation" indicate that the latter qualifies only the immediately subsequent statement, *i.e.*, that the case is agrarian in nature. Otherwise stated, an allegation would suffice only insofar as the characterization of the nature of the action.

Had it been the intention that compliance with the second element would likewise be sufficient by a mere allegation from one of the parties that he or she is a farmer, farm worker, or tenant, the legislature should have used the plural form when

> referring to "allegation" as the concurrence of both requisites is mandatory for the automatic referral clause to operate.[35]

The Court's ruling in *Chailese*, with respect to the twin requisites for referral to the DAR, was reiterated in *Dayrit v. Norquillas*,[36] a recent case decided by the Court sitting *en banc*, to wit:

> Then there is the more recent case of *Chailese Development Company, Inc. v. Dizon (Chailese)*, which clarifies the jurisdiction of the DARAB over agrarian disputes:
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> Thence, having settled that Section 19 of R.A. No. 9700 is applicable in this controversy, the Court now proceeds with the examination of such amendment. Based on the said provision, the judge or prosecutor is obligated to automatically refer the cases pending before it to the DAR when the following requisites are present:
>
> a. There is an allegation from any one or both of the parties that the case is agrarian in nature; and
> b. One of the parties is a farmer, farmworker, or tenant.
>
> **RA 9700 reinforced the jurisdiction of DAR as already provided in the original CARL. It made clear the requisites for a case to be considered to be an agrarian dispute. It also mandated the automatic referral upon concurrence of the requisites. In *Chailese*, the Court retroactively applied RA 9700 to the case and ruled that the RTC has jurisdiction over the possessory action due to absence of evidence on the existence of a tenancy relation, thus failing to satisfy the second requisite.**
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> Based on the foregoing, *David* and *Chailese* can be viewed as guides for the courts in tackling ejectment and possessory actions allegedly involving agrarian disputes. *David* instructs that not all ejectment cases are cognizable by the first-level courts—those involving agrarian disputes are not cognizable by the first-level courts. In this relation, *Chailese* clarifies the requisites for an agrarian dispute, and highlights the mandate of the amendatory law of automatic referral of cases involving agrarian disputes to the DAR. (Citations omitted and emphasis supplied)

Thus, prevailing jurisprudence instructs that under Section 50-A, referral to the DAR shall be mandatory when two requisites concur: 1) there is an allegation from any one or both of the parties that the case is agrarian in nature; and 2) one of the parties is a farmer, farmworker, or tenant. While a simple allegation will suffice for the first requisite, adequate proof is necessary as to the second requisite.

As aptly observed by Associate Justice Alfredo Benjamin S. Caguioa (Justice Caguioa), prevailing law and jurisprudence appear to be silent on the kind of proof that must be adduced for the second requisite. Justice Caguioa submits that such proof pertains to any kind of evidence which, on its face, tends to show that one of the parties is indeed a farmer, farmworker, or tenant. This is because the mandatory referral mechanism is meant precisely to avert situations where the regular court proceeds to try an agrarian dispute over which it has no jurisdiction. Thus, the kind of proof that should be deemed sufficient by the MTC to establish the second requisite should be of such a nature that requires only a facial assessment or determination and that such proof

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[35] Id. at 61-62 and 64.
[36] G.R. No. 201631, December 7, 2021.

would be acceptable to a reasonable mind that the respondent is a farmer, farmworker, or tenant. Justice Caguioa adds that requiring a higher standard of proof would result in protracted proceedings before the referring court and would negate the very purpose of the mandatory referral mechanism which affords the DAR, in view of its expertise in agrarian reform, the opportunity to determine the nature of the dispute involved. As such, We hold that the proof required shall pertain to any kind of evidence which, on its face, shows that one of the parties is a farmer, farmworker, or tenant.[37]

In this case, the MTC based its referral to the DAR on the specific allegations made by the respondents in their answer, as well as the annexes attached thereto, summarized by the CA decision, as follows:

> In respondents' *Answer,* they averred that petitioners have no cause of action against them because the latter never produced any proof that they have the sole right to succeed to the ownership of the subject parcel of land. It was also argued that the MTC has no jurisdiction over the complaint for unlawful detainer. The subject property is agricultural land and respondents are tenants thereof. They succeeded in the tenancy rights of their father Isidro Cervantes who was the tenant of petitioners' parents. As such, it is the Department of Agrarian Reform Adjudication Board (DARAB) which should determine the rights and obligations of the parties over the subject property.
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> Respondents further alleged that their father Isidro became the tenant of Spouses Progedio and Teresa from 1965 to 2005 during which he cultivated the land and planted thereon *camote*, corn, *palay*, *mustasa*, tomato and fruit-bearing trees such as coconut and mango trees. Upon the death of their father, respondents continued to cultivate the property and planted thereon *palay*, string beans, eggplant, coconut, mango, and banana. They also raised livestock up to the present time. Respondents likewise paid compensation to the owners, as shown by a tally sheet issued by C. Adella Rice Mill showing the following entry: "*Name: Mrs. Teresa Reyes Vda de Cruz; Kasama: Isidro Cervantez*"; and a handwritten receipt dated March 31, 1992 with the following notations: "*Buwis sa Bakuran x x x ni Sidro Cervantes; Tinanggap ni Kapt. Peping Villalon x x x*". Hence, respondents prayed that the complaint for unlawful detainer be dismissed. By way of compulsory counterclaim, they likewise prayed that petitioners be ordered to pay them moral damages, attorney's fees and costs of suit.[38] (Citations, omitted)

Considering the allegations in their answer and its annexes, We hold that the MTC did not err when it referred the case to the DAR pursuant to Section 50-A of RA No. 6657, as amended, as these support the conclusion that respondents' father Isidro was the tenant of the subject property.

Despite the foregoing, We find that the MTC erred in relying on the certification issued by the PARO.

As pointed out by Senior Associate Justice Estela M. Perlas-Bernabe (Justice Perlas-Bernabe) and Justice Caguioa, DAR AO No. 03-11[39] (*The Revised Rules and Regulations Implementing Section 19 of R.A. No. 9700 [Jurisdiction on and Referral of*

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[37] Justice Caguioa's Concurring Opinion, p. 7.
[38] *Rollo*, p. 32.
[39] As amended by DAR AO No. 04-11, *Amendment to Department of Agrarian Reform Administrative Order No. 03, series of 2011,* August 16, 2011.

Cases that Are Agrarian in Nature]) outlines the procedure for the determination of jurisdiction concerning cases on referral.[40] The relevant sections of the AO provide:

> SECTION [6]. *Procedures.*
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> 1. Upon receipt of the records of the case, the PARO shall, on the same day, immediately assign the said case to the Chief of the Legal Division of the DAR Provincial Office concerned for the conduct of a summary investigation proceedings for the sole purpose of determining whether or not an agrarian dispute exists or if the case is agrarian in nature. The Chief of the DAR Legal Division concerned may assign the case to a DAR lawyer or legal officer for the purpose of conducting the said summary proceeding or fact-finding investigation.
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> 2. The Chief of the DAR Legal Division, or the DAR lawyer or legal officer assigned shall, within three (3) days from receipt of the case referred from the PARO, personally or in such a manner that will ensure the receipt thereof (e.g., commercial couriers, fax, electronic mail, phone call, etc.), serve upon each party to the case a notice stating therein the hour, date, and place of the proceedings. The summary proceedings shall be held, as far as practicable, in the municipality or barangay where the agricultural landholding is located or where the biggest portion of the landholding is located if the land overlaps two (2) or more municipalities or barangays. **The parties shall be required to present their witnesses, documentary evidence, or any object evidence to support their respective positions as to the existence of an agrarian dispute on whether the case is agrarian in nature.** The Chief of the DAR Legal Division, or the DAR lawyer or legal officer shall require the Agrarian Reform Program Technologist (ARPT) of the place where the subject agricultural landholding is located to submit his comments thereto.
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> 3. The said notice shall likewise require the parties to submit their respective verified position papers, attaching thereto all their evidence, within five (5) non-extendible days from receipt of such notice.
>
> 4. After the conclusion of the summary proceedings and the submission of all position papers, or upon the expiration of the five (5) day period as provided herein, the matter or issue shall be deemed submitted for resolution. No other pleading or motion shall thereafter be received or given due course.
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> 5. Within three (3) days from the time the matter or issue is deemed to be submitted for resolution, the Chief of the DAR Legal Division, or the DAR lawyer or legal officer assigned, shall, after a thorough examination of the testimonies of the parties and his/her witnesses, the respective verified position papers, and the documentary evidence thus submitted, submit his/her report to the PARO. The report shall indicate his/her initial findings of the facts and circumstances of the case and as to whether an agrarian dispute exists or not or on whether the case is agrarian in nature. The position papers, transcript of stenographic notes, and the entire records of the case shall be attached to the report.
>
> **The determination by the DAR as to whether an agrarian dispute exists or not, or on whether the case is agrarian in nature, shall be done through a summary proceeding involving a strictly factual investigation.** No motion for extension of time or any similar pleading of a dilatory character shall be entertained nor given due course. To this end, the Chief of the Legal Division, or the DAR lawyer or legal officer assigned, shall exert all reasonable means to ascertain the facts based on the testimonies and evidence presented. They may verify the position papers submitted by the parties, ascertaining that the concerned party is the one causing the

[40] Justice Perlas-Bernabe's Concurring Opinion, p. 2; and Justice Caguioa's Concurring Opinion, pp. 9-12.

preparation thereof, and that the allegations therein are true based on personal knowledge or authentic records and documents.

SECTION [7]. *Prima Facie Presumption of an Existence of Agrarian Dispute or that the Case is Agrarian in Nature.* – The presence of any of the following facts or circumstances shall automatically give rise to a *prima facie* presumption that an agrarian dispute exists or that the case is agrarian in nature:

(a) A previous determination by the DAR that an agrarian dispute exists or that the case is agrarian in nature, or the existence of a pending action with the DAR, whether an Agrarian Law Implementation (ALI) case or a case before the DAR Adjudication Board (DARAB), which involves the same landholding;
(b) A previous determination by the National Labor Relations Commission or its Labor Arbiters that the farmworker is/was an employee of the complainant;
(c) A notice of coverage was issued or a petition for coverage under any agrarian reform program was filed on the subject landholding; or
(d) Other analogous circumstances.

If there is a prima facie presumption that an agrarian dispute exists or that the case is agrarian in nature, the burden of proving the contrary shall be on the party alleging the same.

SECTION [8]. *Facts Tending to Prove that a Case is Agrarian in Nature.* – In addition to the instances mentioned in Section 7 hereof, the Chief of the Legal Division, or the DAR lawyer or legal officer assigned, in determining whether the case is agrarian in nature, shall be guided by the following facts and circumstances:

1. Existence of a tenancy relationship;
2. The land subject of the case is agricultural;
3. Cause of action involves ejectment or removal of a farmer, farmworker, or tenant;
4. The crime alleged arose out of or is in connection with an agrarian dispute (*i.e.,* theft or qualified theft of farm produce, estafa, malicious mischief, illegal trespass, *etc.*), Provided, that the prosecution of criminal offenses penalized by R.A. No. 6657, as amended, shall be within the original and exclusive jurisdiction of the Special Agrarian Courts;
5. The land subject of the case is covered by a Certificate of Land Ownership Award (CLOA), Emancipation Patent (EP), or other title issued under the agrarian reform program, and that the case involves the right of possession, use, and ownership thereof; or
6. The civil case filed before the court of origin concerns the ejectment of farmers/tenants/farmworkers, enforcement or rescission of contracts arising from, connected with, or pertaining to an Agribusiness Ventures Agreement (AVA), and the like.

The existence of one or more of the foregoing circumstances may be sufficient to justify a conclusion that the case is agrarian in nature. The Chief of the Legal Division, or the DAR lawyer or legal officer assigned, shall accordingly conclude that the case is agrarian in nature cognizable by the DAR, and thus recommend that the referred case is not proper for trial.

SECTION [9]. *DAR Certification.* – The PARO shall issue the Certification within forty-eight (48) hours from receipt of the report of the Chief of the Legal Division, DAR lawyer, or legal officer concerned. Such Certification shall state whether or not the referred case is agrarian in nature, as follows:

(a) Where the case is NOT PROPER for trial for lack of jurisdiction:

After a preliminary determination of the relationship between the parties pursuant to Section 50-A of R.A. No. 6657, as amended, this Office hereby certifies that the case is agrarian in nature within the primary and exclusive jurisdiction of the DAR. It is therefore recommended to the referring (court/prosecutor) that the case be dismissed for lack of jurisdiction.

(b) Where the case is NOT YET PROPER for trial due to a prejudicial question:

After a preliminary determination of the relationship between the parties pursuant to Section 50-A of R.A. No. 6657, as amended, this Office hereby certifies that a prejudicial question exists the determination of which is agrarian in nature and thus within the primary and exclusive jurisdiction of the DAR. It is therefore recommended to the referring (court/prosecutor) that the case be archived until the determination of the DAR of the prejudicial question.

(c) Where the case is PROPER for trial:

This Office hereby certifies that the case is not agrarian in nature. It is therefore recommended to the referring (court/prosecutor) to conduct further proceedings.

The Certification shall state the findings of fact upon which the determination by the PARO was based. (Emphases Supplied)

Upon referral, the PARO is required to conduct a summary investigation to ascertain the relevant facts and determine whether the case is an agrarian dispute based on the testimonies of the parties' witnesses, the evidence they presented, and the position papers submitted. Thereafter, the PARO shall issue a Certification stating its initial determination which shall state the findings of fact upon which the determination was based.

A perusal of the PARO Certification[41] dated October 28, 2016 shows that it failed to comply with the procedures laid down in DAR AO 03-11. The certification is quoted in full, as follows:

CERTIFICATION

After a preliminary determination of the relationship between the parties in Civil Case No. 139-16 entitled Antonio R. Cruz et al. vs. Carling Cervantes et al., pursuant to Section 50-A of R.A. 6657 as amended, this Office hereby certifies that the case is agrarian in nature for it involves an agricultural land and the cause of action is ejectment of a farmer, farmworker or tenant which is within the primary and exclusive jurisdiction of the DAR. It is therefore recommended to the referring MTC of Plaridel, Bulacan, that the case be dismissed for lack of jurisdiction.

x x x x[42]

Specifically, as observed by Justice Perlas-Bernabe during the deliberations, and as reiterated by Justice Caguioa, the certification failed to state the findings of fact upon

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[41] *Rollo*, p. 108.
[42] Id.

which the determination by the PARO are based.[43] The Certification leaves the courts with no basis to ascertain the evidence from which its findings were drawn. Thus, the MTC erred when it adopted the PARO's certification and dismissed the complaint for lack of jurisdiction.

While courts are bound to comply with the referral mechanism upon concurrence of the requisites under Section 50-A of RA No. 6657, as amended, they are not bound to accept the recommendation where such determination clearly violated the procedures and requirements set forth by DAR AO 03-11. The referring courts must still independently assess the DAR's recommendation in light of the evidence presented during the summary investigation.

As a general rule, the factual findings of administrative bodies charged with their specific field of expertise, are afforded great weight by the courts, and in the absence of substantial showing that such findings were made from an erroneous estimation of the evidence presented, they are conclusive, and in the interest of stability of the governmental structure, should not be disturbed.[44] By reason of the special knowledge and expertise of said administrative agencies over matters falling under their jurisdiction, they are in a better position to pass judgment thereon; thus, their findings of fact in that regard are generally accorded great respect, if not finality, by the courts.[45] Such findings must be respected as long as they are supported by substantial evidence, even if such evidence is not overwhelming or even preponderant.[46]

Moreover, under Section 54 of RA No. 6657, the findings of fact of the DAR shall only be final and conclusive if they are based on substantial evidence. Thus, in cases where the DAR's recommendation is not based on substantial evidence, the referring court must make its own determination and determine whether the case falls within its jurisdiction.

Courts generally accord great respect and finality to factual findings of administrative agencies, like labor tribunals, in the exercise of their quasi-judicial function. However, this doctrine espousing comity to administrative findings of facts is not infallible and cannot preclude the courts from reviewing and, when proper, disregarding these findings of facts when shown that the administrative body committed grave abuse of discretion.[47]

In this case, the respondents claim that a tenancy relationship existed between their late father Isidro and petitioners' parents. They relied on the 1) tally sheet issued by Adella Rice Mill identifying Isidro as a "*Kasama*" of petitioners' late mother Teresa; and a handwritten receipt issue by Kapitan Peping Villalon acknowledging Isidro's payment for "*Buwis sa Bakuran.*" However, as once more illumined by Justice Perlas-Bernabe,[48] and as also pointed out by Associate Justice Rodil V. Zalameda, these documents alone do not satisfactorily show that Spouses Cruz consented to the alleged tenancy relationship or that they agreed to share in the harvests.

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[43] Justice Caguioa's Concurring Opinion, p. 13.
[44] *Cabral v. Adolfo*, 794 Phil. 161, 172 (2016).
[45] *Sps. Hipolito, Jr. v. Cinco*, 677 Phil. 331, 349 (2011), citing *Villaflor v. Court of Appeals*, 345 Phil. 524, 562 (1997).
[46] Id.
[47] *Paredes v. Feed the Children Philippines, Inc.*, 769 Phil. 418, 434 (2015).
[48] Justice Perlas-Bernabe's Concurring Opinion, p. 5.

Verily, occupancy and cultivation of an agricultural land, no matter how long, 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.[49] It is essential that, together with the other requisites of tenancy relationship, the agricultural tenant is able to show that he transmitted the landowner's share of the harvest.[50] Further, in *Rivera v. Santiago*,[51] the Court even stressed that it is not unusual for a landowner to receive the produce of the land from a caretaker who sows thereon,[52] and that **the fact of receipt, without an agreed system of sharing, does not *ipso facto* create a tenancy.**

In fine, the Court holds that respondents failed to discharge the burden of proving that Isidro, their predecessor-in-interest, was an agricultural tenant of Spouses Cruz, and that the instant case involves an agrarian dispute cognizable by the DARAB. There being no agricultural tenancy relationship established in this case, the MTC has jurisdiction over the unlawful detainer case filed by the petitioners against the respondents.

As a final note, administrative findings of fact are accorded great respect, and even finality when these are supported by substantial evidence, nevertheless, when it can be shown, as it has been in this case, that administrative bodies, such as the PARO, have failed to state the bases of such findings or have misappreciated the evidence in such a way as to compel a contrary conclusion, the courts will not hesitate to disregard such findings.

Considering the foregoing, We rule that the subject complaint remains an ordinary ejectment case which falls under the jurisdiction of the MTC.

WHEREFORE, the petition is **GRANTED**. The Decision dated September 27, 2018 and the Resolution dated January 21, 2019, of the Court of Appeals, Manila in CA-G.R. SP. No. 155023, are **REVERSED** and **SET ASIDE**. The case is hereby **REMANDED** to the Municipal Trial Court of Plaridel, Bulacan, for further proceedings.

SO ORDERED.

RICARDO R. ROSARIO
Associate Justice

WE CONCUR:

ALEXANDER G. GESMUNDO
Chief Justice

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[49] *Pagarigan v. Yague*, 758 Phil. 375, 380 (2015).
[50] *Adriano v. Tanco*, 637 Phil. 218, 228-229 (2010).
[51] *Rivera v. Santiago*, 457 Phil. 143 (2003).
[52] Id. at 159.

Please see Concurring Opinion

ESTELA M. PERLAS-BERNABE
Senior Associate Justice

See separate concurring opinion

MARVIC MARIO VICTOR F. LEONEN
Associate Justice

See Concurring Opinion

ALFREDO BENJAMIN S. CAGUIOA
Associate Justice

RAMON PAUL L. HERNANDO
Associate Justice

Pls. see Concurrence

AMY C. LAZARO-JAVIER
Associate Justice

HENRI JEAN PAUL B. INTING
Associate Justice

RODIL V. ZALAMEDA
Associate Justice

MARIO V. LOPEZ
Associate Justice

On Official Leave
SAMUEL H. GAERLAN
Associate Justice

JHOSEP Y. LOPEZ
Associate Justice

JAPAR B. DIMAAMPAO
Associate Justice

JOSE MIDAS P. MARQUEZ
Associate Justice

ANTONIO T. KHO, JR.
Associate Justice

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, 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.

CERTIFIED TRUE COPY

MARIA LUISA M. SANTILLA
Deputy Clerk of Court and
Executive Officer
OCC-En Banc, Supreme Court

ALEXANDER G. GESMUNDO
Chief Justice