REPUBLIC OF THE PHILIPPINES
SUPREME COURT
Manila

SECOND DIVISION

NOTICE

Sirs/Mesdames:

Please take notice that the Court, Second Division, issued a Resolution dated **03 February 2021** *which reads as follows*:

"G.R. No. 221695 ***(Ferdinand B. Gaddi and Noel Vitug v. Spouses Ferdinand L. Beltran and Ester A. Beltran)***. — The right of a co-heir alone to institute an agricultural tenant is the main issue in this Petition for Review on *Certiorari*[1] under Rule 45 assailing the Court of Appeal's (CA) Amended Decision dated September 2, 2015 in CA-G.R. SP No. 130135, which reversed its earlier Decision dated December 12, 2014.

ANTECEDENTS

Segunda vda. De Gaddi owned a parcel of land[2] situated in San Antonio, Lubao, Pampanga with an area of 10,507 sq. m. and registered under Transfer Certificate of Title No. 110037-R.[3] Later, Segunda died and was survived by her heirs, namely: Paz Patricia Lobo, Magdalena Gaddi, Violeta Dizon, Concepcion Vergara, May Grace Tuazon, Ahmed Gaddi, John Gaddi, Gina Basa (co-heirs), and Ferdinand B. Gaddi (Ferdinand).[4]

In 1999, Ferdinand instituted Noel Vitug (Noel) as leasehold tenant of the land. Noel agreed to pay Ferdinand the rentals and the irrigation fees.[5] On April 25, 2008, Spouses Ferdinand and Ester Beltran (Spouses Beltran) placed concrete posts on the property. This prompted Noel to report the matter to the Office of the Municipal Agrarian Reform Officer (MARO). Thereat, Noel discovered that Spouses Beltran had purchased the lot from Ferdinand's co-heirs. Notwithstanding, Noel continued to cultivate the land. Later, Spouses Beltran bulldozed the property. Thus, Ferdinand and Noel confronted Spouses Beltran who then presented a copy of the Extra-Judicial

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1 *Rollo*, pp. 11-22.
2 Known as Lot C of the subdivision plan (LRC) Psd 186500; *id.* at 31.
3 *Id.*
4 *Id.* at 32.
5 *Id.* at 14.

Settlement with Sale dated April 18, 2008 executed by Paz, Magdalena, Violeta, Concepcion and John.[6]

Aggrieved, Ferdinand and Noel filed the complaint for Maintenance of Possession and Redemption, Damages with Prayer for Issuance of a Temporary Restraining Order and/or Preliminary Injunction before the Provincial Agrarian Reform Adjudicator (PARAD),[7] and claimed that Noel is a leasehold tenant of the land. As supporting evidence, Ferdinand and Noel submitted the *Sinumpaang Salaysay* of Conrado Guevarra and Alberto Miguel, the certification from the National Irrigation Authority, and the receipts showing payment of lease rentals and irrigation fees. [8]

On the other hand, Spouses Beltran alleged that Ferdinand was neither in possession of the lot nor authorized to institute a tenant. The Barangay Agrarian Reform Committee (BARC) Chairman and MARO even certified that the land is untenanted. Also, the receipts on the payment of rentals were of dubious origin because they were prepared at the same time. Lastly, payment of irrigation fees is not conclusive as to the existence of a leasehold relationship since Noel is a tenant of other lands in Del Carmen, Lubao, Pampanga.[9]

On June 18, 2009, the PARAD did not recognize Noel as a legitimate tenant. The PARAD explained that Ferdinand cannot validly constitute a tenant without the consent of all other co-heirs. If at all, tenancy may be constituted only on the share of Ferdinand and not on the whole landholding, thus:

> WHEREFORE, above premises considered, judgment is hereby rendered DISMISSING the case for lack of merit.
>
> All claims and counterclaims are likewise dismissed for want of merit.
>
> No pronouncement as to costs.[10]

Ferdinand and Noel appealed to the Department of Agrarian Reform Adjudication Board (DARAB).[11] On September 13, 2012, the DARAB reversed the PARAD's findings and ruled that Noel is a tenant who was in continuous possession of the subject lot from 1999 to 2008, to wit:

> WHEREFORE, the Appeal is GRANTED. The assailed Decision dated 18 June 2009 is REVERSED and SET ASIDE. A NEW JUDGMENT is rendered as follows:

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6 *Id.* at 31-32.
7 *Id* at 32-33.
8 *Id.* at 31.
9 *Id.* at 33.
10 *Id.*
11 *Id.* at 34.

> 1. DECLARING, petitioner-appellant Noel D. Vitug a BONA FIDE TENANT in his own right over the subject lot;
>
> 2. MAINTAINING, petitioner-appellant in the peaceful possession and cultivation of Lot C;
>
> 3. ORDERING, respondents-[appellees], their agents, representatives and all persons deriving authority from them to respect the possession and cultivation of the lot by petitioner-appellant Noel D. Vitug[;]
>
> 4. ORDERING, the Municipal Agrarian Reform Officer (MARO) of Lubao, Pampanga to assist the parties in the execution of an Agricultural Leasehold Contract in accordance with RA 3844, as amended and existing DAR rules and regulations on leasehold.
>
> No costs.[12]

Spouses Beltran elevated the case to the CA docketed as CA-G.R. SP No. 130135. On December 12, 2014, the CA affirmed the DARAB's Decision and held that Ferdinand is presumed to be a legal possessor of the land. As such, Ferdinand can install a tenant and use the property in accordance with the purpose it is intended. Also, there was implied consent from the other co-heirs considering that Noel continued to cultivate the land.[13] Dissatisfied, Spouses Beltran filed a motion for reconsideration. On September 2, 2015, the CA granted the motion and reversed its earlier Decision. The CA ruled that Noel cannot be a *bona fide* tenant because he was solely instituted by Ferdinand without any authority from the other co-heirs,[14] *viz.*:

> **WHEREFORE**, the Motion for Reconsideration is **GRANTED**. The assailed Decision dated December 12, 2014, is hereby **VACATED**. The Decision of the Department of Agrarian Reform Adjudication Board dated September 13, 2012, is **SET ASIDE**. The Decision of the Provincial Adjudicator, City of San Fernando, Pampanga, dated June 18, 2009, is hereby **REINSTATED**.
>
> **SO ORDERED**.[15]

Ferdinand and Noel sought reconsideration but was denied.[16] Hence, this petition.

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[12] *Id.*

[13] *Id.* at 30-39; penned by Associate Justice Romeo F. Barza, with the concurrence of Associate Justices Hakim S. Abdulwahid and Zenaida T. Galapate-Laguilles.

[14] *Id.* at 41-45; penned by Associate Justice Romeo F. Barza, with the concurrence of Associate Justices Ramon M. Bato, Jr. and Zenaida T. Galapate-Laguilles.

[15] *Id.* at 44.

[16] *Id.* at 48-49; penned by Associate Justice Romeo F. Barza, with the concurrence of Associate Justices Ramon M. Bato, Jr. and Zenaida T. Galapate-Laguilles.

RULING

There is tenancy relationship when the following indispensable elements are present, to wit: (1) the parties are the landowner and the tenant or agricultural lessee; (2) the subject matter of the relationship is an agricultural land; (3) **there is consent between the parties to the relationship**; (4) the purpose of the relationship is to bring about agricultural production; (5) there is personal cultivation on the part of the tenant or agricultural lessee; and (6) **the harvest is shared between the landowner and the tenant or agricultural lessee**.[17] Moreover, tenancy relationship is not presumed. A person who claims the status of a *de jure* tenant must present substantial evidence to establish these requisites. Otherwise, he is not entitled to security of tenure and the protection under the land reform program and other existing tenancy laws.[18] Here, the elements of consent and sharing of harvest are wanting.

Foremost, tenancy relationship can only be created with the consent of the true and lawful landholder who is either the owner, lessee, usufructuary or legal possessor of the property, and not through the acts of the supposed landholder who has no right to the property subject of the tenancy. To rule otherwise would allow collusion among the unscrupulous to the prejudice of the true and lawful landholder.[19] In this case, it is undisputed that Ferdinand did not obtain the express consent of his co-heirs when he instituted Noel as tenant. Similarly, there is no circumstance indicating the co-heirs' implied consent. Case law provides that tenancy relationship may arise from implied consent as when the landowner allows the person to cultivate the land and receive from the latter his share of the harvest over a considerable length of time.[20] Likewise, there is implied consent when the landowner personally negotiated for extensions and for better terms with the persons purporting to be tenants.[21] Here, these instances are absent. There was no substantial evidence that Ferdinand's co-heirs knew that Noel was instituted as tenant and that they received a share in the harvest. The co-heirs also never negotiated with Noel over the extension and terms of the supposed tenancy agreement. As the CA aptly observed:

> Since there are several heirs who co-owned the property, Noel Vitug [cannot] be said to be a *bona fide* tenant having been solely instituted by Ferdinand Gaddi. The record is bereft of any showing that Ferdinand Gaddi was authorized by his co-heirs to install a tenant on the subject property. The consent of the other heirs who are co-heirs of the property is needed for the institution of a tenant. Clearly, the essential element of consent as one of the requisites of a valid tenancy relationship is lacking. There is no proof that the landowners recognized Noel Vitug or that they hired him as their legitimate tenant.

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[17] *Romero v. Sombrino*, G.R. No. 241353, January 22, 2020. Emphases supplied.
[18] *Soliman v. Pampanga Sugar Development Co. (PASUDECO), Inc.*, 607 Phil. 209, 220-221 (2009).
[19] *Id.*
[20] *Felizardo v. Fernandez*, 415 Phil. 403, 412 (2001).
[21] *Ponce v. Guevarra*, 119 Phil. 923, 932 (1964); See *Joya v. Pareja*, 106 Phil. 645 (1959).

> It has been held that mere occupation or cultivation of an agricultural land will not *ipso facto* make the tiller an agricultural tenant. It is incumbent upon a person who claims to be an agricultural tenant to prove by substantial evidence all the requisites of agricultural tenancy. Proof of consent is needed to establish tenancy. Respondents failed to prove that Ferdinand Gaddi's co-heirs consented to the institution of Noel Vitug as tenant. [22]

Notably, Article 486 of the Civil Code permits each co-heir to use the thing owned in common provided that he does so in accordance with the purpose for which it is intended and in such a way as not to injure the interest of the co-ownership or prevent the other co-heirs from using it according to their rights. Nevertheless, allowing a co-heir alone to institute an agricultural tenant will prevent the other co-heirs from using the property according to their rights. The co-heirs will be forced to become agricultural lessors who are bound to respect the lessee's peaceful enjoyment of the land.[23] To avoid this situation, all co-heirs must give their consent, either express or implied, before they can be subjected to the rights and obligations under the agrarian reform laws. This way, no co-heir will be injured or prejudiced with the institution of an agricultural tenant. Yet, as discussed earlier, Ferdinand's co-heirs did not give either their express or implied consent.

Lastly, the element of harvest sharing is absent. To reiterate, the receipts presented are silent on whether Ferdinand's co-heirs received a portion of the leasehold rentals. Also, the payment of irrigation fees to NIA can hardly support Noel's claim as a tenant. Suffice it to say that the receipts do not indicate the identity of the landholding.

FOR THESE REASONS, the petition is **DENIED**. The Court of Appeals' Amended Decision dated September 2, 2015 in CA-G.R. SP No. 130135 is **AFFIRMED**.

SO ORDERED."

By authority of the Court:

TERESITA AQUINO TUAZON
Division Clerk of Court
28 MAY 2021

[22] *Rollo*, pp. 43-44.
[23] See Republic Act No. 3844, Sections 23 and 31.

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