



Republic of the Philippines
Supreme Court
 Manila

FIRST DIVISION

REPUBLIC OF THE PHILIPPINES,
 Petitioner,

G.R. No. 220902

Present:

PERALTA, *C.J.*, *Chairperson*,
 CAGUIOA, *Working Chairperson*,
 REYES, J. JR.,
 LAZARO-JAVIER, and
 LOPEZ, *JJ.*

- versus -

**SAN LORENZO DEVELOPMENT
 CORPORATION (SLDC),**
 Respondent.

Promulgated:

FEB 17 2020

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DECISION

REYES, J. JR., J.:

This is a Petition for *Certiorari*¹ under Rule 45 of the Rules of Court, assailing the Decision² dated July 31, 2014 and Resolution³ dated September 17, 2015 of the Court of Appeals (CA) – Cebu in CA-G.R. CV No. 01023, which affirmed the Decision⁴ dated June 14, 2005 of the Regional Trial Court (RTC) of Mandaue, Cebu, Branch 55, in LRC Case No. N-577, LRA Record No. N-70522, granting respondent San Lorenzo Development Corporation’s (SLDC) application for land registration.

¹ *Rollo*, pp. 11-35.
² Penned by Justice Pamela Ann Abella Maxino, with Justices Gabriel T. Ingles and Renato C. Francisco concurring; *id.* at 43-55.
³ *Id.* at 56-61.
⁴ Penned by Ulric R. Cañete; *id.* at 94-103.

The Facts

SLDC is a corporation duly organized and existing under Philippine laws and qualified to acquire and own lands in the Philippines. On September 25, 1998, it filed an Application⁵ for registration of two parcels of land – Lot No. 1 (identical to Lot No. 11324, Pls-982) with an area of 74,488 square meters; and Lot No. 2 (identical to Lot No. 11325, Pls-982 with an area of 529 square meters – situated in *Barangay* Buluang, Compostela, Cebu, under Presidential Decree (P.D.) No. 1529 or the Property Registration Decree.⁶

In its application, SLDC alleged, among others, that it is the owner of the subject parcels of land, having acquired the same by purchase sometime in 1994 and 1995; that it, together with the previous owners thereof, has been in open, continuous, exclusive, and notorious possession and occupation of the said parcels of land in the concept of an owner for over 30 years; and that said parcels of land are part of the area generally declared as alienable and disposable block per Land Classification Project No. 21-A, per Map-2545 of Compostela, Cebu, certified under Forestry Administrative Order No. 4-1063 approved on September 1, 1965.⁷

Nine witnesses were presented to support SLDC's claim that through its predecessors-in-interest, it has been in open, continuous, exclusive, and notorious possession and occupation of the subject parcels of land for more than 30 years.⁸ Aside from these testimonies, SLDC likewise presented pieces of documentary evidence to support its claims, *viz.*: (1) copy of the approved tracing cloth plan of the subject lots; (2) blue print copies of said plan; (3) approved technical description of the subject lots; (4) Certification as to the non-availability of the Surveyor's Certificate; (5) Certification from the Community Environment and Natural Resources Office (CENRO) that the subject parcels of land are within the alienable and disposable block; (6) Certification from the Lands Management Services of the Department of Environment and Natural Resources (DENR) that the subject lots are outside the resurveyed boundaries of the Cotcot-Lusaran Watershed Forest dated September 2, 1997; (7) copies of the Deeds of Absolute Sale for the purchase of the subject lots; and (8) copies of some of the tax declarations covering the subject lots.⁹

The RTC Ruling

The RTC granted the application, finding that SLDC was able to

⁵ Id. at 69-71.

⁶ Id. at 94.

⁷ Id. at 44.

⁸ Id. at 95.

⁹ Id. at 47.

clearly and convincingly establish its open, continuous, exclusive, and notorious possession and occupation of the subject lots under a *bona fide* claim of ownership within the time prescribed under Section 14(1), Chapter III of P.D. No. 1529. The RTC also found the lots to be classified as alienable and disposable land and registrable, not being a forest land, nor found on navigable rivers, waters, streams, and creeks nor within the municipal streets or public highways and government reservations. It disposed, thus:

WHEREFORE, premises considered, a Decision is hereby rendered, to wit:

1. Admitting Exhibits "A" to "JJ" and all its sub-markings formally offered by applicant San Lorenzo Development Corporation, as part of the testimony of applicant and its witnesses, and for the purpose/s for which they are offered;
2. Ordering the issuance of titles to applicant San Lorenzo Development Corporation to the following parcels of land more particularly described as follows, to wit:

A parcel of land (Lot 1 of the consolidation subdivision plan, CCS-07-000666, being a portion of Lot 1427, 1431, 1433, 1434, 1435, 1436, 1488, pls-982) situated in the Barangay of Buluang, Compostela, Cebu, containing an area of SEVENTY-FOUR THOUSAND FOUR HUNDRED EIGHTY-EIGHT (74,488) square meters, more or less and;

A parcel of land (Lot 2 of the consolidation subdivision plan, CCS-07-000666, being a portion (of) Lot 1427, 1431, 1433, 1434, 1435, 1436, 1488, Pls-982) situated in the Barangay of Buluang, Compostela, Cebu, containing an area of FIVE HUNDRED TWENTY-NINE (529) square meters, more or less;

and that their titles thereto be REGISTERED and CONFIRMED.

Upon finality of this decision, the Land Registration Authority is directed to issue the corresponding decree of registration and certificate of title pursuant to Sec. 39, Chapter IV, Presidential Decree 1529.

Furnish all parties concerned with a copy of this Decision.

SO ORDERED.¹⁰

The Republic, through the Office of the Solicitor General (OSG), then filed its Notice of Appeal¹¹ dated June 30, 2005. On appeal, the Republic

¹⁰ Id. at 102-103.

¹¹ Id. at 104.

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argued that SLDC failed to prove by well-nigh incontrovertible evidence that it has been in open, continuous, exclusive, and notorious occupation of the subject parcels of land since June 12, 1945 or earlier to establish its registrable title under Section 14(1) of P.D. No. 1529.¹²

The CA Ruling

In its assailed Decision, the CA affirmed the grant of SLDC's application for registration, albeit for a different ground. The CA held that the pieces of evidence presented by SLDC are insufficient to establish its claim of possession and occupation of the subject parcels of land since June 12, 1945 or earlier to make said lands eligible for registration under Section 14(1) of P.D. No. 1529. However, perusal of SLDC's application reveals that its claim of ownership over the subject lots comes within the purview of Section 14(2) of said law. Hence, the CA ruled that SLDC may still register the subject lands as the possessor may still register an alienable public land under Section 14(2) of P.D. No. 1529 despite its failure to prove possession thereof from June 12, 1945 or earlier as required by Section 14(1) thereof.¹³

Premised thereupon, the CA ruled that SLDC was able to establish its registrable title under Section 14(2) considering that it was able to prove possession for more than 30 years through its predecessors-in-interest, and that it was undisputed that the subject lots are alienable and disposable lands. The CA, disposed, thus:

WHEREFORE, premises considered, the instant appeal is DENIED on the ground that the application for confirmation and registration of title over Lots Nos. 1 and 2 of the Consolidated Plan Ccs-07-000666 filed by [petitioner] San Lorenzo Development Corporation may be granted under Section 14(2) of Presidential Decree No. 1529 or the Property Registration Decree. The Decision dated June 14, 2005 of the Regional Trial Court, Branch 55, Mandaue City, in LRC Case No. N-577, LRA Record no. N-70522, is AFFIRMED.

SO ORDERED.

The Republic moved for the reconsideration of said Decision, arguing, among others, that even under Section 14(2), SLDC's application must still be denied on the ground that it failed to prove that the subject parcels of land have been converted from alienable lands of public domain to private lands. The Republic also argued that SLDC likewise failed to prove possession and occupation of the subject lands in the manner required by law.

In its Resolution dated September 17, 2015, the CA denied the Republic's motion for reconsideration, reiterating its ruling that the subject parcels of land were already converted into private properties through the

¹² Id. at 120.

¹³ Id. at 49.

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continuous and exclusive possession of SLDC and its predecessors-in-interest for more than 30 years, thereby making said lots susceptible to prescription. The CA ruled:

WHEREFORE, the motion for reconsideration filed by the Republic of the Philippines is DENIED for lack of merit.

SO ORDERED.¹⁴

Hence, this petition, wherein the Republic argues that the CA erred in treating SLDC's application as one pursued under Section 14(2) of P.D. No. 1529 when the RTC's grant thereof was based on Section 14(1). Under Section 14(1), the Republic posits that SLDC failed to prove that it and its predecessors-in-interest have been in open, continuous, exclusive, and notorious possession of the subject lots since June 12, 1945 or earlier in the concept of an owner. Hence, the courts *a quo* erred in granting the application. Further, the Republic argues that even if Section 14(2) is the basis of the application, the same should still fail as the period for acquisitive prescription could not have begun as SLDC failed to prove that there has been an express declaration by the State that the subject lots have been converted into a patrimonial property.

In its Comment,¹⁵ SLDC emphatically points out that its application for registration is based on Section 14(2) of P.D. No. 1529, *not* Section 14(1); and that it was only the RTC which cited Section 14(1) as the applicable provision. SLDC also maintains that it has established its claim of continuous and adverse possession and occupation of the subject lots for more than 30 years as required under Section 14(2), in relation to the Civil Code. SLDC also argues that it was sufficiently established that the subject lots are alienable and disposable lands. In fact, the Republic did not dispute such fact. For SLDC, the CA did not err in ruling that the open, continuous, exclusive, and notorious possession of at least 30 years *ipso jure* converted an alienable public land into private property.

The Issue

Did the CA err in granting SLDC's application under Section 14(2) of P.D. No. 1529?

The Court's Ruling

Preliminarily, by virtue of the SLDC's emphatic assertion that its application was based on Section 14(2) of P.D. No. 1529 and *not* Section 14(1) thereof, the reasonable conclusion is that its claim of having acquired

¹⁴ Id. at 61.

¹⁵ Id. at 177-183.

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an imperfect title over the subject properties is premised on its supposed compliance with the requirements of Section 14(2), which states:

SEC. 14. *Who may apply.* – The following persons may file in the proper Court of First Instance an application for registration of title to land, whether personally or through their duly authorized representatives:

x x x x

(2) Those who have acquired ownership of private lands by prescription under the provisions of existing laws.

At any rate, as in any manner of acquisition for land registration, the applicant must primarily prove that the land sought to be registered is alienable and disposable land of the public domain. This is because, by virtue of the Regalian Doctrine, lands which do not clearly appear to be within private ownership are presumed to belong to the State. To overcome such presumption, the applicant must prove by clear and incontrovertible evidence that the land has been classified as alienable and disposable land of the public domain.¹⁶

Section 3, Article XII of the 1987 Constitution classifies the lands of public domain as follows: (1) agricultural, (2) forest or timber, (3) mineral lands, and (4) national parks. Of these four, only agricultural lands may be alienated and disposed of by the State.¹⁷ In *Republic of the Philippines v. T.A.N Properties, Inc.*,¹⁸ the Court ruled that it is not enough for the CENRO or the Provincial Environment and Natural Resources (PENRO) to certify that the land applied for is alienable and disposable. The Court has consistently ruled that the applicant must present a copy of the original classification approved by the DENR Secretary and certified as a true copy of the original land classification approved by the legal custodian of such official records to establish that the land for registration is alienable and disposable. In ruling in this wise, the Court explained that the CENRO or the PENRO are not the official repository or legal custodian of the issuances of the DENR Secretary declaring public lands as alienable and disposable. As such, the certifications they issue relating to the character of the land cannot be considered *prima facie* evidence of the facts stated therein.¹⁹

In this case, the required copy of original land classification of the subject lands was not presented. Both the RTC and the CA merely relied on the Certifications issued by the CENRO and the Regional Technical Director of the Lands Management Services of the DENR in ruling that the alienable

¹⁶ *In Re: Application for Land Registration, Dumo v. Republic of the Philippines*, G.R. No. 218269, June 6, 2018.

¹⁷ *Id.*

¹⁸ 578 Phil. 441 (2008).

¹⁹ *Republic of the Philippines v. Bautista*, G.R. No. 211664, November 12, 2018.

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and disposable nature of the subject lands was established. Clearly, this is not sufficient to prove the alienability and disposability of the subject lands.

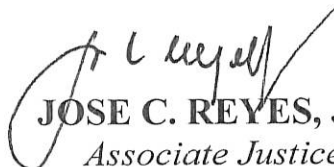
Further, contrary to SLDC's contention, the fact that the alienable and disposable nature of the subject lands was not contested by the Republic in its appeal before the CA, does not have the effect of impliedly admitting, much less proving, that the subject lands are alienable and disposable. The alienability and disposability of land are not among the matters that can be established by mere admissions or even by mere agreement of the parties. The law and jurisprudence provide stringent requirements to prove such fact. This is so because no less than the Constitution,²⁰ provides for the doctrine that all lands of the public domain belong to the State, which is the source of any asserted right to ownership of land. As such, the courts are not only empowered, but in fact duty-bound, to ensure that such ownership of the State is duly protected by the proper observance of the rules and requirements on land registration.²¹

It bears stressing, thus, that the alienable and disposable character of the land must be proven by clear and incontrovertible evidence to overcome the presumption of State ownership of the lands of public domain under the Regalian doctrine. Again, the burden of proof in overcoming such presumption is upon the person applying for registration.²²

As SLDC, in this case, evidently failed to discharge such burden and thus failed to comply with the primary requisite of proving the alienability and disposability of the subject lands, this Court finds no necessity to belabor on the other requirements for registration under Article 14(2) of P.D. No. 1529.

WHEREFORE, the instant Petition is **GRANTED**. The assailed Decision and Resolution of the Court of Appeals - Cebu dated July 31, 2014 and September 17, 2015 in CA-G.R. CV No. 01023 are hereby **REVERSED and SET ASIDE**. Accordingly, the San Lorenzo Development Corporation's application for land registration is hereby **DENIED** for lack of merit.

SO ORDERED.



JOSE C. REYES, JR.
Associate Justice

²⁰ THE 1987 CONSTITUTION, Article XII, Section 2.

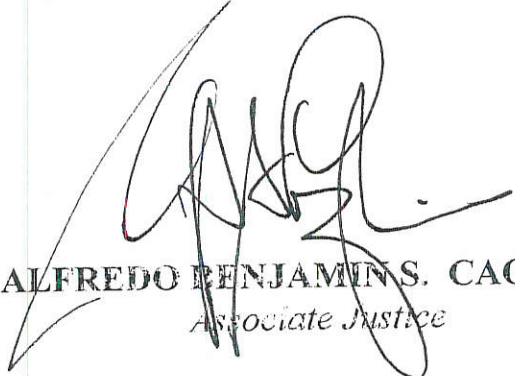
²¹ *Republic of the Philippines v. Medida*, G.R. No. 195097, 692 Phil. 454, 468 (2012).

²² *In Re: Application for Land Registration, Dumo v. Republic of the Philippines*, supra note 16.

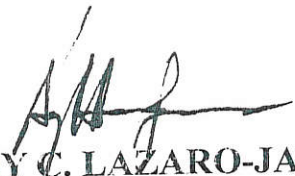
WE CONCUR:



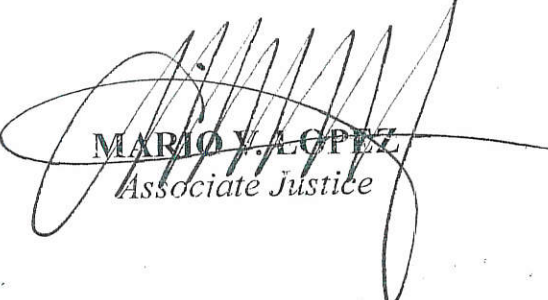
DIOSDADO M. PERALTA
Chief Justice



ALFREDO BENJAMINS S. CAGUIOA
Associate Justice



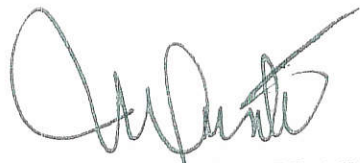
AMY C. LAZARO-JAVIER
Associate Justice



MARIO V. LOPEZ
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's Division.



DIOSDADO M. PERALTA
Chief Justice

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