326 Phil. 231

THIRD DIVISION

[G.R. No. 117247, April 12, 1996]

MANUEL I. RAMIREZ, PETITIONER, VS. COURT OF APPEALS AND ESMERALDO PONCE, RESPONDENTS.

D E C I S I O N

PANGANIBAN, J.:

Does the judgment in a land registration case *denying* the application filed in court in 1957 by the parents of the herein petitioner for the registration of land allegedly formed by alluvial deposits, which judgment was eventually affirmed by the Court of Appeals in 1968 and became final, constitute *res judicata* as to bar a subsequent application by the herein petitioner to register the same property?

This is the question tackled by this Court in the instant petition for review on certiorari assailing the Decision[1] dated September 6, 1994 of the respondent Court[2] in CA-G.R. SP No. 33735, and the subsequent Resolution[3] denying petitioner's motion for reconsideration.

By a Resolution dated October 23, 1995, the First Division of this Court transferred the instant case to the Third. After careful deliberation on the submissions of the parties, this case was assigned to the undersigned ponente, who assumed his position as a member of the Court on October 10, 1995, for the writing of the herein Decision.

Antecedent Facts

In August, 1929, the Supreme Court rendered a decision in *Government of the Phil. Islands vs. Colegio de San Jose,*[4] declaring that two parcels of land bordering on Laguna de Bay and identified as Lots 1 and 2 form an integral part of the Hacienda de San Pedro Tunasan belonging to the Colegio de San Jose. Ten years later, the Colegio de San Jose sold the said two lots, together with an adjoining unregistered land, to the Government. The three parcels of land acquired by the Government became known as the Tunasan Homesite. The Rural Progress Administration (RPA), which was charged with the administration and disposition of the homesite, caused the subdivision thereof into small lots for the purpose of selling them to bona fide occupants.

In December, 1940, Lot 17, Block 78 of the Tunasan Homesite, which was part of Lot 2, and containing an area of 5,158 square meters, was sold by the RPA to Apolonio Diaz. In May, 1948, Lot 19 of the same homesite, which was also a part of Lot 2, with an area of 1,170 square meters, was acquired by Apolonio Diaz, although his son Pastor Diaz was made to appear as the vendee. In January, 1955, the heirs of Apolonio Diaz transferred their rights to both Lots 17 and 19 to Marta

Ygonia, wife of Arcadio Ramirez (said spouses being the parents of herein petitioner), who paid the balance of the purchase price for the lots. The Secretary of Agriculture and Natural Resources approved the deeds of transfer of rights executed by the heirs of Apolonio Diaz, and in July, 1958, the Land Tenure Administration executed a deed of sale in favor of Marta Ygonia over Lots 17 and 19.

An original application for registration was filed by spouses Marta Ygonia and Arcadio Ramirez (docketed as LRC Case No. B-46) with the then Court of First Instance of Laguna in May, 1957. It had for its subject matter a parcel of land on the eastern side of Lot 17, with an area of 11,055 square meters (later increased to 11,311 sq. meters), which was claimed by the applicants as an accretion to their land gradually formed by alluvial deposits.

The Director of Lands opposed the application on the grounds that the applicants did not possess sufficient title to the land sought to be registered, and that the land in question is a part of the public domain. Canuto Ponce (herein private respondent's predecessor) also filed an opposition claiming that the land applied for is foreshore land covered by a revocable permit granted to him in June 1956 by the Bureau of Lands. The Land Tenure Administration likewise opposed the application on behalf of the Republic of the Philippines, on the ground that, inasmuch as the Government was the previous owner of Lots 17 and 19, and considering that only the two lots - excluding the accretion - were sold to the predecessors of the applicant-spouses, the latter cannot claim ownership of the accretion and the same should be declared as part of the Government's patrimonial property.

The principal question raised, both in the lower court and on appeal before the Court of Appeals (in CA-G.R. No. 2893 8-R) was simply whether the accretion came into existence only in 1943, as the applicant-spouses claimed, or as far back as 1918, as maintained by the oppositors. As the appellate Court noted, resolution of said question rested on the credibility of witnesses presented. In its decision of October 31, 1960, the court *a quo* found for the oppositors, and denied the application for registration, holding that the accretion, based on preponderance of evidence, must have been gradual and dated back even before the acquisition of the Tunasan Homesite by the Government in 1939.

The appellate court upheld the findings of the lower court since the applicants-spouses failed to show any fact or circumstance of weight which was overlooked or misinterpreted by the trial court, and since the testimonies of the witnesses for the applicants-spouses were either not credible or else tended to support the oppositors' position instead. The appellate court further stated:

> "Considering that the Colegio de San Jose was the owner of Lot 2 (of which lots 17 and 19 are part) to which the accretion in question is contiguous, it follows that the Colegio de San Jose also became the owner of said accretion at the time of its formation. Neither the applicants nor their predecessors can lay a claim of ownership over the land because it is clear from the documents that the property sold by the Government to Apolonio Diaz which was in turn conveyed to the applicants (herein petitioner's parents) was just a little more than one-half hectare. True it is that the applicants tried to prove that the heirs of Apolonio Diaz verbally agreed with them to include the accretion in the

transfer deeds, but such oral evidence cannot prevail over the solemn recitals of the documents. Besides, the heirs of Apolonio Diaz cannot pretend to convey what did not belong to them.

"As a final attempt to have the land in dispute decreed in their names, the applicants claim that their possession of the land, tacked to that of their predecessors, is sufficient to vest title in them by acquisitive prescription. However, the evidence clearly demonstrates that from 1918 to 1940 it was Juan Ponce who was in possession of the land, and the possession of Canuto Ponce commenced from 1940 and extends up to the time this case was being tried. There is therefore no basis for the applicants' claim of acquisitive prescription."[5]

The decision of the Court of Appeals in the above case, promulgated on July 6, 1968, became final and executory for failure of the applicants-spouses (parents of herein petitioner) to appeal therefrom.

However, that was not to be the end of the story. Herein petitioner, as the buyer of Lots 17 and 19 from his parents, filed on May 17, 1989, in LRC Case No. B-526, before the Regional Trial Court of Laguna, Branch XXV, Biñan, Laguna,[6] an application for registration of the same land formed by accretion. After due publication, mailing and posting of notices, the petition was called for hearing.

Among petitioner's witnesses was Mario Lantican, chief of the Forest Engineering and Infrastructure Unit at Los Baños, Laguna, who testified that the function of said office is to know whether the property involved is alienable and disposable. He testified that he conducted an inspection to determine the status of the subject property and prepared a report to the effect that the land is indeed disposable.

The trial court also noted the following findings in its Order of May 13, 1991:

"The REPORT of the Community Environment and Natural Resources states that the parcel of land, after it has been inspected/investigated, was verified to be within the alienable and disposable land under the Land Certification Project No. 10-A of San Pedro, Laguna certified and declared as such on September 28, 1981 pursuant to the Forestry Administrative Order No. 4-1627 per BFIC Map No. 3004 (Exh. "T"). Likewise, (sic) the Director of the Land Management Bureau in its "COMPLIANCE WITH REPORT," dated December 12, 1990, states that the land applied for registration is not covered by any kind of public land application filed by third persons, nor by any patent issued by said office (Exh. "U")."[7]

Thereafter, the court *a quo,* considering the testimonial and documentary evidence on record, ruled that applicant (herein petitioner) possessed an imperfect title to the accretion, which could already be confirmed and registered, and ordered[8] registration and confirmation of title over the claimed accretion in favor of herein

petitioner, and issuance of a decree of registration. Pursuant to said order a decree of registration was eventually issued, followed by an original certificate of title.

It was only a matter of time before herein private respondent - son of the late Canuto Ponce - became aware of the situation. He filed a special civil action for certiorari on February 14, 1994 (which this Court referred to the Court of Appeals for appropriate action) seeking to annul the land decree issued in favor of petitioner and the judicial proceedings had in LRC Case No. B-526.

In its assailed Decision of September 6, 1994, the respondent Court upheld herein private respondent's contention that the judgment in LRC Case No. B-526 approving the application over the accretion was improper since the earlier application in Case No. B-46 had been denied, which denial, as previously affirmed by the respondent Court in CA-G.R. No. 28938-R, constituted *res judicata.* The respondent Court ratiocinated:

> "There is merit in petitioner's principal submission that res judicata had set in when private respondent applied for registration in 1989 over the same lot because of the previous rejection of the application of private respondent's parents in 1960.
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> "All of the requisites of res judicata x x x
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> xxx xxx xxx
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> are present which prevent private respondent from relitigating the same issue of registration of the identical lot. There is no question that the judgment in Case No. B-46 (p. 27, Rollo) became final after it was affirmed in CA-G.R. No. 28938-R on July 6, 1968 (p. 39, Rollo) which was not appealed. There is equally no doubt that Case No. B-46 was rendered by a court having jurisdiction over the same subject matter and parties. Moreover, there was, between Case No. B-46 and LRC Case No. B-526, identity of parties, of subject matter and parties (should be cause of action). The fact that private respondent was not a party in the first registration case (p. 88, Rollo) is of no moment because private respondent is a successor-in-interest of his parents who acquired the disputed lot by title in 1988 subsequent to the commencement of the first registration case in 1960 (Section 49[b], Rule 39, Revised Rules of Court). In fact, only substantial identity of parties is required (San Diego vs. Cardona, 70 Phil. 281; 2 Martin, Rules of Court, 1982 Ed., p. 425).
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> Similarly, there is identity of subject matter from a mere perusal of Case No. B-46 (p. 13, Rollo) and Case No. B-526 (p. 48, Rollo) which refer to the same property consisting of 11,311 sq.m. Lastly, there is no dispute that identity of causes of action between Case No. B-46 and Case No. B-526 exist since they both sought registration of the land formed by alluvial deposits." (CA Decision, p. 5; Rollo, p. 36.)