

## THIRD DIVISION

[ G.R. No. 237514, February 10, 2021 ]

**HELEN M. ALBERTO, PETITIONER, VS. SPOUSES NICASIO FLORES, JR. AND PERLITA FLORES, RESPONDENTS. D E C I S I O N**

**DELOS SANTOS, J.:**

### **The Case**

This is a Petition<sup>[1]</sup> for Review on *Certiorari* under Rule 45 of the Rules of Court, assailing the Decision<sup>[2]</sup> of the Court of Appeals (CA) dated August 22, 2017 and its Resolution<sup>[3]</sup> dated February 14, 2018 in CA-G.R. CV No. 106012. The CA reversed the Decision<sup>[4]</sup> of the Regional Trial Court (RTC) of Guagua, Pampanga, Branch 52 dated October 29, 2015, which granted Helen M. Alberto (petitioner) and her siblings Aurora M. Dabu and Corazon M. Maninang's (collectively, the Malits) action for cancellation of Free Patent No. 035408-09-1197 and the *Katibayan ng Orihinal naTitulo Blg.* 14447 issued in the names of respondent spouses Nicasio Flores, Jr. (Nicasio Jr.) and Perlita Flores (respondents).

### **The Factual Antecedents**

On August 25, 2009, the Malits filed a complaint for cancellation and declaration of nullity of Free Patent No. 035408-09-1197 and *Katibayan ng Orihinal naTitulo Blg.* 14447, covering Lot No. 1298 of the Lubao Cadastre, claiming that these were procured by respondents through fraud. The Malits alleged that they are the exclusive owners in fee simple of Lot No. 1298 of the Lubao Cadastre, containing an area of 5,018 square meters, more or less, situated in San Roque Arbol, Lubao, Pampanga. The Malits acquired ownership of the subject land through inheritance from their mother, Barbara Vitug, in whose name it was surveyed when the Municipality of Lubao, Pampanga was cadastrally surveyed between the years 1932 and 1935. The Malits' title over the subject land was confirmed by the then Court of First Instance of Pampanga, Fifth Judicial District, First Branch in a Decision dated October 28, 1959, entitled "*The Director of Lands, Petitioner, v. Orlando, Helen, Manuel, [Corazon], and Aurora, all surnamed Malit, Claimants,*" in Cadastral Case No. 40, LRC Cadastral Records No. 1693 of the Lubao Cadastre, involving Lots No. 665, 666, 667 and 1298 of the Lubao Cadastre. Since then, Lot No. 1298 has been declared for taxation purposes as shown in the known available Tax Declaration No. 9247 issued in June 1973 in the names of Orlando Malit (Orlando) and Manuel Malit (Manuel). Thereafter, petitioner's siblings, Orlando and Manuel, sold their shares and interests in the properties by virtue of a Deed of Absolute Sale dated March 1, 1988, hence, they were not included in this case.<sup>[5]</sup>

According to petitioner, Lot No. 1298 was the subject of a tenancy relationship with Nicasio Flores, Sr. (Nicasio Sr.), and thereafter by Nicasio Jr., as their agricultural

lessees. However, sometime in May 2008, respondents applied for a free patent over Lot No. 1298, which was given due course by the Community Environment and Natural Resources Office (CENRO). On January 21, 2009, respondents were issued Free Patent No. 035408-09-1197, which was then approved by the Provincial Environment and Natural Resources Office (PENRO). Subsequently, the Registry of Deeds of Pampanga issued the *Katibayan ng Orihinal naTitulo Blg. 14447*<sup>[6]</sup> in the names of respondents.<sup>[7]</sup>

Petitioner contended that the October 28, 1959 Decision effectively classified Lot No. 1298 as private land, hence, it is no longer a public alienable land. Consequently, the CENRO and the PENRO did not have jurisdiction over the same when they gave due course to respondents' application and issued Free Patent No. 035408-09-1197.<sup>[8]</sup> Petitioner, likewise, averred that Nicasio Jr. and his father, Nicasio Sr. have recognized the ownership of the Malits in the subject land as they have been occupying the same in their capacity as tenants/lessees and remitting rentals to the Malits. Thus, they cannot claim to have occupied and possessed the land for more than 30 years in the concept of an owner to justify their application to a free patent title.<sup>[9]</sup> In their Answer, respondents averred that they are qualified to the grant of the free patent in accordance with law for having been in continuous, uninterrupted, open, and adverse cultivation and possession in the concept of owner of Lot No. 1298.<sup>[10]</sup>

### **The Ruling of the RTC**

On October 29, 2015, the RTC rendered a Decision<sup>[11]</sup> in favor of the Malits, the dispositive portion of which reads:

WHEREFORE, this court hereby (a) declares as null and void Free Patent No. 035408-09-1197 and the *Katibayan ng Orihinal naTitulo Blg. 14447* in the names of Nicasio Flores, Jr. and Perlita Flores; and (b) orders the Register of Deeds of Pampanga to cancel said title in its records.

SO ORDERED.<sup>[12]</sup>

The RTC held that the Malits were able to prove that there was fraud in the procurement of the free patent and sustained the Malits' contention that the free patent and the corresponding title issued to the respondents were therefore void.<sup>[13]</sup> Conversely, the RTC found that respondents failed to show that the issuance of the free patent was made in accordance with the procedure laid down under the Public Land Act. Moreover, the RTC pointed out that respondents applied for the free patent over Lot No. 1298 while the same was subject of a tenancy or leasehold relationship in which Nicasio Jr. was the agricultural lessee. It also found that the Malits' title over the land was already confirmed in the October 28, 1959 Decision. According to the RTC, the foregoing badges of fraud successfully impugned the validity of the certificate of title.<sup>[14]</sup> The RTC further noted that respondents failed to prove that they and their predecessors-in-interest have been in continuous, uninterrupted, open, and adverse cultivation and possession in the concept of owner of the subject land.<sup>[15]</sup>

## **The Ruling of the CA**

On August 22, 2017, the CA rendered a Decision<sup>[16]</sup> reversing the RTC Decision, the dispositive portion of which reads:

WHEREFORE, premises considered, the Appeal filed by the defendants-appellants is GRANTED. The Decision dated October 29, 2015 rendered by the Regional Trial Court, Branch 52, Guagua, Pampanga, is hereby REVERSED and SET ASIDE. Accordingly, the Free Patent 035408-1019 and [*Katibayan ng Orihinal na Titulo Blg.*] 14447 remain to be valid and subsisting. SO ORDERED.<sup>[17]</sup> (Citation omitted)

The CA held that the Malits failed to prove by clear and convincing evidence that the procurement of free patent by respondents was attended by fraud. Thus, the Malits failed to overthrow the presumption of regularity in the processing and granting of the *Katibayan ng Orihinal na Titulo Blg.* 14447 issued under the Land Registration Act.<sup>[18]</sup> The CA further posited that while the Malits have presented the December 28, 1959 Decision confirming their ownership of Lot No. 1298, they, nevertheless, failed to show that the land was registered under the Torrens System.<sup>[19]</sup> Moreover, the CA explicated that the Malits' failure to assert their right for an unreasonable and unexplained length of time warranted the presumption that they have either abandoned or declined to assert it based on the grounds of public policy, which requires the discouragement of stale claims for the peace of society.<sup>[20]</sup> Not amenable to the ruling of the CA, petitioner herein brought the instant petition before the Court.

## **The Issues**

- I. Whether the CA erred in ruling that the Malits failed to prove the existence of fraud in respondents' application for free patent.
- II. Whether the CA erred in applying the doctrine of laches against the Malits' claim.<sup>[21]</sup>

Petitioner alleges that there was fraud in the procurement by respondents of the free patent. She claims there was no evidence shown by respondents that the issuance of the free patent was made in accordance with the procedure laid down in Commonwealth Act No. 141, or that an investigation was conducted in accordance with Commonwealth Act No. 141. Neither was there sufficient notice made to the municipality and the barrio where the subject land is located in order to give the adverse claimants the opportunity to present their claims.<sup>[22]</sup> Petitioner further asserts that the presumption of regularity in the performance of duty or official functions does not apply in this case since Lot No. 1298 had ceased to become public alienable land, hence, not within the jurisdiction of the CENRO for issuance of free patents <sup>[23]</sup> According to petitioner, the issuance of the free patent to respondents is null and void not only as to the existence of fraud in their application, but more so due to the fact that Lot No. 1298 is no longer under the jurisdiction of the Bureau of Lands. Hence, being null and void, Free Patent No. 035408-09-1197 and the *Katibayan ng Orihinal na Titulo Blg.* 14447 produce no legal effect. Petitioner likewise avers that neither laches nor the statute of limitations applies to land registration cases. Thus, considering that the October 28, 1959 Decision had become final and executory, no further proceeding to enforce the Malits ownership

was necessary on their part<sup>[24]</sup> On the other hand, respondents contend that the petition must be denied since the factual findings of the CA are binding and conclusive upon this Court and may not be reviewed on appeal when supported by substantial evidence, such as in this case.

### **The Ruling of the Court**

The Petition is impressed with merit. At the outset, it is true that, as a general rule, petitions under Rule 45 of the Rules of Court should only raise questions of law. The reason behind this is that this Court is not a trier of facts and will not re-examine and reevaluate the evidence on record. Factual findings of the CA, affirming that of the trial court, are therefore generally final and conclusive on this Court. However, this rule is subject to the following exceptions:

- (1) the conclusion is grounded on speculations, surmises, or conjectures;
- (2) the inference is manifestly mistaken, absurd or impossible; (3) there is grave abuse of discretion; (4) the judgment is based on a misapprehension of facts; (5) the findings of fact are conflicting; (6) there is no citation of specific evidence on which the factual findings are based; (7) the findings of absence of fact are contradicted by the presence of evidence on record; (8) the findings of the CA are contrary to those of the trial court; (9) the CA manifestly overlooked certain relevant and undisputed facts that, if properly considered, would justify a different conclusion; (10) the findings of the CA are beyond the issues of the case; and (11) such findings are contrary to the admissions of both parties.<sup>[25]</sup>

In this case, the rulings of the RTC and the CA are contradictory in the first place. More importantly, the CA manifestly overlooked undisputed facts, the consideration of which, call for a different conclusion in the present controversy.

***In an action for declaration of nullity of free patent and certificate of title on the ground of ownership of complainant, the nullity arises strictly not from the fraud or deceit, but from the fact that the land is beyond the jurisdiction of the Bureau of Lands (now Land Management Bureau) and whatever patent or certificate of title obtained therefor is consequently void ab initio.***<sup>[26]</sup>

In this case, petitioner sought the nullification of the free patent and certificate of title issued to respondents on the strength of the October 28, 1959 Decision<sup>[27]</sup> in Cadastral Case No. 40, LRC Cad. Rec. No. 1693, declaring the Malits as owners of the subject land, among others, and ordering the registration of the same in their name. In the aforesaid Decision, the Court of First Instance of Pampanga, Fifth Judicial District, First Branch held, thus:

Lots Nos. 665, 666, 667 and **1298** of the Lubao Cadastre not being contested, the claimants were allowed to present their evidence in

support of their claim thereon, which they did on October 26, 1959.

From the evidence adduced, it appears that **Orlando, Helen, Manuel, Corazon and Aurora, all surnamed Malit are the owners of the aforesaid lots for having inherited them from their mother Barbara Vitug** who died on October 22, 1946, who, in turn, inherited said lots from her parents Anastacio Vitug and Marta Lingad; **and that their possession thereon, coupled with that of their predecessors in interest, has been open, peaceful, public, continuous and adverse in concept of ownership for more than thirty (30) years.**

WHEREFORE, the court, confirming the claimants' title to Lots Nos. 665, 666, 667 and **1298** of the Lubao Cadastre, **hereby orders that they be registered in the names of Orlando Malit, of legal age, married to Delfina Beltran; Helen Malit, of legal age, single; Manuel Malit, of legal age, married to Leonida Ortiz Sy; Corazon Malit, 20 years, single; and Aurora Malit, 18 years old, single, all Filipino citizens, residents of, and with postal address [in] Lubao, Pampanga, share and share alike as their private property.** Once this decision becomes final, let the corresponding decree issue.<sup>[28]</sup> (Emphases supplied)

Accordingly, an Order for the Issuance of Decrees in Cadastral Cases<sup>[29]</sup> dated May 17, 1969 was issued by Judge Arsenio Santos of the Court of First Instance of Pampanga, Fifth Judicial District, directing the Commissioner of Land Registration to issue the corresponding decree for Lot Nos. 665, 666, 667, and **1298**, considering that the October 28, 1959 Decision had become final. It is worthy to note that respondents did not refute the existence of the said Decision, or that it has attained finality. In *De la Merced v. Court of Appeals*,<sup>[30]</sup> the Court elucidated on when title to the land in a cadastral proceeding is vested, thus:

After trial in a cadastral case, three actions are taken. The first adjudicates ownership in favor of one of the claimants. This constitutes the decision — the judgment — the decree of the court, and speaks in a judicial manner. The second action is the declaration by the court that the decree is final and its order for the issuance of the certificates of title by the Chief of the Land Registration Office. Such order is made if within thirty days from the date of receipt of a copy of the decision no appeal is taken from the decision. This again is judicial action, although to a less degree than the first.

The third and last action devolves upon the General Land Registration Office. This office has been instituted "for the due effectuation and accomplishment of the laws relative to the registration of land." (Administrative Code of 1917, sec. 174.)

The judgment in a cadastral survey, including the rendition of the decree, is a judicial act. As the law says, the judicial decree when final is the base of the certificate of title. The issuance of the decree by the Land Registration Office is a ministerial act. The date of the title prepared by the Chief Surveyor is unimportant, for the adjudication has taken place and all that is left to be performed is the mere formulation of technical