

## SECOND DIVISION

[ G.R. No. 201655, August 24, 2020 ]

**APOLINARIO VALDEZ, AMANDA ESPIRITU, AQUILINA HERNANDEZ, AND SALVADOR PETINES, REPRESENTED BY THEIR HEIRS AND/OR SUCCESSORS-IN-INTEREST, PETITIONERS, VS. HEIRS OF ANTERO CATABAS, RESPONDENTS.**

### DECISION

**HERNANDO, J.:**

Challenged in this Petition [for Review] on *Certiorari*<sup>[1]</sup> is the April 19, 2011 Decision<sup>[2]</sup> and March 30, 2012 Resolution<sup>[3]</sup> of the Court of Appeals (CA) in CA-G.R. SP No. 104307 which denied the Petition for Review under Rule 43 filed by herein petitioners Apolinario Valdez (Apolinario), Amanda Espiritu (Amanda), Aquilina Hernandez (Aquilina), and Salvador Petines (Salvador), together with Arcadia Gaddi (Arcadia), Angel Gaddi (Angel), Luis Gaddi (Luis), and Lina Gaddi (Lina), represented by their heirs and/or successors-in-interest. Consequently, the CA affirmed the May 18, 1998 Decision<sup>[4]</sup> and May 29, 2008 Resolution<sup>[5]</sup> of the Office of the President (OP) in O.P. Case No. 97-8068 which confirmed Antero Catabas' (Antero) vested right over Lot No. 4967-C, Cad-211, located in Victory Norte, Santiago, Isabela, based on his valid and subsisting Free Patent Application No. V-8500.

### The Antecedents

On September 8, 1949, Antero filed Free Patent Application (FPA) No. V-8500<sup>[6]</sup> for Lot No. 4967.<sup>[7]</sup> Pursuant to Proclamation No. 427 dated November 7, 1931, Lot No. 4967 was subdivided into three (3) lots. Lot Nos. 4967-A and 4967-B were reserved for public purposes, particularly road and market site. Hence, on September 15, 1952<sup>[8]</sup> Antero amended his application to cover only Lot No. 4967-C.<sup>[9]</sup>

Thereafter, Cadastral Subdivision Survey No. 167 was conducted pursuant to Proclamation No. 247<sup>[10]</sup> dated January 19, 1956 further subdividing Lot No. 4967-C to several lots for disposition to qualified claimants.

Meanwhile, Antero's free patent application was recommended for approval by Assistant Public Land Inspector Tomas Cruz and was forwarded to the Central Office of the Bureau of Lands on September 24, 1952.<sup>[11]</sup> The recommendation for approval was received by the Director of Lands on October 7, 1952, who ordered the posting of the notices of Antero's free patent application in different conspicuous places<sup>[12]</sup>.

The controversy arose when herein petitioners Apolinario, Amanda, and Aquilina,

together with Maria Dolores Valdez (Maria Dolores) and Evangeline Franco (Evangeline), filed sales patent applications over Lot Nos. 316, 317, 500, 501-B, 498, 502, and 505. Similarly, petitioner Salvador, together with Sofia Barrera and Laureana Bergonia, Lina, Cresencio Andungo, Artemio Valdez, Antonio Valdez, Estrella Lachica (Estrella) and Alexander Valdez (Alexander) filed their respective claims over Lot Nos. 315, 318, 501, 499, 506, 507, 510, and 511, which lots originally formed part of Lot No. 4967-C and were included in the FPA No. V-8500 filed by Antero.

Hence, herein respondents heirs of Catabas filed a protest against the sales patent applications and other claims of petitioners and other claimants over Lot No. 4967-C. The heirs of Catabas alleged that the lots in question were covered by a subsisting free patent application filed by Antero who acquired a vested right over it by reason of his early possession since 1929 as evidenced by Tax Declaration No. 12942 dated February 15, 1929 and Tax Declaration No. 13666 dated October 1, 1930 and the corresponding payments of the real estate taxes ever since.

Respondents further averred that the case of *Municipality of Santiago, Isabela vs. Court of Appeals*<sup>[13]</sup> already confirmed their possession and claim over the lots in dispute when it recognized that Antero filed his Answer during the cadastral proceedings conducted for the Municipality of Santiago, Isabela to record his claim on Lot No. 4967 while another claimant, Eulalio Bayaua (Bayaua), petitioners' predecessor-in-interest, did not file any Answer thereto. Although a free patent is yet to be issued to Antero, respondents claimed that Antero already acquired a vested right over Lot No. 4967-C since FPA No. V-8500 was never canceled by the proper authority.

On the other hand, petitioner Apolinario together with Maria Dolores, Evangeline, and Artemio, claimed that in 1953, Maria Dolores and Artemio bought from a certain Maria Cavinian (Cavinian), the surviving spouse of Bayaua, a portion of 3,500 square meters of Lot No. 4967 and Lot No. 8000, Cad-211.

Thereafter, in 1957, pursuant to Proclamation No. 247 dated January 19, 1956, the Bureau of Lands subdivided Lot Nos. 1 and 4967 of Santiago Cadastre into small residential lots, which included that portion of Lot Nos. 4967 and 8000 bought by the Valdezes from Cavinian in 1953. These became Lot Nos. 502, 505, 506, 507, 508, 509 and 510, Ccs-167. Later on, Maria Dolores ceded and transferred the other lots to Evangeline, Estrella and Alexander.

Consequently, miscellaneous sales patent applications were approved in 1984 by the Bureau of Lands in favor of Arcadia over Lot No. 316, Luis over Lot No. 317, petitioner Apolinario over Lot No. 500, petitioner Amanda over Lot No. 501-B, petitioner Aquilina over Lot No. 498, Maria Dolores over Lot No. 502 and Evangeline over Lot No. 505. In addition, Lina likewise filed a sales patent application with the Bureau of Lands over Lot No. 318, Ccs-167 which she bought from a certain Rumeriano de la Cruz in March 1978.

On July 13, 1988, Land Investigator Luis V. Salatan, Sr. (Salatan) was assigned by the Bureau of Lands to investigate the respective claims of the parties over Lot No. 4967-C. Salatan then recommended the dismissal of respondents' protest on the following grounds: (a) Antero's failure to formally oppose the exclusion of that portion of Lot No. 4967 which was petitioned by the VICAROS Homeowners

Association as per Proclamation No. 247 dated January 19, 1956 from the operation of Proclamation No. 427 dated May 24, 1949 which allocated the area for disposition to qualified claimants; and (b) Antero's failure to protest to protect his rights and interests over the subject property when a subdivision survey was conducted in the area.<sup>[14]</sup>

***Ruling of the Regional Executive Director (RED), Region II and the Secretary of the Department of Environment and Natural Resources (DENR):***

Despite the recommendation of Land Investigator Salatan, the RED of DENR Region II, Tuguegarao, Cagayan, in an Order dated February 4, 1991,<sup>[15]</sup> gave due course to respondents' protest. The RED-DENR Region II found the issuance of petitioners' sales patent to be premature, illegal, fraudulent and their possession over the subject lots characterized by bad faith considering that their sales patents were issued while Antero's application was still subsisting. The RED then ordered the reversion of the lots covered by the sales patents issued to some of the petitioners subject to the rights of the respondents, and the dismissal of the other claims.

Petitioners filed a motion for reconsideration which was however denied.<sup>[16]</sup> Thus, they elevated their case to the Secretary of the DENR who affirmed the ruling of the RED. <sup>[17]</sup>

***Ruling of the Office of the President:***

Thereafter, petitioners appealed to the OP which consequently dismissed their appeal in its May 18, 1998 Decision.<sup>[18]</sup> The OP found that Antero's FPA No. V-8500 had already met all the requirements for the issuance of a free patent. Hence, Antero already obtained vested rights over the subject property and can be regarded as the equitable owner thereof. Even without a patent, Antero's right over the subject property is beyond question as all the requirements under the law had already been accomplished. The OP ratiocinated in this wise:

One of the issues which has to be resolved in this appeal is who between the parties have a better or prior right to the lots in controversy based on the evidence presented. From the above recital, it is uncontroverted that appellants only began to assert their respective claims over the disputed lots sometime after the execution of the subdivision survey CCs-167 in 1953. Subsisting and still being considered and acted upon at the time was Free Patent Application No. V-8500 of Antero Catabas over the disputed portions of Lot No. 4967-C, Cad-211. This application was never denied or disapproved by the then Bureau of Lands and therefore, should have been given preferential attention in the processing of the claims over the lots in question. The prior rights of Antero Catabas over the lots has to be respected as it springs from his incipient and original settlement, occupation and sustained possession thereof in the concept of owner. Free Patent Application No. V-8500 of Antero Catabas still subsists in the records and is the same application that appellees are pursuing so that land patents may be issued to them.

The records preponderantly show that the free patent application of

Antero Catabas was acted upon by the different governing agencies concerned. Sometime in 1952, he was ordered by the then Bureau of Lands to amend his previous application to cover only portion "C" of Lot No. 4967, Cad-211 with an area of 0.3794 hectares, which he did per Free Patent Application No. V-8500 (Exhibit "D" for Appellees). Said application finds solace when the Director of Lands acknowledged the same by ordering that notices of the free patent application be posted in different conspicuous places. Thus, the actuation of the said official only implies recognition that the application of the late Antero Catabas was sufficient in form and substance and meets all the initial requirements for the issuance of free patent. This is buttressed by the action taken by Assitant Public Land Inspector Tomas Cruz who, as early as September 24, 1952, recommended the approval of the free patent application of Antero Catabas for portion "C" of Lot No. 4967.

x x x x

In the case at bar, it appears that the Free Patent Application No. V-8500 of Antero Catabas has already met the requirements for issuance of a free patent. The fact that the application was posted and subsequently recommended for approval implies that all the terms and conditions entitling him to a patent were already fixed and established and were no longer open to controversy. Hence, such interest or right over the lots had become vested and Antero Catabas, the predecessor-in-interest of herein appellees, is to be regarded as the equitable owner thereof. So that, even without a patent, where all the requirements under the law had already been accomplished, the right or interest of the applicant to have a patent issued in his favor is beyond question. <sup>[19]</sup>

Petitioners filed a motion for reconsideration but this was later denied by the OP in its May 29, 2008 Resolution<sup>[20]</sup>. Hence, they filed a petition for review under Rule 43 of the Rules of Court before the CA.

### ***Ruling of the Court of Appeals:***

On April 19, 2011, the CA rendered its Decision<sup>[21]</sup> denying for lack of merit the petition for review filed by petitioners together with Arcadia, Angel, Luis and Lina. The appellate court reasoned that the application of Antero should be given preference over the claims of petitioners. Clearly, Antero's FPA No. V-8500 has not been canceled until this time. Moreover, the CA noted that petitioners acquired their supposed right over the subject property from Cavinian, the widow of Bayaua, who had not filed an Answer in the cadastral proceedings conducted in 1939. The subsequent Answer filed by Bayaua in 1962 was also denied by the cadastral court.

Petitioners filed their motion for reconsideration which was denied by the appellate court in its March 30, 2012 Resolution<sup>[22]</sup>. Hence, petitioners filed this Petition [for Review on *Certiorari*] under Rule 45.

## **ISSUE**

Who between the parties have a superior right to the lots in controversy?

Petitioners argue that the findings of Land Investigator Salatan, specifically that (a) Antero failed to formally oppose or negate the exclusion of the subject property from the coverage of Proclamation No. 247 dated January 19, 1956; and (b) Antero failed to protect his right or interest over the subject property, support their position that Antero indeed waived his right therein. Moreover, Antero did not oppose the petition filed by VICAROS Homeowners Association under Proclamation No. 247 dated January 19, 1956 to exclude the subject property from the operation of Proclamation No. 427 for disposition by the Bureau of Lands to qualified claimants. In addition, Antero waived his right or interest over the subject property when he did not oppose the survey and subsequent distribution thereof to qualified claimants.

Furthermore, petitioners assert that the appellate court's reliance on *Balboa v. Farrales* (Balboa)<sup>[23]</sup> is misplaced in view of the ruling in *Quinsay v. Intermediate Appellate Court* (Quinsay),<sup>[24]</sup> that vested rights over the land subject of a homestead application can only be validly claimed by a claimant after approval by the Director of Lands of the final proof for a homestead patent. In this case, petitioners stressed that Antero's free patent application was never approved by the Bureau of Lands. Thus, he cannot be deemed to have acquired vested right over the subject property.

Lastly, petitioners argue that after the lapse of one year from the date of entry of the decree of registration, the certificate of title of the subject property became indefeasible and incontrovertible. However, the appellate court did not determine the issue of indefeasibility of petitioners' title over the subject property. Hence, petitioners pray that their respective titles over the subject property be confirmed.

On the other hand, respondents contend that preference should be accorded to Antero and his successors-in-interest over the sales patents issued to petitioners. They insist that the free patent application of Antero was filed prior to petitioners' sales patent applications and had already been approved. The only thing left to do is the ministerial issuance of the patent in favor of Antero.

Respondents further claim that the rulings in *Balboa* and *Quinsay* can actually be applied in the present case in favor of Antero as the latter acquired a vested right over the subject property based on his approved free patent application. Hence, the issuance of petitioners' titles was premature because there was a previous and subsisting free patent application filed by Antero ahead of herein petitioners and their predecessors-in-interest.

Furthermore, respondents argue that a void title confers no right. Antero's open, continuous, exclusive and notorious possession of the subject property is deemed to have ripened into acquisition by operation of law, that is, of a right to a government grant without the necessity of a certificate of title being issued. This right cannot be affected by the subsequent issuance of a free patent by the Director of Lands as the Public Land Law applies only to lands that are part of public domain and not to those which have already been segregated from the public domain.