

## SECOND DIVISION

[ G.R. No. 223822, October 16, 2019 ]

**REPUBLIC OF THE PHILIPPINES, REPRESENTED BY THE  
REGIONAL EXECUTIVE DIRECTOR, DEPARTMENT OF  
ENVIRONMENT AND NATURAL RESOURCES (DENR), REGIONAL  
OFFICE NO. III, PETITIONER, V. TANDUAY LUMBER, INC., VERBO  
REALTY AND DEVELOPMENT CORP., SPOUSES CLEMENTE AND  
MA. LOURDES GARCIA, JOHN MICHAEL H. ARTIENDA, SPOUSES  
TEODORO D.G. CHAN AND ANGELITA G. CHAN, LICERIO M.  
LIBUNAO, MARICRIS A. MELCHOR, MARICRIS C. ARMADO,  
WINSTON T. CAPATI AND THE REGISTER OF DEEDS OF  
BULACAN, RESPONDENTS.**

### DECISION

**CAGUIOA, J:**

Before the Court is a Petition for Review on *Certiorari*<sup>[1]</sup> (Petition) under Rule 45 of the Rules of Court assailing the Resolution<sup>[2]</sup> dated September 3, 2015 of the Regional Trial Court, Third Judicial Region, Branch 13, Malolos, Bulacan (RTC) in Civil Case No. 622-M-2014 (RTC Resolution), granting the Special and Affirmative Defenses of the respondents and dismissing the Complaint for Cancellation of Title/Reversion<sup>[3]</sup> on the grounds of equitable estoppel and laches, and the Resolution<sup>[4]</sup> dated March 4, 2016 of the RTC, denying the motion for reconsideration filed by the petitioner.

#### **The Facts and Antecedent Proceedings**

The facts, as culled from the RTC Resolution, are as follows:

4. By virtue of Free Patent (FP) No. (III-12) 17306 dated May 20, 1987, Original Certificate of Title (OCT) No. P-22-C was issued and registered on May 25, 1987, in the name of Epifania San Pedro. It covers Lot No. 3070, Cad-333 situated in San Juan, Balagtas, Bulacan with an area of 12,108 square meters.
5. After the death of Epifania San Pedro, Pelagio Francisco[,Sr.<sup>[5]</sup>] executed an Affidavit of Self Adjudication declaring that he was the sole surviving heir of the patentee. As a consequence thereof, OCT No. P-22-C was cancelled and Pelagio Francisco was issued Transfer Certificate of Title (TCT) No. T-7836 on October 25, 1990.
6. On December 3, 1990, Pelagio Francisco sold the subject property to defendant Tanduay Lumber. Thus, TCT No. T-7836 was cancelled and TCT No. P-8582 was issued in the name of Tanduay Lumber.

7. Defendant Tanduary Lumber thereafter caused the subdivision of the subject lot in[to] Lot Nos. 3070-A and 3070-B under Plan Psd-03-0778111, approved by the Land Management Service of the DENR, Regional Office No. III. Consequently, TCT No. T-24663 [P(M)<sup>[6]</sup>] was issued in the name of Nolasco R. Capati[, Sr.] covering Lot No. 3070-A[, by virtue of a Deed of Exchange wherein Lot No. 3070-A was exchanged with Lot No. 3069-B-1<sup>[7]</sup>, while TCT No. T-24664 [P(M)<sup>[8]</sup>] was issued in the name of Tanduary Lumber covering Lot No. 3070-B.

8. On February 4, 2003, Nolasco R. Capati[, Sr.] transferred Lot No. 3070-A to Winston T. Capati. Accordingly, TCT No. T-24663 [P(M)] was cancelled and in lieu thereof, TCT No. T-44191 [P(M)<sup>[9]</sup>] was issued in the name of Winston T. Capati.

9. Lot No. 3070-A was subsequently further subdivided into two (2) lots: Lot Nos. 3070-A-1 and 3070-A-2, under Subdivision Plan Psd-03-124704. Lot 3070-A-1 was registered under TCT No. T-55635 [P(M)<sup>[10]</sup>] in the name of Verbo Realty, [by virtue of a sale<sup>[11]</sup>] and Lot 3070-A-2 was registered under TCT No. T-55636 [P(M)<sup>[12]</sup>] in the name of Winston T. Capati.

10. Meanwhile, on December 31, 2002, Lot 3070-B was further subdivided into Lot Nos. 3070-B-1 to 3070-B-9, under Subdivision Plan Psd-03-125214. In a Deed of Conveyance dated July 8, 2003, Tanduary Lumber transferred Lot Nos. 3070-B-1, 3070-B-3, 3070-B-5 and 3070-B-6 in favor of Verbo Realty, which were registered under TCT Nos. T-50387 [P(M)<sup>[13]</sup>], T-50389 [P(M)<sup>[14]</sup>], T-50391 [P(M)<sup>[15]</sup>] and T-50392 [P(M)<sup>[16]</sup>], respectively. On the other hand, Lot Nos. 3070-B-2, 3070-B-4, 3070-B-7, 3070-B-8 and 3070-B-9 were registered in favor of Tanduary Lumber, under TCT Nos. T-50388 [P(M)<sup>[17]</sup>], T-50390 [P(M)<sup>[18]</sup>], T-50393 [P(M)<sup>[19]</sup>], T-50394 [P(M)<sup>[20]</sup>] and T-50395 [P(M)<sup>[21]</sup>], respectively.

11. Lot No. 3070-B-1 was sold to Spouses Clemente and Maria Lourdes Garcia. Thus, TCT No. T-64971 [P(M)<sup>[22]</sup>] was issued in their name[s].

12. Tanduary Lumber sold Lot No. 3070-B-2 to the Garcia spouses. This was accordingly registered under TCT No. T-54606 [P(M)<sup>[23]</sup>], issued in their name[s].

13. Lot No. 3070-B-4 was transferred to Jeffrey B. Miranda, who was accordingly issued TCT No. T-59827 [P(M)<sup>[24]</sup>]. Subsequently, Jeffrey B. Miranda sold the same to John Michael H. Artienda, as a result of which TCT No. T-59827 [P(M)] was cancelled and in lieu thereof, TCT No. T-75785 [P(M)<sup>[25]</sup>] was issued.

14. Lot No. 3070-B-5 was conveyed to Spouses Ruben and Amalia Nicolas, which was later on registered under TCT No. T-6348[6]<sup>[26]</sup> [P(M)<sup>[27]</sup>]. In turn, they sold the subject lot back to Verbo Realty. As a consequence of the transfer, TCT No. 040-2012008381 was issued in the name of Verbo Realty.

15. Lot No. 3070-B-6 was transferred to the Garcia spouses. This was registered under TCT No. T-54943 [P(M)<sup>[28]</sup>] in their name(s).

16. Lot No. 3070-B-7 was also transferred to the Garcia spouses. Accordingly, TCT No. T-52118 [P(M)<sup>[29]</sup>] was issued in their favor.

17. Lot No. 3070-B-8 was similarly conveyed to the Garcia spouses, as a result of which, TCT No. 60193 [P(M)<sup>[30]</sup>] was issued. Later, the Garcia spouses sold the subject lot to Spouses Teodoro and Angelita Chan. Thus, TCT No. T-66304 [P(M)<sup>[31]</sup>] was registered and issued in favor of the Chan spouses.

18. Lot No. 3070-B-9 was transferred to Licerio M. Libunao. Consequently, TCT No. T-54989 [P(M)<sup>[32]</sup>] was issued in his favor.

19. Meanwhile, under the Consolidation-Subdivision Plan Pcs-03-015689, the Garcia spouses caused the consolidation of Lot Nos. 3070-B-1, 3070-B-2, 3070-B-6 and 3070-B-7 with Lot Nos. 3083 and 3084-C. Accordingly, TCT Nos. 040-2011005318, 040-2011005319 and 040-2011005320 were issued in the name[s] of the Garcia spouses.

20. Later, the Garcia spouses sold the lots covered by TCT No. 040-201100[5319] and TCT No. 040-2011[00]5320 to Maricris A. Melchor and Maricris C. Armada, respectively. By virtue of the transfer, TCT Nos. 040-2011008933 and 040-2012005417 were respectively registered in their names.

21. In a letter dated January 31, 2011, [a certain] Arturo and Teresita Mendoza[, represented by their lawyer, Tabalingcos & Associates,<sup>[33]</sup> wrote the OSG a petition to request] the OSG to cause the cancellation of Patent No. P-22-C issued to Epifania San Pedro, and all subsisting derivative titles. They alleged that the patentee sold the lot covered by said patent within five (5) years from the issuance of the patent, in violation of the provisions of Commonwealth Act (C.A.) No. 141 or the Public Land Act.

22. On February 7, 2011, the OSG forwarded the letter-petition to the RED of the DENR Regional Office No. III and requested the conduct of the appropriate investigation.

23. After investigation, the RED of the DENR Regional Office No. III recommended the filing of a reversion suit since the alienation made by Pelagio Francisco in favor of Tanduary Lumber violated Sections 118, 121 and 122 of C.A. No. 141.

x x x x

[A Complaint for Cancellation of Title/Reversion dated August 31, 2014 was filed by the Republic of the Philippines, represented by the Regional Executive Director (RED), DENR, Regional Office No. III (the petitioner) against Tanduary Lumber, Inc., Verbo Realty and Development Corp., Spouses Clemente and Ma. Lourdes Garcia, John Michael H. Artienda, Spouses Teodoro D.G. Chan and Angelita G. Chan, Licerio M. Libunao,

Maricris A. Melchor, Maricris C. Armado and Winston T. Capati (the private respondents).<sup>[34]</sup>

After service of summons upon the [private respondents], except for Tanduay Lumber, Inc. (Tanduay) whose location is unknown as it is said to have closed, the [private respondents] submitted their respective answers with Counter-claim and Special and Affirmative Defenses on laches, estoppels and prescription.

On June 17, 2015, the [private respondents] adduced evidence in support of their special and affirmative defenses. After submission of the respective memoranda for the [private respondents], this incident was submitted for resolution. A late memorandum was filed by the government despite its Motion for Extension of time to do so x x x.<sup>[35]</sup>

The RTC issued a Resolution dated September 3, 2015, the dispositive portion of which states:

WHEREFORE, the Special and Affirmative Defenses of the Defendants are GRANTED.

Accordingly, this Complaint for Cancellation of Title and Reversion is DISMISSED on the grounds of equitable estoppels and laches.

SO ORDERED.<sup>[36]</sup>

The petitioner filed a motion for reconsideration, which was denied by the RTC in its Resolution dated March 4, 2016, the dispositive portion of which reads:

WHEREFORE, the Motion for Reconsideration is DENIED for lack of merit.

SO ORDERED.<sup>[37]</sup>

On May 23, 2016, the petitioner filed the instant Rule 45 Petition. Subsequently, the private respondents, except Tanduay Lumber, Inc., filed their comments.<sup>[38]</sup>

### ***Issue***

The singular issue raised in the Petition is: Whether the petitioner's complaint for reversion and cancellation of titles is barred by estoppel and laches.<sup>[39]</sup>

### ***The Court's Ruling***

The passage of Republic Act No. (RA) 11231<sup>[40]</sup> or the "Agricultural Free Patent Reform Act" has rendered this issue moot and academic.

Pursuant to *David v. Macapagal-Arroyo*,<sup>[41]</sup> a moot and academic case is one that ceases to present a justiciable controversy by virtue of supervening events so that a declaration thereon would have no practical use or value.<sup>[42]</sup>

Section 3 of RA 11231 provides:

SEC. 3. Agricultural public lands alienated or disposed in favor of qualified public land applicants under Section 44 of Commonwealth Act No. 141, as amended, shall not be subject to restrictions imposed under **Sections**