

SECOND DIVISION

[G.R. No. 200256, April 11, 2018]

REPUBLIC OF THE PHILIPPINES, PETITIONER, VS. NORTHERN CEMENT CORPORATION, RESPONDENT.

DECISION

CAGUIOA, J:

Before the Court is a Petition for Review^[1] on *Certiorari* under Rule 45 of the Rules of Court filed by petitioner Republic of the Philippines (Republic), assailing the Decision^[2] dated August 15, 2011 (assailed Decision) and Resolution^[3] dated January 13, 2012 (assailed Resolution) of the Court of Appeals (CA) Special Third Division in CA-G.R. CV No. 94172. The CA Special Third Division affirmed *in toto* the Decision^[4] of the Regional Trial Court (RTC) of Urdaneta City, Pangasinan (Branch 47) dated July 6, 2009 in LRC Case No. U-1131, granting the application for registration filed by respondent Northern Cement Corporation (Northern Cement) over a parcel of land situated in Municipality of Sison, Pangasinan with an area of 58,617.96 square meters (Subject Lot).

At the outset, the Motion for Extension of Time to file the subject Petition for Review on *Certiorari* is hereby **GRANTED**, the records showing that the same had been filed on time, is reasonable, and is the first motion for extension filed in the instant case. Consequently, the present petition is timely filed.

Facts

On June 16, 2000, Northern Cement^[5] filed with the RTC an application for the registration of title over the Subject Lot - a Fifty Eight Thousand Six Hundred Seventeen point Ninety Six (58,617.96) square meters lot in Barangay Labayug, Sison, Pangasinan^[6] - pursuant to Presidential Decree No. 1529 (PD 1529)^[7] and to have the title thereto registered and confirmed under its name (Application).^[8]

In its Application, Northern Cement alleged, *inter alia*, that: (1) it is the owner in fee simple of the Subject Lot which it acquired by way of a Deed of Absolute Sale (Deed of Sale) from the former owner, Rodolfo Chichioco (Chichioco);^[9] (2) the Subject Lot was last assessed at P17,630.00 per Tax Declaration No. 023-01677;^[10] and (3) Northern Cement is occupying said lot.^[11]

To support its Application, Northern Cement offered, *inter alia*, the following documents: (1) Deed of Sale dated December 28, 1968^[12] executed by Chichioco in favor of Northern Cement; (2) Affidavits^[13] of alleged adjoining landowners Eugenia Batnag and Placido Saro attesting that Northern Cement is the owner and possessor of the Subject Lot; (3) seven (7) Tax Declarations^[14] for various years from 1971 to

2003 in the name of Northern Cement and a Tax Declaration^[15] for year 1970 in the name of Chichioco; (4) Tax Clearance Certificate^[16] dated May 21, 2007; (5) Technical Description^[17] of the Subject Lot; (6) Approved Plan^[18] certified by the Department of Environment and Natural Resources (DENR) stating that the Subject Lot is "x x x inside alienable and disposable area as per project No. 63, L.C. Map No. 698, certified on November 21, 1927 x x x."^[19]

Likewise, Northern Cement submitted a Report^[20] dated March 16, 2003 from Alfredo Reyes, Special Investigator I, Community Environment and Natural Resources Office (CENRO), DENR, Urdaneta City, stating, among others, that: (1) the land is agricultural;^[21] (2) it has not been earmarked for public purposes;^[22] (3) the entire area is within the alienable and disposable zone as classified on November 21, 1927^[23] and (4) Northern Cement is the actual occupant of the Subject Lot with the improvement: "Cogon."^[24]

Northern Cement likewise adduced in evidence the testimonies of the following witnesses: (1) Angelita Cabana, Northern Cement's duly authorized representative, who testified that Northern Cement acquired ownership over the Subject Lot from Chichioco by virtue of a Deed of Absolute Sale dated December 28, 1968, that Northern Cement has been paying the realty taxes due thereon, and that there is no other person who claims interest over the same;^[25] and (2) Lilia Macanlalay and Macaria Lopez, Jr., Records Officer and Special Investigator, respectively, of the CENRO Regional Office of Urdaneta City, who both testified that an investigation was conducted over the Subject Lot and that all the records relative thereto are complete.^[26]

The Office of the Solicitor General (OSG) filed its Notice of Appearance^[27] for the Republic, deputizing the City Prosecutor of Urdaneta City to appear in the case.

Ruling of the RTC

In its Decision^[28] dated July 6, 2009, the RTC granted the Application for registration of Northern Cement in this wise:

WHEREFORE, premises considered, the Court, after confirming the Order of General Default, hereby adjudicates Lot 3250, Ap-01-004756, Pls 796 Sison Public Land Subd., which is the subject land of this registration proceedings in favor of applicant NORTHERN CEMENT CORPORATION, as its real property and hereby likewise orders the registration of title thereto in accordance with PRESIDENTIAL DECREE No. 1529 in the name of the applicant and on the basis of the approved Technical Description (Exh. "J").

Upon finality of the Decision, let a corresponding Order for the issuance of Decree of Registration be issued.

SO ORDERED.^[29]

The RTC ruled that from the evidence presented, Northern Cement was able to prove, by preponderance of evidence, its claim of ownership over the Subject Lot.

The Republic appealed to the CA, alleging that the RTC erred in granting the application for registration despite the failure of Northern Cement to observe the requirements for original registration of title under PD 1529. The Republic pointed out, among others, that the CENRO Report and the Approved Plan submitted in evidence by Northern Cement hardly suffice to prove that the Subject Lot is an alienable portion of the public domain.

Ruling of the CA

In the assailed Decision^[30] dated August 15, 2011, the CA denied the Republic's appeal and affirmed *in toto* the Decision of the RTC, disposing of the case as follows:

WHEREFORE, in the light of the foregoing, the present appeal is hereby ***DENIED*** and the assailed decision dated 06 July 2009 is ***AFFIRMED in toto***.

SO ORDERED.^[31]

The CA ruled that the evidence sufficed to comply with the requirements of PD 1529.

The Republic filed a Motion for Reconsideration^[32] but the same was denied in the assailed CA Resolution^[33] for raising no additional arguments to warrant reconsideration of the assailed Decision.

Hence, this Petition.

Issue

The Republic raised the sole issue of whether the CA erred in affirming the RTC's Decision granting the application for registration of title in favor of Northern Cement despite non-compliance with the requirements under PD 1529.

The Court's Ruling

The Petition is meritorious.

The Republic, in its Petition, alleges that Northern Cement is not qualified to have the Subject Lot registered in its name under Section 14 of PD 1529, whether under (1) or (2), which states,

SECTION 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:

(1) Those who by themselves or through their predecessors-in-interest have been in open, continuous, exclusive and notorious possession and occupation of alienable and disposable lands of the public domain under a *bona fide* claim of ownership since June 12, 1945, or earlier.

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

The Republic is correct.

At the outset, the Court notes that while the Republic makes a fairly lengthy disquisition on compliance by Northern Cement with the requirements of Section 14(1) of PD 1529 and while the RTC quoted^[34] *in passing* this provision of the law, nowhere else in the records does it appear that Northern Cement's case is specifically hinged thereon. The Application itself does not enlighten as to whether it was filed under Section 14(1) or Section 14(2) of PD 1529. Northern Cement made no allegation nor presented evidence that it had been in possession of the subject property since June 12, 1945 or earlier. At any rate, the evidence presented, the allegations in the pleadings as well as the discussion of the CA and the RTC in their respective decisions and resolutions, reveal that the present controversy was filed and tried based on Section 14(2) of PD 1529. Thus, the Petition shall be resolved on Northern Cement's proof of its acquisition of the Subject Lot by prescription.

Unlike Section 14(1) which requires an open, continuous, exclusive, and notorious manner of possession and occupation since June 12, 1945 or earlier, Section 14(2) is silent as to the nature and period of such possession and occupation necessary. This necessitates a reference to the relevant provisions of the Civil Code on prescription - in this case, Articles 1137^[35] and 1118 thereof, to wit:

Article 1137. Ownership and other real rights over immovables also prescribe through uninterrupted adverse possession thereof for **thirty years**, without need of title or of good faith.

Article 1118. Possession has to be in the **concept of an owner, public, peaceful and uninterrupted**. (Emphasis and underscoring supplied)

The Court, in the case of *Heirs of Crisologo v. Rañon*,^[36] stated:

Prescription is another mode of acquiring ownership and other real rights over immovable property. It is concerned with lapse of time in the manner and under conditions laid down by law, namely, that the **possession should be in the concept of an owner, public, peaceful, uninterrupted and adverse. Possession is open when it is patent, visible, apparent, notorious and not clandestine. It is continuous when uninterrupted, unbroken and not intermittent or occasional; exclusive when the adverse possessor can show exclusive dominion over the land and an appropriation of it to his own use and benefit; and notorious when it is so conspicuous that it is generally known and talked of by the public or the people in the neighborhood x x x.** (Emphasis and underscoring supplied; citations omitted)

The phrase "adverse, continuous, open, public, and in concept of owner," is a conclusion of law.^[37] The burden of proof is on the person seeking original registration of land to prove by clear, positive and convincing evidence that his possession and that of his predecessors-in-interest was of the nature and duration