

THIRD DIVISION

[G.R. No. 186603, April 05, 2017]

**REPUBLIC OF THE PHILIPPINES, REPRESENTED BY THE
REGIONAL EXECUTIVE DIRECTOR, DENR, REGION VI, ILOILO
CITY, PETITIONER, VS. VALENTINA ESPINOSA, REGISTER OF
DEEDS OF THE PROVINCE OF NEGROS OCCIDENTAL, LEONILA
CALISTON, AND SPOUSES DIOSCORO & ESTRELLA ESCARDA,
RESPONDENTS.**

D E C I S I O N

JARDELEZA, J.:

This is a petition for review on *certiorari*^[1] seeking to nullify the Court of Appeals' (CA) July 25, 2008 Decision^[2] and February 4, 2009 Resolution^[3] in CA-G.R. CV No. 00421. The CA modified the May 12, 2004 Decision^[4] of the Regional Trial Court (RTC), Branch 61 of Kabankalan City, Negros Occidental, and dismissed the reversion case filed by the Republic of the Philippines (State) against respondents Valentina Espinosa and her successor-in-interest, Leonila B. Caliston, to wit:

WHEREFORE, the appeal is **GRANTED**. The Decision dated May 12, 2004 and Order dated July 16, 2004 are hereby **modified** upholding the validity of Original Certificate of Title No. 191-N and Transfer Certificate of Title No. 91117, respectively, issued in the names of Valentina Espinosa and Leonila Caliston. The award of damages, attorney's fees and expenses of litigation in favor of Leonila Caliston is **affirmed**.

SO ORDERED.^[5]

On October 26, 1955, Cadastral Decree No. N-31626 was issued to Valentina Espinosa (Espinosa) in Cadastral Case No. 39, L.R.C. Cadastral Record No. 980. It covered a 28,880-square meter lot located at Lot No. 3599 of Cadastral Record No. 980, Poblacion, Sipalay City, Negros Occidental (property). By virtue of the decree, Original Certificate of Title (OCT) No. 191-N was issued on October 15, 1962 in the name of Espinosa.^[6] On June 17, 1976, Espinosa sold the property to Leonila B. Caliston (Caliston), who was later issued Transfer Certificate of Title (TCT) No. T-91117^[7] on June 29, 1976.^[8]

On January 13, 2003, the State, represented by the Regional Executive Director of the Department of Environment and Natural Resources (DENR), Region VI, Iloilo City, through the Office of the Solicitor General (OSG), filed a Complaint^[9] for annulment of title and/or reversion of land with the RTC, Branch 61 of Kabankalan City, Negros Occidental. The State claimed that the property is inalienable public land because it fell within a timberland area indicated under Project No. 27-C, Block C per Land Classification (LC) Map No. 2978, as certified by the Director of Forestry

on January 17, 1986.^[10]

The spouses Dioscoro and Estrella Escarda (spouses Escarda) intervened,^[11] alleging that they have been occupying the property since 1976 on the belief that it belongs to the State.^[12] They prayed that Caliston be ordered to cease and desist from ejecting them.^[13]

In answer, Caliston countered that the property is not timberland. Invoking laches and prescription, she argued that her title was issued earlier in 1962, while the map shows that the property was classified only in 1986.^[14] Caliston also claimed that the spouses Escarda lacked the capacity or personality to intervene because only the State may initiate an action for reversion. She also alleged that the spouses Escarda cannot claim a better right as against her because she merely tolerated their occupancy of the property until their refusal to vacate it.^[15] As counterclaim, Caliston claimed for moral and exemplary damages, attorney's fees and litigation expenses against the spouses Escarda for the baseless and malicious complaint.^[16]

The RTC rendered a Decision^[17] dated May 12, 2004. Relying on LC Map No. 2978, the trial court ruled in favor of the State and ordered the reversion of the property to the mass of the public domain, viz.:

WHEREFORE, premises considered, judgment is hereby rendered as follows:

1. Declaring Original Certificate of Title No. 191-N in the name of Valentina Espinosa and all its derivative titles, such as: TCT No. T-91117 in the name of Leonila Caliston, null and void ab initio;
2. Ordering defendants to surrender the owner's duplicate copy of OCT No. 191-N and TCT N[o]. T-91117 to defendant Register of Deeds for the Province of Negros Occidental and the latter to cancel said titles and all their derivative titles, if any;
3. Ordering the reversion of the land covered by the aforesaid patent and title to the mass of the public domain under the administration and disposition of the Director of Forestry (now Regional Executive Director, Region VI, Iloilo City);
4. Declaring that defendant Leonila Caliston has better right over the subject lot as against intervenors Spouses Dioscoro and Estrella Escarda; and
5. Ordering the intervenors to pay defendant Leonila Caliston the following sums:
 - a) Not less than P20,000.00 for moral damages;
 - b) Not less than P10,000.00 for exemplary damages;
 - c) Not less than P10,000.00 for attorney's fees, plus so much appearance fees of P2,000.00 incurred and/or paid

by answering defendant in connection with this case; and

d) Not less than P5,000.00 for expenses of litigation.

SO ORDERED.^[18]

Caliston's motion for reconsideration^[19] was denied in an Order^[20] dated July 16, 2004. On August 5, 2004, Caliston filed a Notice of Appeal^[21] with the RTC. On the other hand, the spouses Escarda did not file a notice of appeal. Records were then forwarded to the CA, where proceedings ensued.

There, Caliston argued that the trial court improperly relied upon LC Map No. 2978, which was prepared long after the property was alienated and awarded to Espinosa, her predecessor-in-interest. The map, the admissibility and genuineness of which have yet to be proved, cannot be used to defeat the cadastral proceedings presumed to have been regularly conducted. Even assuming the map can be considered, Caliston claims that her property is situated in an area indicated as alienable and disposable. She also reiterated her defenses of laches and prescription.^[22]

For its part, the State argued that the lower court did not err in relying upon LC Map No. 2978 though it was prepared only in 1986. According to the State, forest lands are incapable of private appropriation and possession, however long; prescription does not run against the government.^[23]

The CA rendered a Decision^[24] dated July 25, 2008 modifying the RTC Decision. It upheld the validity of OCT No. 191-N and TCT No. 91117 issued in the names of Espinosa and Caliston, respectively, and affirmed the award of damages, attorney's fees, and expenses of litigation in favor of Caliston.

The CA found that the State failed to prove fraud or misrepresentation on the part of Espinosa when she was issued OCT No. 191-N. It further ruled that the State failed to prove that the property is forest land. The lone piece of evidence consisting of LC Map No. 2978, certified by the Director of Forestry on January 17, 1986, was not authenticated pursuant to Section 24,^[25] Rule 132 of the Rules of Court. It noted that the parties stipulated only as to the existence of the map, but not as to its genuineness or the truthfulness of its content. Assuming that the map is admitted in evidence, Espinosa's rights over the property, which accrued in 1962, should not be prejudiced by a subsequent classification by the State done in 1986, or after 24 years.^[26] The CA cited^[27] the case of *SAAD Agro-Industries, Inc. v. Republic of the Philippines*.^[28]

In a Resolution^[29] dated February 4, 2009, the CA denied the State's Motion for Reconsideration.

Hence, this petition.

The lone issue presented is whether the State has sufficiently proved that the property is part of inalienable forest land at the time Espinosa was granted the cadastral decree and issued a title.

We deny the petition.

I

The State failed to prove that the property was classified as forest land at the time of the grant of the cadastral decree and issuance of title to Espinosa.

In land registration proceedings, the applicant has the burden of overcoming the presumption of State ownership. It must establish, through incontrovertible evidence, that the land sought to be registered is alienable or disposable based on a positive act of the government.^[30] Since cadastral proceedings are governed by the usual rules of practice, procedure, and evidence, a cadastral decree and a certificate of title are issued only after the applicant proves all the requisite jurisdictional facts—that they are entitled to the claimed lot, that all parties are heard, and that evidence is considered.^[31] As such, the cadastral decree is a judgment which adjudicates ownership after proving these jurisdictional facts.^[32]

Here, it is undisputed that Espinosa was granted a cadastral decree and was subsequently issued OCT No. 191-N, the predecessor title of Caliston's TCT No. 91117. Having been granted a decree in a cadastral proceeding, Espinosa can be presumed to have overcome the presumption that the land sought to be registered forms part of the public domain.^[33] This means that Espinosa, as the applicant, was able to prove by incontrovertible evidence that the property is alienable and disposable property in the cadastral proceedings.

This is not to say, however, that the State has no remedy to recover the property if indeed it is part of the inalienable lands of the public domain. The State may still do so through an action for reversion, as in the present case.

Reversion is the remedy where the State, pursuant to the Regalian doctrine, seeks to revert land back to the mass of the public domain.^[34] It is proper when public land is fraudulently awarded and disposed of to private individuals or corporations.^[35] There are also instances when we granted reversion on grounds other than fraud, such as when a "person obtains a title under the Public Land Act which includes, by oversight, lands which cannot be registered under the Torrens system, or when the Director of Lands did not have jurisdiction over the same because it is of the public domain."^[36]

In this case, the State, through the Solicitor General, alleges neither fraud nor misrepresentation in the cadastral proceedings and in the issuance of the title in Espinosa's favor. The argument for the State is merely that the property was unlawfully included in the certificate of title because it is of the public domain.

Since the case is one for reversion and not one for land registration, the burden is on the State to prove that the property was classified as timberland or forest land *at the time it was decreed to Espinosa*.^[37] To reiterate, there is no burden on Caliston to prove that the property in question is alienable and disposable land.^[38] At this stage, it is reasonable to presume that Espinosa, from whom Caliston derived her title, had already established that the property is alienable and disposable land considering that she succeeded in obtaining the OCT over it.^[39] In this reversion

proceeding, the State must prove that there was an oversight or mistake in the inclusion of the property in Espinosa's title because it was of public dominion. This is consistent with the rule that the burden of proof rests on the party who, as determined by the pleadings or the nature of the case, asserts the affirmative of an issue.^[40]

Here, the State hinges its whole claim on its lone piece of evidence, the land classification map prepared in 1986. The records show, however, that LC Map No. 2978 was not formally offered in evidence. The rules require that documentary evidence must be formally offered in evidence after the presentation of testimonial evidence, and it may be done orally, or if allowed by the court, in writing.^[41] Due process requires a formal offer of evidence for the benefit of the adverse party, the trial court, and the appellate courts.^[42] This gives the adverse party the opportunity to examine and oppose the admissibility of the evidence.^[43] When evidence has not been formally offered, it should not be considered by the court in arriving at its decision.^[44] Not having been offered formally, it was error for the trial court to have considered the survey map. Consequently, it also erred in ordering the reversion of the property to the mass of the public domain on the basis of the same.

Moreover, even assuming that the survey *can* be admitted in evidence, this will not help to further the State's cause. This is because the only fact proved by the map is one already admitted by the State, that is, that the land was reclassified in 1986.^[45] This fact does not address the presumption/conclusion that Espinosa has, at the time of the cadastral proceedings conducted in 1955, proved that the land is alienable and disposable, as evidenced by the decree issued in his favor *in* 1962.

II

The reclassification of the area where the property is located in 1986 should not prejudice Espinosa and her successor-in-interest.^[46] Apropos is the case of *Sta. Monica Industrial and Dev't Corp. v. Court of Appeals*.^[47] In that case, the State offered in evidence a land classification map to prove that at the time the land was decreed to the original owner, it had not yet been released and still fell within the forest zone. However, the map did not conclusively state the actual classification of the land at the time it was adjudicated to the original owner. We thus ruled that the State failed to prove that the titles should be annulled—

Finally, we find the need to emphasize that in an action to annul a judgment, the burden of proving the judgment's nullity rests upon the petitioner. The petitioner must establish by clear and convincing evidence that the judgment is fatally defective. When the proceedings were originally filed by the Republic before the Court of Appeals, the petitioner contended that when the decree in favor of De Perio was issued by Judge Ostrand in 1912 the parcels of land were still part of the inalienable public forests. However, petitioner's case rested solely on land classification maps drawn several years *after the issuance of the decree in 1912*. **These maps fail to conclusively establish the actual classification of the land in 1912 and the years prior to that.** Before this Court, petitioner reiterates said contention and refers, for the first time, to a 1908 proclamation reserving the land in Zambales as a