

## SECOND DIVISION

[ G.R. No. 205711, May 30, 2016 ]

**PEDRO DE LEON, PETITIONER, VS. NENITA DE LEON-REYES,  
JESUS REYES, MYETH REYES AND JENNETH REYES,  
RESPONDENTS.**

### D E C I S I O N

**BRION, J.:**

This is a petition for review on *certiorari* filed by Pedro de Leon from the **May 31, 2012** decision<sup>[1]</sup> and **January 16, 2013** resolution<sup>[2]</sup> of the Court of Appeals (CA) in **CA-G.R. CV No. 90307**.<sup>[3]</sup> The CA reversed the Regional Trial Court's (RTC) finding of laches in **Civil Case Nos. 02-08 and 02-20**.<sup>[4]</sup>

#### Antecedents

Petitioner Pedro de Leon (*Pedro*) and respondent Nenita de Leon-Reyes (*Nenita*) are the legitimate children of Alejandro de Leon (*Alejandro*).

Nenita is married to respondent Jesus Reyes with whom she has two children: respondents Myeth and Jenneth, both surnamed Reyes.

During his lifetime, Alejandro *possessed* two parcels of public land (*subject lots*) in Brgy. Burgos, San Jose, Tarlac. The lots, designated as Lot No. 6952 and Lot No. 6521, have a combined area of 171,939 square meters.

Sometime between 1995 and 1996, the government granted **free patents** covering the subject lots in favor of Nenita and her family. Consequently, the Register of Deeds issued the following Original Certificates of Title (OCT):

1. OCT No. 16757<sup>[5]</sup> covering Lot No. 6521 (39,270 square meters) issued on July 13, 1995, in the name of Nenita de Leon-Reyes;
2. OCT No. 17580<sup>[6]</sup> covering Lot No. 6952-G (32,934 square meters) issued on March 8, 1996, in the name of Nenita de Leon-Reyes;
3. OCT No. 17581<sup>[7]</sup> covering Lot No. 6952-A (14,098 square meters) issued on March 8, 1996, in the name of Myeth L. Reyes; and
4. OCT No. 17582<sup>[8]</sup> covering Lot No. 6952-B (10,000 square meters) issued on March 8, 1996, in the name of Jenneth Reyes.

Sometime after the issuance of the titles, Pedro filed a Protest with the Department of Environment and Natural Resources (*DENR*) on the grounds of fraud and misrepresentation of facts in the acquisition of title.<sup>[9]</sup>

In a complaint dated May 22, 1997, Nenita's family filed an unlawful detainer case against Pedro before the 1st Municipal Circuit Trial Court (*MCTC*), Sta. Ignacia, Tarlac. The complaint was docketed as **Civil Case No. 319-SJ (97)**.

On May 19, 1998, the MCTC dismissed the ejectment case without prejudice due to the pendency of Pedro's protest before the Bureau of Lands/DENR.<sup>[10]</sup>

Nenita's family appealed the dismissal to the Regional Trial Court, Branch 68, Camiling, Tarlac, where it was docketed as **Civil Case No. 98-33**.

On July 21, 1999, the RTC affirmed the MCTC's dismissal of the complaint without prejudice to the filing of the proper action with the proper forum.<sup>[11]</sup>

Soon after, the DENR dismissed Pedro's Protest after finding that Nenita (and her family) had met all the requisites for a public land grant.<sup>[12]</sup> The DENR upheld the validity of the grant of patents to Nenita's family.<sup>[13]</sup> Pedro did not appeal the DENR's dismissal of his protest.<sup>[14]</sup>

On February 5, 2002, Nenita and her family filed a complaint against Pedro for Recovery of Possession and Damages. The case was docketed as **Civil Case No. 02-08**.

On April 16, 2002, Pedro likewise filed a complaint against Nenita's family for Reconveyance of Title and Damages. His complaint was docketed as **Civil Case No. 02-20**.

**Nenita** claimed that Alejandro transferred his possessory rights over the property to her in a document dated May 5, 1970.<sup>[15]</sup> The document became the basis for her free patent application with the DENR. She also denied that any fraud or wrongdoing attended her application and invoked the DENR's dismissal of Pedro's protest for his failure to rebut the presumption of regularity in the issuance of the patent.<sup>[16]</sup>

**Pedro** claimed that Alejandro transferred possession over the subject lots to him in 1971 and that he had been in possession of it ever since.<sup>[17]</sup> He claimed that he asked Nenita for assistance to cause the titling of the properties in his name but the latter took advantage of his lack of education and fraudulently acquired a free patent in her name instead. Pedro further contested the May 5, 1970 Transfer of Rights in favor of Nenita as a forgery.<sup>[18]</sup>

The RTC consolidated and jointly heard the two cases. After the presentation of testimonial evidence, Pedro was given several opportunities to make a Formal Offer of his documentary evidence. However, he failed to do so and the consolidated case was submitted for decision without his documentary evidence.<sup>[19]</sup>

### **Ruling of the RTC**

The RTC divided the issues in two: *first*, whether the Transfer of Rights and the subsequent grant of free patents to Nenita's family were valid; and *second*, whether Nenita's family were entitled to possession of the subject lots.

On the first issue, the court found the transfer of rights, as well as the subsequent issuance of free patents, valid. Pedro, the RTC reasoned, failed to adduce sufficient evidence to invalidate the deed of transfer and the issuance of the patents. The RTC added that there were no clear and convincing evidence to substantiate his allegations of forgery; in fact, **Pedro did not even make a formal offer of his documentary evidence.**<sup>[20]</sup>

However, on the second issue, the RTC held that Nenita's family was no longer entitled to recover possession of the subject lots due to the principle of laches. It held that Nenita failed to raise a restraining arm against Pedro's introduction of several improvements on the subject lots, such as the construction of his house, the planting of several fruit-bearing and several teak trees, and his sole appropriation of the entirety of the harvests; Nenita's inaction for over 32 years (since the execution of the Transfer of Rights); and her undeniable knowledge of Pedro's adverse possession extinguished her right to recover the properties due to her own inexcusable negligence.<sup>[21]</sup>

The RTC then declared Nenita and her family's titles as null and void and ordered them to pay Pedro damages.

### **Ruling of the CA**

On May 31, 2012, the CA reversed the RTC's ruling, validated the OCTs in the name of Nenita's family, and ordered Pedro to surrender possession of the subject lot.

As the RTC did, the CA validated Nenita's ownership of the disputed lots. The CA found that despite Pedro's denomination of his complaint as one for "Reconveyance of Titles and Damages," it was, in fact, one for reversion which he had no legal personality to file. The CA reasoned that Pedro's failure to allege that the subject lots were private lands, or even just alienable and disposable lands of the public domain, and his admission of State ownership over the subject lots were fatal to his complaint for reconveyance.<sup>[22]</sup>

Citing *Banguilan v. Court of Appeals*,<sup>[23]</sup> the CA explained that when the complaint admits State ownership of the land or admits it to be public land, then the case is one for reversion, *not reconveyance*.<sup>[24]</sup> If the grantees' patents were cancelled, as Pedro prayed for, the result would have been the return of ownership over the lots to the State, not to a contending claimant like Pedro who had no legal interest over them.

The CA emphasized that Pedro failed to prove, or even allege, the private or alienable character of the subject lots. Thus, he had no personality to ask for their reconveyance because that right belongs to the State, the previous owner of the subject lots.

The CA further pointed out that Pedro failed to appeal the DENR's dismissal of his

Protest case against the grant of the patents to Nenita's family.<sup>[25]</sup> Thus, the DENR's findings that (1) the free patents and OCTs granted to Nenita's family were valid and that (2) Pedro and his family already owned a total of 30 hectares of land - and *therefore, no longer entitled to a grant of any more alienable and disposable public lands* - had attained finality.

On the issue of laches, the CA held that the length of time between the formal grant of the patents and the issuance of the OCTs in 1995-1996, and the filing of the complaint for Recovery of Possession in 2002 was insufficient to constitute laches. As Nenita alleged in her complaint in Civil Case No. 02-08, Pedro's occupation of a portion of the properties was out of mere tolerance, without any contract and without paying any rentals; her generosity to her estranged brother should not be used against her.<sup>[26]</sup>

Pedro moved for reconsideration but the CA denied the motion on January 16, 2013. The denial paved the way for the present petition.

### **The Parties' Arguments**

Pedro insists that he is the rightful owner of the property. He argues that the CA erred in not finding the existence of fraud and/or forgery and that a title emanating from a fraudulently secured free patent does not become indefeasible.

Citing *Lorzano v. Tabayag*,<sup>[27]</sup> Pedro concedes that a fraudulently secured patent can only be assailed by the government in an action for reversion, but emphasizes that direct reconveyance is available when public land was fraudulently and in breach of trust titled in the name of the defendant. Reconveyance exists as an enforcement of a constructive trust.<sup>[28]</sup>

Moreover, Pedro claims that as of the date of the grant of the free patent to Nenita's family, the properties had already ceased to be part of the public domain on account of his continued occupation and possession for the period required by law. Thus, the lots were beyond the DENR's jurisdiction to dispose of.<sup>[29]</sup>

He also argues that the MCTC's dismissal of the ejectment case [**Civil Case No. 319-SJ (97)**]<sup>[30]</sup> that Nenita filed against him in 1997, which was subsequently affirmed by the RTC in **Civil Case No. 98-33**, conclusively proves that he had possessed the subject lots since 1971.

Nenita counters that: (1) Pedro raises questions of fact that are improper in a petition for review on *certiorari*; (2) despite the denomination of Pedro's original complaint before the RTC, it was, in fact, an action for reversion; (3) as established during the trial, Pedro had already received 211,846 square meters of property as his share in the inheritance of their father; and (4) the subject lots were her rightful share from the estate of their father.

### **Our Ruling**

We **DENY** the petition for lack of merit.

First, we emphasize that this Court is not a trier of facts. An appeal by *certiorari* to

this Court under Rule 45 of the Rules of Court is limited to questions of law. Save for a few judicially carved exceptions,<sup>[31]</sup> this Court will not disturb the factual findings of trial courts.

Pedro unjustifiably faults the CA for not finding the existence of fraud and forgery. However, the RTC already passed upon this question and found **no basis** to conclude that the grant of the patent to Nenita was accompanied by fraud or forgery.

Other than his self-serving testimony, Pedro failed to substantiate his allegation of forgery with clear and convincing evidence. Pedro has nobody to blame but himself for his failure to formally offer any documentary evidence that could have supported his claim.<sup>[32]</sup>

As the rules clearly state, courts will not consider evidence unless it has been formally offered.<sup>[33]</sup> A litigant's failure to make a formal offer of evidence within a considerable period of time is considered a waiver of its submission; evidence that has not been offered shall be excluded and rejected.

Notably, both the RTC and the CA agree that Nenita with her family are the true owners of the subject lots and that the free patents and the OCTs issued to them are valid. We find no reason to revisit this factual finding of the lower courts.

Second, Pedro's contention that the judgment in the ejectment case conclusively proves his prior possession since 1971 - and therefore proves fraud - is unwarranted.

The dispositive portion of the MCTC's decision reads:

**WHEREFORE, in the meantime that the Protest is pending with the Bureau of Land[s], this case is dismissed without prejudice.**

The Counterclaims are likewise dismissed.

SO ORDERED, (emphasis supplied)

While the *fallo* of the RTC's decision reads:

**WHEREFORE, in view of the foregoing, the Decision appealed [sic] from is hereby AFFIRMED** and this case be [sic] DISMISSED without prejudice to the filing of the proper action in a proper forum.

SO ORDERED, [emphases supplied, underscoring retained]

As Pedro himself admits, the MCTC's dismissal of Nenita's ejectment case was based on the pendency of *his* protest before the Bureau of Lands. While the Courts may appear to have passed upon the issue of prior physical possession, the *fallo* clearly shows that the dismissal was not made based on the merits of the case. When a