

SECOND DIVISION

[G.R. No. 194617, August 05, 2015]

LA TONDEÑA, INC., PETITIONER, VS. REPUBLIC OF THE PHILIPPINES RESPONDENT.

D E C I S I O N

LEONEN, J.:

La Tonde 164a, Inc. (La Tondeña) applied for registration of a 14,286- square-meter parcel of land, with La Tondeña alleging acquisition and possession even before the Second World War. It argues the inadmissibility of the Department of Environment and Natural Resources-Community Environment and Natural Resources Office's (DENR-CENRO) Report on the land's classification as alienable and disposable only on January 21, 1987 as this Report was not formally offered as evidence before the trial court.

This case involves an application of Section 14(1) of Property Registration Decree in relation to Section 48(b) of Commonwealth Act No. 141, as amended, on the requisites for judicial confirmation of imperfect title.^[1] This Petition for Review on Certiorari^[2] assails the Court of Appeals August 10, 2010 Decision^[3] that reversed and set aside the Municipal Trial Court December 15, 2005 Decision^[4] granting La Tondeña's application for land registration.^[5] La Tondeña prays that this court reverse and set aside the Court of Appeals Decision and Resolution,^[6] then affirm in toto the Municipal Trial Court Decision or, in the alternative, remand the case for further reception of evidence.^[7]

On September 28, 2004, La Tondeña, through its Vice President Rosendo A. Bautista,^[8] filed an Application^[9] for the registration of a 14,286- square-meter parcel of land in Central West, Bauang, La Union.^[10]

La Tondeña alleged obtaining title or ownership by purchase from one Pablo Rimorin and attached the following documents with its application: "(a) original tracing plan together with its print copies; (b) technical description of the land; (c) certification, in lieu of lost Surveyor's Certificate for registration; (d) certificate of tax assessment from 1948 up to the present; (e) copy of Tax Declaration No. 27726; and (f) copy of the Secretary's Certificate authorizing Rosendo A. Bautista."^[11]

On October 15, 2004, the Land Registration Authority Administrator forwarded the entire records to the Municipal Trial Court.^[12] On December 17, 2004, the trial court sent a Notice of Initial Hearing to the Office of the Solicitor General.^[13]

On March 21, 2005, during the initial hearing, the trial court entered an Order of Special Default against the whole world except against the Republic of the

Philippines that filed a formal written opposition to the application.^[14]

The trial court scheduled the hearing for marking of exhibits on April 12, 2005.^[15] Rosendo A. Bautista testified and identified the documents submitted with the application for registration.^[16] He alleged that all records showing La Tondeña's purchase of the land from one Pablo Rimorin were burned, thus, applicant can only present tax declarations in its name for years 1948, 1953, 1964, 1974, 1980, 1985, 1994, and 1999.^[17]

On May 30, 2005, La Tondeña's property administrator Victor Dumuk testified that from the time his father, Juan Dumuk, was property administrator before the Second World War up to Victor Dumuk's present administration, La Tondeña's ownership of the land was uncontested, and its possession was peaceful, continuous, open, and public.^[18] He testified that property taxes were paid from 1994 to 2005, and that mango trees and a basketball court can be found on the land.^[19]

DENR-CENRO Land Investigator Wilfredo Valera submitted a Report dated May 31, 2005 to the trial court, stating that the land was declared alienable and disposable only on January 21, 1987.^[20] The trial court summarized the Report's contents in its Decision:

In the investigation report submitted by Special Investigator Wilfreda B. Valera of the DENR, CENRO, San Fernando City, La Union, the land is covered by Survey Plan No. AP-01-004436 approved by the Regional Land District/Land Management Bureau, Region I, pursuant to P.D. No. 239 dated September 1973; that it consists of 14,286 square meters and is located in Brgy. Central West, Bauang, La Union; ***that the entire area is within the alienable and disposable zone as classified under Project No. 9, LC No. 3330 and released as well as certified as such on January 21, 1987***; that this parcel of land is not within any civil or military reservations, and is outside of any forest zone and watershed reservations; that it is not covered by any previously issued land patent, decree or title; that this land was declared for the first time in the year 1948 under Tax declaration No. 1745 in the name of La Tondeña Distilleries with an area of 13,292 square meters; that this land is now covered by Tax declaration No. 27726 in the name of La Tondeña Distilleria Incorporada; that the corresponding realty taxes as per record of the Municipal Treasurer of Bauang, La Union have been paid since 1948; that this lot has not been earmarked for public use and not reserved for any future government projects; that this lot is flat in terrain, presently for agricultural purposes, with bamboos and some fruit trees planted in it and about .00365 kilometers from the poblacion; that this lot was found to be free from adverse claims and conflicts during the inspection; that La Tondeña Distilleria Incorporada is in actual occupation and possession of the land; that this lot does not encroach upon any bodies of water, Right of Way, and park sites that are devoted to the public; and that during the investigation and ocular inspection of the area, applicant La Tondeña Inc. thru its authorized representative, presented the following documents, to wit: Print copy of AP-01-004436

and tax declarations from the year 1948 up to the present?^[21]
(Emphasis supplied)

La Tondeña alleged that this Report was not presented and formally offered during the proceedings, and it only learned of its existence during appeal.^[22]

The Municipal Trial Court, in its Decision dated December 15, 2005, approved La Tondeña's application for registration:

Considering that the government represented by the Asst. Provincial Prosecutor, Bauang, La Union for and in behalf of the Solicitor General (SOLGEN) is not presenting any evidence, documentary or testimonial to substantiate the formal written opposition which was filed, the said formal written opposition is hereby ordered dismissed for lack of merit.

Wherefore, this Court, confirming the Order of Special Default, hereby approves the application and orders the adjudication and registration of the land described in Survey Plan No. AP-01-004436 (Exh. "J") and the Technical description of said lot, Lot 4551, CAD 474-D, Bauang Cadastre (Exh. "K") containing an area of Fourteen thousand two hundred eighty-six (14,286) square meters situated at Brgy. Central West, Bauang, La Union.

Once this decision becomes final and executory, let the corresponding decree be issued.

So Ordered.^[23]

The Republic of the Philippines filed a Notice of Appeal^[24] before the Court of Appeals on the ground that the trial court's Decision was "contrary to law and evidence."^[25] It raised the Report dated May 31, 2005 on the land's classification as alienable and disposable only on January 21, 1987, thus, the land cannot be the subject matter of an application for judicial confirmation of imperfect title under Commonwealth Act No. 141 that requires possession from June 12, 1945 or earlier.^[26]

Instead of filing its Memorandum, La Tondeña filed a Manifestation with Motion to Remand Case^[27] dated January 29, 2007 to present further evidence that the land was private land at the time of its acquisition.^[28] The Court of Appeals noted the Comment of the Republic of the Philippines, and denied the Motion of La Tondeña.^[29]

La Tondeña filed a Motion for Reconsideration^[30] dated December 18, 2008 attaching as newly discovered evidence the "Plan of Private Land as surveyed for Pablo Rimoin" under Psu-67458 duly approved on March 5, 1930.^[31] The Court of Appeals denied reconsideration.^[32]

The Court of Appeals, in its Decision dated August 10, 2010, reversed and set aside

the Municipal Trial Court December 15, 2005 Decision, and dismissed La Tondeña's application for registration.^[33] It also denied reconsideration.^[34]

Hence, La Tondeña filed this Petition.

La Tondeña submits that the Report dated May 31, 2005 should not have been considered by the trial court since it was not identified and formally offered as evidence.^[35] Wilfredo Valera was never presented in court, thus, he was never cross-examined in violation of La Tondeña's right to due process.^[36] La Tondeña alleges that it only saw a copy of the Report when the case was on appeal.^[37]

In any event, La Tondeña raises the survey plan notation confirming that the land was "inside alienable and disposable area as per Project No. 09, L.C. Map No. 0333 as certified on Aug. 12, 1934."^[38] The survey plan was approved by the Department of Environment and Natural Resources in the performance of its official function that carries the presumption of regularity.^[39] La Tondeña argues that the Republic of the Philippines did not controvert this evidence, and Wilfredo Valera's Report dated May 31, 2005 that was not formally offered as evidence cannot prevail over the survey plan that the trial court duly admitted as evidence.^[40]

Assuming the land was only reclassified on January 21, 1987, La Tondeña argues that it acquired a vested right over the land under the 1935 Constitution that allows a private corporation to acquire alienable and disposable land of public domain:^[41]

With due indulgence, the Honorable Court of Appeals failed to consider that petitioner has acquired a vested right over the land sought to be registered under the 1935 Philippine Constitution and prior to the effectivity of the 1973 and 1987 Philippine Constitutions. As a general rule, constitutional provisions are given prospective application, not retroactive, unless retroactivity is expressly provided or necessarily implied (*People vs. Isagani, et al.*, 63 SCRA 4). Hence, due to the prospective application of the 1973 and 1987 Constitutions, it is the provisions of the 1935 Constitution that should apply to petitioner's application for registration. Undoubtedly, under the 1935 Philippine Constitution, private corporations are allowed in acquiring alienable and disposable land of the public domain. (*Republic vs. T.A.N. Properties, Inc.* [,] GR. No. 154953, June 26, 2008).

Interestingly, the original reckoning point for the required length of possession under the Public Land Act (C.A. 141) is possession since July 26, 1894. The period of possession was shortened to thirty (30) years by Republic Act No. 1942, which was enacted on June 22, 1957. Then, on January 25, 1977, Presidential Decree No. 1073 was enacted pegging the reckoning point of possession to June 12, 1945. Hence, until 1972, prior to the effectivity of the 1973 Philippine Constitution, the required possession of alienable public land that would qualify to judicial confirmation under C.A. 141 is at least thirty (30) years, or at least from the year 1942. If reckoned from 1972, the latest date when private corporations are allowed to acquire alienable public lands. Therefore,

petitioner already acquired a vested right over the subject property in 1972.^[42]

La Tondeña submits that "its possession was open, continuous, uninterrupted for more than thirty (30) years until 1972 prior to the effectivity of the 1973 and 1987 Philippine Constitution[,] [t]hus, the land became a private property by acquisitive prescription in accordance with the doctrine that open, exclusive and undisputed possession of alienable land for the period prescribed by law creates the legal fiction whereby the land, upon completion of the requisite period, *ipso jure* and without the need of judicial order or other sanction ceases to be public land and becomes private property."^[43]

La Tondeña contends that it presented sufficient evidence for approval of its application for registration. Alternatively, a remand would allow it to cross-examine Wilfredo Valera on his Report, and La Tondeña can present additional evidence to show that the land was private land as early as March 5, 1930 as stated in the "Plan of Private Land as Surveyed for Pablo Rimorin" approved by the Department of Agriculture and Natural Resources.^[44]

The Republic of the Philippines counters that Section 29 of Presidential Decree No. 1529 provides that courts are "duty-bound to consider not only the evidence presented by the [parties,] but also the reports of the Commissioner of Land Registration and the Director of Lands[.]"^[45]

Assuming the Report dated May 31, 2005 is inadmissible in evidence, La Tondeña still failed to present proof that the land was declared alienable and disposable on or before June 12, 1945.^[46] La Tondeña cannot rely on the notation on the Sephia Plan of AP-01-004436 and its blueprint copy since this is not the proof required by law.^[47] Neither can La Tondeña invoke the 30-year prescriptive period under Republic Act No. 1942 since Presidential Decree No. 1073, already applicable when La Tondeña filed its application for registration in 2004, requires possession from June 12, 1945 or earlier.^[48] The Republic of the Philippines quoted at length *Heirs of Mario Malabanan v. Republic*^[49] and *Republic v. Rizalvo, Jr.*^[50] on the 30-year rule on land registration.^[51] Lastly, La Tondeña cannot invoke Article 1113 of the Civil Code since it did not present evidence that the state declared the land "no longer intended for public service or for the development of the national wealth."^[52]

The issues for resolution are:

First, whether petitioner La Tondeña, Inc. complied with all the requirements for land registration under Section 48(b) of Commonwealth Act No. 141, as amended, in relation to Section 14(1) of Presidential Decree No. 1529;

Second, whether petitioner La Tondeña, Inc. acquired a vested right under the 1935 Constitution that allows a private corporation to acquire alienable and disposable land of public domain; and

Finally, whether the Court of Appeals can consider the Report dated May 31, 2005 that was not marked, identified, and formally offered as evidence before the trial