746 PHIL. 594

FIRST DIVISION

[G.R. No. 156205, November 12, 2014]

REPUBLIC OF THE PHILIPPINES, REPRESENTED BY THE REGIONAL EXECUTIVE DIRECTOR, REGION IV, DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES, PETITIONER, VS. MARJENS INVESTMENT CORPORATION AND PATROCINIO P. VILLANUEVA, RESPONDENTS.

D E C I S I O N

LEONARDO-DE CASTRO, J.:

This petition for review on *certiorari* seeks to reverse the November 19, 2002 Decision[1] of the Court of Appeals in CA-G.R. SP No. 50023, which dismissed petitioner Republic of the Philippines' petition on the ground that the disputed property had already been segregated and classified as private property and no longer form part of the public domain.

Background

The Court of Appeals gave a short background on the subject property.

> In Land Registration Case No. 52, G.L.R.O. Rec. No. 3454, entitled, "Hammon H. Buck, et al. vs. Director of Lands," the then Court of First Instance of Batangas rendered a Decision dated March 30, 1951 x x x granting the application for registration of several parcels of land in favor of the applicants therein, Hammon H. Buck, et al.
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> In the said judgment, it was established that the lands described in Plans Psu-118922 and 114430 were originally owned by Rita Vda. de Ilustre since 1890. In 1923, the parcels of land applied for were purchased by Donato Punzalan. Later, the lots under Plan Psu-114430 were purchased from Donato Punzalan by Agustin Canoso and Gregorio Decepeda and in consideration of the survey and registration thereof, Lots 1 and 2, Plan Psu-114430 were ceded to Hammon H. Buck. This was to become the basis of Hammon H. Buck's application for registration under Land Registration Case No. 52.
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> As a consequence of the final and executory decision in Land Registration Case No. 52, Decree No. 6610 was awarded to Hammon H. Buck which finally led to the issuance in his name of Original Certificate of Title No. 0-669 x x x on February 18, 1952.[2]

The Facts of the Case

On December 22, 1998, or almost 46 years after the issuance of Original Certificate of Title (OCT) No. 0-669, petitioner Republic, represented by the Region IV Regional Executive Director of the Department of Environment and Natural Resources (DENR), filed a petition before the Court of Appeals for annulment of judgment, cancellation of title, and reversion against respondents Marjens Investment Corporation (Marjens) and Patrocinio Villanueva (Villanueva), the Register of Deeds for the Province of Batangas (Tanauan, Batangas), and the Regional Trial Court of LipaCity.[3]

Petitioner, through the Office of the Solicitor General (OSG), alleges that respondents Marjens and Villanueva appear as registered owners of a land identified as Lot 1 (LRC) Pcs-943, which is a portion of Lots 1 and 2, plan Psu-114430 LRC (G.L.R.O.) Record No. N-3454, with an area of five thousand (5,000) square meters, covered by Transfer Certificate of Title (TCT) No. T-18592 issued on April 7, 1976 by the Office of the Register of Deeds of Tanauan, Batangas.[4]

The OSG avers that TCT No. T-18592 appears to have emanated from Original Certificate of Title (OCT) No. 0-669 in the name of Hammon H. Buck issued by virtue of a Decision[5] dated March 30, 1951, rendered in Land Registration Case No. 52, G.L.R.O. Record No. N-3454 of the Court of First Instance (CFI) of Lipa City, Batangas, Eighth Judicial District.[6]

The OSG further alleges that upon verification through a certification[7] dated April 30, 1997 issued by the Community Environment and Natural Resources Office (CENRO) of the DENR in Batangas City, it was ascertained that the land covered by TCT No. T-18592 is within the unclassified public forest per Land Classification Control Map No. 10 for the Provinces of Batangas and Cavite.

The OSG argues that the land in question cannot be the subject of disposition or registration, and the trial court did not acquire jurisdiction over said property, much less to decree the same as private property. Therefore, the registration proceedings, the judgment in the subject case, the OCT No. O-669 issued pursuant thereto, and all subsequent titles are null and void. The land covered by TCT No. T-18592, not having been legally registered, remains and forms part of the public domain of the State.[8]

In their comment, respondents deny the OSG's allegations. They claim that their titles, their predecessors' titles, and their mother title are issued in accordance with law, and that the property was registered and brought under the Torrens system. Respondents contend that the subject property was already private property even before the Spanish Crown ceded sovereignty over the Philippine Islands to the United States of America.[9]

Respondents assert that the government has lost its rights by laches and estoppel to question the validity of the OCT No. 0-669, the proceedings in LRC Case No. 52, G.L.R.O. Record No. N-3454, and the corresponding decree (Decree 6610) issued after almost 50 years have lapsed. They maintain that the proceeding for its registration was made in accordance with the requirements of the law, including the publication of notices addressed to the Solicitor General, the Director of Lands, and

the Director of Forestry, among others, in the Official Gazette (Vol. 46, No. 12, pp. 6381-6382 and Vol. 47, No. 1, pp. 438-439). Despite the notices, there was no opposition from the government.[10]

Respondents insist that it will be most unfair and will violate their right to due process if they will again be required to undergo another trial to establish their long continued, open, public, adverse possession and cultivation of the property in the concept of owners as against the whole world, now that all their witnesses are long dead, senile, or impossible to locate. They also point out that the subject property has transferred to various parties who have been regularly assessed and paying realty taxes for several years.[11]

Respondents allege that the government through the Bureau of Lands had presumably issued various free patents over the subject property that has constrained petitioners to file a petition for annulment based on these free patent titles that overlap with the respondents' title. They questioned why the government issued free patents over the subject property when it believed that the same is part of an unclassified public forest. They even suggested to implead the individuals with titles overlapping with their titles for a complete determination of the issues in the case and to avoid unnecessary and wasteful duplication of valuable time and resources of the OSG.[12]

To bolster its argument, respondents cited that there are many real estate developments going on near or around the area where the property is located, one of which is the Splendido Gardens, a resort and golf course. Respondents speculated how the said developments proceeded if the property covered therein is within the unclassified public forest as the government claims, and that is assuming all the requisite government approvals have been secured by the developers.[13]

Respondents availed of two modes of discovery, and moved to serve written interrogatories to parties and for the production of documents.[14] The Court of Appeals granted the motions,[15] to which the petitioner filed its comments. The Court of Appeals likewise directed both parties to file their respective memoranda, after which the case was submitted for decision.[16]

The Court of Appeals Decision

On November 19, 2002, the Court of Appeals dismissed the petition as follows:

> **IN VIEW OF THE FOREGOING**, the instant petition is ordered **DISMISSED**. No cost.[17]

The Court of Appeals applied the case of *Cariho v. Insular Government of the Philippine* Islands,[18] which recognized private ownership of lands already possessed or held by individuals under claim of ownership as far back as testimony or memory goes and therefore never to have been public land that Spain could bequeath to the United States of America.

Reiterating the CFI Decision, the Court of Appeals held that the subject properties

under Plan Psu-114430 were originally owned by Rita Vda. de Ilustre since 1890 before the Treaty of Paris. Reckoned from such time, under the Cariño ruling, the subject property had already ceased to be public, had been appropriated into private ownership, and therefore excluded from the "public domain" ceded by Spain to the United States of America in the Treaty of Paris of 1898.[19]

The Court of Appeals pronounced that the CFI of Batangas is unmistakably equipped with jurisdiction and authority to legally adjudicate the land applied for in Registration Case No. 52 in favor of the applicants. Consequently, Decree 6610, OCT No. O-669, and TCT No. T-18592, in respondents' name, must be upheld as valid issuances and documents of title.[20]

Further, the Court of Appeals said that there are still other reasons in rejecting the arguments of the petitioner that the controversial lot and title in this petition still forms part of the public domain. By its own act and admission in the answer to the written interrogatories, petitioner confessed to have issued several Environmental Compliance Certificates (ECCs) to projects within Land Classification Control Map (LCCM) No. 10, although identification is not feasible as the issuance of ECCs began in 1982, pursuant to Presidential Decree No. 1586 dated June 11, 1978, among others.[21] The foregoing admissions militate against petitioner's assertion and cast serious doubts on what the DENR certification contains. The Court of Appeals said that it is inconceivable how petitioner can claim that the subject land is an inalienable forest land when it had been alienating it by the numerous grants and decrees it had issued.[22]

The Court of Appeals cited *Republic v. Court of Appeals and Cosalan*,[23] wherein the Court declared that despite the general rule that forest lands cannot be appropriated by private ownership, it had been previously held that while the government has the right to classify portions of public land, the primary right of a private individual who possessed and cultivated the land in good faith much prior to such classification must be recognized and should not be prejudiced by after-events which could not have been anticipated.

Moreover, the Court of Appeals observed that LCCM No. 10 is not dated. Petitioner explained that according to the Land Classification Department of National Mapping and Resource Information Authority (NAMRIA), LCCM No. 10 is not dated because it is used as a control map or reference in order to determine which land classification map is to be used. When the lot covered by TCT No. T-18592 was plotted based on the given tie point/line, it is covered by LC Map No. 3013 under the land classification for Batangas. LC Map No. 3013 was certified under Forest Administrative Order No. 4-1656 dated March 15, 1982. The Court of Appeals concluded that long before LC Map No. 3013 was certified, the subject property covered by TCT No. T-18592 had already acquired the character of a private ownership before the reclassification of the area to an unclassified forest.[24]

As for respondents' affirmative defenses of estoppel and laches, the Court of Appeals ruled that estoppel and laches run against the State, citing *Republic v. Court of Appeals and Santos*,[25] as follows:

> The general rule is that the State cannot be put in estoppel by the mistakes or errors of its officials or agents. However, like all general rules, this is also subject to exceptions, *viz.*:
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> > Estoppels against the public are little favored. They should not be invoked except in ra[r]e and unusual circumstances, and may not be invoked where they would operate to defeat the effective operation of a policy adopted to protect the public. They must be applied with circumspection and should be applied only in those special cases where the interests of justice clearly require it. Nevertheless, the government must not be allowed to deal dishonorably or capriciously with its citizens, and must not play an ignoble part or do a shabby thing; and subject to limitations x x x, the doctrine of equitable estoppel may be invoked against public authorities as well as against private individuals. (Citations omitted.)

Unconvinced, the OSG filed this petition for review on *certiorari* before the Court assigning the following as errors:

1) The Court of Appeals' finding that the property covered by TCT No. T- 18592 had become private property prior to the classification of the area to an unclassified forest, and

2) The Court of Appeals' ruling that the instant case is an exception to the general rule that laches and estoppel do not run against the State.[26]

The Court's Ruling

The petition is denied.

First Issue: Whether or not the subject property covered by TCT No. T-18592 is a private property or part of the public domain.

The case of *Cariño v. Insular Government of the Philippine Islands*[27] states that " [prescription is mentioned again in the royal cedula of October 15, 1754, cited in 3 Philippine, 546; '[w]here such possessors shall not be able to produce title deeds, it shall be sufficient if they shall show that ancient possession, as a valid title by prescription.' It may be that this means possession from before 1700; but, at all events, the principle is admitted. As prescription, even against Crown lands, was recognized by the laws of Spain we see no sufficient reason for hesitating to admit that it was recognized in the Philippines in regard to lands over which Spain had only a paper sovereignty."

The United States Supreme Court through Mr. Justice Oliver Wendell Holmes pronounced in the *Cariño* case[28] that "every presumption is and ought to be against the government in a case like the present. It might, perhaps, be proper and sufficient to say that when, as far back as testimony or memory goes, the land has been held by individuals under a claim of private ownership, it will be presumed to have been held in the same way from before the Spanish conquest, and never to have been public land."