

SECOND DIVISION

[G.R. No. 173525, March 28, 2008]

REPUBLIC OF THE PHILIPPINES, Petitioner, vs. GERTRUDES B. VERZOSA, Respondent.

D E C I S I O N

TINGA, J.:

The Office of the Solicitor General (OSG) filed this Petition^[1] dated 22 August 2006, assailing the Decision^[2] of the Court of Appeals dated 3 April 2006, and its Resolution^[3] dated 10 July 2006, in CA-G.R. CV No. 73890. The questioned Decision affirmed the trial court's Decision dated 19 November 2001, directing the reconstitution of Transfer Certificate of Title (TCT) No. 140606.

The factual findings of the Court of Appeals are as follows:

On January 3, 2001, Gertrudes B. Verzosa (herein petitioner-appellee) filed a petition for reconstitution of the original copy of Transfer Certificate of Title (TCT) No. 140606 of the Registry of Deeds of Quezon City, docketed as LRC Case No. Q-13686 (01), which was raffled to Branch 218 of the Regional Trial Court of Quezon City. In support thereof, petitioner-appellee alleged that she and Edna Verzosa Garcia are the registered owners of a parcel of land situated in the University District, Quezon City, covered by TCT No. 140606 and that to her has been allotted Lot 7-B thereof by virtue of a court order. However, the original copy of their title was burned when the Quezon City Hall was gutted by fire on June 11, 1988 while the owner's Duplicate Certificate thereof was lost as shown by the Affidavit of Loss executed by her co-owner, Edna Garcia. She also claimed that the said title was in full force and effect and that no deed or other instrument involving the said property has been presented or pending registration with the Office of the Register of Deeds of Quezon City, at the time the title was destroyed. Moreover, plaintiff-appellee posited that the current real estate taxes on the property have been paid. Thus, she prays that after due notice, publication and hearing, the subject title be reconstituted and thereafter, a second owner's duplicate copy be issued to the registered owners.

On January 15, 2001, the RTC, finding the petition to be sufficient in form and substance, set the case for hearing on May 18, 2001 and ordered the publication of its Order in the Official Gazette as well as its posting at the Main Entrance of the Quezon City Hall, the Bulletin Board of the Branch and the Office of the Clerk of Court, RTC, Quezon City, at least 30 days prior to the date of hearing. It likewise required the service of copies of the said order on the Register of Deeds of Quezon City, Administrator of

Land Registration Authority, Director of Land Management Bureau, Office of the Solicitor General, City Prosecutor of Quezon City, City Legal Officer of Quezon City and all the adjoining property owners, enjoining them and/or their representatives to appear and/or intervene in the case.

On the scheduled date of hearing on May 18, 2001, only the representative from the Office of the Solicitor General appeared. Petitioner's counsel presented and marked his evidence to establish the jurisdictional requirements. Thereafter, on her counsel's motion, petitioner-appellee was allowed to present further evidence before the Commissioner. On the date set for the presentation of petitioner's evidence on June 7, 2001, however, the hearing was reset on the ground, among others, of the need to amend the petition to implead petitioner's co-owner, Edna Garcia, who is also her sister. On July 18, 2001, petitioner filed a motion for leave to present evidence ex-parte without impleading her co-owner, citing the irreconcilable differences between them which the RTC granted in the Resolution dated August 22, 2001. Thereafter, or on September 13, 2001, petitioner presented her evidence and formally offered the same.

In the meantime, the Land Registration Authority (LRA) submitted to the RTC a Report dated October 30, 2001 stating that:

x x x

(2) Our records show that Transfer Certificate of Title No. 140606 covering Lot 7, Block 8 of the consolidation-subdivision plan (LRC) Pes-1011. registered in the name of Edna Verzosa Garcia and Gertrudes B. Verzosa (*sic*) is also applied for Administrative Reconstitution Proceedings (Republic Act 6732), however, no Administrative Order has as yet been issued for the aforesaid TCT.

(3) The plan and technical description of Lot 7, Block 8 of the consolidation-subdivision plan (LRC) Pes-1011, were verified correct by the Authority to represent the aforesaid lot and the same have been approved under (LRA) PR-18966 pursuant to the provisions of Section 12 of Republic Act No. 26.

x x x

On November 19, 2001, the RTC rendered the assailed Decision directing the Register of Deeds of Quezon City to reconstitute TCT No. 140606. Hence, the instant appeal by the Oppositor-Appellant, the Republic of the Philippines, through the Office of the Solicitor General, based on the following assignment of errors, to wit:

I

THE TRIAL COURT ERRED IN GRANTING THE PRESENT PETITION FOR RECONSTITUTION BECAUSE APPELLEE FAILED TO COMPLY WITH THE MANDATORY REQUIREMENTS PROVIDED FOR UNDER SECTIONS 12 AND

II

THE TRIAL COURT ERRED IN GRANTING THE PETITION FOR RECONSTITUTION OF THE ORIGINAL COPY OF TRANSFER CERTIFICATE OF TITLE NO. 140606 FOR FAILURE OF APPELLEE TO PRESENT CLEAR AND CONVINCING EVIDENCE THAT SHE IS THE OWNER OF SAID PARCEL OF LAND.^[4]

According to the Court of Appeals, the petition for reconstitution was filed under Sec. 3(f) of Republic Act (R.A.) No. 26 which grants the court the authority to consider other documents which it finds sufficient and proper bases for the reconstitution prayed for. In this case, the documentary evidence presented by respondent Gertrudes B. Verzosa, coupled with the Report submitted by the Land Registration Authority (LRA) confirming the previous existence of TCT No. 140606, is sufficient basis to grant the reconstitution.

The OSG, however, argues that the photocopy of TCT No. 140606 presented by respondent is not among the documentary evidence required by R.A. No. 26 and cannot be considered competent evidence, especially because respondent did not prove that she had exerted honest efforts to secure the documents enumerated in the law and had failed to find them.

Respondent's Comment/Opposition to Petition^[5] dated 7 June 2007, for the most part, merely reproduces the pertinent portions of the Decision of the appellate court, but adds that petitioner is already estopped from assailing the sufficiency of the evidence presented by respondent because it did not raise a timely objection to the evidence before the trial court.

The OSG filed a Reply^[6] dated 15 November 2007, contending that the doctrine of estoppel does not operate against the government for the acts of its agents, and reiterating that a petition for reconstitution based on a mere photocopy of the certificate of title is only regarded as "reconstitution petition based on plainly inferior evidence."

We shall first dispose of the issue of estoppel.

It is a well-settled rule that the state cannot be put in estoppel by the mistakes or errors of its officials or agents, especially absent any showing that it had dealt capriciously or dishonorably with its citizens.^[7] Thus, the OSG's failure to raise an effective objection to the evidence presented in support of the petition does not bar petitioner from assailing the propriety of the reconstitution ordered by the trial court and affirmed by the Court of Appeals.

Having said this, we shall now proceed to the heart of this case.

The reconstitution of a lost or destroyed certificate of title may be done judicially, in accordance with the special procedure laid down in R.A. No. 26, or administratively, in accordance with the provisions of R.A. No. 6732. The petition in this case sought

the judicial reconstitution of TCT No. 140606.

Sec. 3 of R.A. No. 26 enumerates the sources upon which the reconstitution of transfer certificates of title shall be based. It provides:

Sec. 3. Transfer certificates of title shall be reconstituted from such of the sources hereunder enumerated as may be available, in the following order:

- (a) The owner's duplicate of the certificate of titles;
- (b) The co-owner's, mortgagee's, or lessee's duplicate of the certificate of title;
- (c) A certified copy of the certificate of title, previously issued by the register of deeds or by a legal custodian thereof;
- (d) The deed of transfer or other document on file in the registry of deeds, containing the description of the property, or an authenticated copy thereof, showing that its original had been registered, and pursuant to which the lost or destroyed transfer certificate of title was issued;
- (e) A document, on file in the registry of deeds, by which the property, the description of which is given in said documents, is mortgaged, leased or encumbered, or an authenticated copy of said document showing that its original had been registered; and
- (f) Any other document which, in the judgment of the court, is sufficient and proper basis for reconstituting the lost destroyed certificate of title.

In relation to the foregoing, Sec. 12 of the same law provides:

SEC. 12. Petitions for reconstitution from sources enumerated in Sections 2(c), 2(d), 2(e), 2(f), 3(c), 3(d), 3(e), and/or 3(f) of this Act, shall be filed with the proper Court of First Instance, by the registered owner, his assigns, or any person having an interest in the property. The petition shall state or contain, among other things, the following: (a) that the owner's duplicate of the certificate of title had been lost or destroyed; (b) that no co-owner's, mortgagee's or lessee's duplicate had been issued, or, if any had been issued, the same had been lost or destroyed; (c) the location, area and boundaries of the property; (d) the nature and description of the buildings or improvements, if any, which do not belong to the owner of the land, and the names and addresses of the owners of such buildings or improvements; (e) the names and addresses of the occupants or persons in possession of the property, of the owners of the adjoining properties and of all persons who may have interest in the property; (f) a detailed description of the encumbrances, if any, affecting the property; and (g) a statement that no deeds or other instruments affecting the property have been presented for registration, or, if there be any, the registration thereof has not been accomplished, as yet. All the documents, or authenticated copies thereof, to be introduced in evidence in support to the petition for reconstitution shall be attached thereto and filed with the same: Provided, That in case the reconstitution is to be