

FIRST DIVISION

[G.R. No. 161317, July 16, 2008]

CRISTITA ALEGRIA, JOINED BY HER HUSBAND BIBIANO ALEGRIA, PRAXEDES BANQUERIGO, JOINED BY HER HUSBAND ROLANDO CABUNILAS, EDUARDO DRILON, JOINED BY HER WIFE TURTILLANA DRILON, ESTERLORE DRILON, JOINED BY HER HUSBAND JERRY DRILON, JUANITA DRILON, JOINED BY HER HUSBAND AND DEMETRIO DRILON, CEFERINA FORASTEROS, ARITA MANSING, JOINED BY HER HUSBAND APOLONIO MANSING, AND GAVINA OLLENA, PETITIONERS, VS. EUSTAQUIA DRILON AND SPOUSES ALFREDO AND FREDESWENDA YBIOSA, RESPONDENTS.

R E S O L U T I O N

CARPIO, J.:

Before this Court is a petition for review^[1] assailing the Decision^[2] dated 27 February 2003 and Resolution dated 20 November 2003 of the Court of Appeals in CA-G.R. CV No. 70671. The Court of Appeals dismissed the petition for certiorari filed by Cristita Alegria et al. (petitioners) questioning

the Decision of the Regional Trial Court, Dumaguete City, Branch 40 (trial court) in Civil Case No. 11821.

Petitioners claim they are the actual occupants and tillers of two parcels of land identified as Lot No. 3658 and Lot No. 3660, Cad. 141, with an area of 1,986 and 3,703 square meters, respectively, located in Ajong, Sibulan, Negros Oriental.

On 4 June 1992, Gabriel Drilon, husband of respondent Eustaquia Drilon, applied for the issuance of titles by Free Patent over the properties. On 10 September 1993, Katibayan ng Orihinal na Titulo Blg. Fv.-36316 with Patente Blg. 074620-92-985, and Titulo Blg. Fv.-36315 with Patente Blg. 074620-92-986 were issued for Lot Nos. 3658 and 3660, respectively, in the name of Gabriel Drilon. On 8 October 1993, spouses Drilon sold the properties to respondent spouses Alfredo and Fredeswenda Ybiosa (spouses Ybiosa).

Sometime in 1996, Eustaquia Drilon^[3] and spouses Ybiosa demanded that petitioners vacate Lot Nos. 3658 and 3660. This prompted petitioners to file, on 23 January 1997, an action for reconveyance and declaration of nullity of the sale of Lot No. 3658 and Lot No. 3660.

In their complaint, petitioners alleged that Gabriel Drilon obtained the free patents through fraud. According to petitioners, Gabriel Drilon made it appear in his application for free patent that he had continuously occupied and cultivated Lot Nos. 3658 and 3660.

Petitioners further claimed that the sale of Lot Nos. 3658 and 3660 on 8 October 1993 was void because the sale was made within five years from the issuance of the patents. Petitioners alleged that spouses Ybiosa were in bad faith when they bought the properties as they were fully aware that petitioners were actually and continuously occupying, cultivating and claiming portions of the properties.

In a decision dated 26 February 2001, the trial court dismissed the complaint. The dispositive portion of the decision reads:

WHEREFORE, the petition for reconveyance, declaration of nullity of sale of parcels of land and damages filed by plaintiffs against the defendants is hereby DISMISSED for lack of merit.

SO ORDERED.^[4]

The trial court ruled that although the title to the properties was secured by Gabriel Drilon without disclosing that allegedly third parties were in possession of the properties applied for, petitioners were unable to establish their claim over Lot Nos. 3658 and 3660.

On appeal, the Court of Appeals affirmed the decision of the trial court, thus:

WHEREFORE, premises considered, the Decision dated February 26, 2001 of the Regional Trial Court of Dumaguete City, Seventh Judicial Region, Branch 40, in Civil Case No. 11821, is hereby AFFIRMED. Costs against the appellants.

SO ORDERED.^[5]

The appellate court ruled that it is only the State, as the owner of the property allegedly taken by Gabriel Drilon through misrepresentation, which can assail the sale made by spouses Drilon to spouses Ybiosa. Petitioners, although occupants of the properties, have no legal personality to assail the patents issued to Gabriel Drilon as well as the sale of the properties to spouses Ybiosa.

Hence, this petition.

Petitioners raise the following issues:

1. Whether the sale of Lot Nos. 3658 and 3660 by spouses Drilon to spouses Ybiosa is valid; and
2. Whether petitioners may question the validity of the sale and ask for reconveyance of the properties.^[6]

The petition is without merit.

Before the Court can rule on the validity of the sale made by spouses Drilon to spouses Ybiosa, it is first necessary to resolve whether petitioners have the right to question the validity of the sale and ask for reconveyance of the properties.

We rule in the negative.

Section 2, Rule 3 of the Rules of Court provides that every action must be prosecuted or defended in the name of the real party-in-interest, or in the name of one who stands to be benefited or injured by the judgment in the suit. A suit filed by one who is not a real party-in-interest must be dismissed.

In *Caro v. Sucaldito*,^[7] the Court held that an applicant for a free patent cannot be considered a party-in-interest with personality to file an action for reconveyance. Citing *Spouses Tankiko v. Cezar*,^[8] the Court stated:

[O]nly the State can file a suit for reconveyance of a public land. Therefore, not being the owners of the land but mere applicants for sales patents thereon, respondents have no personality to file the suit. Neither will they be directly affected by the judgment in such suit.^[9]

In point is *De la Peña v. Court of Appeals*,^[10] which likewise involved an action for reconveyance and annulment of title on the ground that the free patent and title over a parcel of land were allegedly obtained through fraud. Like the present case, the petitioner in *De la Peña* claimed that private respondent fraudulently stated in his application for free patent that "the land applied for is not claimed or occupied by any other person." The Court ruled that petitioner had no standing to file the case since reconveyance is a remedy granted only to the owner of the property alleged to be erroneously titled in another's name. In such instances, it is the State which is the proper party to file suit, thus:

Persons who have not obtained title to public lands could not question the titles legally issued by the State. In such cases, the real party-in-interest is the Republic of the Philippines to whom the property would revert if it is ever established, after appropriate proceedings, that the free patent issued to the grantee is indeed vulnerable to annulment on the ground that the grantee failed to comply with the conditions imposed by the law. Not being an applicant, much less a grantee, petitioner cannot ask for reconveyance.^[11]

Further, Section 101 of Commonwealth Act No. 141 provides that actions for reversion of public lands fraudulently awarded must be instituted by the Solicitor General in the name of the Republic of the Philippines:

Section 101. All actions for the reversion to the government of lands of the public domain or improvements thereon shall be instituted by the Solicitor General or the officer acting in his stead, in the proper courts, in the name of the Commonwealth of the Philippines.

Thus, in *Garingan v. Garingan*,^[12] the Court held that only the State may file a case for cancellation of title due to the grantee's violation of the conditions imposed by law:

A certificate of title issued pursuant to a homestead patent partakes of the nature of a certificate issued in a judicial proceeding, as long as the land disposed of is really a part of the disposable land of the public domain and becomes indefeasible and incontrovertible after one year from issuance. x x x. **The only instance when a certificate of title covering a tract of land, formerly a part of the patrimonial**