

THIRD DIVISION

[G.R. No. 177947, November 26, 2008]

**SPS. GABRIEL LLANES AND MARIA LLANES, PETITIONERS, VS.
REPUBLIC OF THE PHILIPPINES, RESPONDENT.**

DECISION

CHICO-NAZARIO, J.:

Before this Court is a Petition for Review on *Certiorari* under Rule 45 of the 1997 Revised Rules of Civil Procedure seeking to reverse and set aside the Decision^[1] dated 31 January 2007 and Resolution^[2] dated 11 April 2007 of the Court of Appeals in CA-G.R. CV No. 80021. In its assailed Decision, the appellate court granted the appeal of herein respondent, Republic of the Philippines (Republic), and dismissed the Application for Registration of Title of herein petitioners, Spouses Gabriel and Maria Llanes (Spouses Llanes); consequently, it set aside the Decision^[3] dated 10 July 2003 of the Municipal Circuit Trial Court (MCTC), Malvar-Balete, Batangas, in LRC Case No. N-073. In its assailed Resolution, the appellate court denied the Spouses Llanes' Motion for Reconsideration.

The facts of this case, as culled from the records, are as follows:

The Spouses Llanes applied for registration of their title over a parcel of land known as Lot No. 5812 of Plan AP-04-009967, Malvar Cadastre, with an area of 4,014 square meters, located in San Juan, Malvar, Batangas (subject property).

The subject property had been in the possession of Gabriel's grandmother, Eugenia Valencia (Eugenia), since the 1930s. She declared the said property for taxation purposes as evidenced by Tax Declarations No. 3470^[4] (1948); No. 8942^[5] (1955); and No. 12338,^[6] No. 12365,^[7] and No. 12371^[8] (1963). It was classified as agricultural land and was being cultivated by Eugenia's son and Gabriel's father, Francisco Llanes (Francisco). Francisco planted the subject property with rice.^[9]

In 1965, Gabriel's brother, Servillano Llanes (Servillano), purchased the subject property from Eugenia. Servillano personally cultivated the subject property by planting it with rice, and then later with coconut.^[10] Servillano, together with his wife, Rita Valencia (Rita), declared the subject property for taxation purposes under Tax Declarations No. 14051^[11] (1966), No. 1788^[12] (1969), No. 1341^[13] (1974), No. 0220^[14] (1980), No. 00645^[15] (1982), and No. 011-00310^[16] (1994).

On 29 December 1995, the subject property came into the possession of the Spouses Llanes when they purchased the same from Servillano and Rita. The said transaction was evidenced by a *Kasulatan ng Bilihan*.^[17] Gabriel himself cultivated the subject property and planted it with rice, coffee, and black pepper.^[18] The

Spouses Llanes religiously paid^[19] real property taxes on the subject property, as evidenced by their current Tax Declaration No. 011-00474^[20] and Tax Clearance^[21] issued by the Office of the Municipal Treasurer of Malvar, Batangas.

In 1996, however, the Spouses Llanes conveyed the subject property to ICTSI Warehousing, Inc. (ICTSI), by virtue of a Deed of Absolute Sale.^[22]

On 10 April 1997, ICTSI filed an application for registration of title over the subject property before the Regional Trial Court (RTC) of Tanauan, Batangas, where the case was docketed as LRC Case No. T-349.^[23]

On 12 May 1999, ICTSI filed before the RTC a Motion with Leave of Court to Amend Application for Registration of Title together with the Amended Application. It alleged that due to technicality, the sale between ICTSI and the Spouses Llanes could not push through. The tax declaration covering the subject property was still in the names of the Spouses Llanes and could not be transferred and declared in the name of ICTSI. Hence, there was a need to amend the application for registration of title to substitute ICTSI with the Spouses Llanes as party applicants.^[24] In an Order dated 24 May 1999,^[25] as modified by the Order dated 15 June 1999,^[26] the RTC granted the Motion with Leave of Court to Amend Application for Registration of Title and admitted the Amended Application for Registration of Title, thus substituting the Spouses Llanes as the party applicants in LRC Case No. T-349.^[27]

When LRC Case No. T-349 was called for initial hearing, the Spouses Llanes presented several documents^[28] to show compliance with the jurisdictional requirements of notice, posting, and publication, which were admitted by the RTC.

The Office of the Solicitor General (OSG) filed before the RTC its Notice of Appearance^[29] as counsel for the Republic and deputized the public prosecutor to assist it in the proceedings in LRC Case No. T-349.

The Republic submitted to the RTC its Opposition^[30] to the Spouses Llanes' application, anchored on the grounds that (1) neither the Spouses Llanes nor their predecessors-in-interest had been in open, continuous, exclusive and notorious possession and occupation of the subject property since 12 June 1945 or earlier; and (2) the muniments of title and/or tax declaration(s) and tax payment receipt(s) of the Spouses Llanes appeared to be of recent vintage and cannot constitute competent and sufficient evidence of *bona fide* acquisition of the land or of open, continuous, exclusive and notorious possession and occupation of the land in the concept of an owner.^[31]

Considering that no private opposition to the Spouses Llanes' application was registered, an Order of General Default was issued by the RTC against the whole world with the exception of the Director of Lands (on behalf of the Republic), as represented by the OSG.^[32]

On 21 April 1993, the Court issued Administrative Circular No. 64-93 delegating to first level courts the jurisdiction to hear and decide cadastral and land registration cases. Pursuant thereto, the RTC issued an Order dated 5 November 2001^[33]

remanding the entire records of the Spouses Llanes' application to the MCTC, where the case was docketed as LRC Case No. N-073.

The Spouses Llanes filed their formal offer of evidence before the MCTC. Among the evidence they submitted were the Certifications issued by the Department of Environment and Natural Resources (DENR) IV, Forest Management Bureau (FMB) [34] dated 9 March 2000 and by the Community Environment and Natural Resources Office (CENRO), Batangas City [35] dated 15 June 2000, both declaring the subject property as alienable and disposable.

On 10 July 2003, the MCTC rendered a Decision granting the Application for Registration of Title of the Spouses Llanes, the decretal portion of which reads:

WHEREFORE, and confirming the [O]rder of [G]eneral [D]efault, this Court hereby adjudicates and decrees the parcel Lot No. 5812 subject matter of this application in the names of applicants, [Spouses Llanes], both of legal age, Filipinos, with residence and postal address at Brgy. Paligawan, Balete, Batangas as the true and absolute owners thereof.

Once this DECISION shall have become final let the corresponding decree of registration be issued. [36]

Unsatisfied with the aforesaid Decision, the Republic appealed to the Court of Appeals, arguing that the MCTC erred in granting the Application for Registration of Title of the Spouses Llanes because the latter failed to comply with the statutory requirement of possession for 30 years, the subject property becoming alienable and disposable only on 22 December 1997 per the CENRO Certification. The appeal of the Republic was docketed as CA-G.R. CV No. 80021.

It was only at this point that the Spouses Llanes realized that the Certifications issued to them by the government agencies concerned stated different dates when the subject property became alienable and disposable. Based on the DENR-FMB Certification, the subject property became alienable and disposable on 26 March 1928. However, according to the CENRO Certification, the subject property became alienable and disposable only on 22 December 1997. The Spouses Llanes then verified the correctness of the CENRO Certification and found that CENRO committed a mistake therein. CENRO itself rectified its gaffe by issuing another Certification dated 20 July 2004, [37] consistent with the DENR Certification, that the subject property became alienable and disposable on 26 March 1928. The Spouses Llanes attached the corrected CENRO Certification as Annex "A" to their Appellees' Brief submitted to the Court of Appeals, but the appellate court, without providing any reason, did not consider the same.

On 31 January 2007, the Court of Appeals rendered its Decision granting the appeal of the Republic, setting aside the MCTC Decision dated 10 July 2003, and dismissing the Application for Registration of Title of the Spouses Llanes. The appellate court referred to the CENRO Certification stating that the subject property became alienable and disposable only on 22 December 1997 and, on the basis thereof, found that the subject property became alienable and disposable only after the original application for registration was filed on 10 April 1997. The Court of Appeals further held that the evidence presented by the Spouses Llanes on the nature of their possession could hardly be considered incontrovertible. The Spouses Llanes failed to

discharge the burden of proving that the subject property was already alienable and disposable at the time they filed their application for registration of title. Similarly, the Spouses Llanes failed to establish that they and their predecessors-in-interest had occupied the subject property in the concept of an owner since 12 June 1945 or for the period required by law.

The Spouses Llanes moved for the reconsideration of the aforesaid Court of Appeals Decision but their motion was denied by the appellate court in its Resolution dated 11 April 2007.

Hence, the present Petition raising the sole issue of whether the Court of Appeals erred^[38] in reversing and setting aside the grant by the MCTC of the Spouses Llanes' Application for Registration of Title based on its finding that the subject property became alienable and disposable only on 22 December 1997.

The Court rules in the affirmative and, thus, finds merit in the Petition at bar.

Primarily, the Spouses Llanes' Application for Registration of Title was filed under Presidential Decree No. 1529 otherwise known as "Property Registration Decree."

Section 14 of the Property Registration Decree, governing original registration proceedings, expressly provides:

SECTION 14. *Who may apply.* -- The following persons may file in the proper Court of First Instance an application for registration of title to land, whether personally or through their duly authorized representatives:

(1) those who by themselves or through their predecessors-in-interest have been in open, continuous, exclusive and notorious possession and occupation of alienable and disposable lands of the public domain under a *bona fide* claim of ownership since June 12, 1945, or earlier.

From the aforequoted provisions, the three requisites for the filing of an application for registration of title are: (1) that the property in question is alienable and disposable land of the public domain; (2) that the applicants by themselves or through their predecessors-in-interest have been in open, continuous, exclusive, and notorious possession and occupation; and (3) that such possession has been under a *bona fide* claim of ownership since 12 June 1945 or earlier. Thus, Section 14(1) requires that the property sought to be registered should already be alienable and disposable at the time the application for registration of title is filed.^[39]

To prove that the land subject of an application for registration is alienable, an applicant must conclusively establish the existence of a positive act of the government such as a presidential proclamation or an executive order, or an administrative action, investigation reports of the Bureau of Lands investigator or a legislative act or statute. A certification by the CENRO of the DENR stating that the land subject of an application is found to be within the alienable and disposable site per a land classification project map is sufficient evidence to show the real character of the land subject of the application.^[40]

In the instant case, the Spouses Llanes submitted to the MCTC Certifications from