

## THIRD DIVISION

[ G.R. NO. 146081, July 17, 2006 ]

**REPUBLIC OF THE PHILIPPINES, REPRESENTED BY THE LAND  
REGISTRATION AUTHORITY, PETITIONER, VS. SPOUSES  
ROBERTO AND MARINA SANCHEZ, RESPONDENTS.**

### D E C I S I O N

**CARPIO, J.:**

#### The Case

This is a petition for review<sup>[1]</sup> of the Decision<sup>[2]</sup> dated 31 August 2000 and Resolution dated 17 November 2000 of the Court of Appeals. The 31 August 2000 Decision granted the petition of respondent spouses Roberto and Marina Sanchez ("respondents") to set aside the ruling of the Regional Trial Court, Quezon City, Branch 225 ("trial court") in a suit for reconstitution of title. The 17 November 2000 Resolution denied the motion for reconsideration of petitioner Land Registration Authority ("petitioner").

#### The Facts

On 28 May 1996, respondents filed a petition ("LRC Case No. Q-96-8296") in the trial court to reconstitute the original of Transfer Certificate of Title No. 252708 ("TCT No. 252708"), covering a parcel of land measuring 2,991 square meters ("Lot 1").<sup>[3]</sup> Respondents claimed that TCT No. 252708 was issued in the name of respondent Marina Sanchez ("Marina") by the Register of Deeds, Quezon City. Respondents alleged that the original of TCT No. 252708 was among the documents destroyed by the fire which razed the Office of the Register of Deeds, Quezon City in June 1988. Respondents sought reconstitution under Section 3(a)<sup>[4]</sup> of Republic Act No. 26<sup>[5]</sup> ("RA 26") based on Marina's duplicate title.

The trial court scheduled the case for hearing on 15 August 1996. The notice of hearing dated 30 May 1996 was published in the 8 and 15 July 1996 issues of the Official Gazette and posted at the main entrance of the City Hall and the Hall of Justice, Quezon City on 1 July 1996. Petitioner, the Office of the Solicitor General, the Land Management Section, Surveys Division of the Department of Environment and Natural Resources, the Office of the Quezon City Prosecutor, and the Register of Deeds, Quezon City were furnished copies of the notice of hearing.

The Solicitor General filed his Comment to the petition, noting that since the petition is based on Section 3(a) of RA 26, the trial court should defer acting on the petition until the Land Registration Authority (LRA) has submitted its Report on the petition as required under Land Registration Commission (now LRA) Circular No. 35 ("Circular No. 35").<sup>[6]</sup>

In response to the Solicitor General's Comment, respondents submitted a Report, dated 5 September 1996 ("First Report"), signed by Benjamin Bustos ("Bustos"), Chief, Reconstitution Division, LRA. The First Report, which was endorsed<sup>[7]</sup> to the trial court in a letter signed by Salvador L. Oriol ("Oriol"), Chief, Docket Division, LRA, reads in full:

#### REPORT

COMES NOW the Land Registration Authority and to the Honorable Court respectfully reports that:

(1) The present petition seeks the reconstitution of Transfer Certificate of Title No. 252708, allegedly lost or destroyed and supposedly covering Lots 12, 13, 14, 15, & 16 all of Blocks 5, of (LRC) Psd-4786, respectively, on the basis of the owner's duplicate thereof, reproductions of which, not certified by the clerk of Court, as required under LRC circular 35, Series of 1983, were submitted to this Authority.

(2) The technical description of the consolidation of Lots, 12, 13, 14, 15 & 16 all of Block 5, Psd-4786, appearing in the reproduction of Transfer Certificate of Title No. 252708, respectively, have been examined and verified against the technical description on file in the Volume 2753 in the Vault Section Docket Division, this Authority. Said technical description when plotted in the Municipal Index Sheet No. 3669-C do [sic] not appear to overlap previously plotted/decreed properties in the area.

The technical description of Lot 1, Pcn-04-000007 of the consolidation [sic] of Lots 12, 13, 14, 15 & 16 of Block 5, appearing in the reproductions of Transfer Certificate of Title No. 252708, respectively have been examined and verified against the Lot Description on file in the vault section, Docket Division, this Authority. Said technical descriptions when plotted in the Municipal Index Sheet No. 3669-C do not appear to overlap previously plotted/decreed properties in the area.

WHEREFORE, the foregoing information anent the lots in question is respectfully submitted for consideration in the resolution of the instant petition, and if the Honorable Court, after notice and hearing, finds justification pursuant to Section 15 of the Republic Act No. 26 to grant the same, the owners [sic] duplicate of Transfer Certificate of Title No. 252708 may be used as sources [sic] of the desired reconstitution pursuant to Section 3 (a) of said Act. Provided, however, that in case the petition is granted, the reconstituted title should be made subject to such encumbrances as maybe subsisting, and provided, further, that no certificate of title covering the same parcels of land exists in the office of the Register of Deeds Concerned [sic].

Quezon City, Philippines, September 5, 1996.

REYNALDO Y. MAULIT  
Administrator  
By:

[Sgd.]  
BENJAMIN M. BUSTOS  
Reconstituting Officer & Chief,  
Reconstitution Division<sup>[8]</sup>

As no opposition was filed against the petition, the trial court allowed respondents to present evidence *ex parte*. Apart from the First Report, respondents also presented a Certification, dated 14 December 1994, of the Quezon City Register of Deeds, that the original of TCT No. 252708 was among those destroyed in the 1988 fire. Respondents further presented a Certification, dated 14 May 1996, of the Office of the City Treasurer, Quezon City, confirming that respondents last paid the real estate taxes on Lot No. 1 in January 1996.

### **The Ruling of the Trial Court**

In its Order dated 28 October 1996 ("28 October 1996 Order"), the trial court granted reconstitution and ordered TCT No. 252708 reconstituted. The 28 October 1996 Order became final on 6 January 1997. The Register of Deeds, Quezon City issued to respondents reconstituted Transfer Certificate of Title No. RT-115027 (252708) ("TCT No. RT-115027").

In a letter dated 4 November 1997, Oriel submitted to the trial court another Report, dated 24 October 1997 ("Second Report"), also signed by Bustos. Oriel informed the trial court that the First Report was fake. The Second Report, which recommended that the trial court set aside the 28 October 1996 Order, reads:

#### REPORT

COMES NOW the Land Registration Authority, and to the Honorable Court respectfully reports that:

(1) The above-entitled case appears to seek the reconstitution of Transfer Certificate of Title No. 252708 allegedly lost or destroyed and supposedly covering Lot 1, Pcn-04-000007, situated at Quezon City, as indicated in the copy of the Notice of Hearing dated May 30, 1996, submitted to this Authority. Attached also to our records of this case is a xerox copy of the purported Transfer Certificate of Title No. 252708 covering Lot 1, Pcn-04-000007 in the name of Marina Sanchez, not certified by the Clerk of Court, as required under LRC Circular 35, Series of 1983.

(2) In the 1st Indorsement dated October 21, 1997 of Engr. Alberto H. Lingayo, Acting Chief, Ordinary and Cadastral Decree Division, this Authority, xerox copy attached as Annex "A", the following information are stated relative to the above-entitled petition and its enclosures[] to wit:

1. On or about October 1, 1997, a certain Marvin Bautista came to this office to inquire about the above petition, showing a copy of the reconstituted title No. RT-115027 (252708) and a copy of a report purportedly issued by this Authority, xerox copies attached as Annexes "B" & "C";

2. We checked our records and found out that on August 6, 1996, we sent a letter to the Clerk of Court requiring petitioner to submit to this Authority, certain documents, however, petitioner has not yet complied as of this date, hence, we could not have rendered a report, xerox copy attached as Annex "D";

3. On October 2, 1997, we secured from the RTC Branch 225, Quezon City, certified copies of pertinent documents relative to the above-petition and found out that there is indeed a copy of a fake LRA Report, copies attached hereto;

4. Initial verification of the purported TCT No. 252708 reveals that the same is a questionable title, because, among other reasons, the Serial No. 3002163 appearing on the face of the certificate pertains to x x x judicial forms issued to the Registry of Deeds of Manila on January 13, 1976, as per records on file at the Property Section, this Authority; and it overlaps properties covered by TCT Nos. 187042 and 187040 when plotted on our Municipal Index Map.

5. It is suggested that this case be referred to proper authorities for investigation and prosecution of the perpetrators, and that the order of reconstitution rendered by the court be recommended vacated or set aside because it was obtained through fraud and forgery.

WHEREFORE, the foregoing observation anent the lot in question is respectfully submitted for the information and guidance of the Honorable Court, with the recommendation that the order of reconstitution rendered relative to the purported Transfer Certificate of Title No. 252708 be ordered vacated or set aside and the corresponding title that was issued be declared null and void.

That the person[] or persons responsible for the reconstitution of this questionable title be investigated and if evidence warrants be charged or prosecuted in Court.

Quezon City, Philippines, October 24, 1997.

REYNALDO Y. MAULIT

Administrator

By:

[Sgd.]

BENJAMIN M. BUSTOS

Reconstituting Officer and

Chief, Reconstitution Division<sup>[9]</sup>

On 24 March 1998, petitioner filed a Manifestation and Motion to set aside the 28 October 1996 Order. Petitioner contended that considering the Second Report, respondents' petition should be considered as having been filed under Section 3(f)<sup>[10]</sup> of RA 26, that is, based on "any other document." Petitioner pointed out that under Section 13<sup>[11]</sup> in relation to Section 12<sup>[12]</sup> of RA 26, the notice of a petition for reconstitution of lost or destroyed titles based on Section 3(f) should not only be

published and posted but also served on, among others, the owners of the adjoining properties. For non-compliance with this requirement, the trial court did not acquire jurisdiction over LRC Case No. Q-96-8296.

Respondents opposed petitioner's motion, primarily on the ground that the 28 October 1996 Order had become final.

The heirs of Mario Uy ("Heirs"), whose predecessor-in-interest allegedly owned Lot No. 12 covered by Transfer Certificate of Title No. 187042, filed an "*amicus curiae*" brief disclosing that they have caused the filing of criminal complaints against respondents for Falsification of TCT No. 252708 (Criminal Case No. 77668) and Use of Falsified Public Document (Criminal Case No. 90649).<sup>[13]</sup> Mario Uy and Maria Corazon Uy-Zalamea ("Zalamea"), the latter being the alleged owner of Lot No. 13 covered by TCT No. 187042, had earlier sued respondents in the Regional Trial Court, Quezon City, Branch 227 ("Civil Case No. Q-96-29545") for quieting of title, nullity of [TCT No. 252708], recovery of possession and damages.<sup>[14]</sup>

In its Order of 17 July 1998 ("17 July 1998 Resolution"), the trial court set aside the 28 October 1996 Order and dismissed LRC Case No. Q-96-8296. The trial court held:

Records reveal, x x x, that TCT No. 25[2]708, the title to be reconstituted, overlaps TCT Nos. 187040 and 187042. Petitioners' design of having their title reconstituted, notwithstanding the fact that the same is covered in two other titles, eludes the comprehension of this Court.

x x x x

The unscrupulous manner by which the petitioners misled the Court is glaring in two (2) instances, to wit: 1) the petition unceremoniously omitted the names of the registered owners of TCT Nos. 187040 and 187042; and 2) the spurious LRA Report submitted by the petitioners.

This Court is of the view that the failure to notify the registered owners of TCT Nos. 187040 and 187042 of the Reconstitution proceeding proved to be a mistake.

Section 13, Republic Act No. 26 x x x provides that "x x x x The Court shall likewise cause a copy of the notice to be *sent, by registered mail or otherwise, at the expense of the petitioner, to every person named therein* whose address is known, at least thirty days prior to the date of the hearing. Said notice shall state among other things, the number of the lost or destroyed certificate[] of title[,] if known, the name of the registered owner, the name[s] of the occupants or persons in possession of the property, the *owner[s] of the adjoining properties and all other interested parties*, the location, area and boundaries of the property, and the date on which all persons having any interest therein, must appear and file their claim o[r] objection to the petition. The petitioner shall, at the hearing, submit *proof of the publication, posting and service of the notice* as directed by the court."

Petitioners' failure to comply with this provision is a fatal defect for the