

FIRST DIVISION

[G.R. No. 136280, August 30, 2001]

**ORCHARD REALTY AND DEVELOPMENT CORPORATION,
PETITIONER, VS. REPUBLIC OF THE PHILIPPINES AND COURT
OF APPEALS, RESPONDENTS.**

D E C I S I O N

KAPUNAN, J.:

Petitioner Orchard Realty and Development Corporation seeks the reversal of the decision of the Court of Appeals dated March 31, 1998 which set aside the judgment of the Regional Trial Court of Cavite granting petitioner's application for registration of a parcel of land, and the resolution of said appellate court dated November 10, 1998 denying petitioner's motion for reconsideration.

The antecedents are as follows:

On February 8, 1994, petitioner filed an application for registration of a parcel of land situated in Barangay Tolentino, Tagaytay City with an area of fifty-one thousand forty-six (51,046) square meters. Petitioner allegedly acquired the same from Erlinda M. Jiongco, Ricardo B. Mercado, Olivia M. Valenzuela and Eduardo B. Mercado sometime in 1993 and that petitioner and its predecessors-in-interest had acquired the land publicly, continuously and adversely in the concept of owner since time immemorial. The petition was filed with the Regional Trial Court of Cavite in Tagaytay City, Branch XVIII and was docketed as LRC No. TG-502.

On June 23, 1994, respondent Republic of the Philippines filed its opposition thereto alleging, among other things, that the applicant and its predecessors-in-interest had not been in possession of the subject lot since June 12, 1945 or earlier.

On December 9, 1994, the trial court rendered a decision approving the application for registration, the decretal portion of which reads as follows:

WHEREFORE, this Court hereby approves this application for registration and thus places the operation of Act 141, Act 496 and/or P.D. 1529, otherwise known as Property Registration Law, the land described in Plan Psd-04-050303 and containing an area of Fifty One Thousand Forty Six (51,046) square meters, as supported by its respective technical description now forming part of the record of this case, in addition to other proofs adduced in the name of ORCHARD REALTY and DEVELOPMENT CORPORATION, with business address at No. 510, Quezon Blvd., Quiapo, Metro Manila.

One (sic) this Decision becomes final and executory, the corresponding decree of registration shall forthwith issue.

SO ORDERED.^[1]

On January 4, 1995, respondent appealed the decision to the Court of Appeals.

On September 14, 1995, petitioner filed with the Court of Appeals a motion praying that the case be remanded to the court of origin to enable it to present additional evidence.

On January 18, 1996, respondent filed its appellant's brief.

On January 29, 1996, respondent filed its opposition to petitioner's motion arguing that Rule 37 and Rule 53 of the Rules of Court do not mandate the remanding of the case.

On February 6, 1996, petitioner's motion for reception of further evidence was granted by the Court of Appeals. Accordingly, on March 26, 1996, said court issued another resolution ordering the remanding of the case to the trial court for reception of additional evidence "in the interest of justice."

Consequently, on August 23, 1996, petitioner submitted its additional evidence. On September 3, 1996, it made its formal offer of additional evidence. On March 11, 1997, the additional evidence was submitted to the Court of Appeals.

On October 1, 1997, petitioner filed its appellee's brief.

On March 31, 1998, the Court of Appeals rendered a decision reversing the decision of the trial court on the ground that the parcel of land sought to be registered is already titled to Rosita Belarmino under Original Certificate of Title No. OP-760. The dispositive portion reads:

WHEREFORE, the Judgment of the lower court dated December 9, 1994 is REVERSED AND SET ASIDE and LRC No. TG-502 is dismissed.

Costs against the appellee.

SO ORDERED.^[2]

In reversing the trial court's decision, the Court of Appeals ratiocinated:

The subject matter of this application for registration is Lot 4020-D of the subdivision plan Psd-04-050303 consisting of 51,046 sq.m. which appears to be a portion of Lot 4020, Cad. 355 of the Tagaytay Cadastre consisting of a larger area of 85,216 sq.m. as shown in the subdivision plan and the technical description of the land. Lot 4020 has been previously titled in the name of Rosita Belarmino in 1986 under O.C.T. No. OP-760. This is borne out by the Report submitted by the Land Registration Authority dated July 19, 1994 (p. 40 of Records) and by a copy of O.C.T. No. OP-760 dated July 20, 1986 in the name of Rosita

Belarmino which also forms part of the records of this case (p. 45). Lot No. 4020 appears to have been subdivided on September 13, 1991 into several parcels, among which is Lot 4020-D.

The appellee contends that O.C.T. No. OP-760 is null and void *ab initio* and its issuance was not pursuant to C.A. No. 141, as amended. It further contends that Rosita Belarmino and her successors-in-interest never acknowledged or attempted to enforce any right under said title and have waived any objection to the cancellation thereof. In fact, appellee acknowledges that there is at present pending before the Regional Trial Court of Tagaytay City a case for cancellation of the title (Civil Case No. TG-1740) filed by the Republic of the Philippines and the applicant has expressed no objection to such cancellation and acknowledged that said free patent title is invalid.

It is at once apparent that the applicant admits that the property is part of the bigger parcel which has been titled under O.C.T. No. OP-760 in the name of its predecessor-in-interest Rosita Belarmino by virtue of Free Patent No. 023382. The said title is in fact the subject of cancellation proceedings allegedly initiated by the Republic. It follows that unless and until O.C.T. No. OP-760 is cancelled and declared invalid it remains subsisting and this application for original registration of a portion thereof cannot as yet be entertained.

A Torrens Title issued on the basis of a free patent becomes as indefeasible as one which was judicially secured upon the expiration of one year from the date of issuance of patent as provided in P.D. No. 1529, par. 32 formerly Act No. 496, par. 38) although the State may still bring an action under the Public Land Act for the reversion to the public domain of lands which have been fraudulently granted to private individuals (*Republic vs. Court of Appeals*, 255 SCRA 335; see also *Cagayan de Oro City Landless Residents Asso., Inc. vs. Court of Appeals*, 254 SCRA 220).

On this basis alone, we find that the lower court erred in approving the application for registration of a parcel of land which is part of land already registered under O.C.T. No. OP-760, and which registration has not been set aside as of the date this application was filed.

We find no need to discuss the other assigned errors. An evaluation of whether or not the evidence sufficiently sustains the application is immaterial in this case.^[3]

On April 15, 1998, petitioner filed its motion for reconsideration of said decision with motion to admit as additional evidence the Decision dated January 13, 1998 of the Regional Trial Court of Cavite in Tagaytay City, Branch XVIII (the same court which heard the instant case) in Civil Case No. TG-1740 entitled "Republic of the Philippines represented by the Director of the Lands Management Bureau, plaintiff, versus Rosita Belarmino, et al., Defendants." The said decision declared as null and void *ab initio* Free Patent No. 023382 and corresponding Original Certificate of Title No. OP-760 issued in the name of Rosita Belarmino and all titles derived therefrom,

giving as grounds therefor the following:

After a review of the records of this case as well as the judicial admission of the parties as borne by their respective pleadings, it definitely appears that defendant Rosita Belarmino's (deceased) lawful successors-in-interests have validly moved to intervene in this case. And, in the capacity as "plaintiff-intervenor," interposing no objection to the Complaint, and joining the plaintiff in seeking cancellation of Free Patent No. 023382 as well as the corresponding OCT No. OP-760.

Moreover, considering that the findings of the Director of Lands Management Bureau in its investigation in the matter of issuance of subject patent and certificate of title was previously admitted by plaintiff-intervenors in their motion, this Court holds the integrity of the aforementioned finding which consequently established that -

"a) Pursuant to Section 107 of Commonwealth Act 141, as amended by Batas Pambansa 878 enacted on July 9, 1985, it is only the Undersecretary of Environment and Natural Resources who is empowered to issue free patents for parcels of land covering an area of more than six (6) hectares. Thus, the (issuing officer) Rosendo Arcena clearly had no authority to issue Free Patent No. 023382 for he was not then the District Land Officer of Cavite and said Free Patent covers a parcel of land with an area of 8.5216 hectares;

b) The last patent number issued by the DENR-CENRO in Cavite, per certification dated July 20, 1992 of its Chief Record Officer Edelvira Ong, is 023306. Hence, Free Patent No. 023382 issued in the name of defendant Belarmino is null and void;

c) The Judicial Form (SN No. 235876) used by Rosendo Arcena in issuing Free Patent No. 023382 for Lot No. 4020, Cad-355, in the name of defendant Belarmino was one of the 400 pieces of judicial forms he requisitioned from the Land Utilization Division (LUDD) of the Lands Management Bureau on October 4, 1990 when he was then assigned as CENRO in Batangas City;

d) Free Patent No. 023382 ... issuance involved a one-man operation wherein the issuing officer, Rosendo Arcena, of the Free Patent was also the certifying officer of the technical description of the land covered by said patent."

Verily, Free Patent No. 023382 and the corresponding OCT No. OP-760, both in the name of defendant Rosita Belarmino, are null and void ab initio.^[4]

The dispositive portion of the decision states: