

## THIRD DIVISION

[ G.R. No. 99331, April 21, 1999 ]

**REPUBLIC OF THE PHILIPPINES, REPRESENTED BY THE  
DIRECTOR OF LANDS, PETITIONER, VS. HONORABLE COURT OF  
APPEALS, CONRADO DE LARA, THE SISTERS OF ST. JOHN DE  
BAPTIST, INC., RESPONDENTS.**

### D E C I S I O N

**PURISIMA, J.:**

Before the Court is a Petition for Review on *Certiorari* under Rule 45 of the Revised Rules of Court to review and set aside the 21 February 1991 **Decision**<sup>[1]</sup> of the Court of Appeals,<sup>[2]</sup> affirming the Decision of the Regional Trial Court, Branch 18, Tagaytay City, in Civil Case No. TG-1012, and the 7 May 1991 **Resolution**, denying petitioner's motion for reconsideration, on the ground that the said Decision and Resolution are contrary to law and jurisprudence.

The antecedent facts that matter can be culled as follows:

On April 25, 1988, the petitioner, Republic of the Philippines filed an Amended Complaint<sup>[3]</sup> with the Regional Trial Court, Branch 18, Tagaytay City, alleging *inter alia*, that:

" x x x

5. *On July 6, 1979, Conrado de Lara filed with the then District Land Office in Noveleta, Cavite, Free Patent Application No. (V-2) 11319 covering a parcel of land identified as Lot No. 4184, (Ap-04-0016) Cad-355, containing an area of 17,266 square meters, located at Iruhin, Tagaytay City.*

6. *On May 27, 1981, the then District Land Officer in Noveleta, Cavite approved Conrado de Lara's Free Patent Application and issued in his favor Free Patent No. 016937.*

7. *Said Patent No. 016937 was thereafter transmitted to the Register of Deeds in Tagaytay City, who registered the same and issued the corresponding Original Certificate of Title No. Op-578 in the name of Conrado F. de Lara on June 2, 1981.*

8. *On June 11, 1986, defendant Conrado de Lara conveyed the said property, by way of a deed of sale with mortgage, in favor of defendant Sisters of St. John the Baptist, Inc. By virtue of the said deed of sale with mortgage, Original Certificate of Title No. Op-578 in the name of defendant Conrado de Lara was cancelled by the Register of Deeds of*

Tagaytay City, and in lieu thereof, Transfer Certificate of Title No. P-265 was issued in favor of defendant Sisters of St. John the Baptist, Inc.

9. On September 8, 1982, Florosa A. Bautista filed an affidavit-complaint (protest) against the patent and title of Conrado F. de Lara alleging, among others, that she is the owner-possessor of a parcel of land located at Iruhin, Tagaytay City and is identified as Lot No. 4184, Cad-355, Tagaytay Cadastre; that she had declared the same for taxation purposes and paid the real estate taxes due thereon since 1937 up to the present; that Conrado F. de Lara, through stealth, deceit, fraud and unlawful manipulations and in connivance with some employees of the Bureau of Lands at the District Land Office in Cavite, was able to secure the issuance of a free patent title covering the said lot; and that the documents presented by the said Conrado F. de Lara in support of his free patent application were all fraudulent and a complete misrepresentation of facts.

10. Upon investigation conducted by the Bureau of Lands, it has been ascertained that Free Patent No. 016937, and its corresponding original certificate of title, were erroneously and fraudulently issued to Conrado F. de Lara through misrepresentation of facts by stating in his application that the land applied for is not claimed or occupied by any other person but is a public land when in truth and in fact said parcel is claimed by and covered by survey plan Psu-104879 in the name of Roberto Bautista. Furthermore, it appears that Conrado de Lara made a request to amend the survey claimant of Lot No. 4184 from Conrado Laurel to Conrado de Lara, it does not appear that the said request was granted or that the claim of Roberto Bautista was formally dismissed by the Bureau of Lands.

11. On the basis of the foregoing findings, the Officer-in-Charge of the Legal Division, in his memorandum dated October 9, 1986 to the Deputy Minister and Officer-in-Charge, Bureau of Lands, recommended that proper court action be instituted for the cancellation of Free Patent No. 016937 and Original Certificate of Title No. Op-578 in the name of Conrado de Lara. The Deputy Minister and Officer-in-Charge of the Bureau of Lands approved the aforesaid recommendation. [Underscoring, supplied]

x x x"

On June 21, 1988, Conrado de Lara sent in his Answer.<sup>[4]</sup>

On July 4, 1988, the Sisters of St. John the Baptist, Inc. (Sisters, for brevity) interposed a Motion to Dismiss<sup>[5]</sup> on the grounds, among others, that the amended complaint does not state a cause of action, and "herein defendant-movant is an innocent purchaser for value and in goodfaith and as such it has acquired a title over the property in question which is perfectly valid and legally unassailable and infeasible xxx."<sup>[6]</sup>

On July 22, 1988, for failure of the Sisters to pursue the said Motion to Dismiss, Presiding Judge Julieta P. Tabiolo "dismissed" the same.<sup>[7]</sup>

On August 8, 1988, the Sisters presented a Motion for Reconsideration,<sup>[8]</sup> which the trial court granted in its Order,<sup>[9]</sup> dated August 24, 1988, ratiocinating thus:

*"Jurisprudence is replete with Supreme Court decisions to the effect that actions to cancel or nullify or to declare void, Certificates of Title which have acquired indefeasibility, (for the reason that the same were attained or procured through fraud) like the Certificate of Title of defendant Conrado T. (sic) de Lara, as alleged by the Solicitor General in his complaint, can only be maintained when the subject property has not passed to an innocent third person for value. Yet, this is the case of defendant Sisters of St. John the Baptist, Inc. The Court feels that in the hands of the latter, its title over the property in question is indefeasible (sic), and can no longer be annulled. Hence, an action of this kind will no longer lie against the said defendant. As against the latter, this case is, therefore, ordered DISMISSED."*

On September 2, 1988, petitioner resorted to a Motion for Reconsideration<sup>[10]</sup> but the same was denied by the lower court in its Order<sup>[11]</sup> dated August 16, 1989, to wit:

*"In view of the fact that the Certificate of title appears to be clear of any encumbrance or infirmities as of June 11, 1986 when the Sisters of St. John the Baptist, Inc. purchased the same in good faith and for value, a new Transfer Certificate of Title No. T-265 issued to it is valid and should be given full faith and recognition by the Court and the government pursuant to Sec. 39 of Act 49."*

*On the second pending issue which is the **Motion to Amend Complaint**<sup>[12]</sup> dated November 17, 1988 and filed on November 23, 1988 ..., the same is hereby DENIED as defendant Sisters of St. John the Baptist, Inc. are fully protected in its ownership and possession of the property covered by TCT No. T-265, for being a purchaser in good faith and for value and for the reason likewise, that the amendment sought by the plaintiff as incorporated in its motion, is similar to the previous amendment contained in the first amended complaint dated April 12, 1988 x x x.*

*WHEREFORE, plaintiff's motions are hereby DENIED."*

On February 26, 1991, the Court of Appeals affirmed order of dismissal appealed from,<sup>[13]</sup> disposing as follows:

*"The setting of the case at bar presents a situation where the original patentee is alleged to have procured his title through fraud, but said property was subsequently sold to an apparently innocent purchaser for value as there was no blemish whatsoever on the certificate of title of the patentee upon which the purchaser has a right to rely upon. We thus agree with the trial court, that upon such circumstances the alleged flawed title -*