Republic of the Philippines
Supreme Court
Manila

THIRD DIVISION

REPUBLIC OF THE PHILIPPINES, Petitioner,

- versus -

PROSPERIDAD D. BAUTISTA. Respondent.

G.R. No. 211664

Present:

PERALTA, *J., Chairperson,*
LEONEN,
GESMUNDO,*
REYES, J. JR., and
HERNANDO,* *JJ.*

Promulgated:

November 12, 2018

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DECISION

REYES, J. JR., *J.*:

This is a petition for review on *certiorari* seeking to reverse and set aside the July 30, 2013 Decision[1] and February 28, 2014 Resolution[2] of the Court of Appeals (CA) in CA-G.R. CV No. 02287-MIN, which affirmed the January 8, 2010 Judgment[3] of the Regional Trial Court of Cagayan de Oro City, Branch 23 (RTC) in Land Registration Case No. 2003-015, which approved the application for land registration filed by respondent Prosperidad D. Bautista.

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* On wellness leave.

1 Penned by Associate Justice Renato C. Francisco and concurred in by Associate Justices Romulo V. Borja and Oscar V. Badelles; *rollo*, pp. 33-46.

2 Id. at 48-49.

3 Penned by Presiding Judge Ma. Anita M. Esguerra-Lucagbo, id. at 87-94.

The Facts

On May 7, 2003, respondent filed with the RTC an application for registration of title over a parcel of land described as Lot 38004, Cad-237, Csd-10-005426-D, portion of Lot 22224, Cad-237, Cagayan Cadastre, containing an area of 991square meters and situated in Adelfa Extension, Zone 9, Airport Rd., Carmen Ilaya, Carmen, Cagayan de Oro City (the subject land).

In her application, respondent alleged that she is the owner in fee simple of the subject land; that the subject land is identical to Lot 22224-A, Csd-10-005426-D; that she acquired the same from her mother, Victoria D. Ababao (Ababao) by virtue of a Deed of Absolute Sale executed by the latter in her favor on April 26, 1988; that her mother, in turn, inherited the subject land from her own mother, Leona Bacarisas (Bacarisas), as evidenced by a Deed of Extrajudicial Partition executed by the latter's heirs, including Ababao, on February 7, 1966.[4]

On June 12, 2003, the petitioner Republic of the Philippines (Republic) filed an Opposition, raising the following grounds: (a) that the parcel of land being applied for is part of the public domain belonging to the Republic; (b) that neither the applicant nor her predecessors-in-interest have been in open, continuous, exclusive and notorious possession and occupation of the subject land since June 12, 1945 or earlier; and (c) that the muniments of title and/or tax declaration of the applicant attached to the application do not constitute competent and sufficient evidence of *bona fide* acquisition of the subject land.[5]

Aside from the Republic's opposition, two more oppositions were filed against respondent's application for registration – the opposition by the Heirs of Dante P. Sarraga, represented by Maria Teresa Fortich Sarraga, who claimed that portions of their property were covered, included or contained in the description of the subject land;[6] and the opposition by the Regional Director of the Department of Public Works and Highways, Region 10, who alleged that a portion of the subject land encroaches part of the National Highway.[7]

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4 Id. at 87-88.
5 Id. at 89.
6 Id. at 91.
7 Id. at 89-90.

After finding that the application was sufficient in form and substance, and after determining that it has jurisdiction to act on the application, the RTC accordingly issued an Order of General Default. Thereafter, trial ensued.[8]

During the hearing, respondent herself testified wherein she reaffirmed the allegations she made in her application. She also presented Jose G. Reyes (Reyes), OIC Division Chief of the Forest Resources Conservation Division, Arlene Galope, and Ulyssis Bacolod, all of the Community Environment and Natural Resources Office (CENRO) of the Land Management Bureau (LMB) of the Department of Environment and Natural Resources (DENR), Region 10, Cagayan de Oro City. In particular, Reyes testified, among others, that he issued two certifications: (a) Certification dated May 7, 2002, wherein he certified that the subject land is alienable and disposable; and (b) Certification dated March 5, 2003, wherein he certified that the subject land is not covered by any public land application in his office.[9]

The RTC Ruling

In its January 8, 2010 Judgment, the RTC granted the application for registration. The trial court was convinced that respondent has proven her lawful acquisition and ownership over the subject land and has established that she and her predecessors-in-interest have been in open, continuous and adverse possession and occupation under a *bona fide* claim of ownership of the subject land for more than 30 years.[10] The dispositive portion of the decision reads:

> WHEREFORE, judgment is hereby rendered confirming the title and ownership of applicant over Lot 22224-A, Cad-237, which is identical to Lot 38004, Cad-237, and the Land Registration Authority is directed to issue a Decree of Registration over the subject lot and the Register of Deeds of Misamis Oriental be directed to issue an Original Certificate of Title in the name of the applicant, Prosperidad D. Bautista.
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> SO ORDERED.[11]

Aggrieved, the Republic elevated an appeal to the CA.

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8 Id. at 91.
9 Id.
10 Id. at 92-93.
11 Id. at 94.

The CA Ruling

In its assailed July 30, 2013 Decision, the CA affirmed the January 8, 2010 RTC Judgment. The appellate court acknowledged that in *Republic v. T.A.N. Properties, Inc.* (*T.A.N. Properties*),[12] the Court had already ruled that an application for original registration must be accompanied by a copy of the original classification approved by the DENR Secretary to establish the alienable and disposable character of the land applied for registration, and that CENRO certifications by themselves would not suffice. Nevertheless, it stressed that applications for land registration may be granted on the basis of substantial compliance. It pointed out that in the cases of *Republic v. Serrano* (*Serrano*)[13] and *Republic v. Vega* (*Vega*),[14] the Court had relaxed the rigid application of the guideline enunciated in *T.A.N. Properties*.

The appellate court noted that respondent was able to present two certifications from the CENRO of Cagayan de Oro City. She also presented Reyes as her witness, the public officer who signed and issued these certifications.[15] The appellate court opined that the records of the case clearly established the fact that Bacarisas, one of respondent's predecessors-in-interest, was the sole registered claimant of the subject land since its survey on October 3, 1929 and the approval of the survey plan in 1933 as evidenced by the Lot Data and Sketch Plan issued by the LMB.[16] Lastly, the appellate court pointed out that the trial court gave credence to respondent's testimony that her immediate predecessor actually cultivated the land by planting and harvesting thereon coconuts, bananas, bamboo, and other crops.[17] Thus, based on the aforesaid pieces of evidence, the appellate court concluded that respondent's application for registration of title to the subject land must be granted. The dispositive portion of the assailed decision provides:

> WHEREFORE, the Judgment of the RTC, Branch 23, Cagayan de Oro City, dated 8 January 2010 is AFFIRMED *in toto*.
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> SO ORDERED.[18]

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12 578 Phil. 441 (2008).
13 627 Phil. 350 (2010).
14 654 Phil. 511 (2011).
15 *Rollo*, p. 41.
16 Id. at 42.
17 Id. at 44.
18 Id. at 46.

The Republic moved for reconsideration, but the same was denied by the CA in its assailed February 28, 2014 Resolution.

Hence, this petition.

The Issue

> THE COURT OF APPEALS COMMITTED A GRAVE ERROR OF LAW IN GRANTING THE RESPONDENT'S APPLICATION FOR ORIGINAL LAND REGISTRATION ON THE BASIS OF SUBSTANTIAL COMPLIANCE AND DESPITE THE RESPONDENT'S FAILURE TO PRESENT A COPY OF THE ORIGINAL CLASSIFICATION OF THE PROPERTY APPROVED BY THE DENR SECRETARY AND CERTIFIED AS A TRUE COPY BY THE LEGAL CUSTODIAN OF THE RECORDS.[19]

The Republic insists that the prevailing rule in cases involving applications for original registration of title to land remains to be that enunciated in *T.A.N. Properties*. The Republic argues that while there may have been cases wherein the Court granted applications on the basis of substantial compliance, these exceptional circumstances apply only when there is no effective opposition on the ground of the inalienability of the land.

The Republic underscores that it has consistently opposed respondent's application on the ground that the subject land is not an alienable and disposable part of the public domain. Thus, it asserts that the trial and appellate courts gravely erred when they granted respondent's application despite her failure to present a copy of the original classification of the subject land.

In her Comment,[20] respondent counters that the Republic failed to present any evidence controverting the contents of the CENRO certifications, particularly the Certification dated May 7, 2002 to the effect that the subject land is alienable and disposable. Thus, the certifications stand. She also asserts that she had successfully established her open, continuous, exclusive, and notorious possession of the subject land before June 12, 1945 and for more than 30 years. She points out that Bacarisas, one of her predecessors-in-interest, had been in possession of the subject land since 1929 and continued her possession thereof until her death in 1946.

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19 Id. at 20.
20 Id. at 103-108.

The Court's Ruling

The petition is impressed with merit.

Registration under Section 14 of P.D. No. 1529.

Section 14 of Presidential Decree (P.D.) No. 1529 or the Property Registration Decree is the law which governs proceedings for original registration of title to land.[21] It provides:

> Sec. 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.
>
> (2) Those who have acquired ownership of private lands by prescription under the provision of existing laws.

For registration under Section 14(1) to prosper, the applicant for original registration of title to land must establish the following: (1) that the subject land forms part of the disposable and alienable lands of the public domain; (2) that the applicants by themselves and their predecessors-in-interest have been in open, continuous, exclusive, and notorious possession and occupation thereof; and (3) that the possession is under a *bona fide* claim of ownership since June 12, 1945, or earlier.[22]

On the other hand, registration under Section 14(2) requires the applicant to establish the following requisites: (a) the land is an alienable and disposable, and patrimonial property of the public domain; (b) the applicant and its predecessors-in-interest have been in possession of the land for at least 10 years, in good faith and with just title, or for at least 30 years, regardless of good faith or just title; and (c) the land had already been

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[21] *Republic v. Court of Appeals*, 489 Phil. 405, 413 (2005).
[22] *Republic v. Estate of Virginia Santos*, 802 Phil. 800, 812 (2016).

converted to or declared as patrimonial property of the State at the beginning of the said 10-year or 30-year period of possession.[23]

From their respective requisites, it is clear that the bases for registration under these two provisions of law differ from one another. Registration under Section 14(1) is based on possession; whereas registration under Section 14(2) is based on prescription.[24] Thus, under Section 14(1), it is not necessary for the land applied for to be alienable and disposable at the beginning of the possession on or before June 12, 1945 – Section 14(1) only requires that the property sought to be registered is alienable and disposable at the time of the filing of the application for registration.[25] However, in Section 14(2), the alienable and disposable character of the land, as well as its declaration as patrimonial property of the State, must exist at the beginning of the relevant period of possession.

CENRO certification is insufficient to establish the alienable and disposable character of the land.

Whether the reckoning point is the time of the filing of the application or the start of the possession thereof, the applicant must satisfy the courts that the land applied for is alienable and disposable. The applicant, therefore, must overcome the presumption of State ownership.[26]

In *T.A.N. Properties*,[27] the Court ruled that it is not enough for the CENRO or the Provincial Environment and Natural Resources Office (PENRO) to certify that the land is alienable and disposable. The applicant for original registration must present a copy of the original land classification approved by the DENR Secretary and certified as a true copy by the legal custodian of the official records to establish that the land is alienable and disposable.[28] In ruling in this wise, the Court explained that the CENRO or the PENRO are not the official repository or legal custodian of the issuances of the DENR Secretary declaring public lands as alienable and disposable. As such, the certifications they issue relating to the character of the land cannot be considered *prima facie* evidence of the facts stated therein.[29]

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23 *Republic v. Zurbaran Realty and Development Corp.*, 730 Phil. 263, 275 (2014); and *Heirs of Mario Malabanan v. Republic of the Philippines,* 605 Phil. 244, 285-286 (2009).

24 *Republic v. Rovency Realty and Development Corp.*, G.R. No. 190817, January 10, 2018.

25 *Republic v. Court of Appeals,* supra note 21; *Heirs of Mario Malabanan v. Republic of the Philippines,* 605 Phil. 244, 269-270 (2009); and *Heirs of Mario Malabanan v. Republic of the Philippines,* 717 Phil. 141, 166 (2013).

26 *Republic v. De Tensuan*, 720 Phil. 326, 339 (2013).

27 Supra note 12.

28 Id. at 452-453.

29 Id. at 453.

Thus, as things stand, the present rule is that an application for original registration must be accompanied by (1) a CENRO or PENRO Certification; and (2) a copy of the original classification approved by the DENR Secretary and certified as a true copy by the legal custodian of the official records.[30]

In this case, it is undisputed that respondent failed to present a copy of the original land classification covering the subject land; and that she relied solely on the CENRO Certification dated May 7, 2002 to prove that the subject land is alienable and disposable. Clearly, the evidence presented by respondent would not suffice to entitle her to a registration of the subject land. This is true even if the Republic failed to refute the contents of the said certification during the trial of the case. After all, it is the applicant who bears the burden of proving that the land applied for registration is alienable and disposable.[31]

Rule on substantial compliance does not apply in this case.

Respondent argues, however, that she proved her cause by substantial compliance. She claims that the doctrine of substantial compliance enunciated in the cases of *Serrano* and *Vega* is applicable to her case.

The argument is misplaced.

In *Republic v. De Tensuan*,[32] the Court recognized that it had been lenient in some cases and accepted substantial compliance with the evidentiary requirements set forth in *T.A.N. Properties*. But despite this recognition, the Court still applied the rule on strict compliance taking into consideration the Republic's opposition that the land applied for registration is inalienable. Thus:

> While we may have been lenient in some cases and accepted substantial compliance with the evidentiary requirements set forth in *T.A.N. Properties*, we cannot do the same for Tensuan in the case at bar. **We cannot afford to be lenient in cases where the Land Registration Authority (LRA) or the DENR oppose the application for registration on the ground that the land subject thereof is inalienable**. In the present case, the DENR recognized the right of the LLDA to oppose Tensuan's Application for Registration; and the LLDA, in its Opposition, precisely argued that the subject property is part of the Laguna Lake bed and, therefore, inalienable public land. We do not even have to evaluate the evidence presented by the LLDA given the Regalian Doctrine.

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30 *Republic v. De Guzman Vda. De Joson*, 728 Phil. 550, 562 (2014).
31 *Republic v. De Tensuan*, supra note 26.
32 Id.

> Since Tensuan failed to present satisfactory proof that the subject property is alienable and disposable, the burden of evidence did not even shift to the LLDA to prove that the subject property is part of the Laguna Lake bed.[33] (Emphasis supplied)

The Court finds the pronouncement in *De Tensuan* applicable to this case. Indeed, the Republic has been consistent in opposing respondent's application for registration on the ground that the subject land is inalienable. This effective opposition prevented the application of substantial compliance.

Furthermore, even on the assumption that the Republic failed to raise any opposition to the respondent's application, the rule on substantial compliance would still be unavailing in this case.

In *Espiritu, Jr. v. Republic*,[34] the Court stressed that the pronouncements in *Serrano* and *Vega* with respect to substantial compliance were mere *pro hac vice* which neither abandoned nor modified the strict compliance rule in *T.A.N. Properties*. This point was even expressly stated in *Vega* wherein the Court clarified that strict compliance with *T.A.N. Properties* remains to be the general rule. Thus:

> It must be emphasized that the present ruling on substantial compliance applies *pro hac vice*. It does not in any way detract from our rulings in *Republic v. T.A.N. Properties, Inc.*, and similar cases which impose a strict requirement to prove that the public land is alienable and disposable, especially in this case when the Decisions of the lower court and the Court of Appeals were rendered prior to these rulings. To establish that the land subject of the application is alienable and disposable public land, the general rule remains: all applications for original registration under the Property Registration Decree must include **both** (1) a CENRO or PENRO certification **and** (2) a certified true copy of the original classification made by the DENR Secretary.[35] (Emphases in the original)

The Court further elaborated on the reason behind the rule on substantial compliance in *Republic v. San Mateo*.[36] In the said case, the Court explained that the rule on substantial compliance was allowed in *Vega* due to the lack of opportunity for the applicant to comply with the requirements provided in *T.A.N. Properties*. The Court explained:

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33 Id. at 343.
34 G.R. No. 219070, June 21, 2017.
35 Supra note 14, at 527.
36 746 Phil. 394 (2014).

> In Vega, the Court was mindful of the fact that the trial court rendered its decision on November 13, 2003, way before the rule on strict compliance was laid down in T.A.N. Properties on June 26, 2008. Thus, the trial court was merely applying the rule prevailing at the time, which was substantial compliance. Thus, even if the case reached the Supreme Court after the promulgation of T.A.N. Properties, the Court allowed the application of substantial compliance, because there was no opportunity for the registrant to comply with the Court's ruling in T.A.N. Properties, the trial court and the CA already having decided the case prior to the promulgation of T.A.N. Properties.[37]

Conversely, if there is an opportunity for the applicant to comply with the ruling in *T.A.N. Properties* (*i.e.*, the case was still pending before the trial court after the promulgation of *T.A.N. Properties*), the rule on strict compliance shall be applied. From the foregoing, it is clear that substantial compliance may be applied, at the discretion of the courts, only if the trial court rendered its decision on the application prior to June 26, 2008, the date of the promulgation of *T.A.N. Properties*.[38]

In this case, the RTC granted respondent's application for registration of title to the subject land on January 8, 2010, or 18 months after the promulgation of *T.A.N. Properties*. Accordingly, the rule on strict compliance must be applied. The courts would not have even the slight discretion to apply the rule on substantial compliance. Thus, a copy of the original classification approved by the DENR Secretary and certified as a true copy by the legal custodian of the official records becomes necessary to prove that the subject land is alienable and disposable and susceptible to registration. Since respondent failed in this regard, her application must perforce be dismissed.

Considering respondent's failure to prove that the subject land is alienable and disposable, it becomes unnecessary for the Court to determine whether she has complied with the other requisites for original registration under either Section 14(1) or 14(2) of P.D. No. 1529. Absent sufficient evidence as to the alienable and disposable character of the land applied for registration, respondent's possession of the same, no matter how long, cannot ripen into a registrable title.

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37 Id. at 405.

38 *Espiritu, Jr. v. Republic,* supra note 34.

WHEREFORE, the instant petition is **GRANTED.** The July 30, 2013 Decision and February 28, 2014 Resolution of the Court of Appeals in CA-G.R. CV No. 02287-MIN are hereby **REVERSED** and **SET ASIDE.** Respondent Prosperidad D. Bautista's application for original registration of title to Lot No. 38004 in Land Registration Case No. 2003-015 is **DENIED** for lack of merit.

SO ORDERED.

JOSE C. REYES, JR.
Associate Justice

WE CONCUR:

DIOSDADO M. PERALTA
Associate Justice
Chairperson

MARVIC MARIO VICTOR F. LEONEN
Associate Justice

(On Wellness Leave)
ALEXANDER G. GESMUNDO
Associate Justice

(On Wellness Leave)
RAMON PAUL L. HERNANDO
Associate Justice

ATTESTATION

I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

DIOSDADO M. PERALTA
Associate Justice
Chairperson, Third Division

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the Division Chairperson's Attestation, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

ANTONIO T. CARPIO
Senior Associate Justice
(Per Section 12, Republic Act No. 296, The Judiciary Act of 1948, as amended)

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WILFREDO V. LAPITAN
Division Clerk of Court
Third Division
DEC 17 2018.