Republic of the Philippines
Supreme Court
Manila

EN BANC

REPUBLIC OF THE PHILIPPINES, Petitioner,	**G.R. No. 193657** Present:
-versus-	LEONARDO-DE CASTRO, *C.J.* CARPIO, PERALTA, BERSAMIN, DEL CASTILLO,* PERLAS-BERNABE, LEONEN, JARDELEZA, CAGUIOA, TIJAM, REYES, JR., GESMUNDO, and REYES, JR., *JJ*
HEIRS OF IGNACIO DAQUER AND THE REGISTER OF DEEDS, PROVINCE OF PALAWAN, Respondents.	**Promulgated:** September 4, 2018

x----------x

DECISION

LEONEN, *J.*:

Any application for a homestead settlement recognizes that the land belongs to the public domain.[1] Prior to its disposition, the public land has to

---

* On official leave.

1 *Republic v. Spouses Noval*, G.R. No. 170316, September 18, 2017 <http://sc.judiciary.gov.ph/pdf/web/viewer.html?file=/jurisprudence/2017/september2017/170316.pdf> 8–9 [Per J. Leonen, Third Division].

be classified first as alienable and disposable[2] through a positive act of the government.[3] This act must be direct and express, not merely inferred from an instrument such as the homestead patent. The State has the right to institute an action for the reversion of an inalienable land of the public domain erroneously awarded by its officials and agents.

This resolves a Petition for Review on Certiorari[4] under Rule 45 of the 1997 Rules of Procedure assailing the January 14, 2010 Decision[5] and September 7, 2010 Resolution[6] of the Court of Appeals in CA-G.R. CV No. 90488, which affirmed the September 28, 2007 Decision[7] of Branch 95, Regional Trial Court, Puerto Princesa City. The Regional Trial Court denied the Republic of the Philippines' Complaint for Cancellation of Free Patent, Original Certificate of Title and Reversion of land[8] for lack of merit.

On October 22, 1933, Ignacio Daquer (Daquer), married to Fernanda Abela,[9] applied for a homestead patent grant over Lot No. H-19731, situated at Brgy. Corong-Corong, Centro, Bacuit, Palawan.[10]

Daquer lodged Homestead Application No. 197317[11] before the Bureau of Lands, now Land Management Bureau, seeking nine (9) hectares or 90,000 square meters of land for his "exclusive personal use and benefit."[12]

On September 3, 1936, the Provincial Environment and Natural Resources Officer, by the Director of the Bureau of Lands' authority, approved[13] Daquer's application and issued him Homestead Patent No. V-67820, covering an area of 65,273 square meters.[14]

Thereafter, Homestead Patent No. V-67820 was transmitted to the Registrar of Deeds of Palawan for registration.[15] After registration, Original Certificate of Title (OCT) No. G-3287 was issued in Daquer's name.[16]

---

2 *Heirs of Malabanan v. Republic*, 717 Phil. 141, 162 (2013) [Per J. Bersamin, En Banc].
3 *Republic v. Vega*, 654 Phil. 521, 511 (2011) [Per J. Sereno, Third Division].
4 *Rollo*, pp. 14–32.
5 Id. at 33–39. The Decision was penned by Associate Justice Arcangelita M. Romilla-Lontok and concurred in by Associate Justices Andres B. Reyes, Jr. (now Associate Justice of Supreme Court) and Priscilla J. Baltazar-Padilla of the Second Division, Court of Appeals, Manila.
6 Id. at 41–42. The Resolution was penned by Associate Justice Priscilla J. Baltazar-Padilla and concurred in by Presiding Justice Andres B. Reyes, Jr. (now Associate Justice of Supreme Court) and Associate Justice Stephen C. Cruz of the Special Former Second Division, Court of Appeals, Manila.
7 Id. at 61–71. The Decision, docketed as Civil Case No. 3773, was penned by Presiding Judge Bienvenido C. Blancaflor of Branch 95, Regional Trial Court, Puerto Princesa City.
8 Id. at 54–60.
9 Also referred to as Fernanda Abila in some documents. *See rollo*, pp. 46 and 52.
10 *Rollo*, pp. 17 and 43–44. The Municipality of Bacuit is now El Nido. *See rollo*, p. 61.
11 Id. at 43–45.
12 Id. at 43-A.
13 Id. at 51.
14 Id. at 61.
15 Id.

On April 3, 1969, Daquer passed away. He was survived by his children, who were his legal heirs, namely, Porcepina Daquer Aban (Porcepina), Alita Daquer Quijano, and Neria Daquer Laguta (collectively, Heirs of Daquer).[17]

Subsequently, the Department Secretary and the Undersecretary for Legal Affairs of the Department of Agriculture and Natural Resources instructed the Community Environment and Natural Resource Office (CENRO) "to submit an inventory of suspected spurious titles cases which may fall within timberland and classified public forest."[18]

Pursuant to their directive, Mariano Lilang, Jr. (Lilang), Land Management Officer III of CENRO, Taytay, Palawan, conducted an investigation to determine whether lands covered by approved patent applications were indeed alienable or disposable.[19]

Upon investigation, Lilang discovered that the land covered by Homestead Application No. 197317 and OCT No. G-3287 fell within the zone of unclassified public forest.[20] Relative to this, Lilang and Senior Forest Management Specialist Chief Leonardo Publico issued a Certification[21] dated July 10, 2000, confirming that Lot No. H-19731 was "still within the Unclassified Zone," thus:

> This CERTIFIES that the area of Plan H. 197317 in CENTRO Bacuit, El Nido, Palawan and with Homestead Patent No. V-67820 and Original Certificate of Title No. G-3287 in the name of Ignacio Daquer *is still within the Unclassified Zone, as per Land Classification Map No. 1467 certified on September 16, 1941.*
>
> Issued in connection with the on-going investigation of questionable land titles being made by this Office.[22] (Emphasis supplied)

Consequently, the Republic of the Philippines (the Republic) filed a Complaint for Cancellation of Free Patent, Original Certificate of Title and Reversion[23] of land to public domain on April 1, 2003.[24] It argued that Lot No. H-19731 could not have been validly registered because it fell within the

---

16 Id. at 52. The Regional Trial Court interchangeably used OCT No. G-3287 and OCT No. G-3587 to refer to the same parcel of land. The parties also did the same in their pleadings. *See rollo*, pp. 340 and 354. For clarity, this Decision will use OCT No. G-3287 all throughout.

17 Id. at 244. Some portions of the Regional Trial Court Decision refer to Porcepina as "Porcefina."

18 Id. at 63.

19 Id.

20 Id. at 64.

21 Id. at 53.

22 Id.

23 Id. at 54–60.

24 Id. at 18–19.

forest or timberland zone. It stated that the Director of the Lands and Management Bureau[25] was bereft of any jurisdiction over public forests or any lands incapable of registration. It claimed that until and unless these lands were reclassified and considered disposable and alienable, occupying them in the concept of an owner, no matter how long, could not ripen into ownership.[26]

In support of its complaint, the Republic presented Land Management Officer Lilang as its witness.[27]

Lilang testified that he conducted a records investigation on Daquer's land. Based on his investigation, it was disclosed that Lot No. H-19731 fell within the unclassified public forest. He explained that he based his conclusion on Land Classification Map No. 1467. He averred that all lands not within the tract of areas classified as alienable and disposable, as shown in the classification map, were regarded as unclassified public forest. Thus, since Lot No. H-19731 fell outside the alienable and disposable area, it should be considered as part of the unclassified public forest. [28]

The Heirs of Daquer, on the other hand, presented Porcepina as witness. Porcepina testified that she was residing at Lot No. H-19731 and that she had custody of OCT No. G-3287. She paid the taxes over the land after the death of her brother, Francisco Daquer. She admitted that her late father also owned other properties aside from Lot No. H-19731.[29]

The Heirs of Daquer also presented as witness Eduardo Franciso, who testified that he was familiar with the area covered by Lot No. H-19731 because his house was only 10 meters away from it. He admitted that the area where his house and Lot No. H-19731 were located was timber land.[30]

In its September 28, 2007 Decision, the Regional Trial Court denied[31] the Republic's petition for cancellation and reversion for lack of merit.

In its ruling, the Regional Trial Court relied heavily on the presumption of regularity of official functions when the Undersecretary of the Department of Agriculture and Natural Resources, acting for the President, granted the homestead patent. It ruled that the President, acting

---

25 Previously Bureau of Lands.
26 *Rollo*, pp. 56–57.
27 Id. at 63.
28 Id. at 64.
29 Id. at 65.
30 Id.
31 Id. at 61–71.

through his alter ego, would not award a homestead patent over forest land but only over public agricultural land.[32]

The Regional Trial Court likewise noted that under the land classification map, areas falling outside the alienable and disposable area were not considered as unclassified public forest, but only unclassified land.[33] Citing *Krivenko v. Register of Deeds*,[34] it ruled that unclassified lands, such as Lot No. H-19731, are presumed to be agricultural lands.[35]

Finally, the Regional Trial Court held that even assuming that Lot No. H-19731 was previously considered as unclassified land, the issuance of Homestead Patent No. V-67820 "could only mean that the land at that point in time had already been expressly classified as alienable or disposable land of public domain."[36]

The Republic appealed before the Court of Appeals,[37] objecting to the ruling that the land was presumed alienable and disposable agricultural land.[38] It also contested the ruling of the Regional Trial Court that the issuance of Homestead Patent No. V-67820 effectively classified the land from public domain land to alienable and disposable land.[39]

According to the Republic, public lands may only be classified by the Executive Department through the Office of the President.[40] Citing *Heirs of Spouses Vda. De Palanca v. Republic*,[41] it argued that "[w]hen the property is still unclassified, whatever possession applicants may have had, and however long, still cannot ripen into private ownership."[42] Finally, it asserted that Homestead Patent No. V-67820 suffered from a jurisdictional flaw warranting the reversion of the land to the State:

> The Director of the Lands Management Bureau [then Bureau of Lands] is devoid of jurisdiction over public forests or any land not capable of registration. When he [or she] is misled into issuing patents over such lands, the patents and the corresponding certificates of title are immediately infected with jurisdictional flaw which warrants the institution of suit to revert land to the State[.][43]

---

32 Id. at 67.
33 Id. at 64.
34 79 Phil. 461 (1947) [Per C.J. Moran, Second Division].
35 *Rollo*, p. 70.
36 Id. at 68.
37 Id. at 72.
38 Id. at 164.
39 Id. at 165.
40 Id.
41 531 Phil. 602 (2006) [Per J. Azcuna, Second Division].
42 *Rollo*, p. 165. The Republic mistakenly put the case title as "Heirs of San Pedro," Pedro being the husband's first name in that case. Nevertheless, the citation (500 SCRA 209 [2006]) leads to *Heirs of Spouses Vda. De Palanca v. Republic*.
43 Id. at 35–36.

In its January 14, 2010 Decision, the Court of Appeals dismissed the appeal and affirmed the Regional Trial Court September 28, 2007 Decision.

The Republic's Motion for Reconsideration[44] was denied by the Court of Appeals on September 7, 2010.[45]

On October 28, 2010,[46] the Republic appealed the Court of Appeals January 14, 2010 Decision and September 7, 2010 Resolution before this Court.

Thus, for this Court's resolution are the following issues:

First, whether or not the mere issuance of a homestead patent could classify an otherwise unclassified public land into an alienable and disposable agricultural land of the public domain; and

Second, whether or not the issuance of Homestead Patent No. V-67820 was jurisdictionally defective as Lot No. H-19731 was still part of the inalienable public land when Homestead Application No. 197317 was granted.

The Petition is impressed with merit.

I.A

A homestead patent is a gratuitous grant from the government "designed to distribute disposable agricultural lots of the State to land-destitute citizens for their home and cultivation."[47] Being a gratuitous grant, a homestead patent applicant must strictly comply with the requirements laid down by the law.

When Daquer filed Homestead Application No. 197317 on October 22, 1933, the governing law was Act No. 2874 or the Public Land Act, which outlined the procedure for the classification and disposition of lands of the public domain, to wit:

---

44 Id. at 93–104.
45 Id. at 41–42.
46 Id. at 8.
47 *Pascua v. Talens*, 80 Phil. 792, 793 (1948) [Per J. Bengzon, Second Division].

CHAPTER II

Classification, Delimitation, and Survey of Lands of the Public Domain, for the Concession Thereof

Section 6. *The Governor-General*, upon the recommendation of the Secretary of Agriculture and Natural Resources, shall from time to time *classify the lands of the public domain* into —

(a) Alienable or disposable
(b) Timber, and
(c) Mineral lands

and may at any time and in a like manner, transfer such lands from one class to another, *for the purposes of their government and disposition.*

Section 7. For the purpose of the government and disposition of alienable or disposable public lands, *the Governor-General*, upon recommendation by the Secretary of Agriculture and Natural Resources, *shall from time to time declare what lands are open to disposition or concession under this Act.*

Section 8. *Only those lands shall be declared open to disposition or concession which have been officially delimited and classified* and, when practicable, surveyed, *and which have not been reserved for public or quasi-public uses*, nor appropriated by the Government, nor in any manner become private property, nor those on which a private right authorized and recognized by this Act or any other valid law may be claimed, or which, having been reserved or appropriated, have ceased to be so. However, the Governor-General may, for reasons of public interest, declare lands of the public domain open to disposition before the same have had their boundaries established or been surveyed, or may, for the same reasons, suspend their concession or disposition until they are again declared open to concession or disposition by proclamation duly published or by Act of the Legislature.

Section 9. For the purposes of their government and disposition, the lands of the public domain alienable or open to disposition shall be classified, according to the use or purposes to which such lands are destined, as follows:

(a) Agricultural.
(b) Commercial, industrial, or for similar productive purposes.
(c) Educational, charitable, and other similar purposes.
(d) Reservations for town sites, and for public and quasi-public uses.

The Governor-General, upon recommendation by the Secretary of Agriculture and Natural Resources, shall from time to time make the classifications provided for in this section, and may, at any time and in a similar manner, transfer lands from one class to another. (Emphasis supplied)

Under the Public Land Act, the Governor-General (now the President), upon the recommendation of the Secretary of Agriculture and Natural Resources (now Department of Environment and Natural Resources), shall have the power to classify lands of the public domain into: (1) alienable or disposable; (2) timber; and (3) mineral lands.

Lands of public domain which have been classified as alienable or disposable may further be classified into: (1) agricultural; (2) commercial, industrial, or for similar productive purposes; (3) educational, charitable and other similar purposes; and (4) reservations for town sites, and for public and quasi-public uses.[48]

Once lands of public domain have been classified as public agricultural lands, they may be disposed through any of the following means: (1) homestead settlement; (2) sale; (3) lease; or (4) confirmation of imperfect or incomplete titles. Section 11 provides:

TITLE II
Agricultural Public Lands

CHAPTER III
Forms of Concession of Agricultural Lands

Section 11. *Public lands suitable for agricultural purposes* can be disposed of only as follows, and not otherwise:

(1) For homestead settlement.
(2) By sale.
(3) By lease.
(4) By confirmation of imperfect or incomplete titles:

(a) By administrative legalization (free patent).
(b) By judicial legalization. (Emphasis supplied)

Chapter IV of the Public Land Act governs the disposition of public agricultural lands through a homestead settlement. Section 12 provides:

CHAPTER IV
Homesteads

Section 12. Any citizen of the Philippine Islands or of the United States, over the age of eighteen years, or the head of a family, who does not own more than twenty-four hectares of land in said Islands or has not had the benefit of any gratuitous allotment of more than twenty-four hectares of land since the occupation of the Philippine Islands by the United States,

[48] Act No. 2874, ch. 2, sec. 9.

> may enter a homestead of not exceeding twenty-four hectares of agricultural land of the public domain.

Thereafter, should the Director of Lands find the application compliant with the requirements of the law, he or she would approve it.[49]

I.B

Only lands of the public domain which have been classified as public agricultural lands may be disposed of through homestead settlement. [50]

The Public Land Act vested the exclusive prerogative to classify lands of the public domain to the Executive Department, specifically with the Governor-General, now the President.[51] Thus, until and unless lands of the public domain have been classified as public agricultural lands, they are inalienable and not capable of private appropriation.

In the case at bar, the Court of Appeals ruled that the President's issuance of Homestead Patent No. V-67820 in favor of Daquer under the terms stated in it was considered as an adequate recognition that Lot No. H-19731 was already classified as alienable and disposable when the patent was issued.[52]

Petitioner argues that contrary to the findings of the Court of Appeals, the mere issuance of a homestead patent does not automatically remove the land from inalienability and convert it into alienable agricultural land.[53] Petitioner contends that before lands of the public domain may be the subject of a homestead application, there must first be a positive act of the government, declassifying a forest land and converting it into alienable or disposable land for agricultural purpose.[54]

This Court finds for petitioner.

---

49 Act No. 2874, ch. 4, sec. 13.
Section 13. Upon the filing of an application for a homestead, the Director of Lands, if he finds that the application should be approved, shall do so and authorize the applicant to take possession of the land upon the payment of ten pesos, Philippine currency, as entry fee. Within six months from and after the date of the approval of the application, the applicant shall begin to work the homestead, otherwise he shall lose his prior right to the land.

50 Act No. 2874, ch. 3, sec. 11.

51 Act No. 2874, ch. 2, sec. 6.

52 Id. at 37–38.

53 Id. at 345.

54 Id. at 343.

At the outset, it must be emphasized that in classifying lands of the public domain as alienable and disposable, there must be a positive act from the government declaring them as open for alienation and disposition. In *Secretary of the Department of Environment and Natural Resources v. Yap*:[55]

> ***A positive act declaring land as alienable and disposable is required.*** In keeping with the presumption of State ownership, the Court has time and again emphasized that there must be a positive act of the government, such as an official proclamation, declassifying inalienable public land into disposable land for agricultural or other purposes. . . . (Emphasis in the original, citations omitted)

A positive act is an act which clearly and positively manifests the intention to declassify lands of the public domain into alienable and disposable.[56]

"Any person seeking relief under . . . the Public Land Act admits that the property being applied for is public land."[57] "The burden of proof in overcoming the presumption of State ownership of the lands of the public domain is on the person applying for registration (or claiming ownership), who must prove that the land subject of the application is alienable or disposable."[58]

As aptly argued by petitioner, an act of the government may only be considered as "express or positive if [it] is exercised directly for the very purpose of lifting land from public ownership."[59]

In this case, the records are bereft of any evidence showing that the land has been classified as alienable and disposable. Respondents presented no proof to show that a law or official proclamation had been issued declaring the land covered by Homestead Patent No. V-67820 to be alienable and disposable.

Having failed to overcome the burden of proving that the land covered by Homestead Patent No. V-67820 is alienable and disposable, the presumption that it is an inalienable land of the public domain remains.

---

55 589 Phil. 156, 182 (2008) [Per J. Reyes, R.T., En Banc].

56 AMADO D. AQUINO, LAND REGISTRATION AND RELATED PROCEEDINGS 42 (4th ed., 2007).

57 *Republic v. Spouses Noval*, G.R. No. 170316, September 18, 2017, 8 <http://sc.judiciary.gov.ph/pdf/web/viewer.html?file=/jurisprudence/2017/september2017/170316.pdf> [Per J. Leonen, Third Division].

58 *Secretary of the Department of Environment and Natural Resources v. Yap*, 589 Phil. 156, 182–183 (2008) [Per J. Reyes, R.T., En Banc]. (Citation omitted)

59 *Rollo*, p. 22.

II.A

Citing *Chavez v. Public Estates Authority,*[60] respondents Heirs of Daquer argue that when Homestead Patent No. V-67820 was issued, Lot No. H-19731 was already alienable and disposable public land. They reason that the passage of "[t]he Public Land Act, coupled with the issuance of Homestead Patent No. V-67820 over [Lot No. H-19731] in the name of Daquer[,] is equivalent to an official proclamation classifying [Lot No. H-19731] as alienable or disposable land of the public domain."[61]

Private respondents' reliance on *Chavez* is misplaced. *Chavez* is inapplicable since it involves the sale of reclaimed foreshore and submerged lands to a private corporation through a Joint Venture Agreement. The facts of the case are as follows:

In 1973, the government, through the Commissioner of Public Highways, entered into a contract with the Construction and Development Corporation of the Philippines for the reclamation of certain foreshore and offshore areas of Manila Bay. Their contract involved the construction of Manila-Cavite Coastal Road Phases I and II. [62]

Subsequently, then President Ferdinand E. Marcos, issued Presidential Decree No. 1084, which created the Public Estates Authority (PEA) and tasked PEA "to reclaim land, including foreshore and submerged areas,"[63] and "to develop, improve, acquire, . . . lease and sell any and all kinds of lands."[64] Then President Marcos likewise issued Presidential Decree No. 1085, transferring to PEA the "lands reclaimed in the foreshore and offshore area of Manila Bay" under the Manila-Cavite Coastal Road and Reclamation Project.[65]

Thereafter, then President Corazon C. Aquino issued Special Patent No. 3517, granting and transferring to PEA the parcels of land reclaimed under the Manila-Cavite Coastal Road and Reclamation Project. Consequently, Transfer Certificates of Title Nos. 7309, 7311, and 7312, covering three (3) reclaimed islands known as the "Freedom Islands," were issued in favor of PEA.[66]

---

60 433 Phil. 506 (2002) [Per J. Carpio, En Banc].
61 *Rollo*, p. 356.
62 *Chavez v. Public Estates Authority*, 433 Phil. 506, 515 (2002) [Per J. Carpio, En Banc].
63 Pres. Dec. 1084, sec. 4(a).
64 Pres. Dec. 1084, sec. 4(b).
65 *Chavez v. Public Estates Authority*, 433 Phil. 506, 515 (2002) [Per J. Carpio, En Banc].
66 Id. at 516.

PEA and Amari, a private corporation, then entered into a Joint Venture Agreement for the development of the Freedom Islands.[67] Under the Joint Venture Agreement, Amari would acquire and own a maximum of 367.5 hectares of reclaimed land which would be titled in its name.[68]

On November 29, 1996, then Senator Ernesto Maceda delivered a privilege speech and called the Joint Venture Agreement between PEA and Amari as the "grandmother of all scams."[69] The Senate Committee on Government Corporations and Public Enterprises, and the Committee on Accountability of Public Officers and Investigations held a joint investigation on the matter. They reported that: (1) the reclaimed lands that PEA sought to transfer to Amari under the Joint Venture Agreement "are lands of the public domain which the government has not classified as alienable lands and therefore PEA cannot alienate these lands; (2) the certificates of title covering the Freedom Islands are thus void, and (3) the [Joint Venture Agreement] itself is illegal."[70]

Subsequently, petitioner Francisco Chavez filed a Petition for Mandamus with Prayer for the Issuance of a Writ of Preliminary Injunction and Temporary Restraining Order, assailing the sale of lands of public domain to Amari. He argued that the sale was "a blatant violation of Section 3, Article XII of the 1987 Constitution prohibiting the sale of alienable lands of the public domain to private corporations."[71]

On the issue of land classification, this Court held that foreshore and submerged areas belong to the public domain. Mere reclamation by PEA "does not convert these inalienable natural resources of the State into alienable or disposable lands of the public domain. There must be a law or presidential proclamation officially classifying these reclaimed lands as alienable or disposable and open to disposition or concession."[72] Thus:

> Under Section 2, Article XII of the 1987 Constitution, the foreshore and submerged areas of Manila Bay are part of the "lands of the public domain, waters . . . and other natural resources" and consequently "owned by the State." As such, foreshore and submerged areas "shall not be alienated," unless they are classified as "agricultural lands" of the public domain. The mere reclamation of these areas by PEA does not convert these inalienable natural resources of the State into alienable or disposable lands of the public domain. There must be a law or presidential proclamation officially classifying these reclaimed lands as alienable or disposable and open to disposition or concession. Moreover, these

---

67 Id. at 517.
68 Id. at 561
69 Id. at 517.
70 Id. at 518.
71 Id. at 519.
72 Id. at 563.

> reclaimed lands cannot be classified as alienable or disposable if the law has reserved them for some public or quasi-public use.
>
> Section 8 of C[ommonwealth] A[ct] No. 141 provides that "only those lands shall be declared open to disposition or concession which have been *officially delimited and classified.*" The President has the authority to classify inalienable lands of the public domain into alienable or disposable lands of the public domain, pursuant to Section 6 of C[ommonwealth] A[ct] No. 141.[73] (Emphasis in the original, citations omitted)

Nonetheless, this Court considered the issuance of a presidential decree and a special patent proclaiming the land as alienable and disposable as a positive act of the Executive Department that converted the reclaimed areas into alienable and disposable agricultural lands:

> P[residential] D[ecree] No. 1085, coupled with President Aquino's ***actual issuance*** of a special patent covering the Freedom Islands, is equivalent to an official proclamation classifying the Freedom Islands as alienable or disposable lands of the public domain. P[residential] D[ecree] No. 1085 and President Aquino's issuance of a land patent also constitute a declaration that the Freedom Islands are no longer needed for public service. ***The Freedom Islands are thus alienable or disposable lands of the public domain, open to disposition or concession to qualified parties.***[74] (Emphasis in the original)

In other words, Presidential Decree No. 1085[75] provides for the express and direct transfer of ownership of the reclaimed lands located in the foreshore and offshore area of Manila Bay. On the other hand, Act No. 2874 merely outlines the procedure for the administration and disposition of alienable lands of the public domain.

Clearly, the lack of any qualifying words that explicitly declare the lands as alienable and disposable, or convey ownership over them proves

---

73 Id.

74 Id. at 564–565.

75 Pres. Dec. No. 1085 provides:

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby decree and order the following:

The land reclaimed in the foreshore and offshore area of Manila Bay pursuant to the contract for the reclamation and construction of the Manila-Cavite Coastal Road Project between the Republic of the Philippines and the Construction and Development Corporation of the Philippines dated November 20, 1973 and/or any other contract or reclamation covering the same area is hereby **transferred, conveyed and assigned to the ownership and administration** of the Public Estates Authority established pursuant to P.D. No. 1084; Provided, however, That the rights and interest of the Construction and Development Corporation of the Philippines pursuant to the aforesaid contract shall be recognized and respected.

. . . .

Special land patent/patents shall be issued by the Secretary of Natural Resources in favor of the Public Estate Authority without prejudice to the subsequent transfer to the contractor or his assignees of such portion or portions of the land reclaimed or to be reclaimed as provided for in the above-mentioned contract. On the basis of such patents, the Land Registration Commission shall issue the corresponding certificates of title. (Emphasis supplied).

that Act No. 2874 was enacted merely to serve as a guideline for the proper administration and disposition of alienable lands.

Act No. 2874, Section 8 provides that only lands which have been officially delimited and classified as alienable may be disposed of through any of the authorized methods.

Therefore, the issuance of Homestead Patent No. V-67820 in favor of Daquer, pursuant to the Public Land Act, did not, by itself, reclassify Lot No. H-19731 into alienable and disposable public agricultural land.

II.B

In denying petitioner's complaint, the Regional Trial Court ruled that since Lot No. H-19731 falls within the unclassified zone under the Land Classification Map, it should be presumed that it was public agricultural land.[76] In its ruling, the Regional Trial Court relied on *Krivenko v. Register of Deeds*,[77] thus:

> Being unclassified, does it mean that the land subject of this case [is] considered as timberland? The Supreme Court in [the] case of Krivenko v. Register of Manila 79 Phil 461 held that:
>
> > The scope of this constitutional provision, according to its heading and its language, embraces all land of any kind of the public domain, its purpose being to establish a permanent and fundamental policy for the conservation and utilization of all natural resources of the Nation. When, therefore, this provision, with reference [to] lands of the public domain, makes mention of only agricultural, timber and mineral lands, it means that all lands of the public domain are classified into said three groups, namely, agricultural, timber and mineral. And this classification finds corroboration in the circumstance that at the time of the adoption of the Constitution, that was the basic classification existing in the public laws and judicial decisions in the Philippines, and the term "public agricultural lands" under said classification had then acquired a technical meaning that was well-known to the members of the Constitutional Convention who were mostly members of the legal profession.
> >
> > As early as 1908, in the case of Mapa vs. Insular Government (10 Phil., 175, 182), this Court said that the phrase "agricultural public lands" as defined in the Act of Congress of July 1, 1902, which phrase is also to be found in several sections of the Public Land Act (No. 926), means

[76] *Rollo*, p. 70.
[77] 79 Phil. 461 (1947) [Per C.J. Moran, Second Division].

> "those public lands acquired from Spain which are neither mineral nor timber lands.["] This definition has been followed in a long line of decisions of this Court. . . . And with respect to residential lands, it has been held that since they are neither mineral nor timber lands, of necessity they must be classified as agricultural.
>
> . . . But whatever the test might be, the fact remains that at the time the Constitutional (sic) was adopted, lands of the public domain were classified in our laws and jurisprudence into agricultural, mineral, and timber, and that the term "public agricultural lands" [was] construed as referring to those lands that were not timber or mineral, and as including residential lands[.] It may safely [be] presumed, therefore, that what the members of the Constitutional Convention had in mind when they drafted the Constitutional (sic) was this well-known classification and its technical meaning then prevailing.
>
> Being not classified as mineral or timberland, it could be presumed that the land subject of this case is agricultural applying the afore-quoted jurisprudence.[78]

The Regional Trial Court's reliance on *Krivenko* is erroneous. The pivotal issue in *Krivenko* is whether or not an alien could acquire a residential lot in the Philippines. Here, the issue is whether the mere issuance of a homestead patent could classify an otherwise unclassified public land into an alienable and disposable agricultural land of the public domain.

Even if the property falls within the unclassified zone, this Court, in *Heirs of the late Spouses Palanca v. Republic,*[79] ruled that unclassified lands, until released and rendered open to disposition, shall be considered as inalienable lands of the public domain, thus:

> While it is true that the land classification map does not categorically state that the islands are public forests, the fact that they were unclassified lands leads to the same result. In the absence of the classification as mineral or timber land, the land remains unclassified land until released and rendered open to disposition. When the property is still unclassified, whatever possession applicants may have had, and however long, still cannot ripen into private ownership. This is because, pursuant to Constitutional precepts, all lands of the public domain belong to the State, and the State is the source of any asserted right to ownership in such lands and is charged with the conservation of such patrimony. Thus, the Court has emphasized the need to show in registration proceedings that the government, through a positive act, has declassified inalienable public

---

78 *Rollo*, p. 70.

79 531 Phil. 602 (2006) [Per J. Azcuna, Second Division].

land into disposable land for agricultural or other purposes.[80] (Citations omitted)

II.C

As a rule, a certificate of title issued pursuant to a homestead patent partakes the nature of a certificate of title issued through a judicial proceeding and becomes incontrovertible upon the expiration of one (1) year. Thus, in *Wee v. Mardo*:[81]

> [O]nce a patent is registered and the corresponding certificate of title is issued, the land ceases to be part of public domain and becomes private property over which the Director of Lands has neither control nor jurisdiction. A public land patent, when registered in the corresponding Register of Deeds, is a veritable Torrens title, and becomes as indefeasible upon the expiration of one (1) year from the date of issuance thereof. Said title, like one issued pursuant to a judicial decree, is subject to review within one (1) year from the date of the issuance of the patent. This rule is embodied in Section 103 of PD 1529, which provides that:
>
> > Section 103. Certificates of title pursuant to patents. — Whenever public land is by the Government alienated, granted or conveyed to any person, the same shall be brought forthwith under the operation of this Decree. . . . **After due registration and issuance of the certificate of title, such land shall be deemed to be registered land to all intents and purposes under this Decree.**[82] (Emphasis in the original)

Nevertheless, the rule that "a certificate of title issued pursuant to a homestead patent becomes indefeasible after one year, is subject to the proviso that 'the land covered by said certificate is a disposable public land within the contemplation of the Public Land Law.'"[83]

When the property covered by a homestead patent is part of the inalienable land of the public domain, the title issued pursuant to it is null and void, and the rule on indefeasibility of title will not apply.[84] In *Agne v. Director of Lands*:[85]

> The rule on the incontrovertibility of a certificate of title upon the expiration of one year, after the entry of the decree, pursuant to the provisions of the Land Registration Act, does not apply where an action

---

80 Id. at 616–617.
81 735 Phil. 420 (2014) [Per J. Mendoza, Third Division].
82 Id. at 429.
83 *Republic v. Roxas*, 723 Phil. 279, 310 (2013) [Per J. Leonardo De-Castro, First Division].
84 *Spouses De Guzman v. Agbagala*, 569 Phil. 607, 615 (2008) [Per J. Corona, First Division].
85 261 Phil. 13 (1990) [Per J. Regalado, Division].

> for the cancellation of a patent and a certificate of title issued pursuant thereto is instituted on the ground that they are *null and void* because the Bureau of Lands had no jurisdiction to issue them at all[.][86] (Emphasis supplied)

In *Republic v. Ramos,*[87] this Court held that despite the registration of the land and the issuance of a Torrens title, the State may still file an action for reversion of a homestead land that was granted in violation of the law. The action is not barred by the statute of limitations, especially against the State:

> Granting that because the homestead land in controversy has been brought under the operation of the Land Registration Act and the Torrens title issued therefor has become indefeasible, under the prayer of any other or further relief, which the court may deem just and equitable to grant, *a directive for reconveyance may be granted, if after trial on the merits the court should find that the appellee Ricardo Ramos is not entitled to hold and possess title in fee simple to the homestead land erroneously granted to him* . . . The action for reconveyance is *not yet barred by the statute of limitations,* even granting that the statute could, which, of course, does not, run against the State.[88] (Emphasis supplied)

Likewise, *Spouses De Guzman v. Agbagala*[89] did not apply the principle of indefeasibility where "the patent and the title based thereon are null and void."[90] In *Mendoza v. Navarette*:[91]

> [T]he Torrens system was not established as a means for the acquisition of title to private land. It is intended merely to confirm and register the title which one may already have on the land. Where the applicant possesses no title or ownership over the parcel of land, he cannot acquire one under the Torrens system of registration . . . The effect is that it is as if no registration was made at all.[92] (Citations omitted)

Heirs of Spouses Vda. De Palanca v. Republic[93] also held that the State may recover non-disposable public lands registered under the Land Registration Act "at any time and the defense of *res judicata* would not apply as courts have no jurisdiction to dispose of such lands of the public domain."[94]

As this Court ruled in that case, Lot No. H-19731, the land covered by Homestead Patent No. V-67820, is still part of the inalienable lands of the

---

86 Id. at 25.
87 117 Phil. 45 (1963) [Per J. Padilla, En Banc].
88 Id. at 49.
89 569 Phil. 607 (2008) [Per J. Corona, First Division].
90 Id. at 614.
91 288 Phil. 1122 (1992) [Per J. Davide Jr., Third Division].
92 Id. at 1142.
93 531 Phil. 602 (2006) [Per J. Azcuna, Second Division].
94 Id. at 614. (Citations omitted)

public domain there being no positive act declassifying it. Consequently, OCT No. G-3287, issued pursuant to Homestead Patent No. V-67820, is null and void. Thus, the State is not estopped from instituting an action for the reversion of Lot No. H-19731 into the lands of the public domain.

Lands of the public domain can only be classified as alienable and disposable through a positive act of the government.[95] The State cannot be estopped by the omission, mistake, or error of its officials or agents.[96] It may revert the land at any time, where the concession or disposition is void *ab initio*.

WHEREFORE, the petition is **GRANTED**. The January 14, 2010 Decision and September 7, 2010 Resolution of the Court of Appeals in CA-G.R. CV No. 90488 are **REVERSED AND SET ASIDE**. The ownership and possession of the tract of land covered by Original Certificate of Title No. G-3287 in the name of Ignacio Daquer falling within the unclassified zone is hereby **REVERTED** to and **REACQUIRED** by the Republic of the Philippines.

The Register of Deeds of Palawan is directed to **CANCEL** Original Certificate of Title No. G-3287 for being null and void.

SO ORDERED.

MARVIC M.V.F. LEONEN
Associate Justice

WE CONCUR:

TERESITA J. LEONARDO-DE CASTRO
Chief Justice

---

[95] *Secretary of the Department of Environment and Natural Resources v. Yap*, 589 Phil. 156, 182 (2008) [Per J. Reyes, R.T., En Banc].

[96] *Director of Lands v. Court of Appeals*, 214 Phil. 606 (1984) [Per J. Melencio-Herrera, First Division].

ANTONIO T. CARPIO
Associate Justice

DIOSDADO M. PERALTA
Associate Justice

LUCAS P. BERSAMIN
Associate Justice

(On official leave)
MARIANO C. DEL CASTILLO
Associate Justice

ESTELA M. PERLAS-BERNABE
Associate Justice

(No part)
FRANCIS H. JARDELEZA
Associate Justice

ALFREDO BENJAMIN S. CAGUIOA
Associate Justice

NOEL GIMENEZ TIJAM
Associate Justice

ANDRES B. REYES, JR.
Associate Justice

ALEXANDER G. GESMUNDO
Associate Justice

JOSE C. REYES, JR.
Associate Justice

CERTIFICATION

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.

TERESITA J. LEONARDO-DE CASTRO
Chief Justice

CERTIFIED TRUE COPY

EDGAR O. ARICHETA
Clerk of Court En Banc
Supreme Court