

### Title:

Aurelia Narcise, et al. vs. Valbueco, Inc.: A Case of Annulment of Free Patents, Certificates of Title, and Damages

### Facts:

On March 8, 2005, Valbueco, Inc. initiated a legal proceeding (Civil Case No. 8144) against Aurelia Narcise and others, including government bodies, in the Regional Trial Court (RTC) of Balanga City, Branch 1. The complaint sought to annul Free Patents, Certificates of Title, and claimed damages, alleging Valbueco, Inc.'s continuous possession of the subject properties since 1970. Petitioners responded with Motions to Dismiss based on various grounds including lack of cause of action and the case ultimately being one of reversion. The RTC initially dismissed the complaint, citing that reversion suits should be pursued by the Office of the Solicitor General (OSG), only for the Court of Appeals (CA) to later reverse this decision, insisting the case was correctly classified for annulment of patents and titles due to Valbueco, Inc.'s claim of ownership. This led to the escalation of the matter to the Supreme Court of the Philippines.

### Issues:

1. Whether the case is a reversion case or one for annulment of free patents and certificates of title.
2. Identification of the real party-in-interest.
3. Consideration of whether the case had already prescribed.

### Court's Decision:

The Supreme Court upheld the CA's decision, ruling that the case was one for annulment of patents and certificates of title, not reversion. It differentiated the two by focusing on the nature of ownership claims over the disputed lands, with reversion suits admitting State ownership, while annulment claims involve private ownership prior to the erroneous issuance of titles. Valbueco, Inc.'s complaint, by asserting possession and ownership since 1970, framed it as a matter of annulment. The company thereby stood as the real party-in-interest, countering the petitioners' stance. Additionally, the matter of prescription and the failure to exhaust administrative remedies were deemed inappropriate for resolution via a motion to dismiss, necessitating trial proceedings.

### Doctrine:

The Supreme Court reiterated the distinction between actions for reversion and annulment of patents and titles, emphasizing that allegations regarding ownership and possession

define the nature of each case. It underlined that acquisitive prescription can establish ownership, which is vital in annulment actions where the plaintiff claims ownership adverse to that delineated in fraudulently obtained patents and titles.

### ### Class Notes:

- **Reversion vs. Annulment:** Reversion suits require State initiation and pertain to lands unlawfully alienated, intending to revert them back to public domain. Annulment suits, conversely, can be pursued by private entities claiming ownership or interest prior to the fraudulent issuance of titles.
- **Real Party-in-Interest:** The entity standing to gain or lose directly from the lawsuit's outcome, based on the suit's specific legal claim.
- **Acquisitive Prescription:** A mode of acquiring property rights through continuous, open, and peaceful possession for a prescribed period.
- **Prescriptive Periods:** Ordinary acquisitive prescription requires 10 years of possession with just title and in good faith, whereas extraordinary acquisitive prescription necessitates 30 years of uninterrupted adverse possession, regardless of good faith or just title.

### ### Historical Background:

This case illustrates the complexities of land ownership disputes in the Philippines, a country with a convoluted history of land titles due to changes in governance and law over time. It emphasizes the critical role of the judiciary in arbitrating claims of ownership and possession, especially when conflicting interests between private entities and the requirements of public domain arise.