

URSULA FRANCISCO, PLAINTIFF-APPELLANT, VS. JULIAN RODRIGUEZ, DEFENDANT-APPELLEE, MONINA RODRIGUEZ, DEFENDANT-INTERVENOR-APPELLEE.

G.R. No. L-31083. September 30, 1975

Ponente: MARTIN, J.

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MARTIN, J.:

In a span of more than two decades now, this case appealed to Us for the third time, with the plaintiff-appellant inquiring into the extent and coverage of the reversion order of the Court in its anterior decision.

Sometime in 1932, the plaintiff-appellant, Ursula Francisco, applied for the purchase of Lot No. 595, Cadastral, No. 102 of Davao Cadastre, consisting of 33.1185 hectares, situated in barrio Bunawan, Davao City, through Sales Application No. 15774. Unfortunately, the Director of Lands rejected the sales application, for the reason that the plaintiff-appellant had permitted herself to be a dummy in the acquisition of the land. Nonetheless, the plaintiff-appellant continued in possession and in June, 1940, she conveyed 29.3298 hectares of the land to her former lawyer, defendant Julian Rodriguez. Later, upon discovering that the document she signed was a deed of absolute sale and not the antichresis she thought of, she filed civil case 9-R in the Court of First Instance of Davao and sought for the annulment of the deed. The deed was declared null and void, but the land was considered Government property and not plaintiff-appellant's. Subsequently, the Bureau of Lands reinstated plaintiff-appellant's sales application, but stayed the execution thereof. Plaintiff-appellant then sued defendant Julian Rodriguez in the Court of First Instance of Davao, docketed as Civil Case 268, for recovery of possession, sum of money, and damages. Defendant Monina Rodriguez, Julian's daughter, was allowed to intervene.

After trial, the lower court adjudged plaintiff Ursula Francisco and defendants Julian Rodriguez and Monina Rodriguez not entitled to the possession of the disputed land and left the disposition thereof to the Department Agriculture and Natural Resources. Both parties appealed to this Court.

On May 21, 1956, the judgment of the lower court affirmed, the Court holding that the land dispute between parties may well be left to the action of the Department of Agriculture and Natural Resources.[1] The parties separately moved for reconsideration, believing that the decision of the Court had restored to them their status ante litem motam, to obtain possession of the property and the fruits thereof pendente lite, but the motions were denied.

When the records of the case were returned to the lower court, the parties reiterated their motions, which the trial, also denied on the ground that it is either the Secretary of Agriculture or the Director of Lands who should ask for possession of the property.

On October 22, 1956, after the Bureau of Lands had completed its investigation of the land controversy ordered by the Secretary of Agriculture, the Secretary denied the claims of Julian Rodriguez and his daughter Monina to the 29.3298 hectares and its improvements. Further, it declared the land in question vacant, the steps leading to its sale, including the improvements, in a public bidding to be forthwith taken.

The Office of the President affirmed the Secretary's ruling in toto.

On December 8, 1958, the Director of Lands moved to intervene in Civil Case 268 before the lower court and prayed that the receivership be dissolved after the receiver shall have rendered an accounting. The motion was granted and the final accounts of the receiver were approved. Defendants Julian Rodriguez and Monina Rodriguez filed a motion asking for the possession of the property and discharge of the receiver and later, together with the plaintiff-appellant, moved that the proceeds of the property be delivered to and divided between them equally. The motions were denied and so, defendants Julian Rodriguez and Monina Rodriguez appealed to this Court[2] imputing that the trial court erred in declaring the litigated land already reverted to the State; the State's ownership of the land as carrying with it the right to possession; in not declaring defendants entitled to the material and physical possession of the land; and in not terminating the receivership.

On October 31, 1962, the Court affirmed the judgment appealed from, ruling that the reversion is self-operative and separate action need not be instituted by the Government for that purpose. The provision of Section 101 of the Public Land Law (Commonwealth Act No. 141) that "all actions for reversion to the Government of lands of the public domain improvements thereof shall be instituted by the Solicitor General or the officer acting in his stead, in the proper courts, in the name of the Commonwealth of the Philippines," applies only when title has already vested in the individual, which is not the case in the appealed judgment. Neither could the parties claim for the proceeds of the property pendants lite because "all rights in and interest to, and the improvements and crops upon, land for which an application has been denied or cancelled or patent or grant refused, or a contract or concession rescinded or annulled, shall also be forfeited to the Government." (Section 98, Commonwealth Act No. 141). Instead, the property as well as the fruits thereof pendente lite should be delivered to the Director of Lands, who had intervened in Civil Case 268.[3]

On March 17, 1966, the Director of Lands sought the execution of the decision of the Court before the lower court. Plaintiff Ursula Francisco opposed the petition, contending that only twenty-nine (29) hectares of the 33-hectare Lot No. 595, Cadastral No. 102 of Davao Cadastre, was reverted to the State, excluding the four (4) hectares which she claims to have been in her possession even during the pendency of Civil Case 268. Defendants Julian Rodriguez and Monina Rodriguez followed, claiming that an independent suit is necessary for the execution of the judgment since more than five (5) years have already elapsed from its finality. Opposition also came from claimants-oppositors Alejo Dugasa, et al., pressing on the impropriety of execution by mere motion and asserting their possessory right over the land in question.[4]

The lower court denied the oppositions in its Order of September 18, 1967 and directed the issuance of a writ of execution placing the Government thru the Director of Lands and the District Land Officer in Davao in complete possession of the land in question.

In a subsequent order of November 10, 1967, the lower also enjoined the receiver in the proceedings to submit its final accounting, after which the Motion for Dissolution Receivership filed by the Director of Lands would be heard.

Hence, on November 20, 1967, plaintiff-appellant filed Notice of Appeal against the September 18, 1967 Order of lower court.[5]

Only one issue is raised by plaintiff-appellant and that is, whether the reversion ordered in G.R. No. L-15605, October 31, 1962, refers to the whole Lot No. 595, Cadastral No. 29.3298 Davao, consisting of 33.1185 hectares, or only to the 29.3298 hectares, the conveyance of which by the plaintiff-appellant to defendant Julian Rodriguez had been annulled.

The fundamental principle is that the State possesses plenary power "as the persona in law to determine who shall be the favored recipients of public domain, as well as under what terms they may be granted such privilege, not excluding the placing of obstacles in the way of their exercising what otherwise would be ordinary acts of ownership." [6] And the law has laid in the Director of Lands "the power of executive control, administration, disposition and alienation of public lands" that includes the survey, classification, lease, sale, or any other form of concession or disposition and management of the lands of the public domain [7] subject, of course, to the control" the Secretary of Agriculture and Natural Resources. [8] Its decisions as to questions of fact are conclusive when approved by the Secretary of Agriculture and Natural resources. [9]

It is indisputable that the only basis of the plaintiff-appellant's claim to the property in question is her Sales Application No. 15774, wherein she applied for the purchase of Lot No. 595, Cadastral No. 102, Davao Cadastre, consisting of 33.1185 hectares. However, the application was rejected by the Director of Lands on August 10, 1935, because she "permitted herself to be a dummy." She continued to possess the property though and then sold 29 hectares thereof to her previous lawyer, defendant Julian Rodriguez. Later, the sale was declared void by this Court in G.R. No. L-8263, May 26, 1952, not only because plaintiff-appellant's rights under her sales applications had been cancelled by the Bureau of Lands but especially because the conveyance was made without previous approval of the Secretary of Agriculture as required by law (Section 29, Commonwealth Act No. 141). The nullity such sale produced as a consequence "the reversion of the property with all the rights thereto to the State." [10]

The subsequent reinstatement of plaintiff-appellant's sales application by the Director of Lands did not redeem her claim to Lot 595, Cadastral No. 102 from its incipient nullity because the application was finally denied by the Secretary of Agriculture on October 22, 1956 after formal investigation by the Bureau of Lands, a ruling now beyond judicial interference. [11] As a result, whatever rights or interests plaintiff-appellant may have in Lot No. 595 had thus frittered away and the entire lot reverted to the mass of public lands, such reversion being even imprescriptible. [12] By transgressing the law, i.e., allowing herself to be a dummy in the acquisition of the land and selling the same without the previous approval of the Secretary of Agriculture and Natural Resources, plaintiff-appellant herself has eliminated the very source (Sales Application) of her claim to Lot No. 595, as a consequence of which, she cannot later assert any right or interest thereon. [13] This is the imperative import of the pronouncements in G.R. No. L-8263 and in G.R. No. L-15605 that the invalidity of the conveyance by plaintiff-appellant "produced as a consequence the reversion of the property with all rights thereto to the State." As a matter of fact, Section 29 of the Public Land Law (Commonwealth Act No. 141) expressly ordains that any sale and encumbrance made without the previous approval of the Secretary of Agriculture and Natural Resources "shall be null and void and shall produce the effect of annulling the acquisition and reverting property and all rights thereto to the State, and all payments on the purchase price theretofore made to the Government shall be forfeited." Thus, in *Republic v. Garcia*, [14] quoted in *Republic v. Ruiz*, *supra*, it was held that "even if only 19 out of the 23.21 hectares of the homestead land had been sold or alienated within the prohibitive period of five years from date of issuance of the patent to the grantee, such alienation is a sufficient cause for reversion to the State of the whole grant." [15] Much more, when even the mere application is denied by the Bureau of Lands or the Secretary of Agriculture and Natural Resources.

In fact, even if a sales application were already given due course by the Director of Lands, the applicant is not thereby conferred any right over the land covered by the application. It is the award made by the Director to the applicant (if he is the highest bidder) that confers upon him a certain right over the land, namely, "to take possession of the land so that he could comply with the requirements prescribed by law." [16] It is at this stage, when the award is made, that the land can be considered "disposed of by the Government," since the aforesaid right of the applicant has the effect of withdrawing the land from the public domain that is "disposable" by the

Director of Lands under the provisions of the Public Land Act (Director of Land v. Court of Appeals, *supra*, citing *People v. Lapasaran*, 100 Phil. 40 and *Diaz v. Macalinao*, 55 O.G. 1021). However, the disposition is merely provisional because the applicant has still to comply with the requirements prescribed by law before a patent is issued. After the requisites of the law are complied with by the applicant to the satisfaction of the Director of Lands, the patent is issued. It is then that the land covered by the application may be considered "permanently disposed of by the Government." [17] In case the applicant is found not to possess the qualifications necessary for the award of the land, the application is revoked. [18]

Furthermore, the finding of the Court in its previous decisions [19] that the Director of Lands and finally the Secretary of Agriculture and Natural Resources had rejected plaintiff-appellant's sales application for Lot No. 595 may well be considered as the law of the case between the parties here the effect that the resulting absence of plaintiff-appellant's rights or interests to the entire Lot No. 595 constitutes the controlling legal rule between them. [20]

ACCORDINGLY, the appealed order of the court a quo, dated September 18, 1967, ordering the issuance of a writ of execution in favor of the Government, thru the Director of Lands, of Lot No. 595, Cadastral No. 102 of Davao Cadastre (for the whole area of 33.1185 hectares) is hereby affirmed. Costs against plaintiff-appellant.

SO ORDERED.

Teehankee (Actg. Chairman), Makasiar, Muñoz Palma, and Aquino, JJ., concur.

Esguerra, J., on leave.

[1] *Ursula Francisco v. Julian Rodriguez, etc.*, 1,-8263, May 21, 1956, unreported.

[2] *Ursula Francisco v. Julian Rodriguez, etc.*, L-15605. October 31, 1962, 6 SCRA 444.

[3] *Idem*, at 449-450.

[4] *Alejo Dugasa, et al.*, are claimants of the 29-hectare applied for by Ursula Francisco in her Sales Application, Record on Appeal, at 20-34.

[5] After the death of Julian Rodriguez during the pendency case, his heirs, including Monina Rodriguez, manifested in open court that they were no longer interested in the present case, see *Director of Lands*, at 4: No brief was filed by Julian's heirs of Dugasa, et al., see SC Resolution, July 7, 1971.

[6] *Gonzaga v. Court of Appeals*, L-27455. June 28, 1973. 51 SCRA 388,.

[7] *Director of Lands v. Abordo*, 74 Phil. 44; *Hernandez v. CSapis*, 98 Phil. 687; *De los Santos v. Rodriguez*, L-23170. January 31, 1968, 22 SCRA 451.

[8] *Dajunos v. Tandayag*, L-32651-52, August 31, 1971. 40 SCRA 455.

[9] *Vda. de Calibo v. Ballesteros*, L-17466. September 18, 1965. 15 SCRA 40. 41; *Eusebio v. Sociedadde Balarin*, L-21519. March 31, 1966, 16 SCRA 569; *Ramirez v. Court of Appeals, et. al*, L-28591. October 31, 1969, 30 SCRA 297.

[10] *Ursula Francisco v. Julian Rodriguez*, fn. 1.

[11] *Ganitano v. Sec. of Agriculture and Natural Resources*, L-21167, March 31, 1966, 16 SCRA 546.

[12] *Republic v. Animas*, L-37682, March 29, 1974, First Division, 56 SCRA 506.

[13] Republic v. Ruiz, L-23712. April 29. 1968. 23 SCRA 348.

[14] 105 Phil. 830 (1950).

[15] Prescriptions on transfer of homesteads similar to sales patents, Compare Sec. 29 with Sec. 124 of Commonwealth Act. No. 141; also See. 20.

[16] Director of Lands v. Court of Appeals, et al., L-17696. May 19. 1966, 17 SCRA 71, citing Visayan Realty v. Meer. 96 Phil. 515.

[17] Heirs of Francisco Parco v. Haw Pie, L-22478, May 30, 1972, 45 SCRA 175. 177: Palawan Agriculture and Industrial Co., Inc. v. Director of Lands, L-25914. March 21. 1972. 44 SCRA 20.

[18] Sec Alvarez v. Board of Liquidators, L-14834. January 31, 1962, 4 SCRA 203, 204.

[19] G.R. No. L-8263. May 26. 1952: G.R. No. L-1 5605. October 3 1, 1962.

[20] Libudad v. Gil, L-25495. May 17, 1972. 45 SCRA 32. 33.

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