

**PALAWAN AGRICULTURAL AND INDUSTRIAL CO., INC.,
APPLICANT-APPELLANT, VS. DIRECTOR OF LANDS,
OPPOSITOR-APPELLEE.**

G.R. No. L-25914. March 21, 1972

Ponente: CONCEPCION, C.J.

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CONCEPCION, C.J.:

Direct appeal taken, by Palawan Agricultural and Industrial Co., Inc. from a decision of the Court of First Instance of Palawan dismissing the former's application for registration and confirmation of title over a parcel of land of 414.5144 hectares, more or less, situated in the barrio of Panacan, municipality of Aborlan, Province of Palawan, and more particularly described in amended plan SC-4782 AMD.

Said application, filed on February 14, 1961, relies upon section 48 of Commonwealth Act 141, as amended by Republic Acts Nos. 1942 and 2061, upon the ground that through its predecessor in interest, appellant had been in open, continuous, exclusive, notorious and lawful possession of the land since 1912, under a bonafide claim of acquisition and ownership.

The Director of Lands opposed the application, alleging that it involves a public land covered by appellant's sales application No. 4782 dated April 9, 1920; that the land was not awarded to appellant, it having refused to pay the value thereof as determined by an appraisal committee in July, 1950; and that appellant has no valid title to be confirmed, its possession being, not that of an owner, but, merely, that of a (sales) applicant of a portion of the public domain.

In due course, the Court of First Instance of Palawan rendered judgment sustaining the opposition of the Director of Lands and, accordingly, dismissing the application. Hence, this appeal, upon the ground that the lower court had erred in holding that:

1. " * * * the possession and occupation by the applicant-appellant of the land subject of the application is not the possession and occupation contemplated by the law (subsection [b]), Section 48 of Commonwealth Act No. 141, as amended by Republic Act No. 1942)."
2. " * * * the applicant-appellant's possession and occupation of the land subject of the application did not exclude the Bureau of Lands."
3. " * * * if the possession and occupation by the applicant-appellant of the land subject of the application were to be considered as falling under sub-section (b) of section 48 of Commonwealth Act No. 141, as amended by Republic Act No. 1942 there will be many instances where the government will be defrauded."
4. " * * * the only remedy of applicant-appellant is to continue with its sales application and that it cannot choose the remedy of confirmation of title because it would be defrauding the government."

Appellant invokes section 48(b) of Commonwealth Act 141, as amended by Republic Act No. 1942, which reads:

"Sec. 48. The following described citizens of the Philippines, occupying lands of the public domain or claiming to own any such lands or an interest therein, but whose titles have not been perfected or completed, may apply to the Court of First Instance of the province where the land is located for confirmation of their claims and the issuance of a certificate of title therefor under the Land Registration Act, to wit:

"(a) * * * * *

"(b) Those who by themselves or through their predecessors in interest have been in open, continuous, exclusive, and notorious possession and occupation of agricultural lands of the public domain, under a bona fide claim of acquisition of ownership for at least thirty years immediately preceding the filing of the application for con-firmation of title except when prevented by war or force majeure. These shall be conclusively presumed to have performed all the conditions essential to a certificate of title under the provisions of this chapter."[1]

More particularly, appellant maintains that it is entitled to the registration applied for pursuant to the above-quoted provision, which authorizes the confirmation of claims of "those who * * * have been in open, continuous, exclusive, and notorious possession and occupation of agricultural lands of the public domain, under a bonafide claim of acquisition of ownership for at least thirty years immediately preceding the filing of the application * * *."

In this connection, the lower court had made the following findings of fact:

"Sometime on April 19, 1920, the Palawan Agricultural and Industrial Company, Inc. filed Sales Application No. 4782 over a parcel of public land consisting of 1,024 hectares located at Panacan, Aborlan, Palawan (see Exhs. '1' and '13-A' status Report). The application was given due course by the Bureau of Lands. Sometime in December, 1930, the Palawan Agricultural and Industrial Company, Inc. requested the Director of Lands that it be permitted to reduce the area applied for to 680 hectares because the portion it originally applied for were squatted and claimed by others, (Exhs. '2' and '2-A'). On November 13, 1933, the Director of Lands wrote a letter to the Palawan Agricultural and Industrial Company, Inc. advising the latter that it had recommended to the Secretary of Agriculture and Commerce an appraisal of P18.00 per hectare for the land it had applied for sale (Exh. '3'). On November 27, 1934, the Director of Lands issued Notice of Auction Sale over the land applied for consisting of 764.0683 hectares setting the date of bidding for February 27, 1935 at Puerto Princesa, Palawan (Exh. '4'). According to the records, this auction sale set for February 27, 1935 did not take place because of the request of the applicant for post-ponement. On June 5, 1936, the applicant wrote to the Director of Lands praying that its Sales Application No. 4782 be not cancelled, in view of the demand of the Director of Lands that the sales application be cancelled for lack of interest and that the company be given time to comply with the condition required by the Bureau of Lands, (Exh. '5').

"According to Exhs. 'G', 'G-1', 'G-2' and 'G-4', Tax Declarations Nos. 342, 1414, 1425 and 1750, respectively, the applicant had declared the land applied for, for taxation purposes. On the faced of these exhibits, the following appears: On Tax Decla-ration No. 342 — 'Purchase Application'; on Tax Declarations Nos. 1414, 1425 and 1720, appear the words 'S.A. No. 4782'. In February, 1936, the company protested to the Provincial Treasurer that the land applied for by it be not subject to real estate taxes, (Exh. '6').

"It also appears from the records that applicant had paid for the necessary expenses for the survey and had cooperated with the Bureau of Lands surveyor for the survey of the land, (Exhs. '7', '11' and '20'). On June 13, 1939, a resurvey was ordered by the Director of Lands, preparatory to the requirement of public bidding, (Exh. '19').

"The land applied for was again set to be sold at a public bidding on May 19, 1941, but the bidding was again postponed because the applicant company requested its suspension because it asked for the reconsideration of the appraised value set by the Director of Lands, (Exh. '8'). On March 24, 1950, the applicant, thru its Attorney Almario, wrote a petition to the Secretary of Agriculture and Natural Resources asking that time appraised

value be reduced.

"On July 24, 1950, pursuant to the order of the Secretary of Agriculture and Natural Resources, a committee of appraisal reappraised the property and fixed the price of P100.00 per hectare, (Exhs. '10', '16', '17' and '18').

"On October 9, 1950, the applicant, thru its counsel, Atty. Clemente C. Fontanilla, asked for the reconsideration of the appraisal, (Exh. '18'). The Bureau of Lands stood pat.

"Since the time the applicant had applied for the land, it took possession thereof partially and improved portion thereof planting coconuts and other crops. The value of improvements are reflected in the various tax declarations. The total area, as finally surveyed is 415.5144 hectares under Amd Plan No. Sc-4782, SWO-34910. This plan as well as the survey was undertaken and prepared by a public land surveyor instructed to make the survey. The land covered by this plan is the same land applied for by the applicant under SA-4782, and it is the same plan that was submitted by the applicant in these registration proceedings.

"On November 24, 1961, in reply to a subpoena issued by the District Land Office of Palawan, the applicant thru its president, advised the latter for the first time that he will not submit to the investigation set because they want to wait for the result of their application involving the present case which was filed sometime in March, 1961."[2]

It is obvious from the foregoing facts which are not and can not be disputed in this direct appeal, which, as such, is limited to questions of law that appellant's possession of the land in question was merely that of a sales applicant thereof, to whom it had not been awarded because of its refusal to pay the price fixed therefor by the Bureau of Lands. As such sales applicant, appellant manifestly acknowledged that he does not own the land and that the same is a public land under the administration of the Bureau of Lands, to which the application was submitted. The trial court was, therefore, fully justified in concluding that applicant's possession was not that of an owner, as required by law.

This conclusion is assailed upon the ground that said section 48(b) of Commonwealth Act No. 141 originally provided that:

"* * * * *

"(b) Those who by themselves or through their predecessors in interest have been in the open, continuous, exclusive, and notorious possession and occupation of agricultural lands of the public domain, under a bona fide claim of acquisition of ownership, except as against the Government, since July twenty-sixth, eighteen hundred and ninety-four, except when prevented by war or force majeure. These shall be conclusively presumed to have performed all the conditions essential to a Government grant and shall be entitled to a certificate of title under the provisions of this chapter."

and that Republic Act No. 1942, which became effective on June 22, 1957, amended said paragraph (b), not only by dispensing with the requirement that the possession begin not later than July 26, 1894, but, also by eliminating the phrase "except as against the Government," qualifying the possession "under a bona fide claim of acquisition of ownership" therein called for.

We find no merit in this pretense, for, under both the original and the amended provision, it is essential that the applicant hold that land "under a bona fide claim of acquisition of ownership," and appellant herein had never made such claim, except in its present application for registration, filed on February 14, 1961. All of its acts prior thereto, including its real estate tax declarations, characterized its possession of the land as that of a "sales applicant," and, consequently, as one who expects to buy it, but has not as yet done so, and is not, therefore, its owner. Moreover, the elimination of the qualifying expression "except as against the Government," found in said section 48(b) as originally enacted, bolsters up the view taken by the lower court. Indeed, it suggests that the

"bona fide claim of acquisition of ownership," under the amendment by Republic Act No. 1942, must be adverse to the whole world, including the Government.

Again, as the trial court had aptly observed:

"In the mind of the Court, the possession and occupation by the applicant company of the land sought to be registered, is not the possession and occupation contemplated by the present law on this matter (Sub-section (b) Section 48 of Commonwealth Act No. 141 as amended by Republic Act No. 1942). If this were the case, there will be many instances where the government will be defrauded. If confirmation or registration of title can be done, as it is being done now by the applicant company, a possessor and occupant of a public agricultural land under the administration of the Bureau of Lands who has applied for the purchase of the same will just sit on his right, making the application pending for more than 30 years while he possesses and occupies the land, declare the same for taxation purposes, pay the corresponding taxes religiously and consistently, and then after a lapse of 30 years, will abandon his sales application and convert it to an application for judicial confirmation or registration of title. Such situation is not the one contemplated by our legislators when they passed Republic Act No. 1942, for had it been their intention, our legislators would have been a party to an act of defrauding our government. * * * "

Appellant brands this process of reasoning as "illogical" and "contrary to law," because, pursuant to section 47 of Commonwealth Act No. 141, as amended by Republic Act No. 2061, the benefits of section 48(b) of the former are available not later than December 31, 1968, so that those whose possession had not as yet lasted 30 years could not seek a confirmation of their title. We do not see the violation of the rules of logic or of law alluded to by appellant. The fact is that, were we to accept its own process of reasoning — which we cannot, it being contrary to the clear and natural import of said section 48(b), as amended — appellant could have sought confirmation of its alleged title as early as 1942 or 1950,[3] or long before December 31, 1968.

WHEREFORE , the decision appealed from should be, as it is hereby affirmed, with costs against the appellant. It is so ordered.

Reyes, J.B.L., Makalintal, Zaldivar, Castro, Fernando, Villamor, and Makasiar, JJ., concur.

Teehankee, J., took no part.

[1] Italics ours.

[2] Record on Appeal, pp. 19-23; Rollo, pp. 35-37, Italics ours.

[3] Its possession having allegedly begun in 1912 and its sales application having been filed in 1920.

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