REPUBLIC OF THE PHILIPPINES, REPRESENTED BY THE SECRETARY OF AGRICULTURE, PETITIONER, VS. THE HON. COURT OF APPEALS, HON. VIVENCIO A. BANTUGAN, PRESIDING JUDGE OF THE REGIONAL T...

G.R. No. 122269. September 30, 1999

Ponente: MENDOZA, J.

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MENDOZA, J.:

For review is the decision[1] of the Court of Appeals, dated October 4, 1995, in CA-G.R. SP No. 34013, dismissing a petition filed by the Republic of the Philippines for the annulment of the decision of the Regional Trial Court of Alaminos, Pangasinan, which declared private respondents to be the absolute owners of a piece of land in Barangay Malacapas, Dasol, Pangasinan. The government, as petitioner, prays that the aforesaid decision of the trial court, rendered in Civil Case No. A-1759, be annulled.

The facts are stated in the following portion of the decision of the Court of Appeals:

> Sometime in 1957, one Matias Bustamante filed with the then CFI of Pangasinan an application for registration under Act No. 496, as amended, of a tract of land containing an area of 880,000 square meters, more or less, situated in Barangay Malacapas, Dasol, Pangasinan.
>
> Both the Director of Forestry and the Director of Fisheries filed oppositions to the aforecited application, alleging among others, that 'said parcel of land, with the exception of 97,525 square meters, is a part of the Timber Land Block "A" Land Classification Project 44, which is converted into fish ponds.' Isidro Bustria [private respondents' predecessor-in-interest] and Julian Bustria, also opposed the said application for land registration, alleging that they 'have in the year 1943 occupied in good faith their respective portions having a total area of fifty (50) hectares, more or less x x x converted their respective portions into fish ponds x x x and actually possessed and occupied their respective portions x x x exclusively against all persons, except the Director of Forestry & Director of Fishery.' After trial, the lower court rendered a Decision in favor of applicant Bustamante.
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> On appeal to this Honorable Court, docketed as CA-G.R. No. 30058-R, it was found that 783,275 square meters of the land applied for were accretions added to applicant Bustamante's riceland of 9.7525 hectares, and that said accretion was caused by the sea on the southward portion of said riceland. This Honorable Court then ruled:
> This being so, the said accretion belongs – not to the riparian owner – but the State. All lands thrown up by the sea and formed upon the shores, belong to the national domain and are for public use, in accordance with the provisions of the Law on Waters of August 3, 1866 (Insular Government vs. Aldecoa, 19 Phil. 505) (p. 20, Decision, November 16, 1967).

Thus, modifying the judgment of the lower court, this Honorable Court rendered a Decision on November 16, 1967, disposing:

> IN VIEW OF ALL THE FOREGOING, the appealed decision is hereby modified so that only 9.7525 of the land applied for is hereby adjudicated and ordered to be registered in the name of the applicant, the remaining area being hereby declared land of the public domain belonging to the Republic of the Philippines, without prejudice to whatever rights oppositors Isidro Bustria and Julian Bustria may have acquired over portions of the area thus declared as land of the public domain, with costs against applicant.
>
> SO ORDERED.

When brought up on certiorari to the Supreme Court, the foregoing Judgment was affirmed in toto in the Resolution in G.R. No. L-18605 dated February 29, 1968.

It is relevant to state at this point that the parcel of land that is presently the subject of the dispute in the instant case, Lot No. 7764, CAD 624-D (Portion) [Psu-155696, Lot 3 (Portion)], forms part of the above-mentioned parcel of land declared by this Honorable Court as belonging to the public domain, classified/zonified land available for fishpond development, per L.C. Map No. 3175, approved on June 24, 1984, under administrative Order No. 4-1829 (Annex 'D', Petition). The subject lot contains an area of 49,999 square meters, more or less. This lot has been leased to Mr. Porfirio Morado by the [Republic of the Philippines], represented by the Secretary of Agriculture, for a period of twenty-five (25) years, or up to December 31, 2013, under Fishpond Lease Agreement No. 5132, dated August 17, 1989 (Annex 'E', Petition).

On July 6, 1988, however, the late Zenaida Bustria [daughter of Isidro Bustria] filed a complaint against Porfirio Morado in the Regional Trial Court of Alaminos, Pangasinan, Branch 55, for ownership and possession over the lot in question [docketed as Civil Case No. A-1759]. Herein petitioner, the Republic of the Philippines, was not made a party to that suit.

In her complaint, Zenaida Bustria claimed absolute ownership and quiet and peaceful possession of several lots under PSU-155696 surveyed in the name of her father, Isidro Bustria. She further asserted that said Porfirio Morado maliciously applied for a fishpond permit with the Bureau of Fisheries and Aquatic Resources over Lot 3 thereof (the subject lot), well-knowing that said lot had always been occupied, possessed and worked by her and her predecessors-in-interest.

Porfirio Morado denied the allegations in the complaint, claiming that the lot in question is part of the public domain which he developed and converted into a fishpond. Due, however, to Porfirio Morado's and his counsel's failure to appear at the pre-trial and subsequent court hearings, the trial court subsequently declared Porfirio Morado 'as in default.'

On December 17, 1991, respondent Judge rendered a decision, the dispositive portion of which reads:

> WHEREFORE, judgment is hereby rendered:
>
> (a) Declaring the plaintiff as the exclusive and absolute owner of the land in question stated in paragraph 4 of the Complaint and entitled to the exclusive and quiet possession of the said land; and
>
> (b) Ordering the defendant to pay the plaintiff the amount of P15,000.00 as attorney's fees and the sum of P500.00 per day of hearing of the counsel, plus costs.
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> (Annex 'A', Petition)

On January 23, 1992, Porfirio Morado filed a Petition for Relief from Judgment which was denied on July 21, 1992 for lack of merit.

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On July 8, 1992, a writ of execution was issued, and it was implemented by Sheriffs Manuel O. de Asis and Sheriff Cesar A. Gines. Spouses Porfirio Morado and Juliana Morado thereafter filed with this Honorable Court a Petition for Certiorari with Writ of Preliminary Injuction, docketed as CA-G.R. No. 28932. In a Resolution dated December 11, 1992, the Petition was denied for lack of merit. The related Motion for Reconsideration was denied in the Resolution dated February 18, 1993. (Rollo, pp. 107-112) (Underscoring omitted)[2]

On April 19, 1994, petitioner, invoking §9 of B.P. Blg. 129,[3] filed with the Court of Appeals a petition for the annulment of the trial court's decision, dated December 17, 1991. Petitioner alleged that the land in question is within the classified/zonified alienable and disposable land for fishpond development, per L.C. Map No. 3175 approved on June 24, 1984, under Administrative Order No. 4-1829 and that since the land formed part of the public domain, the Bureau of Fisheries and Aquatic Resources (BFAR) has jurisdiction over its disposition in accordance with P.D. No. 704, §4.

On October 4, 1995 the Court of Appeals rendered a decision dismissing the petition.[4]

Hence, this petition for review.

The judgment rendered in a case may be annulled on any of the following grounds: (a) the judgment is void for want of jurisdiction or for lack of due process of law; or (b) it was obtained through extrinsic fraud.[5] The question in this case is whether the decision of the Regional Trial Court is void on any of these grounds. The preliminary question, however, is whether the government can bring such action even though it was not a party to the action in which the decision sought to be annulled was rendered.

We shall deal with these questions in inverse order.

First, is the question whether petitioner has personality to bring the action below. To begin with, an action to recover a parcel of land is in personam. As such, it is binding only between the parties thereto, as this Court explained in Ching v. Court of Appeals,[6] viz:

> An action to redeem, or to recover title to or possession of, real property is not an action in rem or an action against the whole world, like a land registration proceeding or the probate of a will; it is an action in personam, so much so that a judgment therein is binding only upon the parties properly impleaded and duly heard or given an opportunity to be heard. Actions in personam and actions in rem differ in that the former are directed against specific persons and seek personal judgments, while the latter are directed against the thing or property or status of a person and seek judgments with respect thereto as against the whole world. An action to recover a parcel of land is a real action but it is an action in personam, for it binds a particular individual only although it concerns the right to a tangible thing.

The appellate court, holding that the proceedings before the trial court were in personam, ruled that since petitioner was not a party to Civil Case No. A-1759, it is not a real party-in-interest and, therefore, has no personality to bring the action for annulment of the judgment rendered in that case. The appellate court said:

> Private respondents are correct. Civil Case No. A-1759 was purely for "Ownership and Possession". The decision sought to be annulled is solely "between the private respondents [the Bustrias] and Porfirio Morado" (Rollo, p. 142). Petitioner Republic was not a party in the case and is not bound by the judgment rendered therein.
>
> It is settled, a real party-in-interest is one who stands to be benefited or injured by the judgment in the suit (Salonga vs. Warner Barnes & Co., Ltd., 88 Phil. 128; University of the Philippines Board of Regents vs. Ligot-Telan, 227 SCRA 342; Tampingco vs. Intermediate Appellate Court, 207 SCRA 652; Republic vs. Sandiganbayan, 203 SCRA 310; Travelwide Associated Sales, Inc. vs. Court of appeals, 199 SCRA 205).

> Petitioner Republic not being a party, and the judgment not being in rem, it does not stand to be benefited or injured by the judgment sought. Petitioner Republic can on its own, and even without resorting to this petition for annulment of judgment, institute the proper action to assert its claim that the "subject lot is a land forming part of the public domain" (Rollo, p. 145). It need not seek the annulment of the subject judgment, in Civil Case No. A-1759 in which it was not a party and involves merely a question of ownership and possession between plaintiffs Zenaida B. Bustria and defendant Porfirio Morado and which decision is not binding on it, to be able to assert its claim or interest in the property. It is clear for this reason that petitioner is not a real party-in-interest (Section 2, Rule 3, Revised rules of Court).[7]

The appellate court is in error. In Islamic Da'wah Council of the Phils. v. Court of Appeals,[8] this Court held that a party claiming ownership of a parcel of land which is the subject of foreclosure proceedings has a sufficient interest to bring an action for annulment of the judgment rendered in the foreclosure proceedings even though it was not a party in such proceedings. It was held:

> [A] person need not be a party to the judgment sought to be annulled. What is essential is that he can prove his allegation that the judgment was obtained by the use of fraud and collusion and he would be adversely affected thereby.
>
> In this present case it is true that the heirs of Araneta are not parties to the foreclosure case. Neither are they principally nor secondarily bound by the judgment rendered therein. However, in their petition filed with the Court of Appeals they alleged fraud and connivance perpetuated by and between the Da Silvas and the Council as would adversely affect them. This allegation, if fully substantiated by preponderance of evidence, could be the basis for the annulment of Civil Case No. Q-43476.[9]

This ruling was reiterated in Top Management Programs Corp. v. Court of Appeals.[10]

The next question is whether the Regional Trial Court had jurisdiction to declare the land in question to belong to private respondent. The government asserts that the lot is within the "classified/zonified alienable and disposable land for fishpond development," hence, it is part of the public domain;[11] that under P.D. No. 704, §4, jurisdiction over its disposition is vested in the BFAR; that unlike agricultural land, public lands which are declared suitable for fishpond purposes may only be disposed of by way of license, concession, or lease; and that possession thereof, no matter how long, cannot ripen into private ownership.[12]

On the other hand, private respondents do not deny that Isidro Bustria, to whom they trace their ownership, previously filed a fishpond application with the BFAR over the disputed land.[13] Neither do they deny that the disputed land formed part of the public domain. They insist, however, that P.D. No. 704 applies only to "lands suitable for fishpond purposes" while the land in dispute is already a "fully developed fishpond." They assert ownership of the subject lot through open and continuous possession of their predecessor-in-interest since the Second World War.[14]

We agree with petitioner. The State clearly stands to be adversely affected by the trial court's disposition of inalienable public land.

The land involved in this case was classified as public land suitable for fishpond development.[15] In controversies involving the disposition of public land, the burden of overcoming the presumption of state ownership of lands of the public domain lies upon the private claimant.[16] Private respondents have not discharged this burden.

The fact that the land in dispute was transformed into a "fully developed fishpond" does not mean that it has lost its character as one declared "suitable for fishpond purposes" under the decree. By applying for a fishpond permit with BFAR, Isidro Bautista admitted the character of the land as one suitable for fishpond development since the

disposition of such lands is vested in the BFAR. Consequently, private respondents, as his successors-in-interests, are estopped from claiming otherwise.

It is settled under the Public Land Law[17] that alienable public land held by a possessor, personally or through his predecessor-in-interest, openly, continuously, and exclusively for 30 years is ipso jure converted to private property by the mere lapse of time.[18] However, only public lands classified as agricultural[19] are alienable. Lands declared for fishery purposes are not alienable[20] and their possession, no matter how long continued, cannot ripen into ownership.

Since the disposition of lands declared suitable for fishpond purposes fall within the jurisdiction of the BFAR, in accordance with P.D. No 704, §4,[21] the trial court's decision, dated December 17, 1991, is null and void. The trial court has no jurisdiction to make a disposition of inalienable public land. If, as claimed, Porfirio Morado secured a fishpond permit through fraud and misrepresentation, private respondent's sole recourse, if any, is to secure the annulment of the same before the BFAR and apply for a new one in their favor, provided that they are qualified therefor. What they did, however, was not only to bring their action in the wrong forum but to ask to be declared owners of the land in dispute.

WHEREFORE, the petition is GRANTED and the decision of the Court of Appeals, Ninth Division, in CA-G.R. SP No. 34013, dated October 4, 1995, is REVERSED AND SET ASIDE. The decision of Regional Trial Court of Alaminos, Pangasinan, Branch 55, in Civil Case No. A-1759 is hereby declared NULL AND VOID.

SO ORDERED.

Bellosillo, J., (Chairman), Quisumbing, and Buena, JJ., concur.

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[1] Per Associate Justice Eduardo G. Montenegro and concurred in by Associate Justices Jorge S. Imperial and Jose C. De La Rama.

[2] Rollo, pp. 27-30.

[3] The Judiciary Reorganization Act of 1980.

[4] Rollo, p. 32.

[5] Santiago v. Ceniza, 5 SCRA 494 (1962); Mercado v. Ubay, 187 SCRA 719 (1990); Ruiz v. Court of Appeals, 201 SCRA 577 (1991); Regidor v. Court of Appeals, 219 SCRA 530 (1993); Santos v. Court of Appeals, 224 SCRA 673 (1993); Lapulapu Development & Housing Corp. v. Risos, 261 SCRA 517 (1996).

[6] 181 SCRA 9, 15-16 (1990).

[7] Rollo, pp. 31-32.

[8] 178 SCRA 178 (1989).

[9] Id., at 186.

[10] 222 SCRA 763 (1993).

[11] Rollo, pp. 13 and 61.

[12] Rollo, pp. 20-21.

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[13] Rollo, pp. 66 and 86.

[14] Rollo, p. 90.

[15] Rollo, p. 61.

[16] Republic v. Register of Deeds of Quezon, 244 SCRA 537 (1995).

[17] C.A. No. 141, §48(b).

[18] Director of Land v. Bengzon, 152 SCRA 369 (1987); Director of Lands v. Court of Appeals, 158 SCRA 568 (1988); De Ocsio v. Court of Appeals, 170 SCRA 729 (1989); Director of Lands v. Iglesia Ni Kristo, 200 SCRA 606 (1991).

[19] CONST., Art. XII, §3.

[20] CONST., Art. XII, §2; Presidential Decree No. 704, §23.

[21] Jurisdiction of the Bureau. - The Bureau shall have jurisdiction and responsibility in the management, conservation, development, protection, utilization and disposition of all fishery and aquatic resources of the country except municipal waters which shall be under the municipal or city government concerned: Provided, that fish pens and seaweed culture in municipal centers shall be under the jurisdiction of the Bureau: Provided, further, That all municipal or city ordinances and resolutions affecting fishing and fisheries and any disposition thereunder shall be submitted to the Secretary for appropriate action and shall have full force and affect only upon his approval. The Bureau shall also have the authority to regulate and supervise the production, capture and gathering of fish and fishery/aquatic products.

The Bureau shall prepare and implement, upon approval of the Fishery Industry Development Council, a Fishery Industry Development Program.

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