

RURAL BANK OF ANDA, INC., PETITIONER, VS. ROMAN CATHOLIC ARCHBISHOP OF LINGAYEN- DAGUPAN, RESPONDENT.

G.R. No. 155051. May 29, 2007

Ponente: CARPIO, J.

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CARPIO, J.:

The Case

This is a petition for review[1] of the Decision[2] dated 15 October 2001 and the Resolution dated 23 August 2002 of the Court of Appeals in CA-G.R. CV No. 66478.

The Facts

The lot in dispute, Cadastral Lot 736 (Lot 736), is located in the Poblacion of Binmaley, Pangasinan. Lot 736 has a total area of about 1,300 square meters and is part of Lot 3. Cadastral Lot 737 and Lot 739 also form part of Lot 3. Cadastral Lot 737 is known as Imelda's Park, while on Lot 739 is a waiting shed for commuters. Lot 3 is bounded on the north by Lot 1 of Plan II-5201-A and on the south by the national road. In front of Lot 736 is the building of Mary Help of Christians Seminary (seminary) which is on Lot 1.

Lot 1 of Plan II-5201-A, which adjoins Lot 3 on the north, is titled in the name of respondent Roman Catholic Archbishop of Lingayen (respondent) under Transfer Certificate of Title No. 6375 (TCT 6375). An annotation on TCT 6375 states that the ownership of Lot 3 is being claimed by both respondent and the Municipality of Binmaley.

In 1958, the Rector of the seminary ordered the construction of the fence separating Lot 736 from the national road to prevent the caretelas from parking because the smell of horse manure was already bothering the priests living in the seminary.[3] The concrete fence enclosing Lot 736 has openings in the east, west, and center and has no gate. People can pass through Lot 736 at any time of the day.[4]

On 22 December 1997, the Sangguniang Bayan of Binmaley, Pangasinan, passed and approved Resolution Nos. 104[5] and 105.[6] Resolution No. 104 converted Lot 736 from an institutional lot to a commercial lot. Resolution No. 105 authorized the municipal mayor to enter into a contract of lease for 25 years with the Rural Bank of Anda over a portion of Lot 736 with an area of 252 square meters.[7]

In December 1997, Fr. Arenos, the director of the seminary, discovered that a sawali fence was being constructed enclosing a portion of Lot 736. In January 1998, the Municipal Mayor of Binmaley, Rolando Domalanta (Mayor Domalanta), came to the seminary to discuss the situation. Mayor Domalanta and Fr. Arenos agreed that the construction of the building for the Rural Bank of Anda should be stopped.

On 24 March 1998, respondent requested Mayor Domalanta to remove the sawali fence and restore the concrete fence. On 20 May 1998, Mayor Domalanta informed respondent that the construction of the building of the Rural Bank of Anda would resume but that he was willing to discuss with respondent to resolve the problem concerning

Lot 736.

On 1 June 1998, respondent filed a complaint for Abatement of Illegal Constructions, Injunction and Damages with Writ of Preliminary Injunction in the Regional Trial Court of Lingayen, Pangasinan. On 24 August 1998, the trial court ordered the issuance of a writ of preliminary injunction.

On 4 January 2000, the trial court rendered a decision, the dispositive portion of which reads:

WHEREFORE, in the light of the foregoing, judgment is hereby rendered in favor of the plaintiff [Roman Catholic Archbishop of Lingayen-Dagupan]:

- Making the writ of preliminary injunction permanent;
- Ordering the defendants to cause to be restored the concrete wall with iron railings, to cause to be removed the sawali fence, both at the expense of the defendants, jointly and severally, and
- Condemning the defendants to pay jointly and severally, to the plaintiff the amount of P25,000.00 as litigation expenses, attorney's fees in the amount of P50,000.00 and the costs of this suit.

SO ORDERED.[8]

On appeal, the Court of Appeals affirmed the decision with the modification that the awards of litigation expenses, attorney's fees, and costs should be deleted. The Court of Appeals subsequently denied the motion for reconsideration of the Municipality of Binmaley and the Rural Bank of Anda.

The Ruling of the Trial Court

The trial court found that Lot 736 is not covered by any Torrens title either in the name of respondent or in the name of the Municipality of Binmaley. The trial court held that Lot 736 is public in nature. Since Lot 736 is property of public dominion, it is outside the commerce of man. Thus, the Sangguniang Bayan of Binmaley, Pangasinan exceeded its authority when it adopted Resolution Nos. 104 and 105 converting Lot 736 from an institutional lot to a commercial lot and authorizing the municipal mayor to enter into a contract of lease for 25 years with the Rural Bank of Anda over a 252 square meter portion of Lot 736 .

The Ruling of the Court of Appeals

The Court of Appeals agreed with the trial court that Lot 736 is property of public dominion and is used by the public as a pathway. Respondent and the Municipality of Binmaley are mere claimants with no sufficient evidence to prove their ownership of Lot 736. The Court of Appeals held that property of public dominion is intended for the common welfare and cannot be the object of appropriation either by the state or by private persons. Since Lot 736 is for public use, it is a property of public dominion and it is not susceptible of private ownership. Thus, Resolution Nos. 104 and 105 are void for being enacted beyond the powers of the Sangguniang Bayan of Binmaley. The contract of lease between the Municipality of Binmaley and the Rural Bank of Anda is therefore void.

The Court of Appeals also ruled that since neither the respondent nor the Municipality of Binmaley owns Lot 736, there is no basis for the monetary awards granted by the trial court.

The Issue

The issue in this case is whether Resolution Nos. 104 and 105 of the Sangguniang Bayan of Binmaley are valid.

The Ruling of the Court

The petition has no merit.

Both respondent and the Municipality of Binmaley admit that they do not have title over Lot 736. The Assistant Chief of the Aggregate Survey Section of the Land Management Services in Region I testified that no document of ownership for Lot 736 was ever presented to their office.[9]

Respondent claims Lot 736 based on its alleged open, continuous, adverse, and uninterrupted possession of Lot 736. However, the records reveal otherwise. Even the witnesses for respondent testified that Lot 736 was used by the people as pathway, parking space, and playground.[10]

On the other hand, the Municipality of Binmaley alleged that it is the sole claimant of Lot 736 based on the Property Identification Map, Tax Mapping Control Roll of the Municipality of Binmaley, and the Lot Data Computation in the name of the Municipality of Binmaley. However, these documents merely show that the Municipality of Binmaley is a mere claimant of Lot 736. In fact, the chief of Survey Division of the Department of Environment and Natural Resources, San Fernando City, La Union testified that the cadastral survey[11] of Lot 736, which was surveyed for the Municipality of Binmaley in 1989, had not been approved.[12] The cadastral survey was based on the Lot Data Computation[13] of Lot 736 which was likewise contracted by the Municipality of Binmaley in 1989.

The records show that Lot 736 is used as a pathway going to the school, the seminary, or the church, which are all located on lots adjoined to Lot 736.[14] Lot 736 was also used for parking and playground.[15] In other words, Lot 736 was used by the public in general.

Both respondent and the Municipality of Binmaley failed to prove their right over Lot 736. Since Lot 736 has never been acquired by anyone through purchase or grant or any other mode of acquisition, Lot 736 remains part of the public domain and is owned by the state. As held in *Hong Hok v. David*:[16]

There being no evidence whatever that the property in question was ever acquired by the applicants or their ancestors either by composition title from the Spanish Government or by possessory information title or by any other means for the acquisition of public lands, the property must be held to be public domain. For it is well settled "that no public land can be acquired by private persons without any grant, express or implied, from the government." It is indispensable then that there be a showing of a title from the state or any other mode of acquisition recognized by law. The most recent restatement of the doctrine, found in an opinion of Justice J.B.L. Reyes follows: "The applicant, having failed to establish his right or title over the northern portion of Lot No. 463 involved in the present controversy, and there being no showing that the same has been acquired by any private person from the Government, either by purchase or by grant, the property is and remains part of the public domain."

This is in accordance with the Regalian doctrine which holds that the state owns all lands and waters of the public domain.[17] Thus, under Article XII, Section 2 of the Constitution: "All lands of the public domain, waters, minerals, coal, petroleum, and other mineral oils, all forces of potential energy, fisheries, forests or timber, wildlife, flora and fauna, and other natural resources are owned by the state."

Municipal corporations cannot appropriate to themselves public or government lands without prior grant from the government.[18] Since Lot 736 is owned by the state, the Sangguniang Bayan of Binmaley exceeded its authority in passing Resolution Nos. 104 and 105. Thus, Resolution Nos. 104 and 105 are void and consequently, the contract of lease between the Municipality of Binmaley and the Rural Bank of Anda over a portion of Lot 736 is also void.

WHEREFORE, we DENY the petition. We AFFIRM the Decision dated 15 October 2001 and the Resolution dated 23 August 2002 of the Court of Appeals.

SO ORDERED.

Quisumbing, (Chairperson), Tinga, and Velasco, Jr., JJ., concur.
Carpio-Morales, J., on official leave.

- [1] Under Rule 45 of the 1997 Rules of Civil Procedure.
- [2] Penned by Associate Justice Portia Aliño-Hormachuelos with Associate Justices Ma. Alicia Austria-Martinez (now Supreme Court Justice) and Mercedes Gozo-Dadole, concurring.
- [3] SN, 6 August 1998, p. 4.
- [4] Id. at 8-9, 12-13.
- [5] Exh. "1," Folder of Exhibits for Municipality of Binmaley.
- [6] Exh. "2," Folder of Exhibits for Municipality of Binmaley.
- [7] The "WHEREAS" portion of Resolution No. 105 stated that "there is an application of the Rural Bank of Anda to put up a bank, over a piece of land, 252 sq. meters in area located on the eastern in front of the Mary Help Christian Seminary on a built-operate-and-transfer scheme."
- [8] Records, p. 232.
- [9] TSN, 14 August 1998, p. 8.
- [10] TSN, 6 July 1998, pp. 15-16, 47-48; TSN, 6 August 1998, pp. 8-9, 12-14; TSN, 9 November 1998, p. 5.
- [11] Exh. "7" - B.L. Form V-37 -Technical Description of Lot No. 736. Lot 736 was surveyed for the Municipal Government of Binmaley on 29 August-13 September 1989.
- [12] TSN, 5 July 1999, p. 16.
- [13] Exh. "8." The survey was conducted for the claimant Municipal Government of Binmaley on 28 July 1989.
- [14] Records, pp. 215-216.
- [15] Id. at 217-219, 226.
- [16] 150-C Phil. 542, 549 (1972).
- [17] Chavez v. Public Estates Authority, 433 Phil. 506 (2002).
- [18] Unson v. Lacson and Genato Commercial Corp., 100 Phil. 695 (1957).

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