REPUBLIC OF THE PHILIPPINES, PETITIONER, VS. CANDY MAKER, INC., AS REPRESENTED BY ITS PRESIDENT, ONG YEE SEE,[] RESPONDENT

G.R. NO. 163766. June 22, 2006

Ponente: CALLEJO, SR., J.

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CALLEJO, SR., J.:

At bar is a Petition for Review under Rule 45 of the Rules of Court seeking to set aside the May 21, 2004 Decision[1] of the Court of Appeals (CA) in CA-G.R. CV No. 73287, which affirmed in toto the October 12, 2001 Decision[2] of the Municipal Trial Court (MTC) of Taytay, Rizal in Land Registration Case No. 99-0031 declaring respondent the owner of the parcels of land designated as Lots 3138-A and 3138-B in Plan CSD. 04-018302, Cainta-Taytay Cadastre.

Sometime in 1998, Candy Maker, Inc. decided to purchase Lot No. 3138 Cad. 688 of the Cainta-Taytay Cadastre, a parcel of land located below the reglementary lake elevation of 12.50 meters, about 900 meters away from the Laguna de Bay, and bounded on the southwest by the Manggahan Floodway, and on the southeast by a legal easement.

On April 1, 1998, Geodetic Engineer Potenciano H. Fernandez, prepared and signed a Subdivision Plan of the property for Apolonio Cruz. The property was subdivided into two lots: Lot No. 3138-A with an area of 10,971 square meters, and Lot No. 3138-B with an area of 239 square meters.[3] The technical description of Lot No. 3138 was also prepared by Fernandez, and was approved by the Regional Technical Director of the Bureau of Lands on April 14, 1998.[4]

On April 29, 1999, Antonio, Eladia, and Felisa, all surnamed Cruz, executed a Deed of Absolute Sale in favor of Candy Maker, Inc.[5] The buyer declared Lot No. 3138 for taxation purposes in 1999 under Tax Declaration Nos. 004-18929, 004-18930 and 004-18931.[6]

On June 16, 1999, Candy Maker, Inc., as applicant, filed an application with the MTC of Taytay, Rizal, for the registration of its alleged title over Lot No. 3138-A and Lot No. 3138-B under Presidential Decree (P.D.) No. 1529.

Acting thereon, the MTC issued an Order[7] on June 18, 1999 directing the applicant to cause the publication of the notice of initial hearing and for the Deputy Sheriff to post the same. The Administrator of the Land Registration Authority (LRA) and the Directors of the Land Management Bureau (LMB) and Forest Management Bureau (FMB) were also instructed to submit their respective reports on the status of the parcels of land before the initial hearing scheduled on October 29, 1999.

The Community Environment and Natural Resources Officer (CENRO) of Antipolo City filed on August 18, 1999 his Report[8] declaring that "[t]he land falls within the Alienable and Disposable Zone, under Land Classification Project No. 5-A, per L.C. Map No. 639 certified released on March 11, 1927" and that the property

is the subject of CENRO Case No. 520(97) entitled Perpetua San Jose v. Almario Cruz. On the other hand, the LRA, in its September 21, 1999 Report,[9] recommended the exclusion of Lot No. 3138-B on the ground that it is a legal easement and intended for public use, hence, inalienable and indisposable.

On September 30, 1999, the Laguna Lake Development Authority (LLDA) approved Resolution No. 113, Series of 1993, providing that untitled shoreland areas may be leased subject to conditions enumerated therein.

The applicant filed its Amended Application[10] on December 15, 1999 for the confirmation of its alleged title on Lot No. 3138, alleging therein that:

> 1. x x x the applicant is the President of CANDYMAKER[,] INC. and registered owner of a parcel of land located at Panghulo Brgy. San Juan, Taytay, Rizal with an area of TEN THOUSAND NINE HUNDRED SEVENTY ONE (10,971) square meters and as fully described and bounded under Lot 3138-A plan CSD-04-018302[,] copy of which and the corresponding technical descriptions are hereto attached to form parts hereof;
>
> x x x x
>
> 8. That for Lot 3138-A the applicant hereby prays for the benefit granted under the Land Registration Act and/or under the benefits provided for by P.D. No. 1529, as applicant and their predecessors-in-interest have been in open, public, continuous, and peaceful occupation and possession of the said land since time immemorial in [the] concept of true owners and [adverse] to the whole world; x x x[11]

On March 27, 2000, the MTC issued an Order[12] admitting the Amended Application and resetting the initial hearing to June 23, 2000. However, upon the requests of the LRA for the timely publication of the Notice of Initial Hearing in the Official Gazette,[13] the court moved the hearing date to September 22, 2000,[14] then on January 26, 2001[15] and until finally, to June 15, 2001.[16]

On July 20, 2001, the Republic of the Philippines, the LLDA filed its Opposition[17] to the Amended Application in which it alleged that the lot subject of the application for registration may not be alienated and disposed since it is considered part of the Laguna Lake bed, a public land within its jurisdiction pursuant to Republic Act (R.A.) No. 4850, as amended. According to the LLDA, the projection of Lot No. 3138-A, Cad-688-D Csd-04-018302 in its topographic map based on the Memorandum[18] of Engineer Christopher Pedrezuela of the Engineering and Construction Division of the LLDA indicated that it is "located below the reglementary lake elevation of 12.50 meters referred to datum 10.00 meters below mean lower water" and under Section 41(11) of R.A. No. 4850, the property is a public land which forms part of the bed of the Laguna Lake. This Memorandum was appended to the application.

At the hearing conducted on August 31, 2001, the applicant marked in evidence the complementary copies of the Official Gazette and the People's Tonight as Exhibits "E-1" and "F-1," respectively.[19]

Except as to the LLDA and the Office of the Solicitor General (OSG), which was represented by the duly deputized provincial prosecutor,[20] the court, upon motion of the applicant, issued an Order of general default.[21]

The applicant presented as witnesses its Treasurer, Fernando Co Siy, and Antonio Cruz, one of the vendees.

Cruz testified that his grandparents owned the property,[22] and after their demise, his parents, the spouses Apolonio Cruz and Aquilina Atanacio Cruz, inherited the lot;[23] he and his father had cultivated the property since 1937, planting palay during the rainy season and vegetables during the dry season; his father paid the realty taxes on the property,[24] and he (Cruz) continued paying the taxes after his father's death.[25] Cruz insisted that he was the rightful claimant and owner of the property.

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Sometime in the 1980s, Apolonio Cruz executed an extrajudicial deed of partition in which the property was adjudicated to Antonio Cruz and his sisters, Felisa and Eladia, to the exclusion of their five (5) other siblings who were given other properties as their shares.[26] He did not know why his ancestors failed to have the property titled under the Torrens system of registration.[27] He left the Philippines and stayed in Saudi Arabia from 1973 to 1983.[28] Aside from this, he hired the services of an "upahan" to cultivate the property.[29] The property is about 3 kilometers from the Laguna de Bay, and is usually flooded when it rains.[30]

Fernando Co Siy testified that the applicant acquired Lot No. 3138 from siblings Antonio, Eladia and Felisa,[31] who had possessed it since 1945;[32] that after paying the real estate taxes due thereon,[33] it caused the survey of the lot;[34] that possession thereof has been peaceful[35] and none of the former owners claims any right against it;[36] neither the applicant nor its predecessors-in-interest received information from any government agency that the lot is a public land;[37] the subject lot is 3 kms. away from Laguna de Bay,[38] above its elevation and that of the nearby road;[39] the property is habitable[40] and was utilized as a riceland at the time it was sold by the former owners;[41] and that he was aware that a legal easement is affecting the lot and is willing to annotate it in the land title.[42]

On cross-examination by the LLDA counsel, Siy admitted that his knowledge as to the distance of the lot with respect to the Laguna de Bay came from "somebody residing in Taytay" and also from an adjacent owner of the lot;[43] that the lot is submerged in water since there is no land fill yet;[44] and that no improvements had been introduced to the property.[45]

The LLDA moved for a joint ocular inspection of the parcels of land in order to determine its exact elevation.[46] On September 14, 2001, a Survey Team of the Engineering and Construction Division of the LLDA, composed of Ramon D. Magalonga, Virgilio M. Polanco, and Renato Q. Medenilla, conducted an actual ground survey of the property. The team used a total station and digital survey instrument to measure the elevation of the ground in reference to the elevation of the lake water. A representative of the applicant witnessed the survey. The team found that the lot is below the prescribed elevation of 12.50 m. and thus part of the bed of the lake; as such, it could not be titled to the applicant. The team also reported that the property is adjacent to the highway from the Manggahan Floodway to Angono, Rizal. The LLDA moved that the application be withdrawn, appending thereto a copy of the Survey Report.[47]

The LLDA did not offer any testimonial and documentary evidence and agreed to submit the case for decision based on its Opposition.

On October 12, 2001, the MTC rendered a Decision granting the application for registration over the lots. The dispositive portion of the decision reads:

> WHEREFORE, premises considered[,] the court hereby rendered judgment confirming title of the applicants over the real property denominated as Lot 3138-A Csd-04-018302 of Cad-688-D Cainta-Taytay Cadastre; Lot 3138-B Csd-04-018302 of Cad 688-D Cainta-Taytay Cadastre.[48]

On appeal to the CA, the petitioner contended that the MTC did not acquire jurisdiction over the application for registration since the actual copies of the Official Gazette (O.G.) where the notice of hearing was published were not adduced in evidence; the applicant likewise failed to establish exclusive ownership over the subject property in the manner prescribed by law. The petitioner argued further that the requirements of Section 23, par. 1 of P.D. No. 1529, [49] as amended, are mandatory and jurisdictional, and that failure to observe such requirements has a fatal effect on the whole proceedings. Citing Republic of the Philippines v. Court of Appeals[50] and Register of Deeds of Malabon v. RTC, Malabon, MM, Br. 170,[51] the Republic averred that a mere certificate of publication is inadequate proof of the jurisdictional fact of publication because the actual copies of the O.G. must be

presented at the initial hearing of the case. Moreover, witnesses were not presented to prove specific acts to show that the applicant and his predecessors-in-interest have been in exclusive, open, continuous, and adverse possession of the subject lots in the concept of the owner since June 12, 1945 or earlier, in accordance with Sec. 14, par. 1 of P.D. No. 1529.[52] It noted that the testimonies of the applicant's witnesses are more of conclusions of law rather than factual evidence of ownership. Other than the general statement that they planted rice and vegetables on the subject lots, their possession could properly be characterized as mere casual cultivation since they failed to account for its exclusive utilization since 1945 or earlier. After stressing that tax declarations are not conclusive proof of ownership, it concluded that the subject lots rightfully belong to the State under the Regalian doctrine.[53]

The applicant averred in its Appellee's Brief[54] that it had marked in evidence the actual copy of the O.G. where the notice of initial hearing was published; in fact, the MTC Decision stated that the copy of the O.G. containing the notice was referred to as Exhibit "E-1." Moreover, Sec. 14, par. 1 of P.D. 1529 is inapplicable since it speaks of possession and occupation of alienable and disposable lands of the public domain. Instead, par. 4 of the same section[55] should govern because the subject parcels of land are lands of private ownership, having being acquired through purchase from its predecessors-in-interest, who, in turn, inherited the same from their parents. It pointed out that there were no adverse claims of interest or right by other private persons and even government agencies like the Province of Rizal. Lastly, while tax declarations and tax receipts do not constitute evidence of ownership, they are nonetheless prima facie evidence of possession.

On May 21, 2004, the appellate court rendered judgment which dismissed the appeal and affirmed in toto the Decision of the MTC,[56] holding that the copy of the O.G., where the notice was published, was marked as Exhibit "E-1" during the initial hearing. On the issue of ownership over the subject lots, the CA upheld the applicant's claim that the parcels of land were alienable and not part of the public domain, and that it had adduced preponderant evidence to prove that its predecessors had been tilling the land since 1937, during which palay and vegetables were planted. In fact, before the lots were purchased, the applicant verified their ownership with the assessor's office, and thereafter caused the property to be surveyed; after the lots were acquired in 1999 and a survey was caused by the applicant, no adverse claims were filed by third persons. Further, the CA ruled that tax declarations or tax receipts are good indicia of possession in the concept of the owner, which constitute at least positive and strong indication that the taxpayer concerned has made a claim either to the title or to the possession of the property.

The Republic, now petitioner, filed the instant Petition for Review on the following issues:

> A.
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> WHETHER THE LAND IN QUESTION MAYBE THE SUBJECT OF REGISTRATION.
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> B.
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> WHETHER THE COURT A QUO ACQUIRED JURISDICTION OVER THE RES CONSIDERING ITS INALIENABLE CHARACTER.
>
> C.
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> WHETHER THE COURT OF APPEALS ERRED IN AFFIRMING THE TRIAL COURT'S FINDING THAT RESPONDENT COMPLIED WITH THE LEGAL REQUIREMENTS ON POSSESSION AS MANDATED BY SECTION 14 OF P.D. NO. 1529.[57]

Petitioner asserts that the Engineer's Survey Report[58] and the Laguna de Bay Shoreland Survey[59] both show that Lot No. 3138-A is located below the reglementary lake elevation, hence, forms part of the Laguna Lake bed.

It insists that the property belongs to the public domain as classified under Article 502 of the Civil Code.[60] Citing the ruling of this Court in Bernardo v. Tiamson,[61] petitioner avers that the subject lot is incapable of private appropriation since it is a public land owned by the State under the Regalian doctrine. On this premise, petitioner avers that the MTC did not acquire jurisdiction over the subject matter, and as a consequence, its decision is null and void.

Petitioner maintains that respondent failed to present incontrovertible evidence to warrant the registration of the property in its name as owner. The testimonies of the two witnesses only proved that the possession of the land may be characterized as mere casual cultivation; they failed to prove that its predecessors occupied the land openly, continuously, exclusively, notoriously and adversely in the concept of owner since June 12, 1945 or earlier.

On the other hand, respondent argues that the Engineer's Survey Report and the Laguna de Bay Shoreland Survey have no probative value because they were neither offered nor admitted in evidence by the MTC. It points out that petitioner failed to invoke these reports in the appellate court. It was only when the petition was filed with this Court that the respondent learned of its existence. Petitioner's reliance on the reports/survey is merely an afterthought. The case of Bernardo v. Tiamson is irrelevant because the factual issues are different from those of this case.

On April 28, 2005, respondent filed a Manifestation[62] with this Court, appending thereto the report[63] conducted by the survey team of the LLDA Engineering and Construction Division on April 12, 2005. It stated that the 10,971 sq m property subject of the case is below the 12.5 elevation, and that the profile distance of the property from the actual lake waters is about 900 m. to 1 km.

The issues in this case are the following: (1) whether the MTC had jurisdiction over the amended application; (2) whether the property subject of the amended application is alienable and disposable property of the State, and, if so, (3) whether respondent adduced the requisite quantum of evidence to prove its ownership over the property under Section 14 of P.D. 1529.

The petition is meritorious.

On the first issue, we find and so rule that the MTC acquired jurisdiction over respondent's application for registration since a copy of the O.G. containing the notice of hearing was marked and adduced in evidence as Exhibit "E-1." The representative of the OSG was present during the hearing and interposed his objection thereto.

On the second and third issues, we find and so rule that the property subject of this application was alienable and disposable public agricultural land until July 18, 1966. However, respondent failed to prove that it possesses registerable title over the property.

Section 48(b) of Commonwealth Act No. 141, as amended by R.A. No. 1942, reads:

> Section 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, nay 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:
> (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 confirmation of title 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.

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This provision was further amended by P.D. No. 1073 by substituting the phrase "for at least thirty years" with "since June 12, 1945;" thus:

> Sec. 4. The provisions of Section 48(b) and Section 48(c), Chapter VIII, of the Public Land Act are hereby amended in the sense that these provisions shall apply only to alienable and disposable lands of the public domain which have been in open, continuous, exclusive and notorious possession, and occupation by the applicant himself or through his predecessor-in-interest, under a bona fide claim of acquisition of ownership, since June 12, 1945.

Section 14(1) of P.D. No. 1529, otherwise known as the Property Registration Decree, provides:

> SEC. 14. Who may apply. — The following persons may file in the proper Court of First Instance [now Regional Trial Court] an application for registration of title to land, whether personally or through their duly authorized representatives:(1) Those who by themselves or through their predecessors-in-interest have been in open, continuous, exclusive and notorious possession and occupation of alienable and disposable lands of the public domain under a bona fide claim of ownership since June 12, 1945, or earlier (emphasis supplied).

Applicants for confirmation of imperfect title must, therefore, prove the following: (a) that the land forms part of the disposable and alienable agricultural lands of the public domain; and (b) that they have been in open, continuous, exclusive, and notorious possession and occupation of the same under a bona fide claim of ownership either since time immemorial or since June 12, 1945.[64]

Under the Regalian doctrine, all lands not otherwise appearing to be clearly within private ownership are presumed to belong to the State. The presumption is that lands of whatever classification belong to the State.[65] Unless public land is shown to have been reclassified as alienable or disposable to a private person by the State, it remains part of the inalienable public domain. Property of the public domain is beyond the commerce of man and not susceptible of private appropriation and acquisitive prescription. Occupation thereof in the concept of owner no matter how long cannot ripen into ownership and be registered as a title.[66] The statute of limitations with regard to public agricultural lands does not operate against the State unless the occupant proves possession and occupation of the same after a claim of ownership for the required number of years to constitute a grant from the State.[67]

No public land can be acquired by private persons without any grant from the government, whether express or implied. It is indispensable that there be a showing of a title from the State.[68] The rationale for the period "since time immemorial or since June 12, 1945" lies in the presumption that the land applied for pertains to the State, and that the occupants or possessor claim an interest thereon only by virtue of their imperfect title as continuous, open and notorious possession.

A possessor of real property may acquire ownership thereof through acquisitive prescription. In Alba Vda. de Raz v. Court of Appeals,[69] the Court declared that:

> x x x [W]hile Art. 1134 of the Civil Code provides that "(o)wnership and other real rights over immovable property are acquired by ordinary prescription through possession of ten years," this provision of law must be read in conjunction with Art. 1117 of the same Code. This article states that "x x x (o)rdinary acquisitive prescription of things requires possession in good faith and with just title for the time fixed by law." Hence, a prescriptive title to real estate is not acquired by mere possession thereof under claim of ownership for a period of ten years unless such possession was acquired con justo titulo y buena fe (with color of title and good faith). The good faith of the possessor consists in the reasonable belief that the person from whom he received the thing was the owner thereof, and could transmit his ownership. For purposes of prescription, there is just title when the adverse claimant came into possession of the property through one of the recognized modes of acquisition of ownership or other real rights but the grantor was not the owner or could not transmit any

right.[70]

To prove that the land subject of an application for registration is alienable, an applicant must conclusively establish the existence of a positive act of the government such as a presidential proclamation or an executive order, or administrative action, investigation reports of the Bureau of Lands investigator or a legislative act or statute.[71] Until then, the rules on confirmation of imperfect title do not apply. A certification of the Community Environment and Natural Resources Officer in the Department of Environment and Natural Resources stating that the land subject of an application is found to be within the alienable and disposable site per a land classification project map is sufficient evidence to show the real character of the land subject of the application.[72]

The applicant is burdened to offer proof of specific acts of ownership to substantiate the claim over the land.[73] Actual possession consists in the manifestation of acts of dominion over it of such a nature as a party would actually exercise over his own property.[74] A mere casual cultivation of portions of the land by the claimant does not constitute sufficient basis for a claim of ownership; such possession is not exclusive and notorious as to give rise to a presumptive grant from the State.[75]

In this case, the evidence on record shows that the property is alienable agricultural land. Romeo Cadano of the Community Environment and Natural Resources Office, Antipolo Rizal, certified that the property "falls within the Alienable and Disposable zone, under Land Classification Project No. 5-A, per L.C. Map No. 639 certified released on March 11, 1927."[76] However, under R.A. No. 4850 which was approved on July 18, 1966, lands located at and below the maximum lake level of elevation of the Laguna de Bay are public lands which form part of the bed of said lake. Such lands denominated as lakeshore areas are linear strips of open space designed to separate incompatible element or uses, or to control pollution/nuisance, and for identifying and defining development areas or zone. Such areas of the lake with an approximate total area of 14,000 hectares form a strip of the lakebed along its shores alternately submerged or exposed by the annual rising and lowering of the lake water. They have environmental ecological significance and actual potential economic benefits.

Under Section 1 of the law, the national policy of the State is to promote and accelerate the development and balanced growth of the Laguna Lake area and the surrounding provinces, cities and towns within the context of the national and regional plans and policies for social and economic development and to carry out the development of the Laguna Lake region with due regard and adequate provisions for environmental management and control, preservation of the quality of human life and ecological systems, and the prevention of undue ecological disturbances, deterioration and pollution.

The rapid expansion of Metropolitan Manila, the suburbs and the lakeshore town of Laguna de Bay, combined with current and prospective uses of the lake for municipal-industrial water supply, irrigation, fisheries, and the like, created deep concern on the part of the Government and the general public over the environmental impact of such development, on the water quality and ecology of the lake and its related river systems. The inflow of polluted water from the Pasig River, industrial, domestic and agricultural wastes from developed areas around the lake and the increasing urbanization have induced the deterioration of the lake, and that water quality studies have shown that the lake will deteriorate further if steps are not taken to check the same. The floods in the Metropolitan Manila area and the lakeshore towns are also influenced by the hydraulic system of the Laguna de Bay, and any scheme of controlling the floods will necessarily involve the lake and its river systems.

This prompted then President Ferdinand E. Marcos to issue on October 17, 1978 P.D. 813 amending Rep. Act No. 4850. Under Section 6 of the law, the LLDA is empowered to issue such rules and regulations as may be necessary to effectively carry out the policies and programs therein provided including the policies and projects of the LLDA, subject to the approval of the National Economic Development Authority.

In 1996, the Board of Directors of LLDA approved Resolution No. 113, series of 1996 relating to the Environmental Uses Fee Systems and Approval of the Work and Financial Plan for its operationalization in the Laguna de Bay Basin. Section 5 of the Resolution provides that the LLDA as a matter of policy is to maintain all shoreland areas lying below elevation 12.50 meters as buffer zone in consonance with the LLDA policies, plans programs for the improvement of the water quality and pollution and conservation of the water resources of the Laguna de Bay.

As gleaned from the Survey Report of Magalonga, Polanco and Medenilla of the LLDA based on the ocular inspection dated September 14, 2001 as well as the Memorandum of Engineer Christopher Pedrezuela, the property is located below the reglementary level of 12.50 m.; hence, part of the bed of the Laguna de Bay, and, as such, is public land. Although the Report and Memorandum were not offered as evidence in the MTC, the respondent admitted in its Manifestation in this Court that the property is situated below the 12.50 elevation based on the survey of Magalonga, Polanco and Medenilla, the same survey team who conducted an ocular inspection of the property on April 12, 2005, which thus confirmed the September 14, 2001 survey report. This is a judicial admission in the course of judicial proceedings which is binding on it.[77]

Under R.A. No. 4850 and the issuances of LLDA, registerable rights acquired by occupants before the effectivity of the law are recognized. However, the respondent failed to adduce proof that its predecessors-in-interest had acquired registerable title over the property before July 18, 1966:

First. Cruz failed to prove how his parents acquired ownership of the property, and even failed to mention the names of his grandparents. He likewise failed to present his father's death certificate to support his claim that the latter died in 1980. There is likewise no evidence when his mother died.

Second. Cruz also failed to adduce in evidence the extrajudicial partition allegedly executed by his parents in 1980 where the property was supposedly deeded to him and his sisters, Felisa and Eladia, to the exclusion of their five siblings.

Third. Cruz claimed that he and his parents cultivated the property and planted palay and vegetables, and that they had been paying the realty taxes over the property before his parents died. However, no tax declarations under the names of the spouses Apolonio Cruz and/or Eladia Cruz and his siblings were presented, or realty tax receipts evidencing payment of such taxes. Indeed, while tax receipts and tax payment receipts themselves do not convincingly prove title to the land,[78] these are good indicia of possession in the concept of an owner, for no one in his right mind would pay taxes for a property that is not in his actual or, at least, constructive possession.[79] While tax receipts and declarations are not incontrovertible evidence of ownership, they constitute, at the least, proof that the holder has a claim of title over the property, particularly when accompanied by proof of actual possession of property.[80] The voluntary declaration of a piece of property for taxation purposes not only manifests one's sincere and honest desire to obtain title to the property, but also announces an adverse claim against the State and all other interested parties with an intention to contribute needed revenues to the government. Such an act strengthens one's bona fide claim of acquisition of ownership.[81]

Fourth. When he testified on October 5, 2001, Antonio Cruz declared that he was "74 years old."[82] He must have been born in 1927, and was thus merely 10 years old in 1937. It is incredible that, at that age, he was already cultivating the property with his father. Moreover, no evidence was presented to prove how many cavans of palay were planted on the property, as well as the extent of such cultivation, in order to support the claim of possession with a bona fide claim of ownership.

Fifth. Cruz testified that he hired a worker "upahan" to help him cultivate the property. He, however, failed to state the name of the worker or to even present him as witness for the respondent.

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IN LIGHT OF ALL THE FOREGOING, the petition is GRANTED. The decision of the Court of Appeals in CA-G.R. CV No. 73278 is SET ASIDE. The Municipal Trial Court of Taytay, Rizal is DIRECTED to dismiss the application for registration of respondent Candymaker, Inc. in Land Registration Case No. 99-0031. No costs.

SO ORDERED.

Panganiban, C.J., (Chairperson), Ynares-Santiago, Austria-Martinez, and Chico-Nazario, JJ., concur.

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[*] Also referred to as Ong Yee Seng in the records.

[1] Penned by Associate Justice Josefina Guevara-Salonga, with Associate Justices Mariano C. Del Castillo and Jose C. Reyes, Jr., concurring; rollo, pp. 39-50.

[2] Penned by Judge Rustico C. Medina.

[3] Records, p. 65.

[4] Id.

[5] Id. at 55-56.

[6] Id. at 62-64.

[7] Id. at 29.

[8] Id. at 17-19, 31.

[9] Id. at 21-22.

[10] Id. at 1-4.

[11] Id. at 1-2.

[12] Id. at 5.

[13] Id. at 24, 26-27.

[14] Id. at 20.

[15] Id. at 25.

[16] Id. at 28.

[17] Id. at 35-39.

[18] Id. at 40.

[19] TSN, August 31, 2001, pp. 3-4; records, pp. 72-73.

[20] Records, pp. 33-34.

[21] TSN, August 31, 2001, p. 5; records, p. 74.

[22] TSN, October 5, 2001, p. 10; records, p. 106.

[23] Id.

[24] Id. at 8; id. at 104.

[25] Id. at 8-9; id. at 104-105.

[26] Id. at 6-7; id. at 102-103.

[27] Id. at 12; id. at 108.

[28] Id. at 6-7; id. at 102-103.

[29] Id. at 7-8; id. at 103-104.

[30] Id. at 13; id. at 109.

[31] TSN, August 31, 2001, pp. 7-11; records, pp. 55-56, 76-80.

[32] Id. at 20; id. at 89.

[33] Id. at 11-12; id. at 62-64, 80-81.

[34] Id. at 12-13; id. at 65-66, 81-82.

[35] Id. at 13; id. at 82.

[36] Id. at 14; id. at 83.

[37] Id. at 20; id. at 89.

[38] Id. at 14, 21; id. at 83, 90.

[39] Id. at 21-22; id. at 90-91.

[40] Id. at 14; id. at 83.

[41] Id. at.16-17; id. at 85-86.

[42] Id. at. 19-20; id. at 88-89.

[43] Id. at 15; id. at 84.

[44] Id. at 16; id. at 85.

[45] Id.

[46] Id. at 22; id. at 91.

[47] Records, pp. 113-115.

[48] Id. at 121.

[49] The provision reads:

SEC. 23. Notice of initial hearing, publication, etc –The court shall, within five days from filing of the application, issue an order setting the date and hour of initial hearing which shall not be earlier than forty-five days nor later than ninety days from the date of the order.

The public shall be given notice of the initial hearing of the application for land registration by means of (1) publication; (2) mailing; and (3) posting.

1. By publication.

Upon receipt of the order of the court setting the time for initial hearing, the Commissioner of Land

> Registration shall cause notice of initial hearing to be published once in the Official Gazette and once in a newspaper of general circulation in the Philippines: Provided, however, that the publication in the Official Gazette shall be sufficient to confer jurisdiction upon the court. Said notice shall be addressed to all persons appearing to have an interest in the land involved including the adjoining owners so far as known, and "to all whom it may concern." Said notice shall also require all persons concerned to appear in court at a certain date and time to show cause why the prayer of said application shall not be granted.

[50] G.R. No. 103734, February 9, 1993, 218 SCRA 773.

[51] G.R. No. 88623, February 5, 1990, 181 SCRA 788.

[52] The provision reads:

SEC. 14. Who may apply - The following persons may file in the proper Court of First Instance an application for registration of title to land, whether personally or through their duly authorized representatives:

> (1) Those who by themselves or through their predecessors-in-interest have been in open, continuous, exclusive and notorious possession and occupation of alienable and disposable lands of the public domain under a bona fide claim of ownership since June 12, 1945, or earlier.

[53] CA rollo, pp. 28-37.

[54] Id. at 52-58.

[55] Presidential Decree No. 1529 (1978), Sec. 14 states:

SEC. 14. Who may apply - The following persons may file in the proper Court of First Instance an application for registration of title to land, whether personally or through their duly authorized representatives:

x x x x

(4) Those who have acquired ownership of land in any other manner provided for by law.

[56] Rollo, pp. 39-50.

[57] Id. at 19-20.

[58] Id. at 51.

[59] Id. at 52.

[60] Civil Code, Art. 502 states:

Art. 502. The following are of public dominion:

x x x x

(4) Lakes and lagoons formed by Nature on public lands, and their beds; (emphasis supplied)

x x x x

[61] 415 Phil. 511 (2001).

[62] Rollo, pp. 89-90.

[63] Id. at 91.

[64] Republic of the Philippines v. Alconaba, G.R. No. 155012, April 14, 2004, 427 SCRA 611, 617.

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[65] Diaz-Enriquez v. Republic of the Philippines, G.R. No. 141031, August 31, 2004, 437 SCRA 311, 322.

[66] Pagkatipunan v. Court of Appeals, 429 Phil. 377, 389-390.

[67] Gordula v. Court of Appeals, 348 Phil. 670, 686-687 (1998).

[68] Id. at 685.

[69] 372 Phil. 710 (1999).

[70] Id. at 737-738.

[71] Republic of the Philippines v. Court of Appeals, 440 Phil. 697, 710-711 (2002).

[72] Records, p. 181.

[73] Republic of the Philippines v. Alconaba, supra note 62, at 619.

[74] Id. at 620.

[75] Del Rosario v. Republic, 432 Phil. 824, 838 (2002).

[76] Records, p. 18.

[77] RULES OF COURT, Rule 129, Section 4.

[78] Diaz-Enriquez v. Republic of the Philippines, supra note 63, at 324.

[79] Republic of the Philippines v. Kalaw, G.R. No. 155138, June 8, 2004, 431 SCRA 401, 413.

[80] Republic of the Philippines v. Court of Appeals, 216 Phil. 500, 508-509 (1984).

[81] Republic of the Philippines v. Alconaba, supra note 62, at 620.

[82] TSN, October 5, 2001, p. 3; records, p. 99.

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