

REPUBLIC OF THE PHILIPPINES, PETITIONER, VS. IGLESIA NI CRISTO, TRUSTEE AND APPLICANT, WITH ITS EXECUTIVE MINISTER ERAÑO MANALO AS CORPORATE SOLE, RESPONDENT.

G.R. No. 180067. June 30, 2009

Ponente: VELASCO JR., J.

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VELASCO JR., J.:

The Case

In this Petition for Review on Certiorari under Rule 45, the Republic of the Philippines assails the October 11, 2007 Decision[1] of the Court of Appeals (CA) in CA-G.R. CV No. 85348, which affirmed the April 26, 2005 Decision[2] of the Municipal Circuit Trial Court (MCTC) in Paoay-Currimao, Ilocos Norte, in Land Registration Case No. 762-C for Application for Registration of Title, entitled Iglesia Ni Cristo, Trustee and Applicant with its Executive Minister Eraño Manalo as Corporate Sole v. Republic of the Philippines as oppositor.

The Facts

Subject of the instant controversy is Lot No. 3946 of the Currimao Cadastre, particularly described as follows:

A parcel of land (Plan Swo-I-001047, L.R.C. Rec. No. _____) situated in the Barrio of Baramban, Municipality of Currimao, Province of Ilocos Norte, Island of Luzon. Bounded on the SE., along line 1-2 by the National Road (20.00 m. wide); on the SW. & NW., along lines 2-3-4 by lot 3946, Cads-562-D, Currimao Cadastral Sketching, Bernardo Badanguio; on the NE., along line 4-1 by lot 3947, portion, Cads-562-D; (Pacita B. Lazaro) and lot 3948, Pacita B. Lazaro, Cads-562-D, Currimao Cadastral Sketching x x x containing an area of FOUR THOUSAND TWO HUNDRED AND ONE (4201) SQUARE METERS. x x x

On November 19, 1998, Iglesia Ni Cristo (INC), represented by Eraño G. Manalo, as corporate sole, filed its Application for Registration of Title before the MCTC in Paoay-Currimao. Appended to the application were the sepia or tracing cloth of plan Swo-1-001047, the technical description of subject lot,[3] the Geodetic Engineer's Certificate,[4] Tax Declaration No. (TD) 508026[5] covering the subject lot, and the September 7, 1970 Deed of Sale[6] executed by Bernardo Bandaguio in favor of INC.

The Republic, through the Office of the Solicitor General (OSG), entered its appearance and deputized the Provincial Prosecutor of Laoag City to appear on its behalf. It also filed an Opposition to INC's application.

The Ruling of the Cadastral Court

After the required jurisdictional publication, notification, and posting, hearing ensued where the INC presented three testimonial witnesses,[7] the MCTC, acting as cadastral court, rendered its Decision on April 26, 2005, granting INC's application. The decretal portion reads:

Wherefore, the application for registration is hereby granted. Upon finality of this decision, let an Order be issued directing the Land Registration Authority to register and issue an Original Certificate of Title to the

applicant Iglesia Ni Cristo, as Corporation Sole, with official address at No. 1 Central Avenue, New Era, Diliman Quezon City.

SO ORDERED.

The cadastral court held that based on documentary and testimonial evidence, the essential requisites for judicial confirmation of an imperfect title over the subject lot have been complied with.

It was established during trial that the subject lot formed part of a bigger lot owned by one Dionisio Sabuco. On February 23, 1952, Sabuco sold a small portion of the bigger lot to INC which built a chapel on the lot. Saturnino Sacayanan, who was born in 1941 and became a member of INC in 1948, testified to the sale by Sabuco and the erection of the small chapel by INC in 1952. Subsequently, Sabuco sold the bigger lot to Bernardo Badanguio less the small portion where the INC chapel was built.

Badanguio in 1954 then declared the entire bigger lot he purchased from Sabuco for tax purposes and was issued TD 006114.[8] In 1959, Badanguio also sold a small portion of the bigger lot to INC for which a Deed of Absolute Sale[9] was executed on January 8, 1959. Jaime Alcantara, the property custodian of INC, testified to the purchases constituting the subject lot and the issuance of TDs covering it as declared by INC for tax purposes. Thus, these two purchases by INC of a small portion of the bigger lot originally owned by Sabuco, who inherited it from his parents and later sold it to Badanguio, constituted the subject lot.

On September 7, 1970, a Deed of Sale was executed by Badanguio in favor of INC formally ceding and conveying to INC the subject lot which still formed part of the TD of the bigger lot under his name. This was testified to by Teofilo Tulali who became a tenant of the bigger lot in 1965 and continued to be its tenant under Badanguio. Tulali testified further that the ownership and possession of Sabuco and Badanguio of the bigger lot were never disturbed.

Subsequently, TD 6485[10] was issued in 1970 in the name of INC pursuant to the September 7, 1970 Deed of Sale. This was subsequently replaced by TD No. 406056[11] in 1974, TD 508026 in 1980, and TD 605153 in 1985.

For the processing of its application for judicial confirmation of title, subject Lot No. 3946 of the Currimao Cadastre was surveyed and consisted of 4,201 square meters. With the presentation of the requisite sepiá or tracing cloth of plan Swo-1-001047, technical description of the subject lot, Geodetic Engineer's Certificate, and Report given by the City Environment and Natural Resources Office special investigator showing that the subject lot is within alienable and disposable public zone, the MCTC found and appreciated the continuous possession by INC of the subject lot for over 40 years after its acquisition of the lot. Besides, it noted that Badanguio and Sabuco, the predecessors-in-interest of INC, were never disturbed in their possession of the portions they sold to INC constituting the subject lot.

Aggrieved, the Republic seasonably interposed its appeal before the CA, docketed as CA-G.R. CV No. 85348.

The Ruling of the CA

On October 11, 2007, the appellate court rendered the assailed Decision affirming the April 26, 2005 MCTC Decision. The fallo reads:

WHEREFORE, the foregoing considered, the instant appeal is hereby DENIED and the assailed decision AFFIRMED in toto.

SO ORDERED.

In denying the Republic's appeal, the CA found that the documentary and testimonial evidence on record sufficiently established the continuous, open, and peaceful possession and occupation of the subject lot in the concept of an owner by INC of more than 40 years and by its predecessors-in-interest prior to the conveyance of the lot to INC.

Hence, we have this petition.

The Issue

THE COURT OF APPEALS ERRED ON A QUESTION OF LAW IN AFFIRMING THE [MCTC] DECISION GRANTING THE APPLICATION FOR LAND REGISTRATION DESPITE EVIDENCE THAT THE LAND WAS DECLARED ALIENABLE AND DISPOSABLE LAND OF THE PUBLIC DOMAIN ONLY ON MAY 16, 1993, OR FIVE (5) YEARS BEFORE THE FILING OF THE APPLICATION FOR REGISTRATION ON NOVEMBER 19, 1998.[12]

The Court's Ruling

May a judicial confirmation of imperfect title prosper when the subject property has been declared as alienable only after June 12, 1945? This is the sole issue to be resolved.

The petition is bereft of merit. The sole issue raised is not novel.

The Republic's Contention

The Republic contends that subject Lot No. 3946 was certified as alienable and disposable land of the public domain only on May 16, 1993. Relying on *Republic v. Herbieto*,^[13] it argues that prior to said date, the subject lot remained to be of the public dominion or *res publicae* in nature incapable of private appropriation, and, consequently, INC and its predecessors-in-interest's possession and occupation cannot confer ownership or possessory rights and "any period of possession prior to the date when the lot was classified as alienable and disposable is inconsequential and should be excluded in the computation of the period of possession."^[14]

The Republic maintains further that since the application was filed only on November 19, 1998 or a scant five years from the declaration of the subject lot to be alienable and disposable land on May 16, 1993, INC's possession fell short of the 30-year period required under Section 48(b) of Commonwealth Act No. (CA) 141, otherwise known as the Public Land Act.

The Argument of INC

Respondent INC counters that the Court has already clarified this issue in *Republic v. Court of Appeals (Naguit case)*, in which we held that what is merely required by Sec. 14(1) of Presidential Decree No. (PD) 1529, otherwise known as the Property Registration Decree, is that the "property sought to be registered [is] already alienable and disposable at the time of the application for registration of title is filed."^[15] Moreover, INC asserts that the *Herbieto* pronouncement quoted by the Republic cannot be considered doctrinal in that it is merely an *obiter dictum*, stated only after the case was dismissed for the applicant's failure to comply with the jurisdictional requirement of publication.

Necessity of declaration of public agricultural land as alienable and disposable

It is well-settled that no public land can be acquired by private persons without any grant, express or implied, from the government, and it is indispensable that the persons claiming title to a public land should show that their title was acquired from the State or any other mode of acquisition recognized by law.^[16] In the instant case, it is undisputed that the subject lot has already been declared alienable and disposable by the government on May 16,

1993 or a little over five years before the application for registration was filed by INC.

Conflicting rulings in *Herbieto* and *Naguit*

It must be noted that this Court had conflicting rulings in *Naguit* and *Herbieto*, relied on by the parties' contradictory positions.

Herbieto essentially ruled that reckoning of the possession of an applicant for judicial confirmation of imperfect title is counted from the date when the lot was classified as alienable and disposable, and possession before such date is inconsequential and must be excluded in the computation of the period of possession. This ruling is very stringent and restrictive, for there can be no perfection of title when the declaration of public agricultural land as alienable and disposable is made after June 12, 1945, since the reckoning of the period of possession cannot comply with the mandatory period under Sec. 14(1) of PD 1529.

In *Naguit*, this Court held a less stringent requirement in the application of Sec. 14(1) of PD 1529 in that the reckoning for the period of possession is the actual possession of the property and it is sufficient for the property sought to be registered to be already alienable and disposable at the time of the application for registration of title is filed.

A review of subsequent and recent rulings by this Court shows that the pronouncement in *Herbieto* has been applied to *Buenaventura v. Republic*,^[17] *Republic v. Diloy*,^[18] *Ponciano, Jr. v. Laguna Lake Development Authority*,^[19] and *Preciosa v. Pascual*.^[20] This Court's ruling in *Naguit*, on the other hand, has been applied to *Republic v. Bibonia*.^[21]

Core issue laid to rest in *Heirs of Mario Malabanan v. Republic*

In *Heirs of Mario Malabanan v. Republic (Malabanan)*,^[22] the Court upheld *Naguit* and abandoned the stringent ruling in *Herbieto*.

Sec. 14(1) of PD 1529 pertinently 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.

In declaring that the correct interpretation of Sec. 14(1) of PD 1529 is that which was adopted in *Naguit*, the Court ruled that "the more reasonable interpretation of Sec. 14(1) of PD 1529 is that it merely requires the property sought to be registered as already alienable and disposable at the time the application for registration of title is filed."

The Court in *Malabanan* traced the rights of a citizen to own alienable and disposable lands of the public domain as granted under CA 141, otherwise known as the Public Land Act, as amended by PD 1073, and PD 1529. The Court observed that Sec. 48(b) of CA 141 and Sec. 14(1) of PD 1529 are virtually the same, with the latter law specifically operationalizing the registration of lands of the public domain and codifying the various laws relative to the registration of property. We cited *Naguit* and ratiocinated:

Despite the clear text of Section 48(b) of the Public Land Act, as amended and Section 14(a) of the Property Registration Decree, the OSG has adopted the position that for one to acquire the right to seek registration of an alienable and disposable land of the public domain, it is not enough that the applicant and his/her

predecessors-in-interest be in possession under a bona fide claim of ownership since 12 June 1945; the alienable and disposable character of the property must have been declared also as of 12 June 1945. Following the OSG's approach, all lands certified as alienable and disposable after 12 June 1945 cannot be registered either under Section 14(1) of the Property Registration Decree or Section 48(b) of the Public Land Act as amended. The absurdity of such an implication was discussed in Naguit.

Petitioner suggests an interpretation that the alienable and disposable character of the land should have already been established since June 12, 1945 or earlier. This is not borne out by the plain meaning of Section 14(1). "Since June 12, 1945," as used in the provision, qualifies its antecedent phrase "under a bonafide claim of ownership." Generally speaking, qualifying words restrict or modify only the words or phrases to which they are immediately associated, and not those distantly or remotely located. *Ad proximum antecedents fiat relation nisi impediatur sententia.*

Besides, we are mindful of the absurdity that would result if we adopt petitioner's position. Absent a legislative amendment, the rule would be, adopting the OSG's view, that all lands of the public domain which were not declared alienable or disposable before June 12, 1945 would not be susceptible to original registration, no matter the length of unchallenged possession by the occupant. Such interpretation renders paragraph (1) of Section 14 virtually inoperative and even precludes the government from giving it effect even as it decides to reclassify public agricultural lands as alienable and disposable. The unreasonableness of the situation would even be aggravated considering that before June 12, 1945, the Philippines was not yet even considered an independent state.

Accordingly, the Court in Naguit explained:

[T]he more reasonable interpretation of Section 14(1) is that it merely requires the property sought to be registered as already alienable and disposable at the time the application for registration of title is filed. If the State, at the time the application is made, has not yet deemed it proper to release the property for alienation or disposition, the presumption is that the government is still reserving the right to utilize the property; hence, the need to preserve its ownership in the State irrespective of the length of adverse possession even if in good faith. However, if the property has already been classified as alienable and disposable, as it is in this case, then there is already an intention on the part of the State to abdicate its exclusive prerogative over the property.

The Court declares that the correct interpretation of Section 14(1) is that which was adopted in Naguit. The contrary pronouncement in *Herbieto*, as pointed out in Naguit, absurdly limits the application of the provision to the point of virtual inutility since it would only cover lands actually declared alienable and disposable prior to 12 June 1945, even if the current possessor is able to establish open, continuous, exclusive and notorious possession under a bona fide claim of ownership long before that date.

Moreover, the Naguit interpretation allows more possessors under a bona fide claim of ownership to avail of judicial confirmation of their imperfect titles than what would be feasible under *Herbieto*. This balancing fact is significant, especially considering our forthcoming discussion on the scope and reach of Section 14(2) of the Property Registration Decree.

Petitioners make the salient observation that the contradictory passages from *Herbieto* are obiter dicta since the land registration proceedings therein is void ab initio in the first place due to lack of the requisite publication of the notice of initial hearing. There is no need to explicitly overturn *Herbieto*, as it suffices that the Court's acknowledgment that the particular line of argument used therein concerning Section 14(1) is indeed obiter.

Naguit as affirmed in *Malabanan* more in accord with the State's policy

Moreover, we wish to emphasize that our affirmation of Naguit in *Malabanan*--as regards the correct interpretation of Sec. 14(1) of PD 1529 relative to the reckoning of possession vis-à-vis the declaration of the property of the public domain as alienable and disposable--is indeed more in keeping with the spirit of the Public

Land Act, as amended, and of PD 1529. These statutes were enacted to conform to the State's policy of encouraging and promoting the distribution of alienable public lands to spur economic growth and remain true to the ideal of social justice.[23] The statutes' requirements, as couched and amended, are stringent enough to safeguard against fraudulent applications for registration of title over alienable and disposable public land. The application of the more stringent pronouncement in *Herbieto* would indeed stifle and repress the State's policy.

Finally, the Court in *Malabanan* aptly synthesized the doctrine that the period of possession required under Sec. 14(1) of PD 1527 is not reckoned from the time of the declaration of the property as alienable and disposable, thus:

We synthesize the doctrines laid down in this case, as follows:

(1) In connection with Section 14(1) of the Property Registration Decree, Section 48(b) of the Public Land Act recognizes and confirms that "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 acquisition of ownership, since June 12, 1945" have acquired ownership of, and registrable title to, such lands based on the length and quality of their possession.

(a) Since Section 48(b) merely requires possession since 12 June 1945 and does not require that the lands should have been alienable and disposable during the entire period of possession, the possessor is entitled to secure judicial confirmation of his title thereto as soon as it is declared alienable and disposable, subject to the timeframe imposed by Section 47 of the Public Land Act.

(b) The right to register granted under Section 48(b) of the Public Land Act is further confirmed by Section 14(1) of the Property Registration Decree.

INC entitled to registrable right over subject lot

With the resolution of the core issue, we find no error in the findings of the courts a quo that INC had indeed sufficiently established its possession and occupation of the subject lot in accordance with the Public Land Act and Sec. 14(1) of PD 1529, and had duly proved its right to judicial confirmation of imperfect title over subject lot.

As a rule, the findings of fact of the trial court when affirmed by the CA are final and conclusive on, and cannot be reviewed on appeal by, this Court as long as they are borne out by the record or are based on substantial evidence. The Court is not a trier of facts, its jurisdiction being limited to reviewing only errors of law that may have been committed by the lower courts.[24] This is applicable to the instant case.

The possession of INC has been established not only from 1952 and 1959 when it purchased the respective halves of the subject lot, but is also tacked on to the possession of its predecessors-in-interest, Badanguio and Sabuco, the latter possessing the subject lot way before June 12, 1945, as he inherited the bigger lot, of which the subject lot is a portion, from his parents. These possessions and occupation--from Sabuco, including those of his parents, to INC; and from Sabuco to Badanguio to INC--had been in the concept of owners: open, continuous, exclusive, and notorious possession and occupation under a bona fide claim of acquisition of property. These had not been disturbed as attested to by respondent's witnesses.

WHEREFORE, this petition is hereby DENIED. Accordingly, the October 11, 2007 CA Decision in CA-G.R. CV No. 85348 is hereby AFFIRMED IN TOTO.

No costs.

SO ORDERED.

Ynares-Santiago, (Chairperson), Chico-Nazario, Nachura, and Peralta, JJ., concur.

[1] Rollo, pp. 24-32. Penned by Associate Justice Josefina Guevara-Salonga and concurred in by Associate Justices Vicente Q. Roxas and Ramon R. Garcia.

[2] Id. at 55-56. Penned by Judge Designate Felix C. Salvador.

[3] Id. at 41, dated March 12, 1979.

[4] Id. at 42, dated March 15, 1979.

[5] Id. at 44.

[6] Id. at 47-48.

[7] (1) Teofilo Tulali, a tenant of Lot No. 3946; (2) Saturnino Sacayanan, a member of INC since 1948; and (3) Jaime Alcantara, the property custodian of Lot No. 3946 and Minister of INC since 1965.

[8] Records, p. 439.

[9] Id. at 356-357.

[10] Rollo, p. 46.

[11] Id. at 45.

[12] Id. at 13.

[13] G.R. No. 156117, May 26, 2005, 459 SCRA 183.

[14] Id. at 201-202.

[15] G.R. No. 144057, January 17, 2005, 448 SCRA 442, 448-449.

[16] Republic v. Sarmiento, G.R. No. 169397, March 13, 2007, 518 SCRA 250, 257; citing *Herbieto*, supra note 13, at 199-200.

[17] G.R. No. 166865, March 2, 2007, 517 SCRA 271.

[18] G.R. No. 174633, August 26, 2008.

[19] G.R. No. 174536, October 29, 2008.

[20] G.R. No. 168819, November 27, 2008.

[21] G.R. No. 157466, June 21, 2007, 525 SCRA 268.

[22] G.R. No. 179987, April 29, 2009.

[23] *Bibonia*, supra note 21, at 277; citing *Menguito v. Republic*, G.R. No. 134308, December 14, 2000, 348 SCRA 128, 141.

[24] *Prudential Bank v. Lim*, G.R. No. 136371, November 11, 2005, 474 SCRA 485, 491; citing *Swagman Hotels and Travel, Inc. v. Court of Appeals*, G.R. No. 161135, April 8, 2005, 455 SCRA 175 (other citations omitted).

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