

PRESIDENTIAL DECREE NO. 1271 COMMITTEE, THE SECRETARY OF JUSTICE, IN HIS CAPACITY AS CHAIR OF THE COMMITTEE, THE SOLICITOR GENERAL, IN HIS CAPACITY AS A MEMBER OF THE COMMITTEE,...

G.R. No. 187291. December 05, 2016

Ponente: LEONEN, J.

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LEONEN, J.:

Land registration cases that only resolve the propriety of the results of a resurvey of Baguio City properties do not bar a subsequent declaration of the nullity of the titles on account of Republic v. Marcos[1] and Presidential Decree No. 1271.

These consolidated cases concern the validation of certain properties under Presidential Decree No. 1271, which declared null and void all orders and decisions decreeing lands within the Baguio Townsite Reservation in favor of private parties by virtue of the reopening of Civil Reservation Case No. 1, G.L.R.O. Rec. No. 211.

These Petitions for Review assail the Amended Decision[2] dated March 26, 2009 of the Court of Appeals, which validated several transfer certificates of title that had been disallowed validation by the Baguio Validation Committee.

The Baguio Validation Committee, the Secretary of Justice (in his capacity as Chair of the Committee), the Solicitor General (in his capacity as a member of the Committee), and Benedicto Ulep (in his capacity as the Administrator of the Land Registration Authority) jointly filed the first Petition docketed as G.R. No. 187291.[3] Gloria Rodriguez de Guzman filed the second Petition, which was docketed as G.R. No. 187334.[4]

On February 11, 1903, Act No. 636[5] was enacted to provide for the allotment of property as a government reservation in Baguio, Benguet:

SECTION 1. Pending the plotting of a town site at Baguio and the setting aside of a tract of land as a military reservation, the following described tract of land shall be reserved for Government purposes, exempt from settlement and claim: That parcel or tract of land in the form of a circle with its center in the house occupied by Mateo Cariño at Baguio, and with a radius of one kilometer; and also a strip of land one and one-half kilometers wide on the easterly side, and one kilometer wide on the westerly side of the Government road as now located, beginning at a point 'on the Government road due east of the civil sanitarium, and extending southeasterly along said road for a distance of four kilometers: Provided, That nothing in this section shall apply to private lands held under lawful title within the above-described area.

The Governor of the Province of Benguet was tasked to prevent any person from settling on public lands within the allotted area until they are opened up for sale and settlement by later legislation.[6] However, the reservation did not apply to private lands held under lawful title within the allotted area.[7]

On April 12, 1912 the Director of Lands filed a case before the Court of First Instance of Benguet for the

settlement and adjudication of claims to private lands in the Baguio Townsite Reservation. The case was docketed as Civil Reservation Case No. 1, G.L.R.O. Rec. No. 211.[8]

On November 13, 1922, the Court of First Instance of Benguet decreed as public properties all lands, buildings, and real rights within the Baguio Townsite Reservation, with the exception of areas inside established reservations and lands adjudicated to private claimants named in these reservations.[9] All other private claims not pursued in the Civil Reservation Case No. 1, G.L.R.O. Rec. No. 211 were barred forever.[10]

Later, several interested parties filed a Petition before the Court of First Instance of Baguio and Benguet to reopen Civil Reservation Case No. 1, G.L.R.O. Rec. No. 211. These parties invoked Republic Act No. 931, which authorized the reopening of cadastral cases up to December 31, 1968 involving lands previously declared public by the court.[11]

The Court of First Instance of Baguio and Benguet granted the Petition to reopen Civil Reservation Case No. 1, G.L.R.O. Rec. No. 211. Parcels of land located within the Baguio Townsite Reservation were then awarded to private parties.[12] These parcels of land were transferred to third parties who had since secured titles to the lands.[13]

The Republic of the Philippines questioned the reopening of Civil Reservation Case No. 1, G.L.R.O. Rec. No. 211 in court. On July 31, 1973, this Court in *Republic v. Marcos* [14] held that all titles issued as a result of the reopening of Civil Reservation Case No. 1, G.L.R.O. Rec. No. 211 were null and void.[15] This Court found that Civil Reservation Case No. 1, G.L.R.O. Rec. No. 211 was not a cadastral proceeding as contemplated under Act No. 931, and the lands in question could not be registered, as they were part of a duly established military camp or reservation.[16]

As several parcels of land had already been transferred to third parties, Former President Ferdinand Marcos issued Presidential Decree No. 1271 on December 22, 1977 to provide for those who acted in good faith, mistakenly relied on the indefeasibility of Torrens certificates of titles, and introduced substantial improvements on the lands covered by the certificates.[17]

Presidential Decree No. 1271 reiterated the nullity of the titles issued in relation to the reopening of the Civil Reservation Case No. 1, G.L.R.O. Rec. No. 211. However, it provided that innocent third parties could have their properties validated upon compliance with the following conditions:

Section 1. All orders and decisions issued by the Court of First Instance of Baguio and Benguet in connection with the proceedings for the reopening of Civil Reservation Case No. 1, GLRO Record No. 211, covering lands within the Baguio Townsite Reservation, and decreeing such lands in favor of private individuals or entities, are hereby declared null and void and without force and effect; PROVIDED, HOWEVER, that all certificates of titles issued on or before July 31, 1973 shall be considered valid and the lands covered by them shall be deemed to have been conveyed in fee simple to the registered owners upon a showing of, and compliance with, the following conditions:

- The lands covered by the titles are not within any government, public or quasi-public reservation, forest, military or otherwise, as certified by appropriating government agencies;
- Payment by the present title holder to the Republic of the Philippines of an amount equivalent to fifteen per centum (15%) of the assessed value of the land whose title is voided as of revision period 1973 (P.D. 76), the amount payable as follows: Within ninety (90) days of the effectivity of this Decree, the holders of the titles affected shall manifest their desire, to avail of the benefits of this provision and shall pay ten per centum (10%) of the above amount and the balance in two equal installments, the first installment to be paid within the first year of the effectivity of this Decree and the second installment within a year thereafter.

The governing body tasked to implement the provisions of Presidential Decree No. 1271 is the Presidential Decree No. 1271 Committee (Baguio Validation Committee). It is composed of the Secretary of Justice as Chair and the Solicitor General and the Director of the Land Management Bureau as members.[18]

Among the titles issued under Civil Reservation Case No. 1, G.L.R.O Rec. No. 211 were Original Certificates of Title Nos. 123 and 128.[19]

In December 1967, before this Court's ruling in Marcos, Gloria Rodriguez De Guzman (Rodriguez) acquired the properties derived from Original Certificates of Title Nos. 123 and 128. The Register of Deeds of Baguio issued a total of nine (9) Transfer Certificates of Title to Rodriguez, as follows:

(a) Transfer Certificates of Title Nos. T-12826 and T-12827, for the properties covered by Original Certificate of Title No. 123;[20]

(b) Transfer Certificates of Title Nos. T-12828, T-12829, T-12830, T-12831, and T-12832, for the properties covered by Original Certificate of Title No. 128;[21] and

(c) Transfer Certificates of Title Nos. T-12824 and T-12825.[22]

Original Certificates of Title Nos. 123 and 128, being among the titles issued under the reopening of Civil Reservation Case No. 1, G.L.R.O Rec. No. 211, was declared null and void in Marcos and by Presidential Decree No. 1271.[23]

Consequently, on February 5, 1987, Rodriguez filed separate applications for validation for seven (7) of her titles: T-12826, T-12827, T-12828, T-12829, T-12830, T-12831, and T-12832.[24] The applications for validation were docketed thus:

Original Certificate of Title

Transfer Certificate of Title in Rodriguez's name

Application for Validation

OCT No. 123

T-12826

VA(B) No. 6590

T-12827

VA(B) No. 6591

OCT No. 128

T-12828

VA(B) No. 6592

T-12829

VA(B) No. 4758

T-12830

VA(B) No. 6593

T-12831

VA(B) No. 6594

T-12832

VA(B) No. 6595[25]

On September 24, 1991, pending her applications for validation, Rodriguez filed before the Regional Trial Court of Baguio City a Petition seeking to correct the caption of Resurvey Subdivision Plan (LRC) No. RS-288-D and the technical descriptions of TCT Nos. T-12828, T-12829, T-12830, T-12831, and T-12832 to conform to the resurvey plan.[26] This was docketed as LRC Case No. 445-R.[27]

The Office of the Solicitor General opposed the Petition and alleged that there was an increase in the area of the subdivided lots covered by the Transfer Certificates of Title.[28] On July 23, 1996, the Regional Trial Court granted Rodriguez's Petition on the basis of Sections 48[29] and 108[30] of Presidential Decree No. 1529, otherwise known as the Property Registration Decree:

The opposition filed by the Office of the Solicitor General challenging the validity of the subject titles is in effect an attempt to reopen the decree of registration which Section 108 of PD 1529 categorically disallows. Moreover, the opposition of the Solicitor General is a collateral attack against a certificate of title which is also disallowed under Section 48 of P.D. 1529, which provides:

"SEC. 48. Certificate not subject to collateral attack. – A certificate of title shall not be subject to collateral attack. It cannot be altered, modified, or cancelled except in a direct proceeding in accordance with law."

Thus, in *Magay vs. Estiandanan*, 69 SCRA 456, the Supreme Court held:

"It is well-settled that a Torrens title cannot be collaterally attacked. The issue on the validity of the title can only be raised in an action expressly instituted for that purpose." (citing *Legarda and Prieto vs. Saleeby*, 31 Phil. 590; *Director of Lands vs. Gan Tan*, 89 Phil. 184; *Hederson vs. Garrido*, 90 Phil. 624; *Samonte, et al., vs. Sambilon, et al.*, 107 Phil. 189).

Moreover, petitioner should be accorded presumption that the Commissioner of Land Registration had complied with his official duties in accordance with law. The competence of the Commissioner of Land Registration to approve and disapprove survey plans, including consolidation and subdivision surveys has not been refuted and challenged. Before a consolidation or subdivision survey is conducted by geodetic engineer or before the survey is approved by competent authority, there must be proof that the party in whose behalf the survey is to be conducted is the owner of the property or has valid authority to grant permission for the survey. In the instant case, it is presumed that before the Commissioner of Land Registration approved the consolidation and subdivision survey as plan (LRC) RS-288-D, there was sufficient and existing proof submitted by petitioner of her ownership of the land.[31]

On January 10, 2002, a certain Corazon Delizo and Consuelo Delizo requested the Land Registration Authority to investigate Rodriguez's Transfer Certificates of Title Nos. T-12826 and T-12827 for being issued irregularly.[32] The Land Registration Authority docketed the request as Task Force Titulong Malinis (TM) No. 02-001.[33]

On September 26, 2002, Rodriguez's applications for validation of Transfer Certificates of Title Nos. T-12828,

T-12829, T-12830, T-12831, and T-12832 were forwarded to the Baguio validation Committee by the Community Environment and Natural Resources Office of the Department of Environment and Natural Resources.[34]

On September 27, 2002, the Land Registration Authority Task Force Titulong Malinis found that there was an expansion of the land area covered by Rodriguez's Transfer Certificates of Title Nos. T-12826 and T-12827.[35] It likewise discovered that the mother title was cancelled through a letter from Rodriguez seeking the issuance of new Transfer Certificates of Title under subdivision plan (LRC) Ps-281-D.[36]

In May 2003, the Office of the Solicitor General received a copy of the opposition filed by Corazon Delizo and the Heirs of Dr. Federico Q. Delizo.[37]

On March 3, 2004, the Legal Services of the Department of Environment and Natural Resources recommended to the Baguio Validation Committee the validation of Rodriguez's Transfer Certificates of Title Nos. T-12826, T-12827, T-12828, T-12829, T-12830, T-12831, and T-12832.[38] The Land Management Bureau of the Department, as member of the Baguio Validation Committee, adopted this endorsement and recommended the approval of Transfer Certificates of Title Nos. T-12828 to T-12832.[39] In the letter dated May 25, 2004, the Land Management Bureau endorsed the five (5) applications and resolutions covering Transfer Certificates of Title Nos. T-12828 to T-12832 to the remaining members of the Baguio Validation Committee: the Office of the Solicitor General and the Department of Justice.[40]

On September 7, 2004, the Register of Deeds of Baguio wrote the Office of the Solicitor General stating that Rodriguez's nine (9) titles, Transfer Certificates of Title Nos. T-12824 to T-12832, ought to be cancelled and denied validation.[41] The letter reads:

The following documents militate against the approval of Ms. De Guzman's application:

- a) LRC Consulta No. 1889 – which held that plan (LRC) RS-281, though admittedly approved by the Land Registration Authority on August 30, 1967 is nonetheless a plan with increased or expanded area and therefore the approval thereof is unwarranted and irregular (Republic vs. Heirs of Abrille, 71 SCRA 57);
- b) Report of Deputy Public Land Inspector Teofilo M. Olimpo that TCT Nos. T-12826 and T-12827, when plotted on the projection or control map of the DENR disclosed that 4.9 hectares, more or less, falls within the Municipality of Bogon, Benguet and 10 hectares, more or less, falls within Baguio City. They also overlap [with] TSA-5192-D of Cesar U. Lorenzo, TSI-V-1895 of A.G. de los Santos and TSI-V-5183 of Alberto Selga;
- c) LRC Circular No. 167 dated February 19, 1968 directing the registration of any instrument affecting or involving lands covered by plans with expanded or increased areas be withheld or suspended;
- d) LRC Task Force Titulong Malinis Report No. 02-001 dated September 27, 2002 which stated that plan (LRC) R[S]-281-D is non-existent and not among the records on file in LRA; (LRC) RS-281-D refers to the survey plan of T-12827;
- e) Undated Report of Atty. Adelina A. Tabangin which shows that T-12824 to T-12832 have expanded in areas;
- f) Order of Cancellation dated January 23, 2004 canceling Psd-Car-010458 covered by TCT No. T-12828;
- g) Order dated July 17, 2002 in Regional Trial Court, Branch 60, First Judicial Region, Baguio City, LRC Case No. 445-R denying the execution of a decision issued on July 23, 1996 in the aforementioned cases;
- h) Order dated October 24, 2002 and February 6, 2003, Regional Trial Court, Branch 3, First Judicial Region, Baguio City, Civil Case No. 5312-R, dismissing the petition filed by Ms. Gloria de Guzman for the

confirmation of her title and ownership covering TCT No. 12827;

i) City [C]ouncil Resolution Numbered 091, Series of 2001 – directing the City Legal Officer to course the filing of appropriate proceedings for the cancellation and/or nullification of falsified, fake or spurious certificates of title; and

j) False Statement or Misrepresentation in her application when she stated that she acquired the lots by "purchase" the truth of the matter is that only T-9463 with an area of 1,000 square meters, T-12067 with an area of 501 square meters and T-11946 with an area of 10,300 square meters were purchased by Ms. De Guzman from the original owners, the expanded area totaling 660,563 square meters was not included in the aforementioned purchase, it was acquired by virtue of re-survey plan which is non-existent and whose approval is unwarranted and irregular as per LRA report (par. D) and Consulta (par. A); this is a ground for her denial of her application for validation as per paragraph 10 of her application;

In view of the foregoing, and in order to maintain the integrity of the Torrens system, may we respectfully urge your Honor to please initiate immediately the filing of a petition to cancel TCT Nos. T-12824, T-12825, T-12826, T-12827, T-12828, T-12829, T-12830, T-12831, and T-12832, all in the name of Gloria de Guzman and/or Alfonso V. Dacanay.[42]

On February 10, 2006, the Office of the Solicitor General transmitted Rodriguez's applications for validation to the Secretary of Justice as Chair of the Baguio Validation Committee. He recommended that all nine (9) titles be denied validation because of the false statement that the excess area of 660,554 square meters included in the Transfer Certificates of Title after the subdivision of the mother titles were purchased when, in fact, the excess area was acquired only through a resurvey of the subdivision plan.[43]

On August 31, 2006, the Baguio Validation Committee disapproved Rodriguez's applications for validation on account of the expanded areas above the original size covered by the mother titles:[44]

Title/s Subject of Applications for Validation

Mother Title

Original Area of the Lot Covered By the Mother Title

Resulting Area After Subdivision of the Mother Title

Excess Area

TCT Nos. T-12824 and T-12825

T-9463

1,000 sq.m.

4,482 sq.m.

3,482 sq.m.

TCT Nos. T-12826 and T-12827

T-12067

510 sq.m.

156,296 sq.m.

155,786 sq.m.

TCT Nos. T-12828 to T-12832

T-11946

10,300 sq.m.

511,586 sq.m.

501,286 sq.m.

TOTAL

11,810 sq.m.

672,364 sq.m.

660,554 sq.m.[45]

The Secretary of Justice, thus, referred the Baguio Validation Committee's Resolution to the Land Registration Authority Administrator.[46]

On September 11, 2006, the Land Registration Authority Administrator directed the cancellation and the expunging of the invalidated titles.[47] It referred the Baguio Validation Committee's Resolution to the Office of the Solicitor General for guidance as to the proper steps to be taken for the cancellation of the titles.[48]

Rodriguez filed before the Court of Appeals a Petition for Certiorari with application for a temporary restraining order and preliminary injunction to question the Baguio Validation Committee's Resolution.[49]

In the Decision[50] dated October 18, 2007, the Court of Appeals dismissed Rodriguez's Petition for Certiorari. It found that the Baguio Validation Committee did not commit grave abuse of discretion amounting to lack or excess of jurisdiction in denying Rodriguez's applications for validation of Transfer Certificates of Title Nos. T-12826 to T-12832.[51] However, on Transfer Certificates of Title Nos. T-12824 and T-12825, it found that Rodriguez did not apply for the validation of these properties and, thus, the Baguio Validation Committee could not have acted on these properties.[52]

On the applications for validation of Transfer Certificates of Title Nos. T-12826 to T-12832, the Court of Appeals premised its ruling on the false statement made in Rodriguez's application that the properties were acquired by purchase, when actually, the expanded areas were acquired through a resurvey of the properties.[53] A false statement in an application for validation is a valid ground for the disapproval of an application under the Implementing Rules and Regulations of Presidential Decree No. 1271. This is also a stipulation in Rodriguez' own applications, which were signed under oath.[54]

Likewise, the Court of Appeals held that contrary to Rodriguez's claims, the Baguio Validation Committee's jurisdiction is not limited to determining whether the conditions provided for under Presidential Decree No. 1271 are met. Rather, its jurisdiction extends to ascertaining whether statements in the application are truthful and reliable.[55] The Court of Appeals also accorded weight to the argument of the Office of the Solicitor General that the provisions of Presidential Decree No. 1271 extend only to lands originally and judicially decreed in favor of applicants in Civil Reservation Case No. 1, G.L.R.O Rec. No. 211.[56] Thus, expanded areas of the lots covered by Rodriguez's titles, which were only included within the title as a result of the subdivision of the lots covered by the mother titles, cannot be validated.[57]

The Court of Appeals found that the Baguio Validation Committee is not precluded from taking into consideration the letter of the Register of Deeds, contrary to the claims of Rodriguez. The letter deserved evidentiary weight, given that it complied with the Baguio Validation Committee's request premised on its power to call upon any agency of government for assistance in the performance of its tasks.[58] In any case, the Court of Appeals found that the Baguio Validation Committee's Resolution was likewise based on: (1) the Land Registration Authority's Report dated September 27, 2002, prepared by Task Force Titulong Malinis; (2) the request of the Chief Legal Officer of the Cordillera Administrative Region to the Office of the Solicitor General for the reversion or the cancellation of Rodriguez's titles on the ground of its expansion from the mother titles; and (3) the Office of the Solicitor General's opposition to the Petition in LRC Case No. 445-R before the Regional Trial Court of Baguio for the correction of the resurvey subdivision plan and the correction of technical descriptions.[59] Moreover, the Court of Appeals held that Rodriguez's Transfer Certificates of Title are not indefeasible since Presidential Decree No. 1271 explicitly declared Rodriguez's Transfer Certificates of Title as null and void.[60]

The Court of Appeals held that there is no conclusiveness of judgment in LRC Case No. 455-R as the Regional Trial Court did not determine if there was a fraudulent expansion of the lands covered by Rodriguez's Transfer Certificates of Title, as opposed to their applications for validation.[61]

The Court of Appeals likewise did not consider Rodriguez's contention that her applications for Transfer Certificates of Title Nos. T-12826 and T-12827 were not transmitted from the Land Management Bureau to the Office of the Solicitor General, unlike that of Transfer Certificates of Title Nos. T-12828 to T-12832.[62] The Court of Appeals ruled that Rodriguez' submission of her application already started the process for determining whether it should be granted or denied.[63] Since the Office of the Solicitor General vehemently opposed its validation after consideration of the evidence, the Baguio Validation Committee did not gravely abuse its discretion in denying Rodriguez's applications.[64]

The dispositive portion of the October 18, 2007 Decision of the Court of Appeals reads:

WHEREFORE, the petition is partly GRANTED. The assailed resolution dated August 31, 2006 issued by the Presidential Decree No. 1271 Committee is AFFIRMED with MODIFICATION that the disapproval of validation of petitioner's TCT Nos. T-12824 and T-12825 is SET ASIDE for lack of merit. The writ of preliminary injunction issued by this Court on January 5, 2007 is accordingly DISSOLVED.

SO ORDERED.[65] (Emphasis in the original)

Rodriguez filed a Motion for Partial Reconsideration and a Supplemental Motion for Partial Reconsideration praying for the reversal of the Decision insofar as it found that no grave abuse of discretion was committed by the Baguio Validation Committee when it denied her applications for validation for Transfer Certificates of Title Nos. T-12826, T-12827, T-12828, T-12829, T-12830, T-12831, and T-12832.[66]

On June 26, 2008, Rodriguez filed an Omnibus Motion for Leave of Court to Present Additional Evidence and to Set Case for Oral Arguments.[67] The Baguio Validation Committee filed an Opposition.[68] After a hearing, the parties filed their respective memoranda.[69]

In the Amended Decision[70] dated March 26, 2009 the Court of Appeals partially granted Rodriguez's Motion for Partial Reconsideration. It still disallowed the validation of Rodriguez's applications for Transfer Certificates of Title Nos. T-12826 and T-12827, but allowed the validation of Rodriguez's applications for Transfer Certificates of Title Nos. T-12828, T-12829, T-12830, T-12831, and T-12832.[71]

The Court of Appeals found that Transfer Certificate of Title No. T-12828 was acquired in a legitimate manner as it retained its original area of 10,300 square meters.[72] It noted that Transfer Certificate of Title No. 12828 was

originally covered by Transfer Certificate of Title No. T-10121, which then became Transfer Certificate of Title No. T-11946 when it was issued to Rodriguez.[73] When Rodriguez obtained five (5) untitled parcels of land adjacent to Transfer Certificate of Title No. T-11946, Resurvey Subdivision Plan (LRC) No. RS-288-D described the entire property as Lot 3-A, and the five (5) properties as Lots 3-A-1, 3-A-2, 3-A-3, 3-A-4, 3-A-5.[74] Transfer Certificate of Title No. T-11946 became Lot 3-A-1 covered by Transfer Certificate of Title No. T-12828, which retained its original area of 10,300 square meters even after the correction of the technical descriptions in LRC Case No. 445-R.[75]

Moreover, the Court of Appeals changed its position as to the applicability of res judicata by conclusiveness of judgment to the validation of Transfer Certificates of Title Nos. T-12828 to T-12832.[76] It found that LRC Case No. 445-R had the same parties, subject, and issue as the proceedings before the Baguio Validation Committee for the validation of Rodriguez's Transfer Certificates of Title.[77] It held that the Regional Trial Court did resolve the issue of whether there was a fraudulent expansion of the areas covered by the Transfer Certificates of Title.[78] The judgment of the Regional Trial Court in LRC Case No. 445-R was a judgment on the merits that became final and executory and has, in fact, been executed.[79]

The Court of Appeals likewise held that *Republic v. Heirs of Abrille*[80] did not apply as there was no allegation or proof that the government agencies concerned were not provided notice of the proceedings for the approval of Resurvey Subdivision Plan (LRC) No. RS-288-D.[81] The Court of Appeals found that what properly applies is *Republic v. Court of Appeals*,[82] where the prolonged inaction by the Republic caused it to be barred by laches.[83] The Court of Appeals faulted the Office of the Solicitor General for its failure to appeal the Decision in LRC Case No. 445-R, or otherwise file a separate suit for the cancellation of the Transfer Certificates of Title.[84]

However, as LRC Case No. 445-R does not cover Transfer Certificates of Title Nos. T-12826 and T-12827, the Court of Appeals found that the doctrine of conclusiveness of judgment and estoppel by laches cannot apply to it.[85] The presumption of validity cannot apply to these titles since Presidential Decree No. 1271 declared all properties acquired under Civil Reservation Case No. 1, G.L.R.O Rec. No. 211 as null and void, and the mother title of these Transfer Certificates of Title—Original Certificate of Title No. 123—was one of these properties.[86]

The dispositive portion of the Court of Appeals' March 26, 2009 Amended Decision reads:

WHEREFORE, the instant Motion for Partial Reconsideration and Supplemental Motion for Partial Reconsideration are PARTLY GRANTED. The Decision of this Court dated October 18, 2007, affirming respondent Committee's disapproval of [Rodriguez's] application for validation of TCT Nos. T-12826 and T-12827, and setting aside the disapproval by respondent Committee of [Rodriguez's] applications for validation of TCT Nos. T-12824 and T-12825 is REITERATED. The assailed Resolution dated August 31, 2006 issued by the Presidential Decree No. 1271 Committee, insofar as it disapproved petitioner's applications for validation of TCT N s. T-12828, T-12829, T-12831, and T12832 is REVERSED and SET ASIDE for lack of merit. In lieu thereof, a new judgment is hereby rendered approving or granting the subject applications for validation of TCT Nos. T-12828, T-12829, T-12830, T-12831, and T-12832.

Accordingly, the writ of preliminary injunction issued by this Court on January 5, 2007 is hereby made permanent insofar as TCT Nos. T-12824, T-12825, T-12828 T-12829, T-12830, T-12831, and T-12832 are concerned.

SO ORDERED.[87] (Emphasis in the original)

On May 15, 2009, the Baguio Validation Committee filed a Petition for Review on Certiorari[88] seeking to reverse the ruling of the Court of Appeals. This was docketed as G.R. No. 187291.

The Baguio Validation Committee argues that the only properties allowed to be validated under Presidential Decree No. 1271 are titles originally decreed in favor of the applicants in the Civil Reservation Case No. 1, G.L.R.O Rec. No. 211.[89] As the expanded portions of the lots covered by Rodriguez's titles were not secured through a judicial decree in the Civil Reservation Case No. 1, G.L.R.O Rec. No. 211 but through the subdivision of the lots covered by their mother titles, they cannot be validated under Presidential Decree No. 1271.[90] It further claims that to allow the validation of the titles will allow the perpetuation of fraud.[91] It emphasizes that Section 11, paragraph 2 of the Rules and Regulations to Implement the Provisions of Presidential Decree No. 1271 provides that a false statement or representation in the application or document is a ground for its disapproval.[92] Since Rodriguez's application contained false statements when it declared that the expanded areas were obtained through purchase instead of subdivision, it posits that her applications must be disapproved.[93]

The Baguio Validation Committee likewise argues that the principle of conclusiveness of judgment is inapplicable in this case as there is no identity of issues in the case before the Baguio Validation Committee and LRC Case No. 445-R.[94] It asserts that the issue before the Baguio Validation Committee was whether the titles should be validated under the provisions of Presidential Decree No. 1271,[95] while the issue in LRC Case No. 445-R was whether Rodriguez is entitled to the correction of the caption in the resurvey plan and the technical descriptions in the Transfer Certificates of Title.[96] It claims that LRC Case No. 445-R did not rule on whether there was a fraudulent expansion of the areas covered by the titles as the Regional Trial Court found that the Office of the Solicitor General's opposition was a collateral attack against a Transfer Certificate of Title, which was not allowed under Section 48 of Presidential Decree No. 1529.[97] Furthermore, it insists that the Transfer Certificates of Title, which were derived only from Resurvey Subdivision Plan (LRC) No. RS-288-D, are null and void as they were not registered and titled through a proceeding for a registration of land title under the Land Registration Law.[98] As such, the notices to the concerned agencies in the resurvey proceedings were irrelevant.[99]

Rodriguez filed a Comment[100] to the Petition. She argues that the Court of Appeals did not err in validating Transfer Certificates of Title Nos. T-12828 to T-12832 as the validity of these titles was an issue already determined in LRC Case No. 445-R.[101] Since the Regional Trial Court found that there is a presumption that the Commissioner of Land Registration complied with his official duties and since his competence is not refuted, the Commissioner's approval of the subdivision survey plan showed that there was sufficient and existing proof that Rodriguez owned the land.[102] Rodriguez contends that this finding of fact was not questioned by the Baguio Validation Committee. Since LRC Case No. 445-R already attained finality and its judgment has been executed, res judicata by conclusiveness of judgment applies.[103]

Rodriguez further claims that LRC Case No. 445-R tackled the issue of fraudulent expansion.[104] The Regional Trial Court found that Rodriguez showed compliance with all jurisdictional requirements, consisting of notices to the Office of the Solicitor General, the Director of Lands, the Administrator of the Land Registration Authority, the Public Prosecutor of Baguio City, and the public.[105] Likewise, she argues that Heirs of Abrille, as cited by the Baguio Validation Committee, does not apply since, unlike this case, the notices in all concerned agencies were not given there.[106] Additionally, Heirs of Abrille involves property that is not alienable and disposable. On the other hand, Rodriguez claims that her properties are not within government, public, or quasi-public reservation, forest, or military land.[107]

Rodriguez claims that what properly applies is Republic v. Court of Appeals,[108] where this Court held that the Republic cannot correct and recover the alleged increase in the party's parcel of land as it is barred by laches.[109] In this case, LRC Case No. 445-R was resolved by the Regional Trial Court on July 23, 1996. The Office of the Solicitor General did not file any appeal or separate suit for the annulment or cancellation of the titles.[110] Only

after 10 years did it indirectly question the validity of the titles by rejecting Rodriguez's applications for validation.[111] Rodriguez claims that the Republic should be estopped and barred by laches, especially since it was given notice and actively participated in LRC Case No. 445-R.[112]

The Baguio Validation Committee filed a Reply.[113] Thereafter, the parties filed their memoranda.[114]

Meanwhile, on May 15, 2009, Rodriguez filed before this Court her Petition for Review on Certiorari[115] questioning the Court of Appeals' disapproval of her application for validation for Transfer Certificates of Title Nos. T-12826 and T-12827. The Petition was docketed as G.R. No. 187334.

Rodriguez emphasizes that the applications for Transfer Certificates of Title Nos. T-12826 and T-12827 were not transmitted by the Land Management Bureau to the Office of the Solicitor General and the Secretary of Justice.[116] It is as if there was no application, which the Baguio Validation Committee can consider for approval.[117] Rodriguez asserts that since the applications for Transfer Certificates of Title Nos. T-12826 and T-12827 present an identical situation as that of Transfer Certificates of Title Nos. T-12824 and T-12825 (which was ruled to have had no applications for validation), and applying the doctrine of the law of the case, it must be decided in the same manner as the decision in the latter.[118]

In its Comment, the Baguio Validation Committee argues that Transfer Certificates of Title Nos. T-12826 and T-12827 and Transfer Certificates of Title Nos. T-12824 and T-12825 are not similarly situated. It contends that Transfer Certificates of Title Nos. T-12824 and T-12825 had no applications for validation to begin with. This is in contrast to Transfer Certificates of Title Nos. T-12826 and T-12827, which had applications for validation docketed as VA(B) Nos. 6590 and 6591.[119] The Baguio Validation Committee denied Rodriguez's claim that it had no jurisdiction to act on these applications as all of Rodriguez's applications were transmitted.[120] In any case, the filing of the applications before the Land Management Bureau already started the process of determining whether the properties could be validated, given that the Director of the Land Management Bureau was a member of the Baguio Validation Committee.[121]

In her Reply, she reiterates that as the applications for validation for Transfer Certificates of Title Nos. 12826 and T-12827 were not transmitted, the Baguio Validation Committee had no opportunity to review it. Thus, they stand in the same footing as Transfer Certificates of Title Nos. 12824 and T-12825, which was found by the Court of Appeals as improperly denied validation by the Baguio Validation Committee.[122]

Thus, the issues for resolution are:

First, on Transfer Certificates of Title Nos. T-12826 and T-12827, whether the doctrine of law of the case applies;

Second, as to Transfer Certificates of Title Nos. T-12828, T-12829, T-12830, T-12831, and T-12832, whether these Transfer Certificates of Title must be validated based on res judicata by conclusiveness of judgment; and

Lastly, in all these instances, whether Rodriguez complied with all the requirements for validation of nullified titles as provided by Presidential Decree No. 1271 and its Internal Rules and Regulations.

All these titles have not been properly validated. The Court of Appeals' Amended Decision dated March 26, 2009 is only partially affirmed. The Petition docketed as G.R. No. 187291 is granted, while the Petition docketed as G.R. No. 187334 is denied.

I

As both Petitions are petitions for review filed under Rule 45 of the Rules of Court, this Court will no longer disturb the factual findings of the Court of Appeals. A Rule 45 petition should raise only questions of law. This

Court is not a trier of facts. In *Fuji Television Network, Inc. v. Espiritu*:^[123]

When a decision of the Court of Appeals under a Rule 65 petition is brought to this court by way of a petition for review under Rule 45, only questions of law may be decided upon. As held in *Meralco Industrial v. National Labor Relations Commission*:

This Court is not a trier of facts. Well-settled is the rule that the jurisdiction of this Court in a petition for review on certiorari under Rule 45 of the Revised Rules of Court is limited to reviewing only errors of law, not of fact, unless the factual findings complained of are completely devoid of support from the evidence on record, or the assailed judgment is based on a gross misapprehension of facts. Besides, factual findings of quasi-judicial agencies like the NLRC, when affirmed by the Court of Appeals, are conclusive upon the parties and binding on this Court.^[124]

Thus, this Court will no longer discuss the ruling of the Court of Appeals on Transfer Certificates of Title Nos. T-12824 and T-12825 as the Court of Appeals found that Rodriguez did not file before the Baguio Validation Committee applications of validation covering these properties.^[125] This finding of fact was not questioned by any of the parties. Likewise, there is no showing of any such applications in the pleadings and supporting documents filed before this Court. The Court of Appeals' ruling on Transfer Certificates of Title Nos. T-12824 and T-12825 is, therefore, affirmed.

However, the decision in this case is without prejudice to the application of Marcos and Presidential Decree No. 1271 to these titles. Nothing in this decision, therefore, should be construed as either an express or implied validation of these titles. All that we pronounce is that these are not the valid subject of these actions, as it appears that no application for validation has been filed.

Likewise, the findings of fact of the Court of Appeals on the expansion of the areas of Transfer Certificates of Title Nos. T-12826, T-12827, T-12829, T-12830, T-12831, and T-12832 will no longer be disturbed.

The factual findings are supported by the evidence on record. These factual findings are thus conclusive upon the parties and binding on this Court. This Court will thus determine only the questions of law raised in the petitions.

II

Rodriguez claims that the Land Management Bureau did not transmit the applications for Transfer Certificates of Title Nos. T-12826 and T-12827 to the Office of the Solicitor General and the Secretary of Justice.^[126] She contends that Transfer Certificates of Title Nos. T-12826 and T-12827 present an identical situation as that of Transfer Certificates of Title Nos. T-12824 and T-12825, which were found not to correspond to any application for validation that may be considered by the Baguio Validation Committee. She insists that applying the law of the case, Transfer Certificates of Title Nos. T-12826 and T-12827 must then be ruled in the same manner.^[127]

This contention is without merit.

The doctrine of the "law of the case" provides that questions of law previously determined by a court will generally govern a case through all its subsequent stages where "the determination has already been made on a prior appeal to a court of law resort."^[128] In *People v. Olarte*:^[129]

Suffice it to say that our ruling in Case L-13027, rendered on the first appeal, constitutes the law of the case, and, even if erroneous, it may no longer be disturbed or modified since it has become final long ago. A subsequent reinterpretation of the law may be applied to new cases but certainly not to an old one finally and conclusively determined.

'Law of the case' has been defined as the opinion delivered on a former appeal. More specifically, it means that

whatever is once irrevocably established as the controlling legal rule of decision between the same parties in the same case continues to be the law of the case, whether correct on general principles or not, so long as the facts on which such decision was predicated continue to be the facts of the case before the court.

As a general rule a decision on a prior appeal of the same case is held to be the law of the case whether that decision is right or wrong, the remedy of the party being to seek a rehearing.

....

It is thus clear that posterior changes in the doctrine of this Court can not retroactively be applied to nullify a prior final ruling in the same proceeding where the prior adjudication was had whether the case should be civil or criminal in nature.[130]

If an appellate court has determined a legal issue and has remanded it to the lower court for further proceedings, another appeal in that same case should no longer differently determine the legal issue previously passed upon.[131] Similar to *res judicata*, it is a refusal to reopen what has already been decided.[132]

The law of the case does not apply to bar any ruling on Transfer Certificates of Title Nos. T-12826 and T-12827.

First, there is no attempt to change any legal finding with regard to Transfer Certificates of Title Nos. T-12824 and T-12825 that would warrant the calling for its application.

Second, the ruling of the Court of Appeals on Transfer Certificates of Title Nos. T-12824 and T-12825 is not a ruling that can bind or limit this Court on another matter. The Supreme Court is the final arbiter of all legal questions brought before it. This Court's decision constitutes the final disposition of the case. This Court's judgment, when final, binds lower courts, not the other way around. It is the lower courts that are bound by, and cannot alter or modify, doctrine.[133]

Third, the facts that constitute the controversy pertaining to Transfer Certificates of Title Nos. T-12824 and T-12825 are different from those involving Transfer Certificates of Title Nos. T-12826 and T-12827. The ruling accorded to the former cannot apply to the latter.

Rodriguez did not file any application for the validation of the properties covered by Transfer Certificates of Title Nos. T-12824 and T-12825 before the Baguio Validation Committee. Hence, if these titles are governed by Marcos and the requirement of validation under Presidential Decree No. 1271, these titles are void and are of no effect unless validated.

This is not the case for Transfer Certificates of Title Nos. T-12826 and T-12827. These titles were given application numbers VA(B) No. 6590 and VA(B) No. 6591, respectively. Rodriguez submitted applications for Transfer Certificates of Title Nos. T-12826 and T-12827 to the Baguio Validation Committee for its evaluation and decision.

Rodriguez claims that the findings of fact of the Court of Appeals did not explicitly state that the Land Management Bureau transmitted the applications to the other members of the Baguio Validation Committee. Besides this statement, she presents no other evidence to support the claim that the files pertaining to her applications were not before the Baguio Validation Committee. However, her act of submitting the applications to the Baguio Validation Committee is already an acknowledgment of the Committee's jurisdiction to decide on the matter. In effect, Rodriguez placed her applications within the Committee's power.

Thus, the ruling on Transfer Certificates of Title Nos. T-12824 and T-12825 cannot apply to Transfer Certificates of Title Nos. T-12826 and T-12827.

III

Transfer Certificates of Title Nos. T-12828 to T-12832 cannot be validated based on res judicata by conclusiveness of judgment.

Res judicata means "a matter adjudged; a thing judicially acted upon or decided; a thing or matter settled by judgment." [134] Rule 39, Section 47 of the Rules of Court provides:

SECTION 47. Effect of Judgments or Final Orders. — The effect of a judgment or final order rendered by a court or of the Philippines, having jurisdiction to pronounce the judgment or final order, may be as follows:

(a)

In case of a judgment or final order against a specific thing, or in respect to the probate of a will, or the administration of the estate of a deceased person, or in respect to the personal, political, or legal condition or status of a particular person or his relationship to another, the judgment or final order is conclusive upon the title to the thing, the will or administration, or the condition, status or relationship of the person; however, the probate of a will or granting of letters of administration shall only be prima facie evidence of the death of the testator or intestate;

(b)

In other cases, the judgment or final order is, with respect to the matter directly adjudged or as to any other matter that could have been raised in relation thereto, conclusive between the parties and their successors in interest by title subsequent to the commencement of the action or special proceeding, litigating for the same thing and under the same title and in the same capacity; and

(c)

In any other litigation between . the same parties or their successors in interest, that only is deemed to have been adjudged in a former judgment or final order which appears upon its face to have been so. adjudged, or which was actually and necessarily included therein or necessary thereto.

Res judicata is premised on the principle that a party is barred from presenting evidence on a fact or issue already judicially tried and decided. [135] In *Philippine National Bank v. Barreto*: [136]

It is considered that a judgment presents evidence of the facts of so high a nature that nothing which could be proved by evidence aliunde would be sufficient to overcome it; and therefore it would be useless for a party against whom it can be properly applied to adduce any such evidence, and accordingly he is estopped or precluded by law from doing so. [137]

At some point, judgments need to become both final and conclusive. Beyond that point, parties cannot be allowed to continue raising issues already resolved. Otherwise, there will be no end to litigation. [138]

There are two concepts of res judicata: (i) res judicata by bar by prior judgment; and (ii) res judicata by conclusiveness of judgment. Res judicata by bar by prior judgment is provided under Rule 39, Section 47(a) and (b), while res judicata by conclusiveness of judgment is found in Rule 39, Section 47(c). [139]

Res judicata by bar by prior judgment precludes the filing of a second case when it has the same parties, same subject, and same cause of action, or otherwise prays for the same relief as the first case. On the other hand, res judicata by conclusiveness of judgment precludes the questioning of a fact or issue in a second case if the fact or

issue has already been judicially determined in the first case between the same parties:

There is "bar by prior judgment" when, as between the first case where the judgment was rendered and the second case that is sought to be barred, there is identity of parties, subject matter, and causes of action. In this instance, the judgment in the first case constitutes an absolute bar to the second action. Otherwise put, the judgment or decree of the court of competent jurisdiction on the merits concludes the litigation between the parties, as well as their privies, and constitutes a bar to a new action or suit involving the same cause of action before the same or any other tribunal.

But where there is identity of parties in the first and second cases, but no identity of causes of action, the first judgment is conclusive only as to those matters actually and directly controverted and determined and not as to matters merely involved therein. This is the concept of *res judicata* known as "conclusiveness of judgment." Stated differently, any right, fact, or matter in issue directly adjudicated or necessarily involved in the determination of an action before a competent court in which judgment is rendered on the merits is conclusively settled by the judgment therein and cannot again be litigated between the parties and their privies whether or not the claim, demand, purpose, or subject matter of the two actions is the same.[140] (Citations omitted)

The elements of *res judicata* are: (1) the first judgment must be final; (2) the first judgment was rendered by a court that has jurisdiction over the subject and the parties; (3) the disposition must be a judgment on the merits; and (4) the parties, subject, and cause of action in the first judgment are identical to that of the second case.[141] If, in the first judgment and in the second case, the causes of action are different such that only the parties and the issues are the same, there is *res judicata* by conclusiveness of judgment.[142]

Nabus v. Court of Appeals[143] discusses *res judicata* by conclusiveness of judgment:

The doctrine states that a fact or question which was in issue in a former suit, and was there judicially passed on and determined by a court of competent jurisdiction, is conclusively settled by the judgment therein, as far as concerns the parties to that action and persons in privity with them, and cannot be again litigated in any future action between such parties or their privies, in the same court or any other court of concurrent jurisdiction on either the same or a different cause of action, while the judgment remains unreversed or unvacated by proper authority. The only identities thus required for the operation of the judgment as an estoppel, in contrast to the judgment as a bar, are identity of parties and identity of issues.

It has been held that in order that a judgment in one action can be conclusive as to a particular matter in another action between the same parties or their privies, it is essential that the issues be identical. If a particular point or question is in issue in the second action, and the judgment will depend on the determination of that particular point or question, a former judgment between the same parties will be final and conclusive in the second if that same point or question was in issue and adjudicated in the first suit; but the adjudication of an issue in the first case is not conclusive of an entirely different and distinct issue arising in the second. In order that this rule may be applied, it must clearly and positively appear, either from the record itself or by the aid of competent extrinsic evidence that the precise point or question in issue in the second suit was involved and decided in the first. And in determining whether a given question was an issue in the prior action, it is proper to look behind the judgment to ascertain whether the evidence necessary to sustain a judgment in the second action would have authorized a judgment for the same party in the first action.[144] (Citations omitted)

Therefore, the parties and issues in the two cases must be the same for *res judicata* by conclusiveness of judgment to apply.

The parties in the two cases are considered the same even when they are not identical if they share substantially the same interest.[145] It is enough that there is privity between the party in the first case and in the second case, as when a successor-in-interest or an heir participates in the second case.[146]

There is identity of issues when a competent court has adjudicated the fact, matter, or right, or when the fact, matter, or right was "necessarily involved in the determination of the action[.]"[147] To determine whether an issue has been resolved in the first case, it must be ascertained that the evidence needed to resolve the second case "would have authorized a judgment for the same party in the first action." [148] Thus, if the fact or matter litigated in the first case is re-litigated in the second case, it is barred by res judicata by conclusiveness of judgment.

In LRC Case No. 445-R, the Regional Trial Court granted Rodriguez's Petition to correct the caption of Resurvey Subdivision Plan (LRC) No. RS-288-D and the technical descriptions of the properties in the Transfer Certificates of Title based on Section 108 of Presidential Decree No. 1529.[149] The trial court provided the following rationale:

The opposition filed by the Office of the Solicitor General challenging the validity of the subject titles is in effect an attempt to reopen the decree of registration which Section 108 of PD 1529 categorically disallows. Moreover, the opposition of the Solicitor General is a collateral attack against a certificate of title which is also disallowed under Section 48 of P.D. 1529, which provides:

SEC. 48. Certificate not subject to collateral attack. – A certificate of title shall not be subject to collateral attack. It cannot be altered, modified, or cancelled except in a direct proceeding in accordance with law.

Thus, in *Magay vs. Estiandanan*, 69 SCRA 456, the Supreme Court held:

It is well-settled that a Torrens title cannot be collaterally attacked. The issue on the validity of the title can only be raised in an action expressly instituted for that purpose. (citing *Legarda and Prieto vs. Saleeby*, 31 Phil. 590; *Director of Lands vs. Gan Tan*, 89 Phil. 184; *Hederson vs. Garrido*, 90 Phil. 624; *Samonte, et al., vs. Sambilon, et al.*, 107 Phil. 189).

Moreover, petitioner should be accorded presumption that the Commissioner of Land Registration had complied with his official duties in accordance with law. The competence of the Commissioner of Land Registration to approve and disapprove survey plans, including consolidation and subdivision surveys has not been refuted and challenged. Before a consolidation or subdivision survey is conducted by geodetic engineer or before the survey is approved by competent authority, there must be proof that the party in whose behalf the survey is to be conducted is the owner of the property or has valid authority to grant permission for the survey. In the instant case, it is presumed that before the Commissioner of Land Registration approved the consolidation and subdivision survey as plan (LRC) RS-288-D, there was sufficient and existing proof submitted by petitioner of her ownership of the land.[150]

The Court of Appeals, acting on the Motion for Reconsideration and eventually reversing its ruling, applied res judicata by conclusiveness of judgment. It declared the Baguio Validation Committee barred from determining whether there was a fraudulent expansion of the areas covered by the Transfer Certificates of Title.[151] The Court of Appeal found that the issue of whether there was a fraudulent expansion had already been resolved; thus, the applications for validation 'may no longer dispute this finding.[152]

The Court of Appeals committed an error too obvious for this Court to neglect. Its conclusions are not only contrary to the facts; they are also not in accord with existing doctrine.

The Regional Trial Court did not determine whether there was a fraudulent expansion of the properties covered by the Transfer Certificates of Title. What the trial court stated was that no collateral attack can be made on the Transfer Certificates of Title.[153]

Rather than substantially rule on the validity of the titles, the Regional Trial Court in LRC Case No. 445-R held that the procedure could not accommodate the objections of the Solicitor General.[154]

An attack is considered collateral when it incidentally questions the validity of the transfer certificate of title in an action seeking a different relief.^[155] This is opposed to a direct attack through an action that seeks to annul or set aside the transfer certificate of title itself.^[156]

Certainly, a collateral attack cannot be made on a transfer certificate of title to maintain the "integrity and guaranteed legal indefeasibility of a Torrens title."^[157] Nonetheless, the issuance of a transfer certificate of title does not mean it can no longer be questioned when it has been acquired through fraud. The validity of a transfer certificate of title may still be put to issue, provided it must be directly done through a court action seeking to annul or set it aside.

The Regional Trial Court's denial of the Office of the Solicitor General's opposition on the ground that it is a collateral attack on the Transfer Certificates of Title is not a judgment on the validity of the Transfer Certificate of Titles. It made no finding on the validity of the titles based on *Republic v. Marcos*. It did not consider any evidence of fraud.

What the trial court found was that there was a presumption that the Commissioner of Land Registration regularly performed his duties and was competent in approving the resurvey plan, such that Rodriguez must have shown proof that she owned the properties. This presumption could not have been overturned or proved otherwise in the same case as the trial court would again delve into questioning the validity of the Transfer Certificates of Title. Thus, the Office of the Solicitor General's filing of an appeal questioning this presumption would have been a fruitless exercise. It would just be deemed a collateral attack on the titles and would not have been considered in the first place.

Since there is no judicial determination of fraud, *res judicata* by conclusiveness of judgment cannot apply. The ruling in LRC Case No. 445-R cannot bar the issue of whether there was a fraudulent expansion of the property covered by Transfer Certificates of Title Nos. T-12828, T-12829, T-12830, T-12831, and T-12832. These Transfer Certificates of Title may still be questioned in a direct action seeking its nullification.

It is, thus, of no moment that the judgment in LRC Case No. 445-R became final and executory and has been executed. What may no longer be questioned is the correction of the caption of the resurvey plan and the technical descriptions on the Transfer Certificates of Title, not the validity of those Transfer Certificates of Title. The Office of the Solicitor General cannot be faulted for no longer appealing the ruling of the Regional Trial Court. It is erroneous to declare that the government is already barred by estoppel by laches in failing to appeal the case.

Filing a case to cancel these titles is no longer necessary in light of Marcos and Presidential Decree No. 1271. Section 1 of Presidential Decree No. 1271 provides:

Section 1. All orders and decisions issued by the Court of First Instance of Baguio and Benguet in connection with the proceedings for the reopening of Civil Reservation Case No. 1, GLRO Record No. 211, covering lands within the Baguio Townsite Reservation, and 1 decreeing such lands in favor of private individuals or entities, are hereby declared null and void and without force and effect; PROVIDED, HOWEVER, that all certificates of titles issued on or before July 31, 1973 shall be considered valid and the lands covered by them shall be deemed to have been conveyed in fee simple to the registered owners upon a showing of, and compliance with, the following conditions:

- The lands covered by the titles are not within any government, public or quasi-public reservation, forest, military or otherwise, as certified by appropriating government agencies;
- Payment by the present title holder to the Republic of the Philippines of an amount equivalent to fifteen per centum (15%) of the assessed value of the land whose title is voided as of revision period 1973 (P.D. 76), the amount payable as follows: Within ninety (90) days of the effectivity of this Decree, the holders of the titles

affected shall manifest their desire to avail of the benefits of this provision and shall pay ten per centum (10%) of the above amount and the balance in two equal installments, the first installment to be paid within the first year of the effectivity of this Decree and the second installment within a year thereafter.

Contrary to the rationalization of the Regional Trial Court in LRC Case No. 445-R, Section 1 of Presidential Decree No. 1271 already declared null and void all certificates of titles issued on or before July 31, 1973; this was in connection with the reopening of Civil Reservation Case No. 1, G.L.R.O. Rec. No. 211. Thus, the Transfer Certificates of Title do not enjoy the presumption of regularity accorded to all transfer certificates of titles. By law, they are considered invalid unless validated by the Baguio Validation Committee.

Our courts should be more aware of the machinations used by unscrupulous parties to acquire and title lands in Baguio City. As in this case, parties obtained more land through a resurvey of property. They filed an action or proceeding to "correct" the technical descriptions or the supporting survey plans. Trial courts become participants in this scheme by denying the intervention or opposition of the Solicitor General and, as in LRC Case No. 445-R, make very loose observations regarding the presumptions of validity of obviously defective titles already declared null and void by Marcos and confirmed as such by Presidential Decree No. 1271. Thereafter, in subsequent cases, as in these cases, the party who gains through a simple resurvey of its property erroneously raises *res judicata* as a defense; thus the party secures its spurious titles against any further legal questions.

These machinations brought about by the clearly erroneous application of doctrine should stop. Otherwise, genuine property owners in Baguio City will forever be unsure of possible land grabbing.

IV

We determine whether Rodriguez complied with all the requirements for validation as provided by Presidential Decree No. 1271 and its Internal Rules and Regulations.

Transfer Certificates of Title Nos. T-12826, T-12827, T-12828, T-12829, T-12830, T-12831, and T-12832 must be denied validation.

The Court of Appeals found that Transfer Certificate of Title No. T-12828 was acquired in a legitimate manner as it retained its original area of 10,300 square meters.[158] The findings in the Office of the Solicitor General's letter dated February 10, 2006 to the Secretary of Justice are as follows:

C. T-12828, T-123829 [sic], T-12830, T-12831 and T-12832

o) Original certificate of title No.: 0-128 (Annex "S") in the name of Sapia Manis with an area of 45,005 sq. m. was subdivided into three (3) lots and sold on August 2, 1965:

1- Lot 3-A with an area of 10,200 was sold to Moises Esteban; TCT No. T-9331 (Annex "T") was issued to buyer;

2- Lot 3-B with an area of 30,705 was sold to Polito Licanio and TCT No. 93321 was issued to him;

3- Lot 3-C with an area of 4,000 was sold to Daniel Zarate with TCT No. T-9333 being issued to him;

p) TCT No. T-9331 (Annex "T") with an area of 10,200 sq. m. was sold to Antonio Polito Licanio on November 10, 1965; consequently, TCT No. T-10121 (Annex "U") was issued to Mr. Licanio;

q) TCT No. T-10121 (Annex "U") with an area of 10,300 sq. m. was sold to Gloria de Guzman and Alfonso V. Dacanay on May 4, 1967; consequently TCT No. T-11946 (Annex "V") was issued to the buyers;

r) TCT NO. T-11946 (Annex "V") with an area of 10,300 sq.m. was subdivided into five (5) lots by virtue of a

Letter-Request from Gloria de Guzman (Annex "W") and 1[st] Indorsement (Annex "X") and Reply-Letter (Annex "I") of LRC Commissioner Antonio H. Noblejas based [on] Resurvey Plan No. (LRC) RS-288-D;

- 1- Lot 3-A-1 with an area of 10,300 sq. m. covered by TCT No. T-12828; (Annex "Y")
- 2- Lot 3-A-2 with an area of 140,856 sq. m. covered by TCT No. T-12829; (Annex "C")
- 3- Lot 3-A-3 with an area of 108,766 sq. m. covered by TCT No. T-12830; (Annex "AA")
- 4- Lot 3-A-4 with an area of 137,106 sq.m. covered by TCT No. 12831; (Annex "BB")
- 5- Lot 3-A-5 with an area of 114,558 sq.m. covered by TCT No. 12832; (Annex "CC")

NOTE: From the original area of 10,300 sq. m. T-11946, Annex "V") the area expanded to 511,586 sq. m. (T-12828 to T-12832, Annexes "Y") to "CC". The excess area of 501,286 sq. m. was not purchased by Gloria de Guzman or Alfonso V. Dacanay from Polito Licanio nor from the City Government of Baguio. This is contrary to Ms. De Guzman's statement in paragraph 4 of her application for validation of certificate of title wherein she stated that the titles were issued by virtue of "PURCHASED". This false statement or misrepresentation is a ground for denial for application for validation as per paragraph 10 of the same.[159] (Emphasis in the original)

Transfer Certificate of Title No. 12828, just like Transfer Certificates of Title Nos. T-12826, T-12827, T-12829, T-12830, and T-12831, was originally covered by Transfer Certificate of Title No. T-11946. Transfer Certificate of Title No. T-11946 was issued to Rodriguez when she acquired Transfer Certificate of Title No. T-10121.[160] When Rodriguez had the property subdivided, Transfer Certificate of Title No. T-11946 was subdivided into five (5) properties, one of which became Lot 3-A-1, covered by Transfer Certificate of Title No. T-12828.[161] This property retained its original area of 10,300 square meters.[162]

However, the technical description of Transfer Certificate of Title No. T-12828 is different from that of Transfer Certificate of Title No. T-11946.[163]

Moreover, since Transfer Certificate of Title No. T-12828 was issued on account of Resurvey Plan (LRC) No. RS-288-D, which expanded the property covered by Transfer Certificate Title No. T-11946, Transfer Certificate of Title No. T-12828 was acquired through fraud. Thus, it cannot be validated.

As regards Transfer Certificates of Title Nos. T-12826, T-12827, T-12829, T-12830, T-12831, and T-12832, we rule that as found by the Baguio Validation Committee and the Court of Appeals, the statement made in Rodriguez's applications that the properties were acquired by purchase is false. The expanded areas were acquired only through a resurvey of the properties. This is a valid ground to disallow the validation of the Transfer Certificates of Title.

Under the Implementing Rules and Regulations of Presidential Decree No. 1271:

Section 11. Approval or disapproval of the application. –

....

Any false statement or representation made by the applicant or in any document filed in connection therewith shall also be a ground for the disapproval of the application.

In her application, Rodriguez made a stipulation under oath that any false statement is a ground for denying her application, thus:

I understand that any false statement or misrepresentation made by me in the application or in any matter required under the Decree of (sic) its implementing rules and regulations shall be a ground for the denial of this

application and shall subject me to the penalty of imprisonment for not less than six (6) months but not more than six (6) years.[164]

The provisions of Presidential Decree No. 1271 extend only to lands originally and judicially decreed to applicants on account of the reopening of Civil Reservation Case No. 1, G.L.R.O Rec. No. 211:

Section 1. All orders and decisions issued by the Court of First Instance of Baguio and Benguet in connection with the proceedings for the reopening of Civil Reservation Case No. 1, GLRO Record No. 211, covering lands within the Baguio Townsite Reservation, and decreeing such lands in favor of private individuals or entities, are hereby declared null and void and without force and effect; PROVIDED, HOWEVER, that all certificates of titles issued on or before July 31, 1973 shall be considered valid and the lands covered by them. shall be deemed to have been conveyed in fee simple to the registered owners upon a showing of, and compliance with, the following conditions[.] (Emphasis supplied)

Expanded areas of the lots allegedly covered by Rodriguez's titles, which were only included with the titles as a result of the subdivision of the lots covered by the mother titles, cannot be validated. Transfer Certificates of Title Nos. T-12826, T-12827, T-12828, T-12829, T-12830, T-12831, and T-12832 must, thus, be denied validation.

WHEREFORE, this Court AFFIRMS with MODIFICATION the Amended Decision dated March 26, 2009 of the Court of Appeals in CA-G.R. SP No. 96704. The ruling of the Court of Appeals as to Transfer Certificates of Title Nos. T-12824, T-12825, T-12826, and T-12827 is AFFIRMED, and the ruling as to Transfer Certificates of Title Nos. T-12828, T-12829, T-12830, T-12831, and T-12832 is REVERSED.

The Petition docketed as G.R. No. 187334 is DENIED for having raised no reversible error warranting the reversal of the ruling of the Court of Appeals as to Transfer Certificates of Title Nos. T-12824 and T-12825.

The Petition docketed as G.R. 187291 is GRANTED in that Transfer Certificates of Title Nos. T-12826, T-12827, T-12828, T-12829, T-12830, T-12831, and T-12832 are denied validation.

Let a copy of this Decision be furnished to the Office of the Court Administrator and all branches of the Regional Trial Courts in Baguio City.

SO ORDERED.

Carpio, (Chairperson), Brion, Del Castillo, and Mendoza, JJ., concur.

[1] 152 Phil. 204 (1973) [Per J. Fernando, En Banc].

[2] Rollo (G.R. No. 187334), pp. 74-94.

[3] Rollo (G.R. No. 187291), p. 10.

[4] Rollo (G.R. No. 187334), p. 13.

[5] An Act Creating a Government Reservation at Baguio, in the Province of Benguet (1903).

[6] Act No. 636, sec. 2.

[7] Act No. 636, sec. 1.

[8] Pres. Decree No. 1271.

[9] Pres. Decree No. 1271.

- [10] Pres. Decree No. 1271.
- [11] Pres. Decree No. 1271.
- [12] Pres. Decree No. 1271. Rollo (G.R. No. 187291), p. 83.
- [13] Pres. Decree No. 1271. Rollo (G.R. No. 187291), p. 83.
- [14] 152 Phil. 204 (1973) [Per J. Fernando, En Banc].
- [15] Pres. Decree No. 1271.
- [16] Republic v. Marcos, 152 Phil. 204, 209 (1973) [Per J. Fernando, En Banc].
- [17] Pres. Decree No. 1271.
- [18] Rollo (G.R. No. 187334), p. 47.
- [19] Id. at 48.
- [20] Id. at 47-48.
- [21] Id. at 47-48.
- [22] Id. at 47.
- [23] Id. at 48.
- [24] Id. at 49.
- [25] Id.
- [26] Id. at 51.
- [27] Id. at 51-52. The case was entitled Re: Correction of the Caption in Resurvey Subdivision Plan (LRC) RS-288-D; Approved on August 30, 1967; Correction of Technical Descriptions of Lots 3-A-1, 3-A-2, 3-A-3, 3-A-4 and 3-A-5 Under TCT Nos. 12828, 12829, 12830, 12831, and 12832.
- [28] Id. at 52.
- [29] Pres. Decree No. 1529, sec. 48 provides:
- Section 48. Certificate Not Subject to Collateral Attack. — A certificate of title shall not be subject to collateral attack. It cannot be altered, modified, or cancelled except in a direct proceeding in accordance with law.
- [30] Pres. Decree No. 1529, sec. 108 provides:
- Section 108. Amendment and Alteration of Certificates. — No erasure, alteration, or amendment shall be made upon the registration book after the entry of a certificate of title or of a memorandum thereon and the attestation of the same by the Register of Deeds, except by order of the proper Court of First Instance. A registered owner or other person having an interest in registered property, or, in proper cases, the Register of Deeds with the approval of the Commissioner of Land Registration, may apply by petition to the court upon the ground that the registered interests of any description, whether vested, contingent, expectant or inchoate appearing on the certificate, have terminated and ceased; or that new interest not appearing upon the certificate have arisen or been created; or that an omission or error was made in entering a certificate or any memorandum thereon, or on any duplicate certificate; or that the same or any person on the certificate has been changed; or that the registered owner has married, or, if registered as married, that the marriage has been terminated and no right or interests of heirs or

creditors will thereby be affected; or that a corporation which owned registered land and has been dissolved has not conveyed the same within three years after its dissolution; or upon any other reasonable ground; and the court may hear and determine the petition after notice to all parties in interest, and may order the entry or cancellation of a new certificate, the entry or cancellation of a memorandum upon a certificate, or grant any other relief upon such terms and conditions. requiring security or bond if necessary, as it may consider proper; Provided, however, That this section shall not be construed to give the court authority to reopen the judgment or decree of registration, and that nothing shall be done or ordered by the court which shall impair the title or other interest of a purchaser holding a certificate for value and in good faith, or his heirs and assigns, without his or their written consent. Where the owner's duplicate certificate is not presented, a similar petition may be filed as provided in the preceding section.

[31] Rollo (G.R. No. 187291), p. 134.

[32] Rollo (G.R. No. 187334), p. 50.

[33] Id. The request was entitled Re: Alleged expansion of the land area covered by TCT Nos. T-12826 and T-12827 registered in the name of Gloria De Guzman.

[34] Id.

[35] Id. at 50-51.

[36] Id.

[37] Id. at 51.

[38] Id. at 52.

[39] Id. at 51-52.

[40] Id. at 52.

[41] Id. at 52-53.

[42] Id. at 53-54.

[43] Id. at 54.

[44] Id. at 56.

[45] Id. at 57.

[46] Id.

[47] Id.

[48] Id.

[49] Id. at 46-47.

[50] Id. at 46-72.

[51] Id. at 60.

[52] Id.

[53] Id. at 63.

- [54] Id. at 62-63.
- [55] Id. at 64.
- [56] Id. at 65.
- [57] Id. at 65-66.
- [58] Id. at 67.
- [59] Id. at 68-69.
- [60] Id. at 69.
- [61] Id. at 70.
- [62] Id. at 71.
- [63] Id.
- [64] Id.
- [65] Id. at 71-72.
- [66] Id. at 74-75.
- [67] Id. at 76.
- [68] Id. at 78.
- [69] Id.
- [70] Id. at 74-94.
- [71] Id. at 92-93.
- [72] Id. at 79-80.
- [73] Id. at 79.
- [74] Id.
- [75] Id.
- [76] Id. at 81.
- [77] Id. at 82.
- [78] Id.
- [79] Id. at 83.
- [80] 162 Phil. 913 (1976) [Per J. Esguerra, First Division].
- [81] Rollo (G.R. No. 187334), p. 84.
- [82] 361 Phil. 319 (1999) [Per J. Panganiban, Third Division].
- [83] Rollo (G.R. No. 187334), p. 85.
- [84] Id.

[85] Id. at 87.

[86] Id. at 89.

[87] Id. at 92-93.

[88] Rollo, (G.R. No. 187291), pp. 10-58. The Petition was filed under Rule 45 of the Rules of Court.

[89] Id. at 37.

[90] Id. at 39.

[91] Id.

[92] Id.

[93] Id. at 40.

[94] Id. at 42.

[95] Id.

[96] Id. at 43-44.

[97] Id. at 44.

[98] Id. at 45-46.

[99] Id. at 47.

[100] Id. at 375-389.

[101] Id. at 376-377.

[102] Id. at 378.

[103] Id. at 379-380.

[104] Id. at 380.

[105] Id. at 382.

[106] Id. at 384.

[107] Id. at 387.

[108] 361 Phil. 319 (1999) [Per J. Panganiban, Third Division].

[109] Rollo (G.R. No. 187291), p. 385.

[110] Id.

[111] Id.

[112] Id. at 385-386.

[113] Id. at 406-420.

[114] Id. at 431-459, Memorandum of Baguio Validation Committee; 478-502, Memorandum of Rodriguez.

[115] Rollo (G.R. No. 187334), pp. 13-44. The Petition was filed under Rule 45 of the Rules of Court.

- [116] Id. at 29.
- [117] Id. at 34.
- [118] Id. at 34-35.
- [119] Id. at 603, Comment.
- [120] Id.
- [121] Id. at 604.
- [122] Id. at 855-866.
- [123] G.R. Nos. 204944-45, December 3, 2014, 744 SCRA 31, 63-65 [Per J. Leonen, Second Division].
- [124] Id. at 18, citing *Meralco Industrial v. National Labor Relations Commission*, 572 Phil. 94, 117 (2008) [Per J. Chico-Nazario, Third Division}.
- [125] Rollo (G.R. No. 187334), p. 60.
- [126] Id. at 29.
- [127] Id. at 34-35.
- [128] *Villa v. Sandiganbayan*, 284 Phil. 410, 426 (1992) [Per J. Cruz, En Banc].
- [129] 125 Phil. 895 (1967) [Per J. J.B.L. Reyes, En Banc].
- [130] Id. at 899-901, citing *People v. Pinuila*, 103 Phil. 992 (1958) [Per J. Montemayor, En Banc].
- [131] *Tan v. Nitafan*, 301 Phil. 134, 147 (1994) [J. Belosillo, En Banc].
- [132] Id. at 148.
- [133] *People v. Olarte*, 125 Phil. 895, 900 (1967) [Per J. J.B.L. Reyes, En Banc], citing *Kabigting v. Acting Director of Prisons*, 116 Phil. 589 (1962) [Per J. Makalintal, En Banc].
- [134] *Oropeza Marketing Corp. v. Allied Banking Corp.*, 441 Phil. 551, 563 (2002) [Per J. Quisimbing, Second Division] citing *Black's Law Dictionary* (Rev. 4th ed. 1968) 1470.
- [135] *Philippine National Bank v. Barreto*, 52 Phil. 818, 824 (1929) [Per J. Villamor, En Banc].
- [136] 52 Phil. 818 (1929) [Per J. Villamor, En Banc].
- [137] Id.
- [138] Id.
- [139] *Oropeza Marketing Corp. v. Allied Banking Corp.*, 441 Phil. 551, 563 (2002) [Per J. Quisimbing, Second Division].
- [140] Id. at 564.
- [141] Id.
- [142] Id. at 565.
- [143] 271 Phil. 768 (1991) [Per J. Regalado, Second Division].

[144] *Id.* at 784-785.

[145] *Heirs of Miguel v. Heirs of Miguel*, 730 Phil. 79, 95 (2014) [Per J. Leonardo-De Castro, First Division].

[146] *Id.*

[147] *Id.* at 97. Citation omitted.

[148] *Nabus v. Court of Appeals*, 271 Phil. 768, 785 (1991) [Per J. Regalado, Second Division].

[149] Pres. Decree No. 1529, sec. 108 provides:

Section 108. Amendment and Alteration of Certificates. — No erasure, alteration, or amendment shall be made upon the registration book after the entry of a certificate of title or of a memorandum thereon and the attestation of the same by the Register of Deeds, except by order of the proper Court of First Instance. A registered owner or other person having an interest in registered property, or, in proper cases, the Register of Deeds with the approval of the Commissioner of Land Registration, may apply by petition to the court upon the ground that the registered interests of any description, whether vested, contingent, expectant or inchoate appearing on the certificate, have terminated and ceased; or that new interest not appearing upon the certificate have arisen or been created; or that an omission or error was made in entering a certificate or any memorandum thereon, or on any duplicate certificate; or that the same or any person on the certificate has been changed; or that the registered owner has married, or, if registered as married, that the marriage has been terminated and no right or interests of heirs or creditors will thereby be affected; or that a corporation which owned registered land and has been dissolved has not conveyed the same within three years after its dissolution; or upon any other reasonable ground; and the court may hear and determine the petition after notice to all parties in interest, and may order the entry or cancellation of a new certificate, the entry or cancellation of a memorandum upon a certificate, or grant any other relief upon such terms and conditions, requiring security or bond if necessary, as it may consider proper; Provided, however, That this section shall not be construed to give the court authority to reopen the judgment or decree of registration, and that nothing shall be done or ordered by the court which shall impair the title or other interest of a purchaser holding a certificate for value and in good faith, or his heirs and assigns, without his or their written consent. Where the owner's duplicate certificate is not presented, a similar petition may be filed as provided in the preceding section.

[150] *Rollo* (G.R. No. 187291), p. 134.

[151] *Rollo* (G.R. No. 187334), pp. 81-83.

[152] *Id.* at 82.

[153] *Rollo* (G.R. No. 187291), p. 134.

[154] *Id.* at 134.

[155] *Madrid et al. v. Spouses Mapoy and Martinez*, 612 Phil. 920, 932 (2009) [Per J. Brion, Second Division].

[156] *Id.*

[157] *Id.*

[158] *Rollo* (G.R. No. 187334), pp. 79-80.

[159] *Rollo* (G.R. No. 187291), pp. 173-175.

[160] *Id.* at 79-80.

[161] Id. at 79.

[162] Id. at 79-80.

[163] Id. at 645-646.

[164] Id. at 63.

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