

LI SENG GIAP & CO., APPLICANT AND APPELLANT, VS. THE DIRECTOR OF LANDS, OPPOSITOR AND APPELLEE.*G. R. No. 40177. March 15, 1934*

Ponente: DIAZ, J.

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On August 16, 1932, Li Seng Giap & Co., a partnership composed of individuals who are not citizens of the Philippine Islands nor of the United State's, but aliens, instituted these proceedings in the Court of First Instance of Camarines Sur, for the registration in its name in the registry of deeds, of the three parcels of land described in the plans, Exhibits A and B, and technical descriptions attached to its application, in accordance with the provisions of Act No. 496 and of Chapter VIII of Title II of Act No. 2874.

The Director of Lands filed an opposition to the said application alleging as his grounds that the three parcels of land in question were public lands belonging to the Government of the United States under the administration and control of the Government of the Philippine Islands, and that, being an alien, the applicant partnership cannot invoke the benefits of the provisions of section 45 of the said Act No. 2874. The aforementioned section is contained in Chapter VIII of Title II of the said Act invoked by the applicant. The Director of Lands has made no reference to Act No. 496 in his opposition for the reason that the Act in question merely prescribes, in general terms, the manner or procedure to be followed by an applicant in the obtainment of the certificate of title applied for, or in the denial or issuance thereof, as the case may be, by the court or by the Government agencies therein mentioned.

After the trial, the Court of First Instance of Camarines Sur rendered judgment therein denying the application of the applicant partnership on the ground that it is an alien, and holding, at the same time, that the parcels of land it sought to register in its name are a portion of the public domain. The said applicant took exception to and appealed from such judgment, claiming that the trial court committed the following alleged errors, to wit:

"I. The trial court erred in holding that the applicant, Li Seng Giap & Co. being a partnership made up of individuals who are neither citizens of the Philippine Islands nor of the United States, is not entitled, for this reason, to register the land described in its application under the provisions of the Land Registration Act.

"II. The lower court also erred in declaring the land described in the application a part of the public domain.

"III. The lower court also erred in denying the applicant's motion for reconsideration as well as its motion for new trial."

It is unnecessary to discuss further the nature of the three parcels of land in question. The record shows that they are agricultural lands which at present contain coconut trees, abaca and cacao with which they have been planted for over forty years. The coconut trees thereon range from one to forty years in age. The said three parcels had likewise been cultivated and had actually been occupied for many years during the Spanish regime by several natives of the Province of Camarines Sur, named Inocencio Salon, Lazaro Ceron, Margarito Labordes, Doroteo Quitales and Cornelio Vargas. The occupation or possession thereof by the above-named persons was under claim of ownership but neither the exact date when such possession began nor the circumstances under which they

acquired the property in question has been determined. However, it seems certain that such occupation began some fifty-five years ago and continued without interruption from that time until said persons decide to sell them to Sebastian Palanca who is also an alien like the herein applicant. Neither is there anything of record to show when the sale was made but it also seems certain that it took place during the Spanish regime. Sebastian Palanca continued in possession of the aforesaid three parcels of land from the time he acquired them in the manner hereinbefore stated until July 22, 1930, when he sold them to the herein applicant-appellant. However, before selling them and while he was in possession thereof under claim of ownership, as alleged, he failed to obtain a gratuitous title or even a mere possessory information therefor, which would serve to protect his claim of ownership, by taking advantage of the benefits afforded by the Royal Decree of February 13, 1894, which was promulgated in the Philippines and published in the Gaceta de Manila, No. 106, of April 17th of the same year.

The pertinent parts of said decree, which are also articles 1, 19 and 21 of the Maura Law, and which had been in force in the Philippines during the last years of the Spanish regime and continued to be so until the enactment of the Public Land Act and the amendments thereto, read as follows:

"ARTICLE 1. All uncultivated lands, soil, earth, and mountains not included in the following exceptions shall be considered alienable public lands: First, those which have become subjected to private ownership and have a legitimate owner. Second, those which belong to the forest zones which the State deems wise to reserve for reasons of public utility.

* * * * *

"ART. 19. Possessors of alienable public lands under cultivation who have not obtained nor applied for composition on the date this decree shall be published in the Gaceta de Manila; may obtain a gratuitous title of property, by means of a possessory information in conformity with the law of civil procedure and the mortgage law whenever they establish any of the following conditions:

"First. Having, or having had, them under cultivation without interruption during the preceding six years.

"Second. Having had possession of them for twelve consecutive years, and having had them under cultivation until the date of the information, and for three years before that date.

"Third. Having had them in possession ostensibly and without interruption, for thirty or more years, although the land is not under cultivation.

* * * * *

"ART. 21. A term of one year, without grace, is granted in order to perfect the informations referred to in articles 19 and 20."

Article 80 of the regulations for the carrying out of the Royal Decree above-mentioned provided as follows:

"ART. 80. By virtue of the provision of article 21 of the Royal Decree of February 13, 1894, the inextensible period for carrying out the informations referred to in the two preceding articles, shall be counted as closed on the 17th day of April, 1895.

"Upon the expiration of this period the right of cultivators and possessors to the obtainment of free title shall lapse, and the full property right in the land shall revert to the State or, in a proper case, to the public domain."

Therefore, there can be no doubt but that under the last aforecited article the three parcels of land in question reverted to the State as property of the public domain upon the expiration of the period specified therein, by reason of negligence on the part of the possessors thereof.

The applicant-appellant contends that under the provisions of section 54, paragraph 6, of Act No. 926, it has

necessarily acquired the right to have the corresponding certificate of title issued to it upon registration of the said parcels of land in its name in the registry of deeds, inasmuch as it had actually been in the open, continuous, exclusive and notorious possession thereof, under claim of ownership, not only by itself but also through Sebastian Palanca from whom it had purchased them, for more than ten years prior to July 26, 1904, the date on which the aforesaid Act went into effect, in accordance with the proclamation of the Governor-General of the Philippine Islands of the same date.

The section invoked by the applicant-appellant reads as follows:

"SEC. 54. The following-described persons or their legal successors in right, occupying public lands in the Philippine Islands, or claiming to own any such lands or an interest therein, but whose titles to such lands have not been perfected, may apply to the Court of Land Registration of the Philippine Islands for confirmation of their claims and the issuance of a certificate of title therefor to wit:

"1. All persons who prior to the transfer of sovereignty from Spain to the United States had fulfilled all the conditions required by the Spanish laws and royal decrees of the Kingdom of Spain for the purchase of public lands, including the payment of the purchase price, but who failed to secure formal conveyance of title;

"2. All persons who prior to the transfer of sovereignty from Spain to the United States, having applied for the purchase of public lands and having secured a survey, auction, and an award, or a right to an award, of such lands, did not receive title therefor through no default upon their part;

"3. All persons who prior to the transfer of sovereignty from Spain to the United States, having applied for the purchase of public lands and having secured a survey and award of same, did not, through negligence upon their part, comply with the conditions of full or any payment therefor, but who after such survey and award shall have occupied the land adversely, except as prevented by war or force majeure, until the taking effect of this Act;

"4. All persons who were entitled to apply and did apply for adjustment or composition of title to lands against the Government under the Spanish laws and royal decrees in force prior to the royal decree of February thirteenth, eighteen hundred and ninety-four, but who failed to receive title therefor through no default upon their part;

"5. All persons who were entitled to a gratuitous title to public lands by 'possessory proceedings' under the provisions of articles nineteen and twenty of the royal decree of the King of Spain issued February thirteenth, eighteen hundred and ninety-four, and who, having complied with all the conditions therein required, failed to receive the title therefor through no default upon their part; and

"6. All persons who by themselves or their predecessors in interest have been in the open, continuous, exclusive, and notorious possession and occupation of agricultural public lands, as defined by said Act of Congress of July first, nineteen hundred and two, under a bona fide claim of ownership except as against the Government, for a period of ten years next preceding the taking effect of this Act, except when prevented by war or force majeure, shall be conclusively presumed to have performed all the conditions essential to a government grant and to have received the same, and shall be entitled to a certificate of title to such land under the provisions of this chapter.

"All applicants for lands under paragraphs one, two, three, four and five of this section must establish by proper official records or documents that such proceedings as are therein required were taken and the necessary conditions complied with: Provided, however, That such requirements shall not apply to the fact of adverse possession."

It may be noted that the case of the applicant does not come under paragraph 1, 2, 3, 4 or 5 of the aforesaid section, which, by the way, conclusively shows that prior to the enactment of Act No. 926, the said Maura Law

was the last law which regulated the acquisition of alienable public lands and the issuance of the corresponding title to those who could establish their claim that they were entitled thereto. Being aware of this fact, the applicant has never invoked said paragraphs. He merely confines himself to invoking the provisions of paragraph 6 thereof, in support of which he cites the rulings of this court in the cases of *Tan Yungquip vs. Director of Lands* (42 Phil., 128) and of *Central Capiz vs. Ramirez* (40 Phil., 883).

In the former case, it was held that inasmuch as the applicant *Tan Yungquip*, who was a Chinaman, had proven: That he had acquired the parcels of land which he sought to register in his name, some by purchase and others by inheritance; that he and his predecessors in interest had been in the open, peaceful, continuous and notorious possession of the same for at least thirty years, and that such parcels of land were agricultural lands, therefore, he was entitled to have them registered in his name under the provisions of the *aforecited* section 54 of Act No. 926, for the reason that he filed his application to that effect more than one year prior to the enactment and enforcement of Act No. 2874. It was likewise held therein that the matter should be decided in favor of said *Tan Yungquip* on the ground that no valid law could be found, at least on that occasion, which prohibited the registration in his name in the registry of deeds, of the parcels of land of which he claimed to be the owner.

In the latter case above cited, that is, the case of *Central Capiz vs. Ramirez*, it was likewise held that lands held in private ownership constitute no part of the public domain and cannot, therefore, come within the purview of said Act No. 2874 on the ground that said subject (lands held in private ownership) is not embraced in any manner in the title of the Act, and that the intent of the Legislature in enacting the same was to limit the application thereof exclusively to lands of the public domain.

Although nothing has been said in the decision rendered in the *aforecited* case of *Tan Yungquip vs. Director of Lands* to the effect that the application of the therein applicant should be granted on the ground that the provisions of section 54 of Act No. 926, which were therein under consideration and interpretation, do not distinguish between citizens of the Philippine Islands or of the United States and aliens, however, the appellant contends that the *aforecited* section has such scope and that the question raised in this case should be decided under the latter interpretation.

We do not believe that the rulings in the *aforecited* two cases and that in the case of *Agari vs. Government of the Philippine Islands* (42 Phil., 143), are decisive and applicable to the case under consideration, on the ground that although it is true that *Agari*, who was the applicant in the last case, was an alien, it was likewise true that the persons, from whom he had acquired the land which he sought to register in his name in the registry of deeds during the time Act No. 926 was still in force, were natives of the Philippine Islands, who, in turn, had acquired it through their father, who was likewise a native of the Islands, by composition with the State in accordance with the laws then in force; nor that, under the provisions of the *aforecited* section 54 of Act No. 926, the applicant *Li Seng Giap & Co.* could have succeeded in securing the certificate of title which it now seeks; in the first place, because the three *aforecited* decisions refer to cases which are different from the one now under consideration ; in the second place, because said decisions were based on the supposition that the parcels of land in question therein were of private ownership and because at that time no law was known to be in existence, which prohibited the registration of said parcels of land in the registry of deeds, in the name of the *aforesaid* applicants *Tan Yungquip*, *Central Capiz* and *Agari*, and in the third place, because while Act No. 926 was still in force (it is no longer in force, having been expressly repealed by section 128 of Act No. 2874, on December 28, 1919), it should have been interpreted in the light of the provisions of the Act of Congress of July 1, 1902, commonly known as the Organic Law of the Philippine Islands, inasmuch as the former had been approved under the authority of sections 13, 14, 15 and 62 of the latter Act. The very title of Act No. 926 above referred to shows that one of the purposes for which it was approved was to carry out the provisions of sections 13, 14, 15 and 62 of

the aforesaid Act of Congress, which title reads in part:

"An Act * * * providing for the determination by the Philippines Court of Land Registration of all proceedings for completion of imperfect titles and for the cancellation or confirmation of Spanish concessions and grants in said Islands, as authorized by sections thirteen, fourteen, fifteen, and sixty-two of the Act of Congress of July first, nineteen hundred and two, entitled 'An Act temporarily to provide for the administration of the affairs of civil government in the Philippine Islands, and for other purposes'."

Sections 14 and 15 of the aforesaid Act of Congress, which bear relation to the question under consideration, provide as follows:

"SEC. 14. That the Government of the Philippine Islands is hereby authorized and empowered to enact rules and regulations and to prescribe terms and conditions to enable persons to perfect their title to public lands in said Islands, who, prior to the transfer of sovereignty from Spain to the United States, had fulfilled all or some of the conditions required by the Spanish laws and royal decrees of the Kingdom of Spain for the acquisition of legal title thereto, yet failed to secure conveyance of title; and the Philippine Commission is authorized to issue patents, without compensation, to any native of said Islands, conveying title to any tract of land not more than sixteen hectares in extent, which were public lands and had been actually occupied by such native or his ancestors prior to and on the thirteenth of August, eighteen hundred and ninety-eight.

"SEC. 15. That the Government of the Philippine Islands is hereby authorized and empowered, on such terms as it may prescribe, by general legislation, to provide for the granting or sale and conveyance to actual occupants and settlers and other citizens of said Islands such parts and portions of the public domain, other than timber and mineral lands, of the United States in said Islands as it may deem wise, not exceeding sixteen hectares to any one person and for the sale and conveyance of not more than one thousand and twenty-four hectares to any corporation or association of persons: Provided, that the grant or sale of such lands, whether the purchase price be paid at once or in partial payments, shall be conditioned upon actual and continued occupancy, improvement, and cultivation of the premises sold for a period of not less than five years, during which time the purchaser or grantee cannot alienate or encumber said land or the title thereto; but such restriction shall not apply to transfers of rights and title of inheritance under the laws for the distribution of the estates of decedents."

It may be noted that both of the above-cited sections provide that gratuitous title to property may be issued only to natives of the Philippine Islands who are in possession of the necessary qualifications specified therein. It may therefore be inferred from the foregoing that Act No. 926 could not have a different scope from that given it by the aforesaid Act of Congress and, therefore, the phrase "all persons" employed in paragraphs of section 54 of the former Act should be understood to mean only citizens of the Philippine Islands or citizens of the United States or of any insular possession thereof.

The parcels of land involved in this case, which as hereinbefore stated, have reverted to the State after April 17, 1895, by virtue of the Maura Law, are not of private ownership. Neither were they so on or after the aforesaid date. The applicant herein did not show any title thereto either by possessory proceedings or otherwise, which may be considered as having been issued by the Government. The only basis on which it now claims the right to have them registered in its name is its alleged possession thereof together with that of Sebastian Palanca and of the former possessors, as if to say, that it is entitled to the registration thereof in its name, inasmuch as the parcels of land in question already belong to it, having acquired them by prescription through the continuous, open, exclusive and notorious possession thereof, under claim of ownership, at least since the Spanish regime in the Philippine Islands. However, the truth is that the law expressly provides that no public land may be acquired by prescription, and that such mode of acquisition does not hold as against the Government. This provision is contained precisely in the very law invoked by the applicant, that is section 54, paragraph 6, of Act No. 926. In

the case of Ongsiaco vs. Magsilang (50 Phil., 380, 386), this court said:

"* * * in a controversy between private individuals, where the Government has not intervened, and where it appears that the land has ceased to be of public domain and has come to be of private ownership, a petitioner may obtain registration of land upon a title acquired by adverse possession as against individual opponents. The same rule does not maintain with respect to land claimed by the Government and as to which the Government is opposing." In the case of Government of the Philippine Islands vs. Abad (56 Phil., 75, 80), this court, deciding a question similar to the one raised herein by the appellant, said as follows: "Subsection (b) of section 45 of Act No. 2874 is not obnoxious to the constitutional provision relied upon by the appellant, as depriving the appellant of property without due process of law. That provision has reference to property to which the citizen has acquired a vested right. It does not extend to privileges and inchoate rights which have never been asserted or perfected. The contention of the appellant * * * is therefore without merit." There is no justifiable reason for disturbing the holdings of this court in the aforecited two cases. On the contrary, it is considered timely to reiterate them herein inasmuch as they decide the same question.

The provisions of section 54 of Act No. 926 as well as those of section 45, paragraph (b), of Act No. 2874 should necessarily be so construed as not to permit aliens to obtain title to lands in their favor. It should not be understood, however, that the constitutional guaranty that no person shall be denied the equal protection of the laws, is violated thereby, because, as this court has said in the case of *In re Patterson* (1 Phil., 93, 95, 96), "Unquestionably every State has a fundamental right to its existence and development, as also to the integrity of its territory and the exclusive and peaceable possession of its dominions which it may guard and defend by all possible means against any attack * * *. Superior to the law which protects personal liberty, and the agreements which exist between nations for their own interest and for the benefit of their respective subjects is the supreme and fundamental right of each State to self-preservation and the integrity of its dominion and its sovereignty." It is upon grounds of public policy that the rights of individuals, particularly of aliens, cannot prevail against the aforesaid right of the Government of the Philippine Islands, and more particularly when, as in the present case, far from violating any constitutional law, it deals precisely with the enforcement of the provisions of the first organic law of the country and those of the Jones Law (section 9), to the effect that lands of the public domain should not be disposed of or alienated to persons who are not inhabitants or citizens of the Philippine Islands.

Wherefore, finding that the judgment appealed from is in accordance with the law, it is hereby affirmed in toto, with the costs against the appellants. So ordered.

Malcolm, Villa-Real, Abad Santos, Hull, and Butte, JJ., concur.

IMPERIAL, J.:

DISSENTING

STREET and GODDARD, JJ., It is settled by the decision of *Central Capiz vs. Ramirez* (40 Phil., 883), that Act No. 2874 is applicable only to land of the public domain; and the undersigned are of the opinion that the land which has been held in private character from a date anterior to July 26, 1894, as occurred in the case of the land which is the subject of this application, should not be considered public domain. The land covered by this application should therefore have been registered in the name of the applicants, exactly as was done in *Tan Yungquip vs. Director of Lands* (42 Phil., 128). Any other interpretation makes Act No. 2874, as applied to this land, subject to the objection that it deprives the applicants of the equal protection of the law.

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