

SAN MIGUEL CORPORATION, PETITIONER, VS. COURT OF APPEALS AND DIRECTOR OF LANDS, RESPONDENTS.

G.R. No. 57667. May 28, 1990

Ponente: FERNAN, C.J.

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FERNAN, C.J.:

In this petition for review on certiorari, San Miguel Corporation seeks the reversal of the decision of the Court of Appeals[1] denying its application for registration of a parcel of land in view of its failure to show entitlement thereto.

On December 23, 1975, petitioner San Miguel Corporation (SMC for brevity) purchased from Silverio Perez Lot 684, a 14.531-square-meter parcel of land located in Sta. Anastacia, Sto. Tomas, Batangas, in consideration of the sum of P133, 084.80.[2] On February 21, 1977, claiming ownership in fee simple of the land, SMC filed before the then Court of First Instance, now Regional Trial Court of Batangas an application for its registration under the Land Registration Act.

The Solicitor General, appearing for the Republic of the Philippines, opposed the application for registration contending that SMC's claim of ownership in fee simple on the basis of a Spanish title or grant could no longer be availed of by the applicant as the six-month period from February 16, 1976 prescribed by Presidential Decree No. 892 had elapsed; that the parcel of land in question is part of the public domain, and that SMC, being a private corporation, is disqualified under Section 11, Article XIV of the Constitution from holding alienable lands of the public domain. The Solicitor General thereafter authorized the Provincial Fiscal of Batangas to appear in said case, subject to his supervision and control.

At the initial and only hearing held on October 12, 1977, the Court, upon motion of SMC and there being no opposition to the application except that of the Republic of the Philippines, issued an order of general default. SMC was allowed to mark documentary evidence to establish jurisdictional facts and to present additional evidence before the Clerk of Court who was appointed Commissioner for that purpose.

On December 12, 1977, the lower court, presided by Judge Eduardo C. Abaya, rendered a decision granting the application for registration and adjudicating the property in favor of SMC.

The Solicitor General appealed to the Court of Appeals. In its decision of March 23, 1981, said court reversed the decision of the lower court and declared the parcel of land involved as public land. Hence, the instant petition with SMC submitting the following alleged "grave errors" of the Court of Appeals for this Court's resolution: (1) the Court of Appeals' failure to hold that "prescription is a mode of acquiring title or ownership of land and that the title thus acquired is registrable"; (2) the Court of Appeals' disregard of SMC's evidence "not on the basis of controverting evidence but on the basis of unfounded suppositions and conjectures," and (3) the Court of Appeals' reversal of the factual findings of the trial court which had the opportunity of observing the demeanor and sincerity of the witnesses.[3]

We need not dwell lengthily on the third "error" assigned by petitioner. Suffice it to state that while trial courts may have the opportunity to observe the demeanor of witnesses, their factual findings may nonetheless be reversed by the Court of Appeals, the appellate court vested by law to resolve both legal and factual issues, if, by the evidence on record, it appears that the trial court involved erred. What is of primary concern to us in this case is the issue of whether or not the evidence presented by the petitioner is sufficient to warrant a ruling that SMC and/or its predecessor-in-interest has a registrable right over Lot 684.

Open, exclusive and undisputed possession of alienable public land for the period prescribed by law creates the legal fiction whereby the land, upon completion of the requisite period ipso, jure and without the need of judicial or other sanction, ceases to be public land and becomes private property.[4] Such open, continuous, exclusive and notorious occupation of the disputed properties for more than 30 years must, however, be conclusively established.[5] This quantum of proof is necessary to avoid the erroneous validation of actually fictitious claims of possession over the property in dispute.

In this case, petitioner's claim that its predecessor-in-interest had open, exclusive and undisputed possession of Lot 684 for more than thirty years is anchored on certain documentary and testimonial evidence. Its documentary evidence consist of tax declaration No. 923 wherein it appears that in 1974, Silverio Perez declared as his own for taxation purposes, a certain riceland with an area of 1.5657 hectares located in Sta. Anastacia, Sto. Tomas, Batangas,[6] and a certification of the Office of the Treasurer of Sto. Tomas to the effect that in 1977, Silverio Perez paid realty taxes for the land subject of tax declaration no. 923.[7]

Tax declarations and receipts are not conclusive evidence of ownership or right of possession over a piece of land.[8] They are merely indicia of a claim of ownership.[9] Tax declarations only become strong evidence of ownership of land acquired by prescription, a mode of acquisition of ownership relied upon by petitioner in this case, when accompanied by proof of actual possession.[10]

Such proof of actual possession was sought to be provided by the testimony of vendor Silverio Perez that he had been in possession of the property since 1933 until he sold it to SMC in 1975; that the property was given to him by his parents when he got married; that no document evidenced that transfer; that it had been in the possession of his parents since 1925; that he had declared the property in his name for taxation purposes; that he had paid taxes therefor, and that he was in peaceful, continuous and exclusive possession of the property until its sale to SMC.[11]

Petitioner did not present other witnesses to corroborate Perez's testimony. Its other witness, Antonio M. de las Alas, Jr., a lawyer of the petitioner, simply testified that he handled the negotiations for the purchase of the property; that SMC was authorized to own and acquire property as shown by its articles of incorporation and by-laws; that since its acquisition in 1975, the property had been used as a hatchery farm of SMC; that SMC's possession in the concept of an owner had been continuous, adverse and against the whole world, and that the land was declared for taxation purposes still in the name of Silverio Perez.[12]

We hold that there is paucity of evidence of actual, notorious and exclusive possession of the property on the part of vendor Silverio Perez so as to attach to it the character of an express grant from the government.[13] Indeed, as correctly held by the Court of Appeals, Silverio Perez's testimony, being uncorroborated, is simply self-serving and hence, undeserving of any weight.

WHEREFORE, the decision of the Court of Appeals is hereby AFFIRMED. Costs against the petitioner.

SO ORDERED.

Gutierrez, Jr., Feliciano, Bidin, and Cortes, JJ., concur.

[1] In CA-G.R. No. 63737-R, penned by Justice Elias B. Asuncion and concurred in Justices Porfirio V. Sison and Mariano A. Zosa.

[2] Exhibit 1.

[3] p. 18, Rollo.

[4] Director of Lands vs. Bengzon, G.R. No. 54045, July 28, 1987, 152 SCRA 369; Director of Lands vs. Manila Electric Co., G.R. No. 57461, September 11, 1987, 153 SCRA 686; Director of Lands vs. Intermediate Appellate Court and Acme Plywood and Veneer Co., Inc., G.R. No. 73002, December 29, 1986, 146 SCRA 509.

[5] Municipality of Santiago, Isabela vs. Court of Appeals, L-49903, February 21, 1983, 120 SCRA 734, 745.

[6] Exhibit H.

[7] Exhibit J.

[8] Ferrer-Lopez vs. Court of Appeals, G.R. No. 50420, May 29, 1987, 150 SCRA 393; Director of Lands vs. Court of Appeals, G.R. No. 50340, December 26, 1984, 133 SCRA 701.

[9] Municipality of Antipolo vs. Zapanta, G.R. No. 65334, December 26, 1984, 133 SCRA 820.

[10] Bautista vs. Court of Appeals, L-43105, August 31, 1984, 131 SCRA 532.

[11] TSN, October 12, 1977, pp. 5 to 12.

[12] Supra, pp. 13-18.

[13] See: Republic vs. De Porkan, G.R. No. 66866, June 18, 1987, 151 SCRA 88.

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