

REPUBLIC OF THE PHILIPPINES, PETITIONER, VS. COURT OF APPEALS AND CIRCULO BANTAYANO FOUNDATION, INC., RESPONDENTS.

G.R. No. 60078. October 30, 1987

Ponente: PARAS, J.

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PARAS, J.:

Petitioner seeks to review the decision of the Court of Appeals in CA-G.R. No. 67236-R,[1] affirming the decision of Branch II of the Court of First Instance of Cebu,[2] its dispositive portion reading as follows:

"WHEREFORE, finding the application for registration well grounded, the Court hereby declare(s) the applicant, CIRCULO BANTAYANO FOUNDATION, INC., a corporation composed of Filipino citizens duly organized and existing under the laws of the Philippines with principal place of business at Cebu City as the owner of the parcel (and) (sic) of land described on plan Psu-07-01000195 and its corresponding technical description (see Exhibit "O" pages 21 to 23 of the record). Once this decision becomes final, let the corresponding decree of registration be issued in favor of the adjudicatee.

"SO ORDERED."

In its application for registration before the trial court, respondent Circulo Bantayano Foundation, Inc. alleged that it is the owner in fee simple or thru a possessory information title of a parcel of land including the buildings and improvements thereon situated at Poblacion Bantayan, Cebu, described and bounded on plan Psu-01-000195, containing an area of 108,711 square meters thru purchase on December 5, 1974 from the heirs (represented by Anunciacion Escario) of the late Pedro Escario, Sr. who in turn inherited said land from his father Margarito; that the said land is assessed for taxation purposes at P7,850.00 for the year 1978; that the same is occupied and possessed openly, continuously, notoriously and peacefully in the concept of owners for more than 40 years by applicant and its predecessors-in-interest.

Petitioner opposed the application alleging that private respondent did not have title in fee simple or imperfect title to the land and it was disqualified under the 1973 Constitution, being a corporation, to own lands of the public domain. Noteworthy is the fact that petitioner filed its opposition but never appeared at the trial nor was any evidence presented in support of its opposition. On the other hand, applicant corporation presented in court Tax Declarations Nos. 02330, 11891, 016991, 018116 and 01268 in the name of the previous owner Pedro Escario, Sr.

The trial court found that the applicant's possession had always been peaceful, open, public, continuous, notorious and in the concept of absolute owner thereof and including their predecessors-in-interest's possession extended for more than thirty (30) years; that the applicant herein had been paying regularly the taxes due on the property having declared the land for taxation purposes in its name: that there are no traversing roads (either national or provincial) nor any river or creek crossing the land applied for, and that the produce of the land has been solely enjoyed by said applicant.

After due trial, the court rendered its decision declaring the applicant Circulo Bantayano Foundation, Inc. a corporation composed of Filipino citizens duly organized and existing under the laws of the Philippines with principal place of business at Cebu City as the owner of the parcel of land described on plan Psu-07-01-000195 and its corresponding technical description, and ordered the issuance of the corresponding decree of registration in favor of applicant once the decision becomes final.

Not satisfied with the decision of the trial court, petitioner appealed to the Court of Appeals assigning errors allegedly committed by the trial court, to wit:

I

THE LOWER COURT ERRED IN NOT HOLDING THAT APPLICANT-APPELLEE IS A PRIVATE CORPORATION DISQUALIFIED UNDER THE NEW PHILIPPINE CONSTITUTION TO HOLD ALIENABLE LANDS OF THE PUBLIC DOMAIN.

II

THE LOWER COURT ERRED IN NOT HOLDING THAT THE PARCEL OF LAND APPLIED FOR IS A PORTION OF THE PUBLIC DOMAIN NOT SUBJECT TO PRIVATE APPROPRIATION.

III

THE LOWER COURT ERRED IN HOLDING THAT APPLICANT-APPELLEE AND ITS PREDECESSORS-IN-INTEREST HAVE BEEN IN PEACEFUL, OPEN, PUBLIC, CONTINUOUS, NOTORIOUS POSSESSION IN THE CONCEPT OF OWNER OF THE LAND SOUGHT TO BE REGISTERED FOR MORE THAN THIRTY (30) YEARS.

IV

THE LOWER COURT ERRED IN NOT DISMISSING AND/OR DENYING THE APPLICANT'S APPLICATION FOR REGISTRATION AND IN NOT DECLARING THE LAND IN QUESTION AS PART OF THE PUBLIC DOMAIN BELONGING TO THE REPUBLIC OF THE PHILIPPINES.

In affirming the trial court's decision the Court of Appeals found that the application by respondent-corporation is not actually for the grant of land of the public domain but for the confirmation of an imperfect title acquired through long years of possession through the predecessors-in-interest of applicant corporation. The appellee court in ruling thus considered the fact that oppositor Republic of the Philippines failed to present any evidence whatsoever during the trial showing that the property applied for is land of the public domain as against the undisputed evidence presented by applicant. The evidence consisted of the testimonies of the two (2) witnesses for applicant declaring that the property had been in the continuous and open possession of their predecessors-in-interest for more than 39 years immediately preceding the filing of application for confirmation of title in the concept of owners.

The sole issue raised before Us by the petitioner is whether or not private respondent is qualified under the 1973 or the 1987 Constitutions to acquire and subsequently register in its name the disputed lot.

It is true that under both the 1973 and the 1987 Constitution,[3] a private corporation (even if a domestic one) cannot acquire (and therefore cannot register) lands of the public domain, but in the present case the land involved, at the time it was acquired by the corporation in 1974, was no longer part of the public domain; long years of exclusive continuous, and adverse possession of the same by its predecessors-in-interest had given ownership thereof ipso jure to said predecessors, enabling the latter to convey title to said corporation. True, the

Corporation's acquisition was in 1974, or after the 1973 was already in effect. But then as of that time, the land was no longer public land. It was private land.

As found by the Court of Appeals —

"The testimony of the two witnesses for applicant-appellee clearly proves that the property has been in the possession of their predecessor-in-interest⁴ for at least for three generations or for more than 30 years immediately preceding the filing of application for confirmations of title." (Decision, pp. 3-4, pp. 49-50 Rollo).

Thus, the prohibitions referred to in the 1973 and 1987 Constitutions can no longer apply (The Director of Lands vs. Intermediate Appellate Court, G. R. No. 73002, December 29, 1986, reversing Meralco v. Castro-Bartolome, 114 SCRA 799, and Republic v. Villanueva and Iglesia ni Cristo, 114 SCRA 875).

WHEREFORE, premises considered, the instant petition is hereby DENIED for lack of merit and the assailed decision of the Court of Appeals is hereby AFFIRMED.

SO ORDERED.

Teehankee, C.J., Narvasa, and Gancayco, JJ., concur.

Cruz, J., in the result.

[1] Penned by Justice Melo; concurred in by Justices Gancayco and Nocon.

[2] Penned by Judge Francisco P. Burgos.

[3] Unlike the 1935 Constitution, which contained no such prohibition. The Escarios.

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