

HEIRS OF FELINO T. SANTIAGO, REPRESENTED BY LADISLA SANTIAGO, PETITIONERS, VS. HONORABLE MANUEL M. LAZARO, PRESIDENTIAL ASSISTANT FOR LEGAL AFFAIRS AND DELIA O. PAYOT, RESPONDENTS.

G.R. No. 68117. October 17, 1988

Ponente: FERNAN, C.J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-68117/>

FERNAN, C.J.:

We annul and set aside the decision dated April 6, 1984 of the Office of the President through then Presidential Assistant for Legal Affairs Manuel M. Lazaro in O.P. Case No. 2442 entitled "Delia O. Payot, Appellant, versus Heir of Felino T. Santiago, represented by Ladisla Santiago, Appellees."

The antecedents are as follows:

On February 28, 1976, the late Felino T. Santiago, a member of the Malacañang Homeowners Association, Inc. (MHAI), filed an application with the Bureau of Lands for the purchase of a parcel of friar land with an area of 255 square meters particularly described as Lot No. 7, Block 70, Psd-04-000011 of the Tala Friar Lands Estate in Makatipo, Caloocan City. In the Information Sheet he submitted, applicant Santiago stated that he had actually been occupying the land being applied for since February of 1973 and that he had introduced improvements thereon consisting of a small hut, fence, clearings and seasonal crops.

An investigation was conducted by Lands Investigator Buensuceso I. Guido, who, finding the allegations contained in the Information Sheet to be true, recommended that the aforesaid lot be sold at private sale in favor of Felino T. Santiago. Endorsed by the Assistant Director of Lands, said recommendation was approved by the Minister of Natural Resources. Whereupon, Sales Contract No. 77-760 dated March 17, 1977 was entered into by the Director of Lands and Felino Santiago,[1] who paid the purchase price in full on the same date as evidenced by O.R. No. 5777291.

However, barely a year from the execution of the Sales Contract, MHAI cancelled Santiago's application over the land in question and allocated the same to private respondent Delia O. Payot. The latter's parents then took possession of the land and built a small house thereon without the knowledge and consent of Santiago or any member of his family.

Feeling aggrieved, Santiago inquired from the Office of the Minister of Natural Resources whether his Sales Contract or his application covering the land in dispute had been cancelled. The representative of the Ministry replied in the negative, with the additional explanation that only the Director of Lands has the power to cancel the award.

On April 13, 1981, Deed No. V-15278 was issued by the Director of Lands in favor of Felino T. Santiago[2] and on April 22, 1981, the Register of Deeds of Caloocan City prepared Transfer Certificate of Title No. C-43080 covering the disputed land in the name of Felino T. Santiago.[3]

As a result of such issuance, private respondent Delia O. Payot filed a protest with the Bureau of Lands seeking the recall of the award to Santiago, whose application and allocation had allegedly been cancelled by the MHAI and transferred to her, thereby entitling her to the award of the disputed lot.

On January 13, 1983, the Director of Lands rendered a decision finding the protest of private respondent to be without merit. Said protest was "disregarded and dismissed, and x x x dropped from the records." Sales Contract No. 77-760[4] issued to Felino T. Santiago was declared valid and in full force and effect.[5]

The appeal interposed by private respondent to the Minister of Natural Resources proved unavailing[6] but on further appeal to the Office of the President, private respondent was granted the relief sought, thus:

"PREMISES CONSIDERED, Sales Contract No. 77-760 and Deed No. V-15278, both executed in favor of the late Felino T. Santiago, are hereby cancelled for being void. Lot No. 7, Block 70 of the Pangarap Village shall be sold without auction to Delia O. Payot, the actual occupant thereof, in accordance with the pertinent laws and regulations governing the disposition of said lot. The decisions of the Ministry of Natural Resources and the Director of Lands, dated June 28, 1983, and January 13, 1983, respectively, are accordingly SET ASIDE."[7]

This unexpected turn of events left the heirs of Felino T. Santiago who died during the proceedings below, in a quandary. Ladisla Santiago, his widow, filed thru counsel a motion for reconsideration which was subsequently denied by the Office of the President.

Hence, the instant petition, petitioners Heirs of Felino T. Santiago, represented by Ladisla Santiago, attributing to public respondent Presidential Assistant for Legal Affairs grave abuse of discretion amounting to lack of jurisdiction in reversing the decisions of the Director of Lands and Minister of Natural Resources, respectively.

Basis of public respondent's reversal of the respective decisions of the Director of Lands and Minister of Natural Resources is his conclusion that private respondent was the actual bona fide occupant of the lot in dispute and therefore the applicant entitled thereto.

Considering the evidence extant on the records, we find this conclusion so constrained and contrived as to render public respondent's exercise of his judgment capricious, whimsical and arbitrary, amounting to grave abuse of discretion. His action calls for the corrective writ of certiorari.

Felino Santiago's application to purchase the lot in question was approved after verification thru an ocular inspection by Lands Investigator Buensuceso I. Guido of the veracity of Santiago's allegations that he had been occupying said lot since 1973 and had introduced certain improvements thereon. The Sales Contract was accordingly executed and the purchase price forthwith paid in full.

For alleged failure of Santiago to occupy the lot in question and to introduce improvements thereon within sixty (60) days from the date of the award, the MHAI unilaterally cancelled his application and instead allocated the controverted lot to private respondent.

But as admitted by public respondent himself,

"x x x the administration and disposition of friar land estates are lodged with the Director of Lands, subject to the supervision and control of the Minister of Natural Resources [Act No. 1120, as amended; Sections 79(c) and 84, Revised Administrative Code], and, therefore, it was not within the competence of the MHAI to cancel the application over the disputed lot filed by Felino Santiago."[8] (underscoring supplied)

Furthermore, it was found by the Director of Lands that the cancellation by MHAI of the award in Santiago's favor was made without earnest efforts to ascertain why the allocatee failed to satisfy the requirements laid down

by the Association, despite the proviso voiced out by a Mr. Agbulos, an association officer, during the meeting on April 27, 1975 that "the allocatee must first be contacted to find (out) the reason why he has abandoned the lot allocated to him." [9]

From these established facts, there can be no doubt that the cancellation of the award in Santiago's favor is null and void, not only for lack of competence and authority on the part of the MHAI, but particularly for being violative of the applicant's constitutional right to due process.

It was at this stage that private respondent entered into the picture. But while herself the allocatee, the actual occupants of the lot were her parents, who in a record two-weeks' time were able to construct a house thereon. [10] Private respondent, it was admitted, was a resident of 107 Mother Ignacio St., Diliman, Quezon City [11] and went to the lot in question only for visits. [12] In fact, during the proceedings below, it was private respondent's father who appeared with counsel, not private respondent. [13]

In the light of these admitted facts and despite his own assertion that "appellant's (private respondent's) entry into the lot was without authority or permit from the Director of Lands", [14] we cannot see how public respondent could logically arrive at the conclusion that private respondent was the actual bona fide occupant of the lot in dispute.

Upon the other hand, despite failure of Felino T. Santiago to have continuous physical possession of the lot, the conclusion that he was in legal contemplation, the actual bona fide occupant of the same, without any intention of abandoning it, is easily reached. It was disclosed that the failure of Felino Santiago to continue his possession over the lot in question was with good justification, "mainly attributable to his poverty, aggravated by his recurring illness which later resulted to (sic) his death." [15] Furthermore, emphasis should be laid on the fact that despite his recurring illness, Santiago took the necessary steps to protect his interest over the lot in controversy: he lost no time in verifying the validity of the cancellation of the award by the MHAI [16] and filed charges in court against Felicisimo Dayot, father of the private respondent and actual occupant of the lot. [17]

Thus, the Minister of Natural Resources correctly ruled that:

"x x x There was no abandonment on the part of the appellee (Santiago), for abandonment is not considered as such even if possession is intermittent and not continuous, if such is due to circumstances not imputable to the possessor. Mere non-use does not necessarily constitute abandonment. It cannot be inferred from non-use alone. The temporary absence of the appellee from the lot should not be taken against the tenability of his claim because such is mainly attributable to his poverty, aggravated by his recurring illness which later resulted to his death x x x." [18]

Even assuming arguendo that private respondent was not aware of the flaws in her title, her possession of the lot, and by proxy, at that, could not rise above the prior possession of Felino T. Santiago, who, during such possession was able to comply with the requirements set by law for the purchase of the lot. Thus, at the time of entry of private respondent into said lot, the sale in favor of Felino T. Santiago had already been consummated thru the execution of the Sales Contract. Only the issuance of the Deed of Conveyance and the Transfer Certificate of Title which had then become ministerial on the part of the Director of Lands, remained to perfect his title thereto.

Indeed, Felino Santiago's entitlement to the controverted lot is made indubitable by the fact that the cancellation of the award in his favor by the MHAI, notwithstanding, the Director of Lands issued a Deed of Conveyance to him. This proves that the Director of Lands was convinced that Santiago had complied with the requirements for the sale of the land; and rightly so, for the determination of whether improvements were made by Felino Santiago is to be made by the Director of Lands, and not by the MHAI. To allow the latter to do so would result in an abdication of one of the functions of the Bureau of Lands. And this we cannot allow. *POTESTAS DELEGATA*

NON DELEGARE POTEST. A power once delegated cannot be redelegated.

WHEREFORE, the assailed decision of public respondent dated April 6, 1984 is hereby ANNULLED and SET ASIDE. The decision of the Minister of Natural Resources dated June 28, 1983 is REINSTATED. Costs against private respondent.

SO ORDERED.

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

- [1] Annex "B", Petition, p. 33, Rollo.
- [2] Annex "B-1", Petition, p. 35, Rollo.
- [3] Annex "C", Petition, p. 36, Rollo.
- [4] Deed of Conveyance No. V-15278.
- [5] p. 40, Rollo.
- [6] p. 58, Rollo.
- [7] Annex "F", Petition, p. 60-A, Rollo.
- [8] p. 60, Rollo.
- [9] p. 39, Rollo.
- [10] p. 49, Rollo.
- [11] p. 40, Rollo.
- [12] p. 40, Rollo.
- [13] p. 40, Rollo.
- [14] p. 60, Rollo.
- [15] p. 57, Rollo.
- [16] p. 38, Rollo.
- [17] p. 39, Rollo.
- [18] p. 57, Rollo

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.