

ENRICO MANUEL, THE DIRECTOR OF MINES AND THE SECRETARY OF NATURAL RESOURCES, PETITIONER, VS. THE INTERMEDIATE APPELLATE COURT, UNITED PARACALE MINING CO., COCO GROVE, INC. AND M...

G.R. No. 69203. April 21, 1995

Ponente: VITUG, J.

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VITUG, J.:

On 27 May 1975, herein private respondents United Paracale Mining Co., Coco Grove, Inc., and Marsman & Company, Inc., filed a petition to quiet title before the trial court over certain mining claims so designated as "Paracale Fraction No. 3," "Paracale Fraction No. 4," "Paracale No. 3," "Paracale No. 5" and "Paracale No. 1," which were alleged to have been located in 1933 and 1934 under the provisions of the Philippine Bill of 1902. These mining claims were operated by private respondents up until the start of World War II. After the war, private respondents reconstituted the records of the mining claims.

The filing of the petition to quiet title was precipitated by an application, made on 24 August 1973, by private petitioner Enrico Manuel for a lease contract over a mining claim, denominated "Clement 1," which was said to overlap private respondents' mining claims. On 10 September 1973, private respondents applied for an order, which was granted, to have their claims surveyed preparatory to the filing of their patent application. Following the survey, private respondents applied for a patent with the Bureau of Mines.

The trial court ruled in favor of private respondents and held that the Director of Mines had no jurisdiction to entertain the lease application of Manuel. It rationalized that the mining claims of private respondents had already become private property under the provisions of Philippine Bill of 1902, Section 45 of which law provided:

"Sec. 45. That where such person or association, they and their grantors have held and worked their claims for a period equal to the time prescribed by the statute of limitations of the Philippine Islands, evidence of such possession and working of the claims for such period shall be sufficient to establish a right to a patent thereto under this act, in the absence of any adverse claim."

Manuel appealed to the Intermediate Appellate Court (Court of Appeals). In a decision, dated 01 August 1984, the appellate court affirmed the judgment of the trial court. Manuel's motion for reconsideration was denied.

The instant petition of Manuel (who also brought in the Director of Mines and the Secretary of Natural Resources as co-petitioners) raised substantially the same issues already passed upon by this Court, in its decision, promulgated on 07 April 1993, in G.R. No. 63786-87, entitled "United Paracale Mining Company, Inc. and Coco Grove, Inc. vs. Hon. Joselito De la Rosa." [1] There, herein private respondents United Paracale Mining Company, Inc., and Coco Grove, Inc., sought to set aside the order of dismissal of their ejectment case against various defendants who had occupied the mining claims asserted to be privately owned by said respondents under the provisions of the Philippine Bill of 1902 and Act No. 624. The point of controversy, the Court there said, reverberated to the question of the constitutionality of Presidential Decree 1214. [2] Reiterating Santa Rosa

Mining Company, Inc., vs. Leido, Jr.,[3] this Court then ruled:

"x x x (W)e hold that Presidential Decree No. 1214 is not unconstitutional. It is a valid exercise of the sovereign power of the State, as owner, over lands of the public domain, of which petitioner's mining claims still form a part, and over the patrimony of the nation, of which mineral deposits are a valuable asset. It may be underscored, in this connection, that the Decree does not cover all mining claims located under the Phil. Bill of 1902, but only those claims over which their locators had failed to obtain a patent. And even then, such locators may still avail of the renewable twenty-five year (25) lease prescribed by Pres. Decree No. 463, the Mineral Development Resources Decree of 1974.

"Mere location does not mean absolute ownership over the affected land or the mining claim. It merely segregates the located land or area from the public domain by barring other would-be locators from locating the same and appropriating for themselves the minerals found therein. To rule otherwise would imply that location is all that is needed to acquire and maintain rights over a located mining claim. This, we cannot approve or sanction because it is contrary to the intention of the lawmaker that the locator should faithfully and consistently comply with the requirements for annual work and improvements in the located mining claim.

"Presidential Decree No. 1214 is in accord with Sec. 8, Art. XIV of the 1973 Constitution which states:

"All lands of the public domain, waters, minerals, coal, petroleum, and other mineral oils, all forces of potential energy, fisheries, wildlife, and other natural resources of the Philippines belong to the State. With the exception of agricultural, industrial or commercial, residential and resettlement lands of the public domain, natural resources shall not be alienated, and no license, concession, or lease for the exploration, development, and exploitation, or utilization of any of the natural resources shall be granted for a period exceeding twenty-five years, renewable for to more than twenty-five years, except as to water rights for irrigation, water supply, fisheries, or industrial uses other than development of water power, in which cases, beneficial use may be the measure and the limit of the grant."

"The same constitutional mandate is found in Sec. 2, Art. XII of the 1987 Constitution, which declares:

"All lands of the public domain, waters, minerals, coal, petroleum, and other mineral oils, all forces of potential energy, fisheries, forests or timber, wildlife, flora and fauna, and other natural resources are owned by the State. With the exception of agricultural lands, all other natural resources shall not be alienated. The exploration, development, and utilization of natural resources shall be under the full control and supervision of the State."

Thus, private respondents' claim of ownership over the mining claims on the basis merely of their being located under the Philippine Bill of 1902 cannot be sustained, and we must hold the declaration of ownership of the mining claims made by the courts below in favor of private respondents to be without legal effect.

WHEREFORE, the questioned decision of the Court of Appeals, affirming that of the court a quo, is hereby REVERSED. No special pronouncement on costs.

SO ORDERED.

Romero, Melo, and Francisco, JJ., concur.

Feliciano, (Chairman), J., no part. One of the parties is represented by his former firm.

[1] 221 SCRA 108.

[2] P.D. 1214 issued by then President Marcos on 14 October 1977 required all locators under the Act of Congress of 01 July 1902 to secure mining lease contracts under the provisions of P.D. No. 463 involving their patentable mining claims. Section 1 thereof decreed -

"Section 1. Holders of subsisting and valid patentable mining claims, lode or placer, located under the provisions of the Act of Congress of July 1, 1902, as amended, shall file a mining lease application therefor with the Mines Regional Office concerned within a period of one (1) year from the approval of this Decree, and upon the filing thereof, holders of the said claims shall be considered to have waived their rights to the issuance of mining patents therefor: Provided, however, That the non-filing of the application for mining lease by the holders thereof within the period herein prescribed shall cause the forfeiture of all his rights to the claim."

[3] 156 SCRA 1, 8-10.

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