

SPOUSES ALEX BUSANTE AND EDITHA UGALDE, VS. HON. COURT OF APPEALS, REGIONAL TRIAL COURT OF AGUSAN DEL NORTE AND BUTUAN CITY, BRANCH V, AND MARCELINA MANILAG, RESPONDENTS.*G.R. No. 97389. October 20, 1992*

Ponente: GRINO-AQUINO, J.

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This case involves a 300-square-meter piece of public land which is the subject of adverse claims of possession by the petitioners and the respondent. In an ejectment case which the respondent, Marcelina Manilag, brought against the petitioners, judgments were rendered by the City Court, the Regional Trial Court and the Court of Appeals in her favor. The Department of Environment and Natural Resources (DENR) on the other hand, in the administrative proceedings on the petitioners' Miscellaneous Sales Application, awarded the land to the petitioners. The decision of the DENR became final for failure of the private respondent to appeal the same.

Which decision should prevail? The court's or that of the DENR?

In 1966, Manilag purchased the residential house of Miguel Coronel on the disputed piece of public land of 300 square meters in barrio Bonbon, Butuan City. Coronel had declared the lot for taxation under Tax Declaration No. 22360 (1961). After buying the house, Manilag occupied it and also declared the lot for tax purposes in 1967. In 1970 the house was destroyed and she has not resided on the land since then.

In 1971, the petitioners, upon authority obtained from the Barangay Captain of Bonbon, occupied a portion of Lot 2652, Pls-22, Case 2, reserved as Bonbon Barrio Site. They filed with the Bureau of Lands a Miscellaneous Sales Application to purchase the lot. Manilag opposed their application. However, according to the petitioners, this lot is different from the lot claimed, or formerly occupied, by Manilag.

On December 14, 1979, Manilag filed a complaint for forcible entry against the petitioners. On December 24, 1980, the City Court of Butuan City, Branch II, rendered judgment in favor of Manilag, the dispositive portion of which reads as follows:

"WHEREFORE, judgment is hereby rendered for the plaintiff Marcelina Manilag and against defendants-spouses Alex Busante and Editha Ugalde ordering the latter to immediately vacate the premises - the land in question; remove whatever improvements made by them illegally on the land on or before the 30 days period from receipt of this judgment; to reimburse plaintiff the necessary litigation expenses in the amount of P500.00, Philippine currency; to pay plaintiff the reasonable rental of the land illegally occupied by them at P20.00 a month for 12 months from December 1979 to the date of this judgment or P240.00 Philippine currency; to pay the plaintiff P1,000.00, Philippine currency as moral damages; to pay the plaintiff P1,000.00 Philippine currency as exemplary damages; and to pay costs of the suit." (pp. 22--23, Rollo.)

The petitioners appealed to the Regional Trial Court. During the pendency of their appeal, the DENR, thru the

Office of the Regional Executive Director, Region X, Northern Mindanao, Cagayan de Oro City, rendered a decision dated November 6, 1987, granting their Miscellaneous Sales Application over the subject lot. The DENR found that:

"In the investigation [of petitioners' Miscellaneous Sales Application] protestant-Marcelina Manilag adduced testamentary and documentary evidence which sought to prove that she is the owner and actual occupant to the litigated parcel of land; that she acquired the rights and interest over the same parcel of land from a certain Mr. Miguel Coronel sometime in 1966; that after the sale was effected, she constructed a house thereon where she resided; that the same house was destroyed in 1970 and since then she has not resided on the land in question; and that she has declared the land for taxation purposes.

"On the other hand, respondent Alex Busante, by himself and thru his witnesses, adduced evidence which sought to prove that he is the owner of the parcel of land identified as Lot No. 2652; Pls-22 containing an area of 202,178 square meters; that he caused a subdivision of the same parcel of land segregating therefrom an area of 150 square meters designated as Lot No. 2652-A (the land in question) for residential purposes; that the subdivision was approved sometime on September 24, 1980 under Psd-10-0001459-D; that he constructed a residential house worth P40,000 on the land in question and planted the same with some fruit trees; and that his long and continuous possession of the lot in question has not been molested by the claimant-protestant.

"In the ocular inspection conducted on the premises of the litigated parcel of land by the representative of this Office, it was ascertained that the land in question is actually occupied by the applicant-respondent who has his house made of strong materials constructed thereon where his family resides. The place where the house of Miguel Coronel was constructed and which was sold to the herein claimant-protestant is outside the area in question. At the time of inspection no visible improvements of Miguel Coronel or Marcelina Manilag were found on the land in question.

"In the light of the foregoing, this Office finds and so holds that respondent Alex Busante has established preferential right over the litigated parcel of land covered by his aforementioned application by virtue of his actual and physical possession thereof in the concept of an owner. On the other hand, protestant Manilag failed to show any color of right over the land in question." (pp. 51-52, Rollo.)

Manilag did not appeal nor file a motion for reconsideration of the DENR decision, hence, it became final.

On the other hand, on May 16, 1990 the Regional Trial Court of Agusan del Norte and Butuan City affirmed in toto the judgment of the City Court in Manilag's ejectment case against the petitioners.

The petitioners filed a petition for review in the Court of Appeals raising the following issues:

"1. The subject matter being a public land, they had the necessary permit or authority to possess the same from the Barangay Captain and the Bureau of Lands while the alleged possession of private respondent was unauthorized and illegal.

"2. The basis of the alleged possession of said public land by private respondent was allegedly the Bill of Sale executed by a certain Miguel Coronel which sold only his right over the house and not the public land in 1966, hence, said possession if any, extends only to the house, and not the land in question.

"3. Petitioners to convert their possession to that of an owner, duly filed a Miscellaneous Sales Application with the Bureau of Lands which was protested to by private respondent but the same was duly approved, which approval has long become final and executory.

"4. The decision of the Bureau of Lands, an agency under the Department of Environment and Natural Resources tasked with the administration, control, and disposition of public lands should be given more weight and respect by the court." (pp. 6-7, Rollo.)

However, on October 4, 1990, the Court of Appeals affirmed the decision of the lower court.

The petitioners have appealed by certiorari to this Court alleging that:

"A

Respondent Court erred in affirming the lower court's decision finding that private respondent established legal prior possession than that of petitioners,

"B

In view of a supervening fact, the existence of the decision of the Bureau of Lands dated November 6, 1987, finding that petitioners are the prior possessors of the land in question and at the same time awarding it to them, materially changes the entire complexion of this instant case which necessitates its immediate reversal." (p. 9, Rollo.)

After the finality of the award of the disputed lot by the DENR to the petitioners, did the courts still have jurisdiction to decide who is entitled to the possession of the land?

We rule in the negative.

In the case of *National Development Company vs. Hervilla* (151 SCRA 520), this Court said:

"It is now well settled that the administration and disposition of public lands are committed by law to the Director of Lands primarily, and, ultimately, to the Secretary of Agriculture and Natural Resources. The jurisdiction of the Bureau of Lands is confined to the determination of the respective rights of rival claimants to public lands or to cases which involve disposition and alienation of public lands. The jurisdiction of courts in possessory actions involving public lands is limited to the determination of who has the actual, physical possession or occupation of the land in question (in forcible entry cases, before municipal courts) or, the better right of possession (in accion publiciana, in cases before Courts of First Instance, now Regional Trial Courts)."

The possessory action in the RTC was rendered moot and academic by the decision of the Director of Lands dated November 6, 1987 awarding the land to the petitioners for, from then on, as owners, they had the better right of possession over the disputed lot, than the non-awardee. The courts may not interfere with nor review the Bureau of Lands' disposition of public land which became final by failure of Manilag to appeal the same to the Secretary of Environment and Natural Resources. As we held in *Rallon vs. Ruiz, Jr.*, 28 SCRA 332, 342:

"The reason then for possessory actions in court, namely, to 'facilitate adjudication' by the Lands Department of a dispute over public land no longer exists. For defendants' applications are no longer pending investigation. Defendants' possession of the lands disputed, for purposes of the free patents, has been confirmed in the administrative case. The administrative branch of the government has thus already spoken. Its action has lapsed into finality. Accordingly, plaintiffs' claim of possession is lost. Since plaintiffs' protests, in reference to possession, has already been resolved adversely against them by the Lands Department, nothing more is left for the courts to pursue."

WHEREFORE, the petition for review is GRANTED. The decision of the Court of Appeals in CA-G.R. SP No. 22265, as well as the judgments and orders of the Regional Trial Court of Agusan del Norte and of the Municipal Court of Butuan City are ANNULLED and SET ASIDE. NO pronouncement as to costs.

SO ORDERED.

Cruz, (Chairman), and Bellosillo, JJ., concur.

Padilla and Medialdea, JJ., on leave.

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