

SEVERINO M. MANOTOK IV, FROILAN M. MANOTOK, FERNANDO M. MANOTOK III, MA. MAMERTA M. MANOTOK, PATRICIA L. TIONGSON, PACITA L. GO, ROBERTO LAPERAL III, MICHAEL MARSHALL V. MANOTOK...

G.R. Nos. 162335 & 162605. March 06, 2012

Ponente: VILLARAMA, JR., J.

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VILLARAMA, JR., J.:

At bar are the motions for reconsideration separately filed by the Manotoks, Barques and Manahans of our Decision promulgated on August 24, 2010, the dispositive portion of which reads:

WHEREFORE, the petitions filed by the Manotoks under Rule 45 of the 1997 Rules of Civil Procedure, as amended, as well as the petition-in-intervention of the Manahans, are DENIED. The petition for reconstitution of title filed by the Barques is likewise DENIED. TCT No. RT-22481 (372302) in the name of Severino Manotok IV, et al., TCT No. 210177 in the name of Homer L. Barque and Deed of Conveyance No. V-200022 issued to Felicitas B. Manahan, are all hereby declared NULL and VOID. The Register of Deeds of Caloocan City and/or Quezon City are hereby ordered to CANCEL the said titles. The Court hereby DECLARES that Lot 823 of the Piedad Estate, Quezon City legally belongs to the NATIONAL GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES, without prejudice to the institution of REVERSION proceedings by the State through the Office of the Solicitor General.

With costs against the petitioners.

SO ORDERED.

The Manotoks raised the following grounds in their motion for reconsideration with motion for oral arguments:

1. It is unjust and oppressive to deprive the Manotoks of property they have long held and acquired from the State, on consideration fully paid and received, and under registered title issued by the State itself, on nothing more than the assumed failure of the State's agents to inscribe a ministerial "approval" on the transaction deeds.
2. The annulment of Friar Land sales, simply because physical evidence of the Secretary's ministerial approval can no longer be found, may void transactions involving thousands of hectares of land, and affect possibly millions of people to whom the lands may have since been parceled out, sold and resold.
3. The Manotoks were given no due notice of the issue of reversion, which this case on appeal did not include, and which was thrust upon the Manotoks only in the final resolution disposing of the appeal.

It would be error for the Honorable Court to let this matter go without a serious and full re-examination. This can be accomplished, among others, by allowing this motion for reconsideration to be heard on oral argument, to try to permit all pertinent considerations to be aired before the Court and taken into account.

4. These G.R. Nos. 162335 and 162605 were an appeal from administrative reconstitution proceedings before

LRA Reconstitution officer Benjamin Bustos. But the Resolution dated 18 December 2008 which finally reversed the CA's rulings, affirmed the denial by Bustos of the application for administrative reconstitution of the Barques' purported transfer certificate of title, and terminated the appeal introduced a new "case" on the Manotok property. It ordered evidence-taking at the CA, on which the Supreme Court proposed itself to decide, in the first instance, an alleged ownership controversy over the Manotok property.

5. The Manotoks objected to the "remand" on jurisdictional and due process grounds. The original and exclusive jurisdiction over the subject matter of the case is vested by law on the regional trial courts.

6. The Honorable Court erred in proceeding to judgment divesting the Manotoks of their title to Lot 823 of the Piedad Estate, without a trial in the courts of original and exclusive jurisdiction, and in disregard of process which the law accords to all owners-in-possession.

7. The Honorable Court erred in concluding that the Manotoks, despite being owners in possession under a registered title, may be compelled to produce the deeds by which the Government had transferred the property to them, and "failing" which can be divested of their ownership in favor of the Government, even if the latter has not demanded a reversion or brought suit for that purpose.

8. The Honorable Court erred in imposing on the Manotoks, contrary to Art. 541 of the Civil Code, the obligation to prove their ownership of the subject property, and in awarding their title to the Government who has not even sued to contest that ownership.

9. The Honorable Court erred in finding that Sale Certificate No. 1054, which Severino Manotok acquired by assignment in 1923, was not approved by the Director of Lands and the Secretary of Agriculture and Natural Resources, and in finding that a Sale Certificate without the Secretary's approval is void.

10. The Honorable Court erred in concluding that the Manotoks had no valid Deed of Conveyance of Lot 823 from the Government. The original of Deed of Conveyance No. 29204 gave the register of deeds the authority to issue the transfer certificate of title in the name of the buyer Severino Manotok, which is required by law to be filed with and retained in the custody of the register of deeds. We presume that the copy thereof actually transmitted to and received by the register of deeds did contain the Secretary's signature because he in fact issued the TCT. And we rely on this presumption because the document itself can no longer be found.

11. Assuming *arguendo* that the original Deed of Conveyance No. 29204 the register of deeds received did not bear the Department Secretary's signature, DENR Memorandum Order No. 16-05 dated October 27, 2005 cured the defect. To deny the Manotoks the benefit of ratification under said MO, on the erroneous interpretation that it covered only those found in the records of the "field offices" of the DENR and LMB, would be discriminatory. The Department Secretary's (assumed) failure to affix his signature on the deed of conveyance could not defeat the Manotoks' right to the lot after they had fully paid for it.

Republic Act No. 9443 must be applied, *mutatis mutandis*, to the Manotoks and the Piedad Estate.

12. The Honorable Court erred in denying their right to be informed of the CA's report and be heard thereon prior to judgment, as basic requirements of due process.

The Barques anchor their motion for reconsideration on the following:

I

THE HONORABLE SUPREME COURT GRAVELY ERRED IN DENYING THE PETITION FOR RECONSTITUTION FILED BY RESPONDENTS HEIRS OF BARQUE WITHOUT STATING THE GROUNDS FOR SUCH DENIAL.

II

THE HONORABLE SUPREME COURT GRAVELY ERRED IN INSTANTLY DECLARING IN THE DISPOSITIVE PORTION OF THE DECISION THAT ALONG WITH FELICITAS B. MANAHAN'S TITLE, RESPONDENTS HEIRS OF BARQUE'S TITLE TCT NO. 210177 IS LIKEWISE NULL AND VOID, WITHOUT STATING A CLEAR AND DEFINITE BASIS THEREFOR.

III

THE HONORABLE SUPREME COURT GRAVELY ERRED IN DECLARING TRANSFER CERTIFICATE OF TITLE NO. 210177 IN THE NAME OF HOMER L. BARQUE NULL AND VOID.

IV

THE HONORABLE COURT OF APPEALS' FACTUAL FINDINGS, ADOPTED BY THE HONORABLE SUPREME COURT IN THE DECISION DATED 24 AUGUST 2010, ARE CONTRARY TO THE EVIDENCE PRESENTED.

V

THE HONORABLE SUPREME COURT'S FINDINGS IN THE DECISION DATED 24 AUGUST 2010 ARE CONTRARY TO LAW.

As to the Manahans, they seek a partial reconsideration and to allow further reception of evidence, stating the following grounds:

- As the original of Sale Certificate No. 511 could not be found in the files of the LMB or the DENR-NCR at the time of the hearings before the Commissioners, the existence of the certificate was proven by secondary evidence. The Commissioners erred in ignoring secondary evidence of the contents of Sale Certificate No. 511 because of mere doubt and suspicion as to its authenticity and in the absence of contradicting evidence.
- The OSG which has been tasked by the Honorable Court to obtain documents from the LMB and DENR-NCR relative to the conveyance of Lot 823, Piedad Estate, furnished intervenors with a certified true copy of Sale Certificate No. 511 which it obtained from the DENR-NCR on September 11, 2010, together with the explanation of DENR-NCR why the document is available only now. (Certified true copy of Sale Certificate No. 511 and Sworn Explanation of Evelyn G. Celzo attached as Annexes "I" and "II".
- When Valentin Manahan offered to purchase Lot 823, Piedad Estate, being the "actual settler and occupant" who under the law enjoyed preference to buy the lot, his status as "actual settler and occupant" must have been verified by the Bureau of Public Lands because the presumption is that official duty has been regularly performed. The administrative determination of the status of Valentin Manahan as "actual settler and occupant" can not now be reviewed after the lapse of about eight (8) decades when parties, witnesses, documents and other evidence are hardly or no longer available.
- Abundant evidence was submitted by intervenors that they and their predecessors-in-interest occupied and possessed Lot 823 up to 1948 when they were dispossessed by armed men. It was error for the Commissioners to ignore the evidence of the intervenors, there being no contradicting proof.
- The Commissioners committed palpable error in not according evidentiary value to the Investigation Report of Evelyn dela Rosa because it is allegedly "practically a replica or summation of Felicitas B. Manahan's allegations embodied in her petition." Examination of the dates of the documents will show that the Investigation Report preceded the Petition. The Petition, therefore, is based on the Investigation Report, and not the other way around.
- The pronouncement of the Commissioners that Sale Certificate No. 511 is stale is incorrect. Intervenors made continuing efforts to secure a deed of conveyance based on Sale Certificate No. 511. Defense of staleness or laches belongs to the party against whom the claim is asserted; it is only that party who can raise it. It can also

be waived, as in this case when the LMB which had the sole authority under Act No. 1120 to convey friar lands, issued to intervenor Felicitas B. Manahan Deed of Conveyance No. V-2000-22.

- The requirement of Act No. 1120 that a deed of conveyance of friar land must be signed by the Secretary of Interior was dispensed with pursuant to law and Presidential issuances which have the force of law.

- Deeds of conveyance lacking the signature of the Department Secretary were ratified by President Joseph Estrada and DENR Secretary Michael T. Defensor.

The motions are bereft of merit.

Upon the theory that this Court had no power to cancel their certificate of title over Lot 823, Piedad Estate in the resolution of the present controversy, the Manotoks contend that our Resolution of December 18, 2008 terminated the appeal from the Land Registration Authority (LRA) administrative reconstitution proceedings by reversing the CA's rulings and affirming the denial by LRA Reconstitution Officer Benjamin M. Bustos of the application for administrative reconstitution of the Barques' Transfer Certificate of Title (TCT) No. 210177. The appeal having been terminated, the Manotoks argued that the remand to the CA for evidence-taking had introduced a new "case" in which this Court will decide, in the first instance, an "alleged" ownership issue over the property. Such action is legally infirm since the law has vested exclusive original jurisdiction over civil actions involving title to real property on the trial courts.

The argument is untenable.

In our December 18, 2008 Resolution, we set aside the December 12, 2005 Decision rendered by the First Division and recalled the entry of judgment. We ruled that neither the CA nor the LRA had jurisdiction to cancel the Manotok title, a relief sought by the Barques in the administrative reconstitution proceedings. The Court En Banc proceeded with the reevaluation of the cases on a pro hac vice basis. During the oral arguments, there were controversial factual matters which emerged as the parties fully ventilated their respective claims, in the course of which the Barques' claim of ownership was found to be exceedingly weak. Indeed, both the LRA and CA erred in ruling that the Barques had the right to seek reconstitution of their purported title. Reevaluation of the evidence on record likewise indicated that the Manotoks' claim to title is just as flawed as that of the Barques. Following the approach in *Alonso v. Cebu Country Club, Inc.*[1] also involving a Friar Land, *Republic v. Court of Appeals*[2] and *Manotok Realty Inc. v. CLT Realty Development Corporation*,[3] the majority resolved to remand this case for reception of evidence on the parties' competing claims of ownership over Lot 823 of the Piedad Estate. Given the contentious factual issues, it was necessary for this Court to resolve the same for the complete determination of the present controversy involving a huge tract of friar land. It was thus not the first time the Court had actually resorted to referring a factual matter pending before it to the CA.

Maintaining their objection to the order for reception of evidence on remand, the Manotoks argue that as owners in possession, they had no further duty to defend their title pursuant to Article 541 of the Civil Code which states that: "[a] possessor in the concept of owner has in his favor the legal presumption that he possesses with a just title and he cannot be obliged to show or prove it." But such presumption is prima facie, and therefore it prevails until the contrary is proved.[4] In the light of serious flaws in the title of Severino Manotok which were brought to light during the reconstitution proceedings, the Court deemed it proper to give all the parties full opportunity to adduce further evidence, and in particular, for the Manotoks to prove their presumed just title over the property also claimed by the Barques and the Manahans. As it turned out, none of the parties were able to establish by clear and convincing evidence a valid alienation from the Government of the subject friar land. The declaration of ownership in favor of the Government was but the logical consequence of such finding.

We have ruled that the existence of Sale Certificate No. 1054 in the records of the DENR-LMB was not duly

established. No officer of the DENR-NCR or LMB having official custody of sale certificates covering friar lands testified as to the issuance and authenticity of Exh. 10 submitted by the Manotoks. And even assuming that Exh. 10 was actually sourced from the DENR-LMB, there was no showing that it was duly issued by the Director of Lands and approved by the Secretary of Agriculture and Natural Resources (DENR). On this point, the Manotoks hinted that the LMB's certifying the document (Exh. 10) at the Manotoks' request was a deliberate fraud in order to give them either a false document, the usual unsigned copy of the signed original, or a fake copy.

The Manotoks further assert that this would imply that the LMB either did not produce the genuine article, or could not produce it. This could only mean that the document which the NBI "found" to be fake or spurious, if this Court accepts that finding, was "planted evidence" or evidence inserted in the LMB files to discredit the Manotok title. Nonetheless, the Manotoks insist there were independent evidence which supposedly established the prior existence of Sale Certificate No. 1054. These documents are: (a) photocopy of Assignment of Sale Certificate No. 1054 dated 1929; (b) official receipt of payment for said certified copy; (c) photocopies of the other assignment deeds dated 1923; (d) official receipts of installment payments on Lot 823 issued to Severino Manotok; (e) file copies in the National Archives of the Deed of Conveyance No. 29204; and (f) the notarial registers in which the said Deed of Conveyance, as well as the assignment documents, were entered.

The contentions have no merit, and at best speculative. As this Court categorically ruled in *Alonso v. Cebu Country Club, Inc.*,^[5] "approval by the Secretary of Agriculture and Commerce of the sale of friar lands is indispensable for its validity, hence, the absence of such approval made the sale null and void ab initio." In that case, the majority declared that no valid titles can be issued on the basis of the sale or assignment made in favor of petitioner's father due to the absence of signature of the Director of Lands and the Secretary of the Interior, and the approval of the Secretary of Natural Resources in the Sale Certificate and Assignment of Sale Certificate. Applying the *Alonso* ruling to these cases, we thus held that no legal right over the subject friar land can be recognized in favor of the Manotoks under the assignment documents in the absence of the certificate of sale duly signed by the Director of Lands and approved by the Secretary of Agriculture and Natural Resources.

That a valid certificate of sale was issued to Severino Manotok's assignors cannot simply be presumed from the execution of assignment documents in his favor. Neither can it be deduced from the alleged issuance of the half-torn TCT No. 22813, itself a doubtful document as its authenticity was not established, much less the veracity of its recitals because the name of the registered owner and date of issuance do not appear at all. The Manotoks until now has not offered any explanation as to such condition of the alleged title of Severino Manotok; they assert that it is the Register of Deeds himself "who should be in a position to explain that condition of the TCT in his custody." But then, no Register of Deeds had testified and attested to the fact that the original of TCT No. 22813 was under his/her custody, nor that said certificate of title in the name of Severino Manotok existed in the files of the Registry of Deeds of Caloocan or Quezon City. The Manotoks consistently evaded having to explain the circumstances as to how and where TCT No. 22813 came about. Instead, they urge this Court to validate their alleged title on the basis of the disputable presumption of regularity in the performance of official duty. Such stance hardly satisfies the standard of clear and convincing evidence in these cases. Even the existence of the official receipts showing payment of the price to the land by Severino Manotok does not prove that the land was legally conveyed to him without any contract of sale having been executed by the government in his favor. Neither did the alleged issuance of TCT No. 22183 in his favor vest ownership upon him over the land nor did it validate the alleged purchase of Lot 283, which is null and void. The absence of the Secretary's approval in Certificate of Sale No. 1054 made the supposed sale null and void ab initio.^[6]

In the light of the foregoing, the claim of the Barques who, just like the Manahans, were unable to produce an authentic and genuine sale certificate, must likewise fail. The Decision discussed extensively the findings of the

CA that the Barques' documentary evidence were either spurious or irregularly procured, which even buttressed the earlier findings mentioned in the December 18, 2008 Resolution. The CA's findings and recommendations with respect to the claims of all parties, have been fully adopted by this Court, as evident in our disquisitions on the indispensable requirement of a validly issued Certificate of Sale over Lot 823, Piedad Estate.

As to the motion of the Manahans to admit an alleged certified true copy of Sale Certificate No. 511 dated June 23, 1913 in the name of Valentin Manahan which, as alleged in the attached Sworn Explanation of Evelyn G. Celzo, the latter had inadvertently failed to attach to her Investigation Report forwarded to the CENRO, this Court cannot grant said motion.

This belatedly submitted copy of Sale Certificate No. 511 was not among those official documents which the Office of the Solicitor General (OSG) offered as evidence, as in fact no copy thereof can be found in the records of either the DENR-NCR or LMB. Moreover, the sudden emergence of this unauthenticated document is suspicious, considering that Celzo who testified, as witness for both the OSG and the Manahans, categorically admitted that she never actually saw the application to purchase and alleged Sale Certificate No. 511 of the Manahans. The relevant portions of the transcript of stenographic notes of the cross-examination of said witness during the hearing before the CA are herein quoted:

ATTY. SAN JUAN:

How about this part concerning Valentin Manahan having applied for the purchase of the land? Did you get this from the neighbors or from Felicitas Manahan?

x x x x

WITNESS:

No, sir. Only the Records Section, sir, that Valentin Manahan applied, sir.

ATTY. SAN JUAN:

You did not see Valentin Manahan's application but only the Records Section saw it?

WITNESS:

Yes, sir.

ATTY. SAN JUAN:

Did they tell you that they saw the application?

WITNESS:

I did not go further, sir.

x x x x

ATTY. SAN JUAN:

And this report of yours says that Valentin Manahan was issued Sale Certificate No. 511 after completing the payment of the price of P2,140?

WITNESS:

Yes, sir.

ATTY. SAN JUAN:

You also got this from the records of the LMB, is that correct?

WITNESS:

Yes, sir.

ATTY. SAN JUAN:

You actually saw the sale certificate that was issued to Valentin Manahan after he paid the price of P2,140?

WITNESS:

No, sir. I did not go further.

ATTY. SAN JUAN:

You did not see the sale certificate?

WITNESS:

Yes, Sir, but I asked only.

ATTY. SAN JUAN:

Who did you ask?

WITNESS:

The records officer, sir.

ATTY. SAN JUAN:

Whose name you can no longer recall, correct?

WITNESS:

I can no longer recall, sir.

ATTY. SAN JUAN:

And the information to you was the Sale Certificate No. 511 was issued after the price was fully paid?

WITNESS:

Yes, sir.

ATTY. SAN JUAN:

And it was only after he applied for the purchase of the lot sometime after the survey of 1939 that he was issued sale certificate No. 511?

WITNESS:

I am not aware of the issuance of sale certificate. I am aware only of the deed of assignment, Sir.

x x x x[7] (Emphasis supplied.)

In view of the above admission, Celzo's explanation that the copy of Sale Certificate No. 511 signed by the Director of Lands and Secretary of the Interior was originally attached to her Investigation Report, cannot be given credence. Even her testimony regarding the conduct of her investigation of Lot 823, Piedad Estate and the

Investigation Report she submitted thereafter, failed to impress the CA on the validity of the Manahans' claim. Indeed, records showed that Celzo's findings in her report were merely based on what Felicitas Manahan told her about the alleged occupation and possession by Valentin Manahan of the subject land.

In their Offer of Additional Evidence, the Manahans submitted a photocopy of a letter dated December 21, 2010 allegedly sent by Atty. Allan V. Barcena (OIC, Director) to their counsel, Atty. Romeo C. dela Cruz, which reads:

This has reference to your letter dated August 20, 2010 addressed to the Secretary of the Department of Environment and Natural Resources (DENR) requesting that Deed of Conveyance No. V-200022 issued on October 30, 2000 over Lot 823 of the Piedad Estate in favor of Felicitas B. Manahan be ratified or confirmed for reasons stated therein. The Office of the DENR Secretary in turn referred the letter to us for appropriate action.

Records of this Office on Lot 823 of the Piedad Estate, show that the Deed of Conveyance No. V-200022 covering said lot in favor of Felicitas Manahan was issued by then Director of the Land Management Bureau (LMB), now Undersecretary Ernesto D. Adobo, Jr., on October 30, 2000. The Deed was issued based on General Memorandum Order (GMO) No. 1 issued by then Secretary Jose J. Leido, Jr. of the Department of Natural Resources on January 17, 1977, which authorized the Director of Lands, now Director of LMB, to approve contracts of sale and deeds of conveyance affecting Friar Lands.

It is stressed that the confirmation of the Deed by this office is only as to the execution and issuance based on the authority of LMB Director under GMO No. 1. This is without prejudice to the final decision of the Supreme Court as to its validity in the case of "Severino Manotok IV, et al. versus Heirs of Homer L. Barque" (G.R. No. 162335 & 162605).

Please be guided accordingly.[8] (Emphasis supplied.)

However, in the absence of a valid certificate of sale duly signed by the Secretary of Interior or Agriculture and Natural Resources, such alleged confirmation of the execution and issuance by the DENR-LMB of Deed of Conveyance No V-00022 in favor of Felicitas Manahan on October 30, 2000 is still insufficient to prove the Manahans' claim over the subject land.

In a Supplemental Manifestation dated November 18, 2010, the Manotoks submitted an affidavit supposedly executed on November 11, 2010 by former DENR Secretary Michael T. Defensor ("Defensor Affidavit") clarifying that MO 16-05 applies to all Deeds of Conveyance that do not bear the signature of the Secretary of Natural Resources, contrary to the CA and this Court's statement that said issuance refers only to those deeds of conveyance on file with the records of the DENR field offices.

By its express terms, however, MO 16-05 covered only deeds of conveyances and not unsigned certificates of sale. The explanation of Secretary Defensor stated the avowed purpose behind the issuance, which is "to remove doubts or dispel objections as to the validity of all Torrens transfer certificates of title issued over friar lands" thereby "ratifying the deeds of conveyance to the friar land buyers who have fully paid the purchase price, and are otherwise not shown to have committed any wrong or illegality in acquiring such lands."

The Manahans propounded the same theory that contracts of sale over friar lands without the approval of the Secretary of Natural Resources may be subsequently ratified, but pointed out that unlike the Manotoks' Deed of Conveyance No. 29204 (1932), their Deed of Conveyance No. V-2000-22 (2000) was issued and approved by the Director of Lands upon prior authority granted by the Secretary.

In their Consolidated Memorandum dated December 19, 2010, the Manahans reiterated their earlier argument that the LMB Director himself had the authority to approve contracts of sale and deeds of conveyance over friar lands on the basis of General Memorandum Order No. 1 issued in 1977 by then Secretary of Natural Resources Jose J.

Leido, Jr. delegating such function to the Director of Lands. This delegated power can also be gleaned from Sec. 15, Chapter 1, Title XIV of the Administrative Code of 1987 which provides that the Director of Lands shall “perform such other functions as may be provided by law or assigned by the Secretary.” Moreover, former President Corazon C. Aquino issued Executive Order No. 131 dated January 20, 1987 reorganizing the LMB and providing that the LMB Director shall, among others, perform other functions as may be assigned by the Minister of Natural Resources.

On the basis of Art. 1317[9] of the Civil Code, the Manahans contend that deeds of conveyance not bearing the signature of the Secretary can also be ratified. Further, they cite Proclamation No. 172 issued by former President Joseph Ejercito Estrada which declared that there should be no legal impediment for the LMB to issue such deeds of conveyance since the applicants/purchasers have already paid the purchase price of the lot, and as sellers in good faith, it is the obligation of the Government to deliver to said applicants/purchasers the friar lands sold free of any lien or encumbrance whatsoever. Eventually, when MO 16-05 was issued by Secretary Defensor, all these deeds of conveyance lacking the signature of the Secretary of Natural Resources are thus deemed signed or otherwise ratified. The CA accordingly erred in holding that MO 16-05 cannot override Act No. 1120 which requires that a deed of conveyance must be signed by the Secretary, considering that MO 16-05 is based on law and presidential issuances, particularly EO 131, which have the force of law.

Meanwhile, in compliance with our directive, the Solicitor General filed his Comment on the Defensor Affidavit submitted by the Manotoks. The Solicitor General contends that said document is hearsay evidence, hence inadmissible and without probative value. He points out that former DENR Secretary Defensor was not presented as a witness during the hearings at the CA, thus depriving the parties including the government of the right to cross-examine him regarding his allegations therein. And even assuming *arguendo* that such affidavit is admissible as evidence, the Solicitor General is of the view that the Manotoks, Barques and Manahans still cannot benefit from the remedial effect of MO 16-05 in view of the decision rendered by this Court which ruled that none of the parties in this case has established a valid alienation from the Government of Lot 823 of the Piedad Estate, and also because the curative effect of MO 16-05 is intended only for friar land buyers whose deeds of conveyance lack the signature of the Secretary of the Interior or Agriculture and Natural Resources, have fully paid the purchase price and are otherwise not shown to have committed any wrong or illegality in acquiring the friar lands. He then emphasizes that this Court has ruled that it is not only the deed of conveyance which must be signed by the Secretary but also the certificate of sale itself. Since none of the parties has shown a valid disposition to any of them of Lot 823 of the Piedad Estate, this Court therefore correctly held that said friar land is still part of the patrimonial property of the national government.

The Court is not persuaded by the “ratification theory” espoused by the Manotoks and Manahans.

The argument that the Director of Lands had delegated authority to approve contracts of sale and deeds of conveyances over friar landsignores the consistent ruling of this Court in controversies involving friar lands. The aforementioned presidential/executive issuances notwithstanding, this Court held in *Solid State Multi-Products Corporation v. CA*,^[10] *Liao v. Court of Appeals*,^[11] and *Alonso v. Cebu Country Club*^[12] that approval of the Secretary of Agriculture and Commerce (later the Natural Resources) is indispensable to the validity of sale of friar land pursuant to Sec. 18 of Act No. 1120 and that the procedure laid down by said law must be strictly complied with.

As to the applicability of Art. 1317 of the Civil Code, we maintain that contracts of sale lacking the approval of the Secretary fall under the class of void and inexistent contracts enumerated in Art. 1409^[13] which cannot be ratified. Section 18 of Act No. 1120 mandated the approval by the Secretary for a sale of friar land to be valid.

In his dissenting opinion, Justice Antonio T. Carpio disagreed with the majority's interpretation of Section 18 of Act No. 1120, and proposed that based on Section 12 of the same Act, it is the Deed of Conveyance that must bear the signature of the Secretary of Interior/Agriculture and Natural Resources "because it is only when the final installment is paid that the Secretary can approve the sale, the purchase price having been fully paid." It was pointed out that the majority itself expressly admit that "it is only a ministerial duty on the part of the Secretary to sign the Deed of Conveyance once the applicant had made full payment on the purchase price of the land", citing jurisprudence to the effect that "notwithstanding the failure of the government to issue the proper instrument of conveyance when the purchaser finally pays the final installment of the purchase price, the purchase of the friar land still acquired ownership.

We are unable to agree with the view that it is only the Director of Lands who signs the Certificate of Sale.

The official document denominated as "Sale Certificate" clearly required both the signatures of the Director of Lands who issued such sale certificate to an applicant settler/occupant and the Secretary of the Interior/Agriculture and Natural Resources indicating his approval of the sale. These forms had been prepared and issued by the Chief of the Bureau of Public Lands under the supervision of the Secretary of the Interior, consistent with Act No. 1120 "as may be necessary x x x to carry into effect all the provisions [thereof] that are to be administered by or under [his] direction, and for the conduct of all proceedings arising under such provisions." [14]

We reiterate that Section 18 of Act No. 1120, as amended, is plain and categorical in stating that:

SECTION 18. No lease or sale made by the Chief of the Bureau of Public Lands under the provisions of this Act shall be valid until approved by the Secretary of the Interior.

Section 12 did not mention the requirement of signature or approval of the Secretary in the sale certificate and deed of conveyance.

SECTION 12. It shall be the duty of the Chief of the Bureau of Public Lands by proper investigation to ascertain what is the actual value of the parcel of land held by each settler and occupant, taking into consideration the location and quality of each holding of land, and any other circumstances giving [it] value. The basis of valuation shall likewise be, so far as practicable, such [as] the aggregate of the values of all the holdings included in each particular tract shall be equal to the cost to the Government to the entire tract, including the cost of surveys, administration and interest upon the purchase money to the time of sale. When the cost thereof shall have been thus ascertained, the Chief of the Bureau of Public Lands shall give the said settler and occupant a certificate which shall set forth in detail that the Government has agreed to sell to such settler and occupant the amount of land so held by him, at the price so fixed, payable as provided in this Act at the office of the Chief of Bureau of Public Lands, in gold coin of the United States or its equivalent in Philippine currency, and that upon the payment of the final installment together with [the] accrued interest the Government will convey to such settler and occupant the said land so held by him by proper instrument of conveyance, which shall be issued and become effective in the manner provided in section one hundred and twenty-two of the Land Registration Act. The Chief of the Bureau of Public Lands shall, in each instance where a certificate is given to the settler and occupant of any holding, take his formal receipt showing the delivery of such certificate, signed by said settler and occupant.

On the other hand, the first paragraph of Section 15 provides for the reservation of title in the Government only for the purpose of ensuring payment of the purchase price, which means that the sale was subject only to the resolutive condition of non-payment, while the second paragraph states that the purchaser thereby acquires "the right of possession and purchase" by virtue of a certificate of sale "signed under the provisions [thereof]." The certificate of sale evidences the meeting of the minds between the Government and the applicant regarding the

price, the specific parcel of friar land, and terms of payment. In *Dela Torre v. Court of Appeals*,^[15] we explained that the non-payment of the full purchase price is the only recognized resolutory condition in the case of sale of friar lands. We have also held that it is the execution of the contract to sell and delivery of the certificate of sale that vests title and ownership to the purchaser of friar land.^[16] Where there is no certificate of sale issued, the purchaser does not acquire any right of possession and purchase, as implied from Section 15. By the mandatory language of Section 18, the absence of approval of the Secretary of Interior/Agriculture and Natural Resources in the lease or sale of friar land would invalidate the sale. These provisions read together indicate that the approval of the Secretary is required in both the certificate of sale and deed of conveyance, although the lack of signature of the Secretary in the latter may not defeat the rights of the applicant who had fully paid the purchase price.

Justice Conchita Carpio Morales' dissent asserted that case law does not categorically state that the required "approval" must be in the form of a signature on the Certificate of Sale, and that there is no statutory basis for the requirement of the Secretary's signature on the Certificate of Sale "apart from a strained deduction of Section 18."

As already stated, the official forms being used by the Government for this purpose clearly show that the Director of Lands signs every certificate of sale issued covering a specific parcel of friar land in favor of the applicant/purchaser while the Secretary of Interior/Natural Resources signs the document indicating that the sale was approved by him. To approve is to be satisfied with; to confirm, ratify, sanction, or consent to some act or thing done by another; to sanction officially.^[17] The Secretary of Interior/Natural Resources signs and approves the Certificate of Sale to confirm and officially sanction the conveyance of friar lands executed by the Chief of the Bureau of Public Lands (later Director of Lands). It is worth mentioning that Sale Certificate No. 651 in the name of one Ambrosio Berones dated June 23, 1913,^[18] also covering Lot 823 of the Piedad Estate and forming part of the official documents on file with the DENR-LMB which was formally offered by the OSG as part of the official records on file with the DENR and LMB pertaining to Lot 823, contains the signature of both the Director of Lands and Secretary of the Interior. The Assignment of Sale Certificate No. 651 dated April 19, 1930 was also signed by the Director of Lands.^[19]

Following the dissent's interpretation that the Secretary is not required to sign the certificate of sale while his signature in the Deed of Conveyance may also appear although merely a ministerial act, it would result in the absurd situation wherein the certificate of sale and deed of conveyance both lacked the signature and approval of the Secretary, and yet the purchaser's ownership is ratified, courtesy of DENR Memorandum Order (MO) No. 16-05. It is also not farfetched that greater chaos will arise from conflicting claims over friar lands, which could not be definitively settled until the genuine and official manifestation of the Secretary's approval of the sale is discerned from the records and documents presented. This state of things is simply not envisioned under the orderly and proper distribution of friar lands to bona fide occupants and settlers whom the Chief of the Bureau of Public Lands was tasked to identify.^[20]

The existence of a valid certificate of sale therefore must first be established with clear and convincing evidence before a purchaser is deemed to have acquired ownership over a friar land notwithstanding the non-issuance by the Government, for some reason or another, of a deed of conveyance after completing the installment payments. In the absence of such certificate of sale duly signed by the Secretary, no right can be recognized in favor of the applicant. Neither would any assignee or transferee acquire any right over the subject land.

In *Alonso v. Cebu Country Club, Inc.*,^[21] the Court categorically ruled that the absence of approval by the Secretary of Agriculture and Commerce in the sale certificate and assignment of sale certificate made the sale null and void ab initio. Necessarily, there can be no valid titles issued on the basis of such sale or assignment.^[22]

Justice Carpio, however, opined that the ruling in *Alonso* “was superseded with the issuance by then Department of [Environment] and Natural Resources (DENR) Secretary Michael T. Defensor of DENR Memorandum Order No. 16-05.” It was argued that the majority had construed a “limited application” when it declared that the *Manotoks* could not benefit from said memorandum order because the latter refers only to deeds of conveyance “on file with the records of the DENR field offices”.

We disagree with the view that *Alonso* is no longer applicable to this controversy after the issuance of DENR MO No. 16-05 which supposedly cured the defect in the *Manotoks*’ title.

First, DENR MO No. 16-05 explicitly makes reference only to Deeds of Conveyances, not to Sale Certificates by which, under the express language of Section 15, the purchaser of friar land acquires the right of possession and purchase pending final payment and the issuance of title, such certificate being duly signed under the provisions of Act No. 1120. Although the *whereas* clause of MO No. 16-05 correctly stated that it was only a ministerial duty on the part of the Secretary to sign the Deed of Conveyance once the applicant had made full payment on the purchase price of the land, it must be stressed that in those instances where the formality of the Secretary’s approval and signature is dispensed with, there was a valid certificate of sale issued to the purchaser or transferor. In this case, there is no indication in the records that a certificate of sale was actually issued to the assignors of Severino Manotok, allegedly the original claimants of Lot 823, Piedad Estate.

Second, it is basic that an administrative issuance like DENR Memorandum Order No. 16-05 must conform to and not contravene existing laws. In the interpretation and construction of the statutes entrusted to them for implementation, administrative agencies may not make rules and regulations which are inconsistent with the statute it is administering, or which are in derogation of, or defeat its purpose. In case of conflict between a statute and an administrative order, the former must prevail.[23] DENR Memorandum Order No. 16-05 cannot supersede or amend the clear mandate of Section 18, Act No. 1120 as to dispense with the requirement of approval by the Secretary of the Interior/Agriculture and Natural Resources of every lease or sale of friar lands.

But what is worse, as the dissent suggests, is that MO 16-05 would apply even to those deeds of conveyances not found in the records of DENR or its field offices, such as the *Manotoks*’ Deed of Conveyance No. 29204 sourced from the National Archives. It would then cover cases of claimants who have not been issued any certificate of sale but were able to produce a deed of conveyance in their names. The Bureau of Lands was originally charged with the administration of all laws relative to friar lands, pursuant to Act No. 2657 and Act No. 2711. Under Executive Order No. 192,[24] the functions and powers previously held by the Bureau of Lands were absorbed by the Lands Management Bureau (LMB) of the DENR, while those functions and powers not absorbed by the LMB were transferred to the regional field offices.[25] As pointed out by the Solicitor General in the Memorandum submitted to the CA, since the LMB and DENR-NCR exercise sole authority over friar lands, they are naturally the “sole repository of documents and records relative to Lot No. 823 of the Piedad Estate.”[26]

Third, the perceived disquieting effects on titles over friar lands long held by generations of landowners cannot be invoked as justification for legitimizing any claim or acquisition of these lands obtained through fraud or without strict compliance with the procedure laid down in Act No. 1120. This Court, in denying with finality the motion for reconsideration filed by petitioner in *Alonso v. Cebu Country Club, Inc.*[27] reiterated the settled rule that “[a]pproval by the Secretary of the Interior cannot simply be presumed or inferred from certain acts since the law is explicit in its mandate.”[28] Petitioners failed to discharge their burden of proving their acquisition of title by clear and convincing evidence, considering the nature of the land involved.

As consistently held by this Court, friar lands can be alienated only upon proper compliance with the requirements of Act No. 1120. The issuance of a valid certificate of sale is a condition sine qua non for acquisition of

ownership under the Friar Lands Act. Otherwise, DENR Memorandum Order No. 16-05 would serve as administrative imprimatur to holders of deeds of conveyance whose acquisition may have been obtained through irregularity or fraud.

Contrary to the dissent of Justice Maria Lourdes P. A. Sereno that our decision has “created dangers for the system of property rights in the Philippines”, the Court simply adhered strictly to the letter and spirit of the Friar Lands Act and jurisprudence interpreting its provisions. Such imagined scenario of instability and chaos in the established property regime, suggesting several other owners of lands formerly comprising the Piedad Estate who are supposedly similarly situated, remains in the realm of speculation. Apart from their bare allegations, petitioners (Manotoks) failed to demonstrate how the awardees or present owners of around more than 2,000 hectares of land in the Piedad Estate can be embroiled in legal disputes arising from unsigned certificates of sale.

On the other hand, this Court must take on the task of scrutinizing even certificates of title held for decades involving lands of the public domain and those lands which form part of the Government’s patrimonial property, whenever necessary in the complete adjudication of the controversy before it or where apparent irregularities and anomalies are shown by the evidence on record. There is nothing sacrosanct about the landholdings in the Piedad Estate as even prior to the years when Lot 823 could have been possibly “sold” or disposed by the Bureau of Lands, there were already reported anomalies in the distribution of friar lands in general.[29]

Significantly, subsequent to the promulgation of our decision in *Alonso*, Republic Act No. (RA) 9443 was passed by Congress confirming and declaring, subject to certain exceptions, the validity of existing TCTs and reconstituted certificates of title covering the Banilad Friar Lands Estate situated in Cebu. *Alonso* involved a friar land already titled but without a sale certificate, and upon that ground we declared the registered owner as not having acquired ownership of the land. RA 9443 validated the titles “notwithstanding the lack of signatures and/or approval of the then Secretary of Interior (later Secretary of Agriculture and Natural Resources) and/or the then Chief of the Bureau of Public lands (later Director of Public Lands) in the copies of the duly executed Sale Certificate and Assignments of Sale Certificates, as the case may be, now on file with the Community Environment and Natural Resources Office (CENRO), Cebu City”.

The enactment of RA 9443 signifies the legislature’s recognition of the statutory basis of the *Alonso* ruling to the effect that in the absence of signature and/or approval of the Secretary of Interior/Natural Resources in the Certificates of Sale on file with the CENRO, the sale is not valid and the purchaser has not acquired ownership of the friar land. Indeed, Congress found it imperative to pass a new law in order to exempt the already titled portions of the Banilad Friar Lands Estate from the operation of Section 18. This runs counter to the dissent’s main thesis that a mere administrative issuance (DENR MO No. 16-05) would be sufficient to cure the lack of signature and approval by the Secretary in Certificate of Sale No. 1054 covering Lot 823 of the Piedad Estate.

In any event, the Manotoks now seek the application of RA 9443 to the Piedad Estate, arguing that for said law to be constitutionally valid, its continued operation must be interpreted in a manner that does not collide with the equal protection clause. Considering that the facts in *Alonso* from which RA 9443 sprung are similar to those in this case, it is contended that there is no reason to exclude the Piedad Estate from the ambit of RA 9443.

Justice Carpio’s dissent concurs with this view, stating that to limit its application to the Banilad Friar Lands Estate will result in class legislation. RA 9443 supposedly should be extended to lands similarly situated, citing the case of *Central Bank Employees Association, Inc. v. Bangko Sentral ng Pilipinas*. [30]

In the aforesaid case, the Court extended the benefits of subsequent laws exempting all rank-and-file employees of other government financing institutions (GFIs) from the Salary Standardization Law (SSL) to the rank-and-file employees of the BSP. We upheld the position of petitioner association that the continued operation of Section 15

(c), Article II of RA 7653 (the New Central Bank Act), which provides that the compensation and wage structure of employees whose position fall under salary grade 19 and below shall be in accordance with the rates prescribed under RA 6758 (SSL), constitutes “invidious discrimination on the 2,994 rank-and-file employees of the [BSP]”. Thus, as regards the exemption from the SSL, we declared that there were no characteristics peculiar only to the seven GFIs or their rank-and-file so as to justify the exemption from the SSL which BSP rank-and-file employees were denied. The distinction made by the law is superficial, arbitrary and not based on substantial distinctions that make real differences between BSP rank-and-file and the seven other GFIs.[31]

We are of the opinion that the provisions of RA 9443 may not be applied to the present case as to cure the lack of signature of the Director of Lands and approval by the Secretary of Agriculture and Natural Resources in Sale Certificate No. 1054.

The Court has explained the nature of equal protection guarantee in this manner:

The equal protection of the law clause is against undue favor and individual or class privilege, as well as hostile discrimination or the oppression of inequality. It is not intended to prohibit legislation which is limited either in the object to which it is directed or by territory within which it is to operate. It does not demand absolute equality among residents; it merely requires that all persons shall be treated alike, under like circumstances and conditions both as to privileges conferred and liabilities enforced. The equal protection clause is not infringed by legislation which applies only to those persons falling within a specified class, if it applies alike to all persons within such class, and reasonable grounds exist for making a distinction between those who fall within such class and those who do not.[32] (Emphasis and underscoring supplied.)

Section 1 of RA 9443 provides:

Section 1. All existing Transfer Certificates of Title and Reconstituted Certificates of Title duly issued by the Register of Deeds of Cebu Province and/or Cebu City covering any portion of the Banilad Friar Lands Estate, notwithstanding the lack of signatures and/or approval of the then Secretary of the Interior (later Secretary of Agriculture and Natural Resources) and/or the then Chief of the Bureau of Public Lands (later Director of Public Lands) in the copies of the duly executed Sale Certificates and Assignments of Sales Certificates, as the case may be, now on file with the Community Environment and Natural Resources Office (CENRO), Cebu City, are hereby confirmed and declared as valid titles and the registered owners recognized as absolute owners thereof.

This confirmation and declaration of validity shall in all respects be entitled to like effect and credit as a decree of registration, binding the land and quieting the title thereto and shall be conclusive upon and against all persons, including the national government and all branches thereof; except when, in a given case involving a certificate of title or reconstituted certificate of title, there is clear evidence that such certificate of title or reconstituted certificate of title was obtained through fraud, in which case the solicitor general or his duly designated representative shall institute the necessary judicial proceeding to cancel the certificate of title or reconstituted certificate of title as the case may be, obtained through such fraud.(Emphasis supplied.)

Without ruling on the issue of violation of equal protection guarantee if the curative effect of RA 9443 is not made applicable to all titled lands of the Piedad Estate, it is clear that the Manotoks cannot invoke this law to “confirm” and validate their alleged title over Lot 823. It must be stressed that the existence and due issuance of TCT No. 22813 in the name of Severino Manotok was not established by the evidence on record. There is likewise no copy of a “duly executed certificate of sale” “on file” with the DENR regional office. In the absence of an existing certificate of title in the name of the predecessor-in-interest of the Manotoks and certificate of sale on file with the DENR/CENRO, there is nothing to confirm and validate through the application of RA 9443.

Moreover, RA 9443 expressly excludes from its coverage those cases involving certificates of title which were

shown to have been fraudulently or irregularly issued. As the reconstitution and remand proceedings in these cases revealed, the Manotoks' title to the subject friar land, just like the Barques and Manahans, is seriously flawed. The Court cannot allow them now to invoke the benefit of confirmation and validation of ownership of friar lands under duly executed documents, which they never had in the first place. Strict application by the courts of the mandatory provisions of the Friar Lands Act is justified by the laudable policy behind its enactment -- to ensure that the lands acquired by the government would go to the actual occupants and settlers who were given preference in their distribution.[33]

The dissent reiterates that the existence of Sale Certificate No. 1054 was clearly and convincingly established by the original of Assignment of Sale Certificate No. 1054 dated May 4, 1923 between M. Teodoro and Severino Manotok as assignors and Severino Manotok as assignee (approved by the Director of Lands on June 23, 1923), which is on file with the LMB, as well as the Deed of Conveyance No. 29204 secured from the National Archives which is the repository of government and official documents, the original of Official Receipt No. 675257 dated 20 February 1920 for certified copy of Assignment of Sale Certificate No. 1054 on Lot 823 and the original of the Provincial Assessor's declaration of title in Severino Manotok's name for tax purposes on August 9, 1933 assessing him beginning with the year 1933. The dissent further listed some of those alleged sale certificates, assignment deeds and deeds of conveyance either signed by the Director of Lands only or unsigned by both Director of Lands and Secretary of Interior/Natural Resources, gathered by the Manotoks from the LMB. It was stressed that if MO 16-05 is not applied to these huge tracts of land within and outside Metro Manila, "[H]undreds of thousands, if not millions, of landowners would surely be dispossessed of their lands in these areas," "a blow to the integrity of our Torrens system and the stability of land titles in this country."

The Court has thoroughly examined the evidence on record and exhaustively discussed the merits of the Manotoks' ownership claim over Lot 823, in the light of established precedents interpreting the provisions of the Friar Lands Act. The dissent even accused the majority of mistakenly denigrating the records of the National Archives which, under R.A. No. 9470 enacted on May 21, 2007, is mandated to store and preserve "any public archive transferred to the National Archives" and tasked with issuing certified true copies or certifications on public archives and for extracts thereof.

The Friar Lands Act mandated a system of recording all sale contracts to be implemented by the Director of Lands, which has come to be known as the Friar Lands Sales Registry.

SEC. 6. The title, deeds and instruments of conveyance pertaining to the lands in each province, when executed and delivered by said grantors to the Government and placed in the keeping of the Chief of the Bureau of Public Lands, as above provided, shall be by him transmitted to the register of deeds of each province in which any part of said lands lies, for registration in accordance with law. But before transmitting the title, deeds, and instruments of conveyance in this section mentioned to the register of deeds of each province for registration, the Chief of the Bureau of Public Lands shall record all such deeds and instruments at length in one or more books to be provided by him for that purpose and retained in the Bureau of Public Lands, when duly certified by him shall be received in all courts of the Philippine Islands as sufficient evidence of the contents of the instrument so recorded whenever it is not practicable to produce the originals in court. (Section 1, Act No. 1287).

It is thus the primary duty of the Chief of the Bureau of Public Lands to record all these deeds and instruments in sales registry books which shall be retained in the Bureau of Public Lands. Unfortunately, the LMB failed to produce the sales registry book in court, which could have clearly shown the names of claimants, the particular lots and areas applied for, the sale certificates issued and other pertinent information on the sale of friar lands within the Piedad Estate. Witness Teresita J. Reyes, a retired Assistant Chief of the Records Management Division (RMD), LMB who was presented by the Manahans, testified that when the LMB was decentralized, the

sales registry books pertaining to friar lands were supposedly turned over to the regional offices. These consisted of copies of the appropriate pages of the sales registry books in the LMB RMD main office which has an inventory of lots subject of deeds of conveyance and sales certificates. However, Reyes said that the sales registry book itself is no longer with the RMD. On the other hand, the alleged affidavit of Secretary Defensor dated November 11, 2010 states that MO 16-05 was intended to address situations when deeds of conveyance lacked the signature of the Secretary of Agriculture and Commerce, or such deeds or records from which the Secretary's signature or approval may be verified were lost or unavailable.

Whether the friar lands registry book is still available in the LMB or properly turned over to the regional offices remains unclear. With the statutorily prescribed record-keeping of sales of friar lands apparently in disarray, it behooves on the courts to be more judicious in settling conflicting claims over friar lands. Titles with serious flaws must still be carefully scrutinized in each case. Thus, we find that the approach in *Alonso* remains as the more rational and prudent course than the wholesale ratification introduced by MO 16-05.

The prospect of litigants losing friar lands they have possessed for years or decades had never deterred courts from upholding the stringent requirements of the law for a valid acquisition of these lands. The court's duty is to apply the law. Petitioners' concern for other landowners which may be similarly affected by our ruling is, without doubt, a legitimate one. The remedy though lies elsewhere -- in the legislature, as what R.A. 9443 sought to rectify.

WHEREFORE, the present motions for reconsideration are all hereby DENIED with FINALITY. The motions for oral arguments and further reception of evidence are likewise DENIED.

Let entry of judgment be made in due course.

SO ORDERED.

Corona, C.J., Leonardo-De Castro, Peralta, Bersamin, Abad, Perez, and Mendoza, JJ., concur.

Carpio, J., see dissenting opinion.

Velasco, Jr., Brion, Sereno, Reyes, and Perlas-Bernabe, JJ., joins the dissent of J. Carpio.

Del Castillo, J., I certify that J., Del Castillo sent his vote concurring with J. Villarama, Jr.

[1] G.R. No. 130876, January 31, 2002, 375 SCRA 390.

[2] 359 Phil. 530 (1998) and G.R. No. 110020, September 25, 1998, 296 SCRA 177.

[3] G.R. Nos. 123346 & 134385, December 14, 2007, 540 SCRA 304, 351-352, citing *Republic v. Court of Appeals*, 359 Phil. 530 (1998).

[4] Arturo M. Tolentino, *Commentaries and Jurisprudence on the Civil Code of the Philippines*, Vol. II, 1992 ed., p. 284.

[5] *Supra* note 1 at 404-405, citing *Liao v. Court of Appeals*, G.R. Nos. 102961-62, 107625 & 108759, January 27, 2000, 323 SCRA 430, 442.

[6] See *Solid State Multi-Products Corporation v. Court of Appeals*, G.R. No. 83383, May 6, 1991, 196 SCRA 630, 642.

[7] TSN, November 18, 2009, pp. 46-48, 51-54, 94.

[8] *Rollo* (G.R. No. 162605, Vol. 2), pp. 2831-2837.

[9] Art. 1317. No one may contract in the name of another without being authorized by the latter, or unless he has by law a right to represent him.

A contract entered into in the name of another by one who has no authority or legal representation, or who has acted beyond his powers, shall be unenforceable, unless it is ratified, expressly or impliedly, by the person on whose behalf it has been executed, before it is revoked by the other contracting party.

[10] Supra note 6.

[11] Supra note 5.

[12] Supra note 5.

[13] Art. 1409. The following contracts are inexistent and void from the beginning:

(1) Those whose cause, object or purpose is contrary to law, morals, good customs, public order or public policy;

(2) Those which are absolutely simulated or fictitious;

(3) Those whose cause or object did not exist at the time of the transaction;

(4) Those whose object is outside the commerce of men;

(5) Those which contemplate an impossible service;

(6) Those where the intention of the parties relative to the principal object of the contract cannot be ascertained;

(7) Those expressly prohibited or declared void by law.

These contracts cannot be ratified. Neither can the right to set up the defense of illegality be waived. (Emphasis supplied.)

[14] Sec. 24, Act No. 1120.

[15] G.R. No. 113095, February 8, 2000, 325 SCRA 11, 16.

[16] See *Jovellanos v. Court of Appeals*, G.R. No. 100728, June 18, 1992, 210 SCRA 126, 135.

[17] *Black's Law Dictionary*, Fifth Ed., p. 94.

[18] CA rollo, Vol. VIII, p. 4272.

[19] *Id.* at 4271.

[20] Sec. 7, Act No. 1120.

[21] Supra note 1.

[22] *Id.* at 404-405.

[23] See Ruben E. Agpalo, *Administrative Law, Law on Public Officers and Election Law*, 2005 Edition, pp. 59, 62.

[24] Reorganization Act of the Department of Environment and Natural Resources, issued on June 10, 1987, Secs. 6 and 14.

[25] *Id.*, Secs. 20 and 21.

[26] CA rollo, Vol. XV, pp. 10571-10577.

[27] 462 Phil. 546 (2003).

[28] Id. at 561.

[29] See Rene R. Escalante, *The American Friar Lands Policy: Its Framers, Context, and Beneficiaries, 1898-1916* by 2002 (De La Salle University Press, Inc.) Under the Chapter on “The Travesty of the Land-to-the-Tiller Program”, the author wrote:

The acreage limitation and pro-tenant provisions of the policy were not consistently observed by the implementing agencies. Many buyers and lessees were neither tenants nor occupants of the friar lands. Moreover, the acreage that they obtained exceeded the ceiling imposed by the policy. Eighty-two out of the recorded 8,847 buyers in 1910 violated the 16-hectare limitation.

The anomalies in the redistribution of the friar lands could be attributed to the officials of the insular government, as most of the beneficiaries of these anomalies were identified with them. Instead of giving the friar lands to the intended recipients, the officials awarded the friar lands to themselves, their associates, and their relatives. x x x (pp. 141-142).

x x x x

The Jones Law of 1916 stripped the Americans of powers over the administration of the friar lands, and all unsold friar lands were placed under the control of the Philippine legislature. x x x From then on, the fate of the friar lands was in the hands of Filipino politicians and bureaucrats. (p. 154).

[30] G.R. No. 148208, December 15, 2004, 446 SCRA 299.

[31] Id. at 367.

[32] *Fariñas v. The Executive Secretary*, G.R. Nos. 147387 & 152161, December 10, 2003, 417 SCRA 503, 525-526, citing *Ichong, etc., et al. v. Hernandez, etc., and Sarmiento*, 101 Phil. 1155, 1164 (1957) and *2 Cooley, Constitutional Limitations*, pp. 824-825.

[33] See R. Escalante, *supra* note 22 at 83.

DISSENTING OPINION

CARPIO, J.:

In its 24 August 2010 Decision, the Court held:

WHEREFORE, the petitions filed by the Manotoks under Rule 45 of the 1997 Rules of Civil Procedure, as amended, as well as the petition-in-intervention of the Manahans, are DENIED. The petition for reconstitution of title filed by the Barques are likewise DENIED. TCT No. RT-22481 (372302) in the name of Severino Manotok IV, et al., TCT No. 210177 in the name of Homer L. Barque and Deed of Conveyance No. V-200022 issued to Felicitas B. Manahan, are all hereby declared NULL and VOID. The Register of Deeds of Caloocan City and/or Quezon City are hereby ordered to CANCEL the said titles. The Court hereby DECLARES that Lot 823 of the Piedad Estate, Quezon City legally belongs to the NATIONAL GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES, without prejudice to the institution of REVERSION proceedings by the State through the Office of the Solicitor General.

With costs against the petitioners.

SO ORDERED.

The Manotoks, the Barques and the Manahans filed their respective motions for reconsideration of the Decision.

I reiterate my dissent to the majority opinion.

In their motion for reconsideration, the Manotoks submitted the Affidavit, dated 11 November 2010, of former DENR Secretary Michael T. Defensor who issued DENR Memorandum Order No. 16-05.[1] The Affidavit states:

REPUBLIC OF THE PHILIPPINES)
CITY OF MAKATI) s.s.

AFFIDAVIT

I, MICHAEL T. DEFENSOR, Filipino, of legal age, with residence at 10 Ifugao St., La Vista Subdivision, Quezon City, after having been sworn in accordance with law, hereby depose and state:

1. I was the Secretary of the Department of Environment and Natural Resources (“DENR”) from July 2004 to February 2006.

2. Sometime in the third quarter of 2005, His Eminence Ricardo J. Cardinal Vidal, Archbishop of Cebu, brought to the attention of the DENR that several land owners whose properties formed part of the friar lands sold by the government pursuant to Act No. 1120 or the Friar Lands Act – including a property of the Roman Catholic Church, situated in the Banilad Estates – have raised concerns on the continuing validity of their Torrens titles over these lots in view of the Supreme Court’s resolution in *Alonso v. Cebu Country Club*, G.R. No. 130876, December 5, 2003, which held that:

Section 18 of Act No. 1120 or the Friar Lands Act unequivocally provides: “No lease or sale made by the Chief of the Bureau of Public Lands (now Director of Lands) under the provisions of this Act shall be valid until approved by the Secretary of Interior (now, the Secretary of Natural Resources). Thus, petitioners’ claim of ownership must fail in the absence of positive evidence showing the approval of the Secretary of Interior. Approval of the Secretary of the Interior cannot simply be presumed or inferred from certain acts since the law is explicit in its mandate.

3. Cardinal Vidal, together with several land owners whose properties were contiguous to the disputed parcel of land in *Alonso*, informed the DENR that available copies of the Government’s deeds of conveyance over the friar lots sold to them lacked the signature of the Secretary of the Interior or the Secretary of Agriculture and Natural Resources, as the case may be. These title holders expressed concern about the effect of the *Alonso* decision on their ownership of those lots.

4. I then ordered the personnel of the Land Management Bureau (“LMB”) to look into these concerns, and, in particular, to examine the records on file with the LMB, CENRO or National Archives and verify if the deeds of conveyance of friar lands in their custody bear the signature of the Secretary. It was determined that all of the deeds they examined did not have the signature of the Secretary.

5. In view of these, and of the implications of the *Alonso* decision on the Torrens titles issued to buyers of friar lands, for which the full purchase price had already been acknowledged received by the government, the DENR, on October 27, 2005, issued Memorandum Order No. 16-05, which declared that

“[A]ll Deeds of Conveyance that do not bear the signature of the Secretary are deemed signed or otherwise ratified by Memorandum Order [No. 16-05,] provided, however, that full payment of the purchase price of the land and compliance with all the other requirements for the issuance of the Deed of Conveyance under Act 1120 have been accomplished by the applicant.”

6. DENR Memorandum Order No. 16-05 was intended to remove doubts or dispel objections as to the validity of all Torrens transfer certificates of title issued over friar lands, where such doubts or objections arise either from the lack of signature of then Secretary of Interior or then Secretary of Agriculture and Natural Resources on the deeds of conveyance that have led to the issuance of the said titles, or because of the loss or unavailability of such deeds or of the records from which the Secretary's signature or approval may be verified.

7. DENR Memorandum Order No. 16-05 was intended to preserve the integrity of the Torrens system and affirm the Government's obligation as seller, by ratifying the deeds of conveyance to the friar land buyers who have fully paid the purchase price, and are otherwise not shown to have committed any wrong or illegality in acquiring such lands.

Further I say none.

I hereby attest to the truth of the foregoing and hereunto set my hand this [11th] day of November 2010.

MICHAEL T. DEFENSOR

Affiant[2]

In short, the former DENR Secretary states in his Affidavit that all the deeds examined by LMB personnel on file with the LMB, CENRO and the National Archives do not have the signature of the Secretary of the Interior or the Secretary of Agriculture and Natural Resources. To repeat, former DENR Secretary Defensor states that upon examination, all deeds of conveyance involving friar lands did not have the signature of the Secretary.

Hence, DENR Memorandum Order No. 16-05 was issued precisely to "remove doubts or dispel objections as to the validity of all Torrens transfer certificates of title issued over friar lands, where such doubts or objections arise either from the lack of signature of then Secretary of the Interior or the Secretary of Agriculture and Natural Resources on the deed of conveyance that have led to the issuance of said titles, or because of the loss or unavailability of such deeds or of the records from which the Secretary's signature or approval may be verified." DENR Memorandum Order No. 16-05 was not limited to the Banilad Estate but applied to all friar lands in the Philippines because all deeds of conveyance, regardless of where located, did not have the signature of the Secretary.

In the motion for reconsideration and subsequent manifestations they submitted, the Manotoks also submitted to the Court some of the Sale Certificates which similarly do not bear the signature of the Director of Lands or the Secretary of Interior. Thus:

1. Sales Certificates involving friar lands from LMB records which do not bear the signatures of the Director of Lands and the Secretary of Interior:

Sale Certificate No.

Name of Vendee

Estate/Province

909

Placido Mendoza

Lolomboy/Bulacan

1228

Mario Mateo

Lolomboy/Bulacan³

2. Sale Certificates involving friar lands obtained from the National Archives which do not bear the signatures of the Director of Lands and the Secretary of Interior:

Sale Certificate No.

Name of Vendee

Estate/Province

5411

[Illegible] Cruz

Lolomboy/Bulacan

5412

Pedro Cruz

Lolomboy/Bulacan

5413

[Illegible] Halili

Lolomboy/Bulacan

5414

Monica Urrutia

Lolomboy/Bulacan

5415

Emiliano Lorenzo

Lolomboy/Bulacan⁴

3. Sale Certificates from the LMB and the National Archives that do not bear the signatures of both the Director of Lands and the Secretary of Agriculture and Natural Resources/Interior:

Sale Certificate No.

Name of Vendee

Estate/Province

83

Juan J. Clemente

Tala/Rizal

52

Mariano de la Cruz

Tala/Rizal

144

Sotero Galgana

Piedad/Rizal

704

Ignacio Samson

Piedad/Rizal

1065

Felisa Santos de Guia

Piedad/Rizal

811

Pascual Mateo

Lolomboy/Bulacan

910

Placido Mendoza

Lolomboy/Bulacan

1723

Calixto Mendoza

Lolomboy/Bulacan

1724

Calixto Mendoza

Lolomboy/Bulacan

Assignment dated 25 June 1912

-same-

Assignment dated 10 November 1924

-same-

5310

Isabel Marquez

Lolomboy/Bulacan5

4. Sales Certificates to Friar Lands obtained from the LMB that do do bear the signatures of both the Director of Lands and the Secretary of the Agriculture and Natural Resources/Interior:

Sale Cert. No.

Name of Vendee

Estate/Province

386

Enrique Matos

Piedad/Rizal

Assignment dated 16 December 1914

-same-

4595

Matea Francisco

Lolomboy/Bulacan

Assignment dated 1 August 1917

-same-

Assignment dated 6 February 1920

-same-

Assignment dated 1 November 1926

-same-

Assignment dated 6 January 1931

-same-

387

Francisco Diaz

Lolomboy/Bulacan

908

Placido Mendoza

Lolomboy/Bulacan

1220

Maria del Castillo

Lolomboy/Bulacan⁶

5. Sale Certificates from the LMB that do not bear the signatures of the Director of Lands and Secretary of Agriculture and Natural Resources/Interior:

Sale Certificate No.

Name of Vendee

Estate/Province

294

Arcadio Placido

Binagbag/Bulacan

324

Guillermo de la Cruz

Binagbag/Bulacan

333

Pablo Mamos

Binagbag/Bulacan

310

Agustin Placido

Binagbag/Bulacan

2492

Engracio Rojas

Toro-Lolomboy/Bulacan⁷

6. Sale Certificates and Assignments of Sale Certificates that do not bear the signatures of the Director of Lands and Department Secretary:

Sale Cert. No.

Name of Vendee

Estate/Province

636 (old)

Francisco Zacarias

Pasolo-Lolomboy

Assignment dated January 6, 1933

-same-

186

Assignment dated December 29, 1919

Piedad/Rizal

284

Assignment dated December 29, 1919

Piedad/Rizal

5309

Celedonia Dilag

Lolomboy/Bulacan

3340

Felicidad M. De Bagtas

S.C. De Malabon/Cavite⁸

7. Sales Certificates and Assignment of Sale Certificates that do not bear the signatures of the Director of Lands and Department Secretary:

Sale Cert. No.

Name of Vendee

Estate/Province

728

Assignment dated December 29, 1919

Naic/Cavite

1308

Assignment dated December 29, 1919

Malinta/Bulacan⁹

8. Deeds of Conveyance in the records of the National Archives that bear the signature of the Director of Lands but not that of the Secretary of Interior:

Deed of Conveyance No.

Name of Vendee

Estate/Province

5800

Gabriel Lazaro

Tala/Rizal

5865

The Roman Catholic Archbishop

Muntinlupa/Rizal

26345

Juan Arciaga Estole

Muntinlupa/Rizal

27648

Salud A. Yatco

Muntinlupa/Rizal

28779

Juan Claridad

Muntinlupa/Rizal

29164

Juliana Barizo

Imus/Cavite

29163

Rufina Jose

Imus/Cavite

29162

Luisa Sabater

Imus/Cavite

29161

Lina Octavo

Imus/Cavite

29212

Gregoria Alcantara

Imus/Cavite

29225

Alejandro Vasquez

Naic/Cavite

29226

Alejandra Merlan

Naic/Cavite

29227

Jovita Manalaysay

Naic/Cavite

29228

Alejandra Poblete

Naic/Cavite

29229

Marcela Garcia

Naic/Cavite

29230

Andres Fortuno

S.F. De Malabon/Cavite

29180

Mariano Paradina

Biñan/Laguna

29179

Pascual Marquina

Biñan/Laguna

29178

Sps. Belisario

Biñan/Laguna

29177

Julio Casamata

Biñan/Laguna

29176

Sps. Belisario

Biñan/Laguna

29175

Macario Presbitero

Biñan/Laguna

29213

Felicidad Luzada

Malinta/Bulacan

19308

Agustin Placido

Binagbag/Bulacan

8906

Pablo Ramos

Binagbag/Bulacan

7616

Guillermo de la Cruz

Binagbag/Bulacan

29211

Adriano de Guzman

Binagbag/Bulacan

25110

Andres Avendaño

Lolomboy/Bulacan

34305

Francisco Mendoza

Lolomboy/Bulacan

34473

Antonio Mendoza, et al.

Lolomboy/Bulacan

34569

Clotilde Mendoza

Lolomboy/Bulacan

34374

Pedro Mendoza, et al.

Lolomboy/Bulacan

34484

Exequiel Mendoza

Lolomboy/Bulacan

34485

Matias Alberto

Lolomboy/Bulacan

29214

Apolonio Yamco

Lolomboy/Bulacan¹⁰

9. Deed of Conveyance from the National Archives that bears the signature of the Director of Lands but not of the Secretary of Interior:

Deed of Conveyance No.

Name of Vendee

Estate/Province

5867 The Roman Catholic Archbishop Muntinlupa/Rizal¹¹

10. Deeds of Conveyance that bear the signature of the Director of Lands but not the Department Secretary:

Deed of Conveyance No.

Name of Vendee

Estate/Province

5864

Filomena Yatco

Biñan/Laguna

5866

The Roman Catholic Archbishop

Muntinlupa/Rizal

5868

Faustino Arciaga

Muntinlupa/Rizal

5869

Faustino Arciaga

Muntinlupa/Rizal

5870

G. Chalmers

Muntinlupa/Rizal

5871

G. Chalmers

Muntinlupa/Rizal

5872

Juana Duque

Tala/Rizal

5873

Vicente Pascual

Tala/Rizal

5874

Primo Susano

Tala/Rizal

5875

Eustaquio Bordador

Tala/Rizal

5876

Gregorio Mauricio

Tala/Rizal

5883

Eusebio Evangelista

Tala/Rizal

5884

Anastasia Unabia

Talisay-Minglanilla/Cebu

5885

Andres Velez

Talisay-Minglanilla/Cebu

5886

Epifanio V. Cañares

Talisay-Minglanilla/Cebu

5887

Lope Zafra

Talisay-Minglanilla/Cebu

7140

Cornelio Lazaro

Piedad/Rizal

7141

Fabian Franco

Piedad/Rizal

7142

Manuel de Guia

Piedad/Rizal

7613

Evaristo de la Cruz

Binagbag/Bulacan

7614

Jose Illescas

Binagbag/Bulacan

7615

Doroteo Marcelo

Binagbag/Bulacan

7617

Cosme Filoteo

Binagbag/Bulacan

19307

Agustin Placido

Binagbag/Bulacan

19309

Petra Sombillo

Binagbag/Bulacan

19310

Emiterio S. Cruza

Binagbag/Bulacan

19311

Alfonso Marcelo

Binagbag/Bulacan

24865

Leoncio Seneca

S.C. De Malabon/Cavite

26341

Leoncio Lantaca

Calamba/Laguna

26342

Susana T. de Gana

Calamba/Laguna

26343

Vicente Q. Gana

Biñan/Laguna

26344

Vicente Q. Gana

Biñan/Laguna

26346

Juan Arciaga Estole

Muntinlupa/Rizal

27585

Maria Dias

Muntinlupa/Rizal

27646

Vicente Tensuan

Muntinlupa/Rizal

27647

Legal Heirs of Leoncia Gaurico

Muntinlupa/Rizal

27649

Mariano Gaurico

Muntinlupa/Rizal

27650

Esteban Aquino

S.C. De Malabon/Cavite

27721

Engracia Claudel, et al.

Muntinlupa/Rizal

27750

Bartola Ramos

S.M. De Pandi/Bulacan

28511

Basilio Nifuentes

Muntinlupa/Rizal

28780

Teodoro Almera, et al.

Santa Rosa/Laguna

28681

Francisco Rubio

Banilad/Cebu

28682

Felipa del Mar

Banilad/Cebu

28683

Ines Jose

Imus/Cavite

28774

Benita Disonglo

Biñan/Laguna

28891

Rufina de Mesa, et al.

Muntinlupa/Rizal

34306

Luis Fernando

Lolomboy/Bulacan

34307

Dionisio Villanueva

Lolomboy/Bulacan

34308

Legal Heirs of Anacleto Zambra

Sta. Rosa/Laguna

34309

Legal Heirs of Franciso Arambulo

Sta. Rosa/Laguna

34372

Miguel Lim-Aco

Biñan/Laguna

34373

Miguel Lim-Aco

Biñan/Laguna

34375

Candido Bintol

Naic/Cavite

34376

Luis dela Cruz

S.M. de Pandi/Bulacan

34471

P.A. Roldan, et al.

Isabela

34472

Oliva Manela

Imus/Cavite

34486

Legal Heirs of Justo Herrera

Lolomboy/Bulacan

34487

Gonzalo P. Dane

Lolomboy/Bulacan

34488

Ambrocio Trinidad

Lolomboy/Bulacan

34565

Diego Bartolome, et al.

Lolomboy/Bulacan

34567

Juana Lorenzo

Lolomboy/Bulacan

34568

Marcelino de Jesus

Lolomboy/Bulacan

34645

Maxima Garcia

Muntinlupa/Rizal¹²

11. Deeds of Conveyance that bear the signature of the Director of Lands but not the Department Secretary:

Deed of Conveyance No.

Name of Vendee

Estate/Province

7143

Jose de la Cruz

Piedad Estate/Rizal

23407

Marcelino Salcedo

Naic/Cavite

23408

Juan de Ocampo

S.C. de Malabon/Cavite

24862

Buenaventura Alarca

S.C. de Malabon/Cavite

24863

Rufino P. Garcia

S.C. de Malabon/Cavite

24864

Santiago Resus

S.C. de Malabon/Cavite

27748

Nemecio Principe

S.M. de Pandi/Bulacan

28775

Leon Guico

Biñan/Laguna

28776

Guido Yaptinchay

Biñan/Laguna

28777

Diego Alunas

Biñan/Cavite

28778

Lazaro Gonzales

Biñan/Laguna

29165

Maximiana Monzon

Imus/Cavite

34566

Juana Lorenzo

Lolomboy/Bulacan

5882

Gabriel Lazaro

Tala/Rizal13

These are only some of the titles that could also be declared void under the majority decision. The Manotoks are still examining the other records of the LMB and the National Archives.

The total area of friar lands in NCR, specifically in Muntinlupa, Piedad, San Francisco de Malabon, Santa Cruz de Malabon, and Tala is 86,567.50 acres or 35,032.624 hectares. For comparison, Makati City has an area of 2,736 hectares,[14] and the entire Metro Manila has an area of 63,600 hectares.[15] Thus, in terms of area, the former friar lands in Metro Manila comprise more than one-half of Metro Manila. If we do not apply DENR Memorandum Order No. 16-05 to these areas, the Court will be disquieting titles held by generations of landowners since the passage in 1904 of Act No. 1120. Hundreds of thousands, if not millions, of landowners would surely be dispossessed of their lands in these areas. This is a disaster waiting to happen – a blow to the integrity of our Torrens system and the stability of land titles in this country.

The majority stated that subsequent to the promulgation of the Court decision in *Alonso v. Cebu Country Club, Inc.*,^[16] Congress passed Republic Act No. 9443 “confirming and declaring, subject to certain exceptions, the validity of existing TCTs and reconstituted certificates of title covering the Banilad Friar Lands Estate situated in Cebu.” The majority added that “[t]he enactment of RA 9443 signifies the Legislature’s recognition of the statutory basis of the Alonso ruling to the effect that in the absence of signature and/or approval of the Secretary of Interior/Natural Resources in the Certificates of Sale on file with the CENRO, the sale is not valid and the purchaser has not acquired ownership of the friar lands.”

While RA 9443 refers only to the Banilad Estate, to limit its application solely to the Banilad Estate will result in class legislation. RA 9443 should be extended to lands similarly situated; otherwise, there will be violation of the equal protection clause of the Constitution. In *Central Bank Employees Assoc., Inc. v. Bangko Sentral ng Pilipinas*,^[17] the Court ruled that the grant of a privilege to rank-and-file employees of seven government financial institutions and its denial to BSP rank-and-file employees breached the latter’s right to equal protection. In that case, the Court stated that “[a]likes are being treated as unalikes without any rational basis.”^[18] That is the situation in the present case if RA 9443 will apply only to the Banilad Estate. There is no substantial distinction between the lands in the Banilad Estate and the other friar lands all over the country except for their location. The Court further stated in the BSP case:

[I]t must be emphasized that the equal protection clause does not demand absolute equality but it requires that all persons shall be treated alike, under like circumstances and conditions both as to privileges conferred and liabilities enforced. Favoritism and undue preference cannot be allowed. For the principle is that equal protection and security shall be given to every person under circumstances which, if not identical, are analogous. If law be looked upon in terms of burden or charges, those that fall within a class should be treated in the same fashion; whatever restrictions cast on some in the group is equally binding on the rest.^[19]

Since the lack of signatures and absence of approval by the Secretary of Interior/Agriculture and the Director of Lands were cured with the passage of RA 9443, the benefits of the law should also apply to other lands similarly situated.

Significantly, in *BSP*, the Court did not annul the provisions in the charters of Land Bank of the Philippines, Development Bank of the Philippines, Social Security System, and Government Service Insurance System, Home Guaranty Corporation and Small Business Guarantee, Finance Corporation, and Philippine Deposit Insurance Corporation exempting their employees from the Salary Standardization Law but extended the same exemption to the Bangko Sentral employees to place them in equal footing with employees of other government financial institutions even if they did not question the law. In the present case, the Court should similarly extend the benefits of RA 9443 to all conveyances of friar lands all over the country.

In denying the motion for reconsideration filed by the Manotoks, the majority also maintain that the existence of Sale Certificate No. 1054 in the records of the DENR-LMB was not duly established.

It is unfortunate that the LMB no longer has a copy of the original Sale Certificate No. 1054, dated 10 March 1919, in the names of Regina Geronimo, Modesto Zacarias and Felicisimo Villanueva, the original grantees. However, the Manotoks presented three incontrovertible documents to establish the existence of Sale Certificate No. 1054. First, the original Assignment of Sale Certificate No. 1054 dated 11 March 1919 between Regina Geronimo, Zacarias Modesto and Felicisimo Villanueva as assignors and Zacarias Modesto as assignee, which is on file with the LMB,[20] showing that the Assignment was approved by the Director of Lands on 22 March 1919;[21] second, a copy of the Assignment of Sale Certificate No. 1054 dated 7 June 1920 between Zacarias Modesto as assignor and Severino Manotok and M. Teodoro as assignees which is on file with the National Archives;[22] and third, the original of the Assignment of Sale Certificate No. 1054 dated 4 May 1923 between M. Teodoro and Severino Manotok as assignors and Severino Manotok as assignee²³ and approved by the Acting Director of Lands on 23 June 1923, which is on file with the LMB.[24] The existence of Assignment of Sale Certificate No. 1054 dated 4 May 1923 on file with the LMB was confirmed by Atty. Fe T. Tuanda, OIC of the LMB Records Management Division, in a letter dated 1 December 2009.[25]

The majority assert that the dissent suggests that Memorandum Order No. 16-05 “would apply even to those deeds of conveyance not found in the records of DENR or its field offices, such as the Manotoks’ Deed of Conveyance No. 29204 sourced from the National Archives. It would then cover cases of claimants who have not been issued any certificate of sale but were able to produce a deed of conveyance in their names.”

The majority mistakenly denigrate the records of the National Archives. It cannot be disputed that the National Archives is the official repository of government and public documents. Republic Act No. 9470 (RA 9470),²⁶ which seeks to strengthen and establish the National Archives of the Philippines, covers “all public records with archival value, held by either government offices or private collections, and shall also cover archival and records management programs and activities in all branches of government, whether national or local, constitutional offices, GOCCs, government financial institutions, state universities and colleges, Philippine embassies, consulate and other Philippine offices abroad.” RA 9470 mandates the National Archives to “[a]ccept, store, preserve and conserve any public archive transferred to the National Archives.”²⁷ RA 9470 also mandates the National Archives to “[o]btain, recover, transfer and have custody and management of all the public archives not in the custody of the National Archives.”²⁸ Section 6(8) of RA 9470 specifies, as one of the functions of the National Archives, that it shall “[i]ssue, transmit and authenticate reproduced copies, certified true copies or certifications on public archives and for extracts thereof.”

Jurisprudence is replete with cases showing that the Court gives great weight to the presence or absence of documents in the National Archives. In *Department of Education, Culture & Sports v. Del Rosario*,^[29] the Court held that petitioner failed to prove the due execution or existence of the Deed of Donation because there was no evidence that petitioner looked for a copy of the Deed of Donation from the Clerk of Court concerned or from the National Archives. In *Fernandez v. Fernandez*,^[30] the Court ruled that filiation was not proved citing a certification from the Records Management and Archives Office of the non-availability of information about petitioner’s birth certificate because the Register of Births was not on file with the National Archives. In *Heirs of Dela Cruz v. CA*,^[31] the Court rejected the claim that copies of a deed of sale were lost or could not be found in the National Archives due to lack of certification from the said office. In *Premier Development Bank v. Court of Appeals*,^[32] the Court cited the trial court’s finding based on a certification from the Bureau of National Archives that there was no notarial records of Atty. Armando Pulgado in Manila. In short, the Court recognizes that documents from the National Archives have the same evidentiary value as public documents from

government offices which, after all, are the source of the archived documents.

The records of the National Archives on the existence of Sale Certificate No. 1054 are supported and confirmed by the records of the LMB. The LMB has on its file the original of Assignment of Sale Certificate No. 1054 dated 4 May 1923 between M. Teodoro and Severino Manotok as assignors and Severino Manotok as assignee and approved on 23 June 1923 by the Acting Director of Lands.^[33] The LMB has also on its file the other documents mentioned above that prove the existence of the succeeding Certificates of Sale except that the Certificate of Sale to the original assignors is not on file with the LMB for reasons that could not be attributed to the Manotoks' fault.

In addition, the Manotoks were able to present certified true copies of the following: (1) the Deed of Conveyance No. 29204 secured from the National Archives which is the repository of government and official documents; (2) the original of Official Receipt No. 675257 dated 20 February 1929³⁴ issued by the Special Collecting Office/Friar Lands Agent to Severino Manotok "For certified copy of Assignment of C.S. No. 1054 for lot no. 823;" and (3) the original of the Provincial Assessor's declaration of title in Severino Manotok's name for tax purposes on 9 August 1933³⁵ assessing Severino Manotok beginning with the year 1933.

Contrary to the majority opinion, the Manotoks' incontrovertible proof of existence of the three Assignments of Sale Certificate, as well as the existence of the other supporting documents, clearly and convincingly establishes beyond any doubt the existence of Sale Certificate No. 1054.

I further reiterate that it is the Deed of Conveyance that must bear the signature of the Secretary of Interior/Agriculture because it is only when the final installment is paid that the Secretary can approve the sale, the purchase price having been fully paid. Under Section 18 of Act No. 1120,³⁶ any sale of friar land by the Chief of the Bureau of Public Lands (now Director of Lands) shall not be valid until approved by the Secretary. This means that the Secretary, under Section 18, approves the sale and thus signs the Deed of Conveyance upon full payment of the purchase price. However, under Section 12 of Act No. 1120, only the Director of Lands signs the Sales Certificate upon payment of the first installment.³⁷ Section 12 of Act No. 1120 provides:

Section 12. It shall be the duty of the Chief of the Bureau of Public Lands by proper investigation to ascertain what is the actual value of the parcel of land held by each settler and occupant, taking into consideration the location and quality of each holding of land, and any other circumstances giving its value. The basis of valuation shall likewise be, so far as practicable, such that the aggregate of the values of all the holdings included in each particular tract shall be equal to the cost to the Government to the entire tract, including the cost of surveys, administration and interest upon the purchase money to the time of sale. When the cost thereof shall have been thus ascertained, the Chief of the Bureau of Public Lands shall give the said settler and occupant a certificate which shall set forth in detail that the Government has agreed to sell to such settler and occupant the amount of land so held by him, at the price so fixed, payable as provided in this Act at the office of the Chief of Bureau of Public Lands, in gold coin of the United States or its equivalent in Philippine currency, and that upon the payment of the final installment together with all accrued interest the Government will convey to such settler and occupant the said land so held by him by proper instrument of conveyance, which shall be issued and become effective in the manner provided in section one hundred and twenty-two of the Land Registration Act. The Chief of the Bureau of Public Lands shall, in each instance where a certificate is given to the settler and occupant of any holding, take his formal receipt showing the delivery of such certificate, signed by said settler and occupant.³⁸ (Boldfacing and italicization supplied)

Under Section 12, it is only the Director of Lands who signs the Sales Certificate. The Sales Certificate operates as a contract to sell which, under the law, the Director of Lands is authorized to sign and thus bind the Government as seller of the friar land. This transaction is a sale of private property because friar lands are patrimonial properties of the Government.³⁹ The law expressly authorizes the Director of Lands to sell private or

patrimonial property of the Government under a contract to sell. Under Section 18, the Secretary signs the Deed of Conveyance because the Secretary must verify if full payment has been made, and if so, must approve the sale initially made by the Director of Lands. The Deed of Conveyance operates as a deed of absolute sale which the Secretary signs upon full payment of the purchase price. The Deed of Conveyance, when presented, is authority for the Register of Deeds to issue a new title to the buyer as provided in Section 122 of the Land Registration Act.

The majority insist that where there is no certificate of sale issued, the purchaser does not acquire any right of possession and purchase.

Section 12 of Act No. 1120 provided that “upon payment of the last installment together with all accrued interest[,], the Government will convey to [the] settler and occupant the said land so held by him by proper instrument of conveyance, which shall be issued and become effective in the manner provided in section one hundred and twenty-two of the Land Registration Act.” The Manotoks paid the full purchase price to the Government on 7 December 1932. Deed of Conveyance No. 29204, dated 7 December 1932, on its face acknowledged receipt by the Government of the amount of P2,362 in consideration for Lot 823 granted and conveyed to Severino Manotok.[40] Thus, the Manotoks had already acquired ownership of Lot 823. The only resolutive condition, which is the non-payment of the full purchase price[41] which results in the cancellation of the contract to sell, can no longer happen because the full purchase price had already been paid. Once it is shown that the full purchase price had been paid, the issuance of the proper certificate of conveyance necessarily follows. There is nothing more that is required to be done as the title already passes to the purchaser.

The majority cite the ruling in *Alonso*[42] that approval by the Secretary of Agriculture and Commerce of the sale of friar lands is indispensable for its validity. However, DENR Memorandum Order No. 16-05 superseded the *Alonso* ruling. DENR Memorandum Order No. 16-05 declared that “all Deeds of Conveyance that do not bear the signature of the Secretary are deemed signed or otherwise ratified by this Memorandum Order provided, however, that full payment of the purchase price of the land and compliance with all the other requirements for the issuance of the Deed of Conveyance under Act 1120 have been accomplished by the applicant[.]” DENR Memorandum Order No. 16-05 acknowledges that “it is only a ministerial duty on the part of the Secretary to sign the Deed of Conveyance once the applicant had already made full payment of the purchase price of the land.”

The majority in their Reply to the Dissenting Opinion expressly admit that Memorandum Order No. 16-05 ?

x x x correctly stated that it is only a ministerial duty on the part of the Secretary to sign the Deed of Conveyance once the applicant had made full payment on the purchase price of the land. Jurisprudence teaches us that notwithstanding the failure of the government to issue the proper instrument of conveyance when the purchaser finally pays the final installment of the purchase price, the purchaser of friar land still acquired ownership over the subject land. (Italicization supplied)

The majority expressly admit that it is the ministerial duty of the Secretary to sign the Deed of Conveyance once the purchaser of the friar land pays in full the purchase price. This is the situation of the Manotoks. The majority also expressly admit that upon such full payment the purchaser acquires ownership of the land “notwithstanding the failure” of the Secretary to sign the Deed of Conveyance. Since the majority expressly admit that upon full payment of the purchase price it becomes the ministerial duty of the Secretary to approve the sale, then the majority must also necessarily admit that the approval by the Secretary is a mere formality that has been complied with by the issuance of Memorandum Order No. 16-05. Since the majority further expressly admit that upon full payment of the purchase price ownership of the friar land passes to the purchaser, despite the failure of the Secretary to sign the Deed of Conveyance, then the majority must also necessarily admit that the Manotoks became the absolute owners of the land upon their full payment of the purchase price on 7 December 1932.

The majority states that it is the primary duty of the Chief of the Bureau of Public Lands to record all deeds and instruments in a sales registry books which shall be retained in the Bureau of Public Lands. However, the LMB could no longer produce the sales registry book because it was no longer with the Records Management Division of the LMB. The majority states:

It is thus the primary duty of the Chief of the Bureau of Public Lands to record all these deeds and instruments in sales registry books which shall be retained in the Bureau of Public Lands. Unfortunately, the LMB failed to produce the sales registry book in court, which could have clearly shown the names of the claimants, the particular lots and areas applied for, the sale certificates issued and other pertinent information on the sale of friar lands within the Piedad Estate. Witness Teresita J. Reyes, a retired Assistant Chief of the Records Management Division (RMD), LMB who was presented by the Manahans, testified that when the LMB was decentralized, the sales registry books pertaining to friar lands were supposedly turned over to the regional offices. These consisted of copies of the appropriate pages of the sales registry books in the LMB RMD main office which has an inventory of lots subject of deeds of conveyance and sales certificates. However, Reyes said that the sales registry book itself is no longer with the RMD. On the other hand, the alleged affidavit of Secretary Defensor dated November 11, 2010 states that MO 16-05 was intended to address situations when deeds of conveyance lack the signature of the Secretary of Agriculture and Commerce or such deed or records – from which the Secretary's signature or approval may be verified – were lost or unavailable.

Whether the friar lands registry book is still available in the LMB or properly turned over to the regional offices remains unclear. With the statutorily prescribed record-keeping of sales of friar lands apparently in disarray, it behooves on the courts to be more judicious in settling conflicting claims over friar lands. Titles with serious flaws must still be carefully scrutinized in each case. Thus, we find that the approach in *Alonso* remains as the more rational and prudent course than the wholesale ratification introduced by MO 16-05.

I reiterate that the Manotoks should not be punished if the documents leading to the issuance of TCT No. 22813 could no longer be found in the files of the government office, considering that these were pre-war documents and considering further the lack of proper preservation of documents in some government offices. The Certificate of Sale to the original assignors is not on file with the LMB for reasons that could not be attributed to the Manotoks' fault. While the Court must exercise prudence in settling claims over friar lands, it should not set aside documents which establish the existence of Sale Certificate No. 1054 considering that these documents were sourced from the National Archives and, as earlier stated, these documents have the same evidentiary value as public documents from government offices. Again, more than half of Metro Manila used to be part of friar lands. If the torrens titles to these former friar lands are declared void because their current owners could not present the original certificates of sale, or because the original certificates of sale or deeds of conveyance do not bear the signature of the Secretary, then hundreds of thousands, if not millions, of landowners would be rendered homeless or propertyless by the majority decision.

Further, the Court could not insist on the presentation of the original sale certificate from the Manotoks. The safekeeping of the original sale certificates is the responsibility of the government. It is only optional for the landowners to keep them. How many landowners can present copies of their original sale certificates? These landowners should not be blamed if the government fails to properly preserve these documents. As long as landowners can show other evidence to prove their ownership, they should not be dispossessed of their titles. Here, the Manotoks were able to present copies of the Assignments of Sale Certificate No. 1054, which are government-issued documents, from the records of the National Archives and the LMB itself. There would be nothing to assign if the original Sale Certificate No. 1054 was not conveyed by the government to the original assignors. The Manotoks were able to prove full payment of the purchase price and they thus acquired full ownership of Lot No. 823 from the time of full payment. Deed of Conveyance No. 29204 on its face acknowledges this. The title to Lot No. 823 already passed to the Manotoks who became the absolute owners of

the land on 7 December 1932, the date the Manotoks fully paid Lot No. 823.

Accordingly, I vote to GRANT the motion for reconsideration of the Manotoks, sustain the validity of Deed of Conveyance No. 29204, and DECLARE the Manotoks' title, namely TCT No. RT-22481 (372302), VALID.

[1] Dated 27 October 2005.

[2] Emphasis supplied.

[3] Manifestation dated 5 November 2010.

[4] Id.

[5] Manifestation dated 11 November 2010.

[6] Manifestation dated 26 November 2010.

[7] Supplemental Manifestation dated 16 December 2010.

[8] Supplemental Manifestation dated 14 January 2011.

[9] Supplemental Manifestation dated 9 February 2011.

[10] Manifestation dated 5 November 2010.

[11] Manifestation dated 11 November 2010.

[12] Supplemental Manifestation dated 14 January 2011.

[13] Supplemental Manifestation dated 9 February 2011.

[14] <http://www.makati.gov.ph/portal/index.jsp> (Accessed on 19 July 2011).

[15] Id.

[16] Resolution, 462 Phil. 546 (2003).

[17] 487 Phil. 531 (2004).

[18] Italicization in the original.

[19] Id. at 583. Italicization in the original.

[20] CA rollo, Vol. 11, p. 7226.

[21] Id. at 7227.

[22] CA rollo, Vol. 12, p. 8590.

[23] CA rollo, Vol. 11, p. 7230.

[24] Id. at 7231.

[25] Id. at 7224.

[26] National Archives of the Philippines Act of 2007. Dated 21 May 2007.

[27] Section 6(11).

[28] Section 6(10).

[29] 490 Phil. 193 (2005).

[30] 416 Phil. 322 (2001).

[31] 358 Phil. 652 (1998).

[32] 493 Phil. 752 (2005).

[33] CA rollo, Vol. 11, p. 7231.

[34] CA rollo, Vol. 7, p. 3150.

[35] Id. at 3191.

[36] Friar Lands Act. Section 18 provides: “No lease or sale made by Chief of the Bureau of Public Lands under the provisions of this Act shall be valid until approved by the Secretary of the Interior.”

[37] See *Dela Torre v. Court of Appeals*, 381 Phil. 819 (2000).

[38] Section 122 of the Land Registration Act provides:

Sec. 122. Whenever public lands in the Philippine Islands belonging to the Government of the United States or to the Government of the Philippine Islands are alienated, granted, or conveyed to persons or to public or private corporations, the same shall be brought forthwith under the operation of this Act and shall become registered lands. It shall be the duty of the official issuing the instrument of alienation, grant, or conveyance in behalf of the Government to cause such instrument, before its delivery to the grantee, to be filed with the register of deeds for the province where the land lies and to be there registered like other deeds and conveyances, whereupon a certificate shall be entered as in other cases of registered land, and an owner's duplicate certificate issued to the grantee. The deed, grant, or instrument of conveyance from the Government to the grantee shall not take effect as a conveyance or bind the land, but shall operate as a contract between the Government and the grantee and as evidence of authority to the clerk or register of deeds to make registration. The act of registration shall be the operative act to convey and affect the lands, and in all cases under this Act registration shall be made in the office of the register of deeds for the province where the land lies. The fees for registration shall be paid by the grantee. After due registration and issue of the certificate and owner's duplicate such land shall be registered land for all purposes under this Act.

[39] *Alonso v. Cebu Country Club, Inc.*, supra note 16, citing *Jacinto v. Director of Lands*, 49 Phil. 853 (1926).

[40] CA rollo, Vol. 7, p. 3489.

[41] *Dela Torre v. Court of Appeals*, supra note 37.

[42] Supra note 16.

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