Republic of the Philippines
Supreme Court
Baguio City

THIRD DIVISION

REPUBLIC OF THE PHILIPPINES, represented by the REGIONAL EXECUTIVE DIRECTOR, DENR, REGION VI, ILOILO CITY,
Petitioner,

- versus -

VALENTINA ESPINOSA, REGISTER OF DEEDS OF THE PROVINCE OF NEGROS OCCIDENTAL, LEONILA CALISTON, and SPOUSES DIOSCORO & ESTRELLA ESCARDA,
Respondents.

G.R. No. 186603

Present:
VELASCO, JR., *J.*, *Chairperson,*
BERSAMIN,
REYES,
JARDELEZA, and
TIJAM, *JJ.*

Promulgated:

April 5, 2017

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DECISION

JARDELEZA, *J.*:

This is a petition for review on *certiorari*[1] seeking to nullify the Court of Appeals' (CA) July 25, 2008 Decision[2] and February 4, 2009 Resolution[3] in CA-G.R. CV No. 00421. The CA modified the May 12, 2004 Decision[4] of the Regional Trial Court (RTC), Branch 61 of Kabankalan City, Negros Occidental, and dismissed the reversion case filed by the Republic of the Philippines (State) against respondents Valentina Espinosa and her successor-in-interest, Leonila B. Caliston, to wit:

> **WHEREFORE**, the appeal is **GRANTED**. The Decision dated May 12, 2004 and Order dated July 16, 2004 are hereby **modified** upholding the validity of Original Certificate of Title No. 191-N and Transfer

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[1] *Rollo*, pp. 9-24.
[2] *Id.* at 25-36; penned by Associate Justice Amy C. Lazaro-Javier with Associate Justices Priscilla Baltazar-Padilla and Franchito N. Diamante concurring.
[3] *Id.* at 37.
[4] RTC records, pp. 97-105.

> Certificate of Title No. 91117, respectively, issued in the names of Valentina Espinosa and Leonila Caliston. The award of damages, attorney's fees and expenses of litigation in favor of Leonila Caliston is **affirmed**.
>
> **SO ORDERED.**[5]

On October 26, 1955, Cadastral Decree No. N-31626 was issued to Valentina Espinosa (Espinosa) in Cadastral Case No. 39, L.R.C. Cadastral Record No. 980. It covered a 28,880-square meter lot located at Lot No. 3599 of Cadastral Record No. 980, Poblacion, Sipalay City, Negros Occidental (property). By virtue of the decree, Original Certificate of Title (OCT) No. 191-N was issued on October 15, 1962 in the name of Espinosa.[6] On June 17, 1976, Espinosa sold the property to Leonila B. Caliston (Caliston), who was later issued Transfer Certificate of Title (TCT) No. T-91117[7] on June 29, 1976.[8]

On January 13, 2003, the State, represented by the Regional Executive Director of the Department of Environment and Natural Resources (DENR), Region VI, Iloilo City, through the Office of the Solicitor General (OSG), filed a Complaint[9] for annulment of title and/or reversion of land with the RTC, Branch 61 of Kabankalan City, Negros Occidental. The State claimed that the property is inalienable public land because it fell within a timberland area indicated under Project No. 27-C, Block C per Land Classification (LC) Map No. 2978, as certified by the Director of Forestry on January 17, 1986.[10]

The spouses Dioscoro and Estrella Escarda (spouses Escarda) intervened,[11] alleging that they have been occupying the property since 1976 on the belief that it belongs to the State.[12] They prayed that Caliston be ordered to cease and desist from ejecting them.[13]

In answer, Caliston countered that the property is not timberland. Invoking laches and prescription, she argued that her title was issued earlier in 1962, while the map shows that the property was classified only in 1986.[14] Caliston also claimed that the spouses Escarda lacked the capacity or personality to intervene because only the State may initiate an action for reversion. She also alleged that the spouses Escarda cannot claim a better right as against her because she merely tolerated their occupancy of the

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5 *Rollo*, p. 35.
6 RTC records, p. 7.
7 *Id.* at 9.
8 *Rollo*, p. 26.
9 RTC records, pp. 1-5. The case was docketed as Civil Case No. 1114 and titled "*Republic of the Philippines, represented by the Regional Executive Director of the DENR, Region VI, Iloilo City v. Valentina Espinosa, Leonila B. Caliston and the Register of Deeds for the Province of Negros Occidental.*"
10 *Id.* at 2.
11 *Id.* at 28-32. Spouses Escarda filed a Complaint in Intervention dated June 2, 2003.
12 *Id.* at 29.
13 *Id.* at 31.
14 *Id.* at 21-26.

property until their refusal to vacate it.[15] As counterclaim, Caliston claimed for moral and exemplary damages, attorney's fees and litigation expenses against the spouses Escarda for the baseless and malicious complaint.[16]

The RTC rendered a Decision[17] dated May 12, 2004. Relying on LC Map No. 2978, the trial court ruled in favor of the State and ordered the reversion of the property to the mass of the public domain, *viz.*:

> WHEREFORE, premises considered, judgment is hereby rendered as follows:
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> 1. Declaring Original Certificate of Title No. 191-N in the name of Valentina Espinosa and all its derivative titles, such as: TCT No. T-91117 in the name of Leonila Caliston, null and void ab initio;
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> 2. Ordering defendants to surrender the owner's duplicate copy of OCT No. 191-N and TCT N[o]. T-91117 to defendant Register of Deeds for the Province of Negros Occidental and the latter to cancel said titles and all their derivative titles, if any;
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> 3. Ordering the reversion of the land covered by the aforesaid patent and title to the mass of the public domain under the administration and disposition of the Director of Forestry (now Regional Executive Director, Region VI, Iloilo City);
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> 4. Declaring that defendant Leonila Caliston has better right over the subject lot as against intervenors Spouses Dioscoro and Estrella Escarda; and
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> 5. Ordering the intervenors to pay defendant Leonila Caliston the following sums:
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> a) Not less than P20,000.00 for moral damages;
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> b) Not less than P10,000.00 for exemplary damages;
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> c) Not less than P10,000.00 for attorney's fees, plus so much appearance fees of P2,000.00 incurred and/or paid by answering defendant in connection with this case; and
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> d) Not less than P5,000.00 for expenses of litigation.
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> SO ORDERED.[18]

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[15] *Id.* at 45-46.

[16] *Id.* at 23-24; 47-48. It is admitted by the parties that Caliston filed an unlawful detainer case against the spouses Escarda before the Municipal Trial Court of Sipalay Negros Occidental and which was pending at the time the spouses intervened in the present case. *Id.* at 29; 45.

[17] *Supra* note 4.

Caliston's motion for reconsideration[19] was denied in an Order[20] dated July 16, 2004. On August 5, 2004, Caliston filed a Notice of Appeal[21] with the RTC. On the other hand, the spouses Escarda did not file a notice of appeal. Records were then forwarded to the CA, where proceedings ensued.

There, Caliston argued that the trial court improperly relied upon LC Map No. 2978, which was prepared long after the property was alienated and awarded to Espinosa, her predecessor-in-interest. The map, the admissibility and genuineness of which have yet to be proved, cannot be used to defeat the cadastral proceedings presumed to have been regularly conducted. Even assuming the map can be considered, Caliston claims that her property is situated in an area indicated as alienable and disposable. She also reiterated her defenses of laches and prescription.[22]

For its part, the State argued that the lower court did not err in relying upon LC Map No. 2978 though it was prepared only in 1986. According to the State, forest lands are incapable of private appropriation and possession, however long; prescription does not run against the government.[23]

The CA rendered a Decision[24] dated July 25, 2008 modifying the RTC Decision. It upheld the validity of OCT No. 191-N and TCT No. 91117 issued in the names of Espinosa and Caliston, respectively, and affirmed the award of damages, attorney's fees, and expenses of litigation in favor of Caliston.

The CA found that the State failed to prove fraud or misrepresentation on the part of Espinosa when she was issued OCT No. 191-N. It further ruled that the State failed to prove that the property is forest land. The lone piece of evidence consisting of LC Map No. 2978, certified by the Director of Forestry on January 17, 1986, was not authenticated pursuant to Section 24,[25] Rule 132 of the Rules of Court. It noted that the parties stipulated only as to the existence of the map, but not as to its genuineness or the truthfulness of its content. Assuming that the map is admitted in evidence, Espinosa's rights over the property, which accrued in 1962, should not be prejudiced by a subsequent classification by the State done in 1986, or after

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18 RTC records, pp. 104-105.
19 *Id.* at 119-126.
20 *Id.* at 134.
21 *Id.* at 135-138.
22 CA *rollo*, pp. 19-38; 125-134.
23 *Id.* at 91-106.
24 *Supra* note 2.
25 RULES OF COURT, Rule 132, Sec. 24. *Proof of official record.* — The record of public documents referred to in paragraph (a) of Section 19, when admissible for any purpose, may be evidenced by an official publication thereof or by a copy attested by the officer having the legal custody of the record, or by his deputy, and accompanied, if the record is not kept in the Philippines, with a certificate that such officer has the custody. If the office in which the record is kept is in a foreign country, the certificate may be made by a secretary of the embassy or legation, consul general, consul, vice consul, or consular agent or by any officer in the foreign service of the Philippines stationed in the foreign country in which the record is kept, and authenticated by the seal of his office.

24 years.[26] The CA cited[27] the case of *SAAD Agro-Industries, Inc. v. Republic of the Philippines.*[28]

In a Resolution[29] dated February 4, 2009, the CA denied the State's Motion for Reconsideration.

Hence, this petition.

The lone issue presented is whether the State has sufficiently proved that the property is part of inalienable forest land at the time Espinosa was granted the cadastral decree and issued a title.

We deny the petition.

I

The State failed to prove that the property was classified as forest land at the time of the grant of the cadastral decree and issuance of title to Espinosa.

In land registration proceedings, the applicant has the burden of overcoming the presumption of State ownership. It must establish, through incontrovertible evidence, that the land sought to be registered is alienable or disposable based on a positive act of the government.[30] Since cadastral proceedings are governed by the usual rules of practice, procedure, and evidence, a cadastral decree and a certificate of title are issued only after the applicant proves all the requisite jurisdictional facts—that they are entitled to the claimed lot, that all parties are heard, and that evidence is considered.[31] As such, the cadastral decree is a judgment which adjudicates ownership after proving these jurisdictional facts.[32]

Here, it is undisputed that Espinosa was granted a cadastral decree and was subsequently issued OCT No. 191-N, the predecessor title of Caliston's TCT No. 91117. Having been granted a decree in a cadastral proceeding, Espinosa can be presumed to have overcome the presumption that the land sought to be registered forms part of the public domain.[33] This means that Espinosa, as the applicant, was able to prove by incontrovertible evidence that the property is alienable and disposable property in the cadastral proceedings.

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26 *Rollo*, pp. 31-33.
27 *Id.* at 29-30.
28 G.R. No. 152570, September 27, 2006, 503 SCRA 522.
29 *Supra* note 3.
30 See *Secretary of the Department of Environment and Natural Resources v. Yap*, G.R. No. 167707, October 8, 2008, 568 SCRA 164, 192.
31 *Tan Sing Pan v. Republic*, G.R. No. 149114. July 21, 2006, 496 SCRA 189, 196.
32 *Id.* at 196-198, citing *Government of the Philippine Islands v. Abural*, 39 Phil. 996 (1919).
33 See *Republic v. Leonor*, G.R. No. 161424, December 23, 2009, 609 SCRA 75, 85.

This is not to say, however, that the State has no remedy to recover the property if indeed it is part of the inalienable lands of the public domain. The State may still do so through an action for reversion, as in the present case.

Reversion is the remedy where the State, pursuant to the Regalian doctrine, seeks to revert land back to the mass of the public domain.[34] It is proper when public land is fraudulently awarded and disposed of to private individuals or corporations.[35] There are also instances when we granted reversion on grounds other than fraud, such as when a "person obtains a title under the Public Land Act which includes, by oversight, lands which cannot be registered under the Torrens system, or when the Director of Lands did not have jurisdiction over the same because it is of the public domain."[36]

In this case, the State, through the Solicitor General, alleges neither fraud nor misrepresentation in the cadastral proceedings and in the issuance of the title in Espinosa's favor. The argument for the State is merely that the property was unlawfully included in the certificate of title because it is of the public domain.

Since the case is one for reversion and not one for land registration, the burden is on the State to prove that the property was classified as timberland or forest land *at the time it was decreed to Espinosa.*[37] To reiterate, there is no burden on Caliston to prove that the property in question is alienable and disposable land.[38] At this stage, it is reasonable to presume that Espinosa, from whom Caliston derived her title, had already established that the property is alienable and disposable land considering that she succeeded in obtaining the OCT over it.[39] In this reversion proceeding, the State must prove that there was an oversight or mistake in the inclusion of the property in Espinosa's title because it was of public dominion. This is consistent with the rule that the burden of proof rests on the party who, as determined by the pleadings or the nature of the case, asserts the affirmative of an issue.[40]

Here, the State hinges its whole claim on its lone piece of evidence, the land classification map prepared in 1986. The records show, however, that LC Map No. 2978 was not formally offered in evidence. The rules require that documentary evidence must be formally offered in evidence after the presentation of testimonial evidence, and it may be done orally, or

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[34] See *Republic v. Mangotara*, G.R. No. 170375, July 7, 2010, 624 SCRA 360, 473-474.

[35] *Id.* at 473, citing *Estate of the Late Jesus S. Yujuico v. Republic*, G.R. No. 168661, October 26, 2007, 537 SCRA 513.

[36] *Id.* at 489, citing *Morandarte v. Court of Appeals*, G.R. No. 123586. August 12, 2004, 436 SCRA 213, 225.

[37] See *Republic v. Development Resources Corporation*, G.R. No. 180218, December 18, 2009, 608 SCRA 591, 594.

[38] See *Republic v. Leonor, supra* note 33.

[39] *Id.*

[40] *Republic v. Bellate*, G.R. No. 175685, August 7, 2013, 703 SCRA 210, 221.

if allowed by the court, in writing.[41] Due process requires a formal offer of evidence for the benefit of the adverse party, the trial court, and the appellate courts.[42] This gives the adverse party the opportunity to examine and oppose the admissibility of the evidence.[43] When evidence has not been formally offered, it should not be considered by the court in arriving at its decision.[44] Not having been offered formally, it was error for the trial court to have considered the survey map. Consequently, it also erred in ordering the reversion of the property to the mass of the public domain on the basis of the same.

Moreover, even assuming that the survey *can* be admitted in evidence, this will not help to further the State's cause. This is because the only fact proved by the map is one already admitted by the State, that is, that the land was reclassified in 1986.[45] This fact does not address the presumption/conclusion that Espinosa has, at the time of the cadastral proceedings conducted in 1955, proved that the land is alienable and disposable, as evidenced by the decree issued in his favor *in 1962*.

II

The reclassification of the area where the property is located in 1986 should not prejudice Espinosa and her successor-in-interest.[46] Apropos is the case of *Sta. Monica Industrial and Dev't Corp. v. Court of Appeals*.[47] In that case, the State offered in evidence a land classification map to prove that at the time the land was decreed to the original owner, it had not yet been released and still fell within the forest zone. However, the map did not conclusively state the actual classification of the land at the time it was adjudicated to the original owner. We thus ruled that the State failed to prove that the titles should be annulled—

> Finally, we find the need to emphasize that in an action to annul a judgment, the burden of proving the judgment's nullity rests upon the petitioner. The petitioner must establish by clear and convincing evidence that the judgment is fatally defective. When the proceedings were originally filed by the Republic before the Court of Appeals, the petitioner contended that when the decree in favor of De Perio was issued by Judge Ostrand in 1912 the parcels of land were still part of the inalienable public

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41 RULES OF COURT, Rule 132, Sec. 35.

42 *Republic v. Reyes-Bakunawa*, G.R. No. 180418, August 28, 2013, 704 SCRA 163, 192.

43 *Id.* at 192, citing *Union Bank of the Philippines v. Tiu*, G.R. Nos. 173090-91, September 7, 2011, 657 SCRA 86, 110.

44 RULES OF COURT, Rule 132, Sec. 34.

45 The Memorandum/Position Paper of the plaintiff Republic dated June 2, 2004 in Civil Case No. 1114 states:

> x x x In a reclassification of the public lands conducted by the Bureau of Forestry on January 17, 1986 in the vicinity where the land in question is situated, the said land was plotted on Bureau Forestry map L.C. No. 2978 to be inside the area which was reverted to the category of public forest. RTC records, p. 107.

46 See *Republic v. Court of Appeals*, G.R. No. L-46048, November 29, 1988, 168 SCRA 77, 83-84.

47 G.R. No. 83290, September 21, 1990, 189 SCRA 792.

> forests. However, petitioner's case rested solely on land classification maps drawn several years *after the issuance of the decree in 1912*. **These maps fail to conclusively establish the actual classification of the land in 1912 and the years prior to that**. Before this Court, petitioner reiterates said contention and refers, for the first time, to a 1908 proclamation reserving the land in Zambales as a naval reservation and alleging that the subject parcels of land are parts thereof. These, for reasons discussed earlier, are insufficient to overcome the legal presumption in favor of the decree's regularity, more so when we consider that notice of the application for registration and the date of hearing thereof, addressed to the Attorney General, the Director of Lands, the Director of Public Works and the Director of Forestry, among others, was published in the Official Gazette and that Governor General Smith's Proclamation of 1908 itself recognizes private rights.[48]

We stress that our ruling is not inconsistent with the doctrine that forest lands are outside the commerce of man and unsusceptible of private appropriation. Neither are we changing the rule on imprescriptibility of actions for reversion. We are merely deciding on the facts as proved by the record. To allow a reversion based on a classification made at the time when the property was already declared private property by virtue of a decree would be akin to expropriation of land without due process of law.[49]

At this juncture, we agree with the CA's application of *SAAD Agro-Industries, Inc.*,[50] which involved a complaint for annulment of title and reversion of a lot covered by a free patent and original title. To support its claim that the lot was part of the timberland and forest reserve, the State submitted as evidence a photocopy of a land classification map. This map also became the basis of the testimonies of City Environment and Natural Resources Office officers declaring that the lot falls within the timberland or forest reserve. The State, however, failed to submit either a certified true copy or an official publication of the map, prompting the trial court to deny its admission in evidence. After proceedings, the trial court dismissed the complaint due to the State's failure to show that the subject lot therein is part of the timberland or forest reserve or has been classified as such before the issuance of the free patent and the original title. The CA, relying on the map, reversed the trial court.

When the case was brought before this court, we reinstated the trial court's decision. We held that the photocopy of the land classification map cannot be considered in evidence because it is excluded under the best evidence rule. We emphasized that all parties, including the Government, are bound by the rules of admissibility and must comply with it—

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[48] *Id.* at 800. Italics and emphasis supplied.

[49] CONSTITUTION, Art. III, Sec. 1. No person shall be deprived of life, liberty, or property without due process of law, nor shall any person be denied the equal protection of the laws.

Sec. 9. Private property shall not be taken for public use without just compensation.

[50] *Supra* note 28.

> The rules of admissibility must be applied uniformly. The same rule holds true when the Government is one of the parties. The Government, when it comes to court to litigate with one of its citizens, must submit to the rules of procedure and its rights and privileges at every stage of the proceedings are substantially in every respect the same as those of its citizens; it cannot have a superior advantage. This is so because when a [sovereign] submits itself to the jurisdiction of the court and participates therein, its claims and rights are justiciable by every other principle and rule applicable to the claims and rights of the private parties under similar circumstances. Failure to abide by the rules on admissibility renders the L.C. Map submitted by respondent inadmissible as proof to show that the subject lot is part of the forest reserve.[51]

We went on to explain that even if the map was admitted in evidence to prove that the lot was classified as part of the timberland or forest reserve, the classification was made long after private interests had intervened. Not only was the lot already occupied and cultivated, a free patent and a certificate of title were also awarded and issued years ahead of the classification—

> Even assuming that the L.C. Map submitted by respondent is admissible in evidence, still the land in question can hardly be considered part of the timberland or forest reserve. L.C. Map No. 2961, which purports to be the "correct map of the areas demarcated as permanent forest pursuant of the provisions of P.D. No. 705 as amended" was made only in 1980. Thus, the delineation of the areas was made nine (9) years after Orcullo was awarded the free patent over the subject lot.
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> Obviously, private interests have intervened before classification was made pursuant to P.D. No. 705. Not only has Orcullo by herself and through her predecessors-in-interest cultivated and possessed the subject lot since 1930, a free patent was also awarded to her and a title issued in her name as early as 1971. In fact, it appears that the issuance of the free patent and certificate of title was regular and in order. Orcullo complied with the requisites for the acquisition of free patent provided under Commonwealth Act No. 141 (Public Land Act), as certified by the Director of Lands and approved by the Secretary of Agriculture and Natural Resources.
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> The Regalian doctrine is well-enshrined not only in the present Constitution, but also in the 1935 and 1973

[51] *Id.* at 532-533. Citations omitted.

> Constitutions. The Court has always recognized and upheld the Regalian doctrine as the basic foundation of the State's property regime. Nevertheless, in applying this doctrine, we must not lose sight of the fact that in every claim or right by the Government against one of its citizens, the paramount considerations of fairness and due process must be observed. Respondent in this case failed to show that the subject lot is part of timberland or forest reserve it adverted to. In the face of the uncontroverted status of Free Patent No. 473408 and OCT No. 0-6667 as valid and regular issuances, respondent's insistence on the classification of the lot as part of the forest reserve must be rejected.[52]

These principles laid down in *SAAD Agro-Industries, Inc.* undoubtedly apply here. As part of fair play and due process, the State is as bound by the rules on formal offer of evidence as much as every private party is. More, the State's subsequent reclassification of the area where the property is situated cannot be used to defeat the rights of a private citizen who acquired the land in a valid and regular proceeding conducted 24 years earlier.

The result would have been different had the State proved that the property was already classified as part of forest land *at the time of the cadastral proceedings and when title was decreed to Espinosa in 1962.* However, it failed to discharge this burden; the grant of title which carries with it the presumption that Espinosa had already proved the alienable character of the property in the cadastral proceedings stands. To grant the reversion based on a subsequent reclassification, more so on lack of evidence, would amount to taking of private property without just compensation and due process of law.[53] This, however, is not what our Constitution envisions; fairness and due process are paramount considerations that must still be observed.[54]

WHEREFORE, the petition for review on *certiorari* is **DENIED**. The Court of Appeals' July 25, 2008 Decision and February 4, 2009 Resolution are **AFFIRMED**. No costs.

SO ORDERED.

FRANCIS H. JARDELEZA
Associate Justice

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52 *Id.* at 533-535. Citations omitted.
53 CONSTITUTION, Art. III, Secs. 1 & 9.
54 *SAAD Agro-Industries, Inc. v. Republic, supra* note 28 at 535.

WE CONCUR:

PRESBITERO J. VELASCO, JR.
Associate Justice
Chairperson

LUCAS P. BERSAMIN
Associate Justice

BIENVENIDO L. REYES
Associate Justice

NOEL G. TIJAM
Associate Justice

ATTESTATION

I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

PRESBITERO J. VELASCO, JR.
Associate Justice
Chairperson, Third Division

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, and the Division Chairperson's attestation, it is hereby certified that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

MARIA LOURDES P. A. SERENO
Chief Justice

CERTIFIED TRUE COPY

WILFREDO V. LAPITAN
Division Clerk of Court
Third Division

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