



Republic of the Philippines  
Supreme Court  
Manila

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*Wilfredo V. Lapitan*

WILFREDO V. LAPITAN  
Division Clerk of Court  
Third Division

SEP 19 2017

THIRD DIVISION

AURELIA NARCISE, GLORIA A. DELA CRUZ, MARITESS O.

GARCIA, PHILIP FALCON,  
ENRICO M. VITUG, LYNETTE C.

PONTRERAS, BONIFACIO  
BARRAMEDA, RAMON S.

MORADA, MANUEL G. VIOLA,  
ZENAIDA LANUZA, CIRILO G.

SALTO, TEODORO DEL  
ROSARIO, NANCY G. INSIGNE,

MELANIE G. VIANA, ROMEO  
TICSAY, AMY J. FRANCISCO,

MARIE J. FRANCISCO,  
ZENAIDA LANUZA, MIGUELITO

B. MARTINEZ, APOLONIO  
SANTOS, MARIVIC TAN, JANE

CLOR DILEMA, VALENTINO  
DILEMA, JOSE L. PANGAN,

ANTONIA M. MANGELEN,  
IMELDA MANALASTAS,

TEODORICO N. ANDRADE,  
AIDA L. CRUZ, MANUEL

YAMBOT, JAIME SERDENA,  
ARIEL PALACIOS, EVE

BOLNEO, LIBETINE MODESTO,  
MA. AILEEN VERDE, BENNY

ILAGAN, MICHELLE ROMANA,  
DANILO VILLANUEVA, LEO

NALUGON, ROSSANA

MARASIGAN, NELIE BINAY and  
ISABELITA MENDOZA,

Petitioners,

Present:

VELASCO, JR., J.,  
*Chairperson,*

BERSAMIN,  
JARDELEZA,

TIJAM, and  
REYES, JR., JJ.

*M*

- versus -

VALBUECO, INC.,  
Respondent.

Promulgated:  
July 19, 2017

*[Signature]*

X-----X

## DECISION

**TIJAM, J.:**

Before Us is a Petition for Review on *Certiorari* under Rule 45, which seeks to reverse and set aside the Decision<sup>1</sup> dated December 21, 2010 and Resolution<sup>2</sup> dated May 11, 2011 of the Court of Appeals (CA) in CA-G.R. CV No. 89616.

### Facts

On March 8, 2005, respondent Valbueco, Inc. filed an action for Annulment of the Free Patents, Certificates of Title and Damages, docketed as Civil Case No. 8144,<sup>3</sup> against petitioners Narcise, *et al.*, the Department of Natural Resources (DENR) and the Register of Deeds of Bataan before the Regional Trial Court (RTC) of Balanga City, Branch 1.

In said Complaint, respondent alleged that it is the possessor of the subject lots in an actual, peaceful, adverse and peaceful possession since 1970.<sup>4</sup> Respondent averred that from 1977 until 1999, Original Certificates of Title, Free Patents and Transfer Certificates of Title covering the lots in question were issued in the name of petitioners.<sup>5</sup>

Instead of filing their respective Answer, petitioners filed several Motions to Dismiss on the ground of lack of cause of action, failure to state cause of action, defect in the certificate of non-forum shopping and prescription.

On December 7, 2006, the RTC issued an Order,<sup>6</sup> granting petitioners' motions. The RTC ruled that the instant case is an action for reversion because petitioners are not qualified to be issued said free patents. As such, the land must revert back to the State. Thus, it is the Office of the Solicitor

<sup>1</sup> Penned by Associate Justice Priscilla J. Baltazar-Padilla, concurred in by Associate Justices Fernanda Lampas Peralta and Elihu A. Ybañez; *rollo*, pp. 9-20.

<sup>2</sup> *Id.* at 21-22.

<sup>3</sup> *Id.* at 100-135.

<sup>4</sup> *Id.* at 106.

<sup>5</sup> *Id.* at 11.

<sup>6</sup> Rendered by Judge Benjamin T. Vianzon; *id.* at 280-283.

*[Handwritten mark]*

General (OSG) who is the real party-in-interest, and not the respondent. The dispositive portion of the same reads:

**WHEREFORE**, in view of the foregoing, let the instant complaint be dismissed and the motion to declare some defendants in default is necessarily denied.

**SO ORDERED.**<sup>7</sup>

Respondent filed a motion for reconsideration, which was denied by the RTC in its Order<sup>8</sup> dated March 7, 2017.

Undaunted, respondent filed an appeal<sup>9</sup> before the CA. In a Decision<sup>10</sup> dated December 21, 2010, the CA reversed and set aside the ruling of the RTC. The CA maintained that respondent alleged all the facts necessary to seek the nullification of the subject free patents. The *fallo* thereof reads:

**WHEREFORE**, premises considered, the instant appeal is hereby **GRANTED**. The Orders of the Regional Trial Court of Balanga City, Branch 1 dated December 7, 2006 and March 7, 2007 are hereby **REVERSED** and **SET ASIDE**. This case is **REMANDED** to the trial court for further proceedings.

**SO ORDERED.**<sup>11</sup>

Petitioners filed a Motion for Reconsideration,<sup>12</sup> which was denied in a Resolution<sup>13</sup> dated May 11, 2011.

Hence, this petition.

### Issues

Petitioners interposed the following grounds for review:

#### I.

Whether or not the instant case is actually a reversion case, and not a case for annulment of free patents and certificates of title;

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<sup>7</sup> Id. at 283.

<sup>8</sup> Id. at 296.

<sup>9</sup> Id. at 297.

<sup>10</sup> Id. at 9-20.

<sup>11</sup> Id. at 19.

<sup>12</sup> Id. at 373-388.

<sup>13</sup> Id. at 21-22.

## II.

Whether or not respondent is the real party-in-interest;  
and

## III.

Whether or not the instant case had already prescribed.<sup>14</sup>

**Our Ruling**

*The petition is denied.*

An action for reversion, a remedy provided under Commonwealth Act No. 141, seeks to cancel the original certificate of registration, and nullify the original certificate of title, including the transfer of certificate of title of the successors-in-interest because the same were all procured through fraud and misrepresentation.<sup>15</sup> In cancelling and nullifying such title, it restores the public land fraudulently awarded and disposed of to private individuals or corporations to the mass of public domain. Such action is filed by the OSG pursuant to its authority under the Administrative Code.<sup>16</sup>

On the other hand, an action for annulment of free patents and certificates of title also seeks for the cancellation and nullification of the certificate of title, but once the same is granted, it does not operate to revert the property back to the State, but to its lawful owner. In such action, the nullity arises not from fraud or deceit, but from the fact that the director of the Land Management Bureau had no jurisdiction to bestow title; hence, the issued patent or certificate of title was void *ab initio*.<sup>17</sup>

Thus, the difference between them lies in the allegations as to the character of ownership of the realty whose title is sought to be nullified. In an action for reversion, the pertinent allegations in the complaint would admit State ownership of the disputed land, while in an action for annulment of patent and certificate of title, pertinent allegations deal with plaintiff's ownership of the contested land prior to the issuance of the same as well as defendant's fraud or mistake in successfully obtaining these documents of title over the parcel of land claimed by the plaintiff.<sup>18</sup>

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<sup>14</sup> Id. at 40-41.

<sup>15</sup> *Republic of the Philippines v. Hon. Mangotara, et al.*, G.R. No. 170375, July 7, 2010, citing *Saad-Agro Industries, Inc. v. Republic*, G.R. No. 152570, September 27, 2006, 503 SCRA 522, 528-529.

<sup>16</sup> *Estate of the Late Jesus S. Yujuico, et al. v. Republic, et al.*, G.R. No. 168661, October 26, 2007.

<sup>17</sup> *Katon v. Palanca, Jr., et al.*, G.R. No. 151449, September 7, 2004.

<sup>18</sup> *Heirs of Kionisala, et al. v. Heirs of Dacut, et al.*, G.R. No. 147379, February 27, 2002.



A careful perusal of respondent's complaint reads:

3. That the herein plaintiff has been in the **actual, peaceful, adverse, continuous and peaceful possession since sometime in 1970 and up to the present time**, by itself and its predecessor-in-interest, some of which it acquired by transfer of rights, claims, interest as evidence [sic] by the documents x x x and the rest by **occupation** and planting of root crops and other including trees x x x.

4. That the plaintiff and its workers and employees of its ranches and the **cultivation and planting** of different root crops and trees were always in the premises since 1970 or thereabouts, and their presence were never disturbed nor molested by anybody until sometime in the year 2000 x x x.<sup>19</sup> (Emphasis ours)

In this view, We hold that the action is one of annulment of patents and titles. The allegations in the complaint show that respondent asserts its ownership over the subject properties by acquisitive prescription.

Acquisitive prescription is a mode of acquiring ownership of a real or immovable property by possessor through the requisite lapse of time. In order to ripen into ownership, possession must be in the concept of an owner, public, peaceful and uninterrupted.<sup>20</sup> The possession contemplated as foundation for prescriptive right must be one under claim of title or adverse to or in prescription.<sup>21</sup>

On this note, acquisitive prescription may either be extraordinary, which requires uninterrupted adverse possession for 30 years,<sup>22</sup> or ordinary, which requires possession in good faith and with a just title for a period of ten years.<sup>23</sup>

Without going into the merits of the case, We hold that the allegations in the complaint sufficiently show that respondent claims its ownership right by expounding on its uninterrupted possession of the same for a period of at least 35 years. Also, respondent's claim of its possession in a public, peaceful and uninterrupted manner constitutes an allegation of ownership by acquisitive prescription.

Being an action for annulment of patents and titles, it is the respondent who is the real party-in-interest for it is the one claiming title or ownership adverse to that of the registered owner.<sup>24</sup>

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<sup>19</sup> *Rollo*, pp. 106-107.

<sup>20</sup> *Heirs of Bienvenido ans Araceli Tanyag, et al. v. Gabriel, et al.*, G.R. No. 175763, April 11, 2012.

<sup>21</sup> *Catapusan, et al. v. Court of Appeals, et al.*, G.R. No. 109262, November 21, 1996.

<sup>22</sup> *Andres, et al. v. Sta. Lucia Realty & Development, Inc.*, G.R. No. 201405, August 24, 2015.

<sup>23</sup> *Aguirre, et al. v. Court of Appeals, et al.*, G.R. No. 122249, January 29, 2004.

<sup>24</sup> *Goco, et.al. v. Court of Appeals, et al.*, G.R. No. 157449, April 6, 2010.

Moreover, We agree with the CA when it declared that petitioners' argument of failure to exhaust administrative remedies is misguided.


It must be noted that the trial court has jurisdiction over an action of an owner of a piece of land to recover it, if the Director of Lands, thinking that it is still disposable public land, grants a free patent to the one who has occupancy and cultivation.<sup>25</sup> The jurisdiction of the Director of Lands, contrary to petitioners' claim, covers those issues between two or more applicants for a free patent,<sup>26</sup> which is not the case here. Here, respondent claims to be the owner of the subject properties prior to the issuance of the patents and the corresponding certificates of title. Thus, the trial court has jurisdiction to hear the case.

Lastly, the defense of prescription is evidentiary in nature which could not be established by mere allegations in the pleadings and must not be resolved in a motion to dismiss. Such issue must be resolved at the trial of the case on the merits wherein both parties will be given ample opportunity to prove their respective claims and defenses.<sup>27</sup>

Verily, the CA did not err in considering the instant case as an action for annulment of patents and titles.

**WHEREFORE**, the instant appeal is **DENIED**. Accordingly, the Decision dated December 21, 2010 and the Resolution dated May 11, 2011 of the Court of Appeals in CA-G.R. CV No. 89616 are **AFFIRMED in toto**.

**SO ORDERED.**

  
**NOEL GIMENEZ TIJAM**  
Associate Justice


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<sup>25</sup> *Maximo, et al. v. Court of First Instance of Capiz, Branch III, Mambusno, Capiz, Presided by the Hon. Leviste and Isidro*, G.R. No. L-61113, February 21, 1990.

<sup>26</sup> *Id.*

<sup>27</sup> *National Irrigation Administration (NIA) v. Hon. Court of Appeals, et al.*, G.R. No. 129169, November 17, 1999.


**WE CONCUR:**




**PRESBITERO J. VELASCO, JR.**  
Associate Justice  
Chairperson



**LUCAS P. BERSAMIN**  
Associate Justice




**FRANCIS H. JARDELEZA**  
Associate Justice



**ANDRES B. REYES, JR.**  
Associate Justice

**A T T E S T A T I O N**

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

### CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the Division Chairperson's Attestation, I certify 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.

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*[Signature]*  
JOY V. LAPIRAN  
Court of Appeals  
2017 19 2017

*[Signature]*  
**MARIA LOURDES P. A. SERENO**  
Chief Justice