

FIRST DIVISION

[G.R. No. 220902, February 17, 2020]

REPUBLIC OF THE PHILIPPINES, PETITIONER, VS. SAN LORENZO DEVELOPMENT CORPORATION (SLDC), RESPONDENT.

DECISION

REYES, J. JR., J.:

This is a Petition for *Certiorari*^[1] under Rule 45 of the Rules of Court, assailing the Decision^[2] dated July 31, 2014 and Resolution^[3] dated September 17, 2015 of the Court of Appeals (CA) - Cebu in CA-G.R. CV No. 01023, which affirmed the Decision^[4] dated June 14, 2005 of the Regional Trial Court (RTC) of Mandaue, Cebu, Branch 55, in LRC Case No. N-577, LRA Record No. N-70522, granting respondent San Lorenzo Development Corporation's (SLDC) application for land registration.

The Facts

SLDC is a corporation duly organized and existing under Philippine laws and qualified to acquire and own lands in the Philippines. On September 25, 1998, it filed an Application^[5] for registration of two parcels of land - Lot No. 1 (identical to Lot No. 11324, Pls-982) with an area of 74,488 square meters; and Lot No. 2 (identical to Lot No. 11325, Pls-982 with an area of 529 square meters - situated in *Barangay* Buluang, Compostela, Cebu, under Presidential Decree (P.D.) No. 1529 or the Property Registration Decree.^[6]

In its application, SLDC alleged, among others, that it is the owner of the subject parcels of land, having acquired the same by purchase sometime in 1994 and 1995; that it, together with the previous owners thereof, has been in open, continuous, exclusive, and notorious possession and occupation of the said parcels of land in the concept of an owner for over 30 years; and that said parcels of land are part of the area generally declared as alienable and disposable block per Land Classification Project No. 21-A, per Map-2545 of Compostela, Cebu, certified under Forestry Administrative Order No. 4-1063 approved on September 1, 1965.^[7]

Nine witnesses were presented to support SLDC's claim that through its predecessors-in-interest, it has been in open, continuous, exclusive, and notorious possession and occupation of the subject parcels of land for more than 30 years.^[8] Aside from these testimonies, SLDC likewise presented pieces of documentary evidence to support its claims, *viz.*: (1) copy of the approved tracing cloth plan of the subject lots; (2) blue print copies of said plan; (3) approved technical description of the subject lots; (4) Certification as to the non-availability of the Surveyor's Certificate; (5) Certification from the Community Environment and Natural Resources Office (CENRO) that the subject parcels of land are within the alienable and disposable block; (6) Certification from the Lands Management Services of the Department of Environment and Natural Resources (DENR) that the

subject lots are outside the resurveyed boundaries of the Cotcot-Lusaran Watershed Forest dated September 2, 1997; (7) copies of the Deeds of Absolute Sale for the purchase of the subject lots; and (8) copies of some of the tax declarations covering the subject lots.^[9]

The RTC Ruling

The RTC granted the application, finding that SLDC was able to clearly and convincingly establish its open, continuous, exclusive, and notorious possession and occupation of the subject lots under a bona fide claim of ownership within the time prescribed under Section 14(1), Chapter III of P.D. No. 1529. The RTC also found the lots to be classified as alienable and disposable land and registrable, not being a forest land, nor found on navigable rivers, waters, streams, and creeks nor within the municipal streets or public highways and government reservations. It disposed, thus:

WHEREFORE, premises considered, a Decision I S hereby rendered, to wit:

1. Admitting Exhibits "A" to "JJ" and all its sub-markings formally offered by applicant San Lorenzo Development Corporation, as part of the testimony of applicant and its witnesses, and for the purpose/s for which they are offered;
2. Ordering the issuance of titles to applicant San Lorenzo Development Corporation to the following parcels of land more particularly described as follows, to wit:

A parcel of land (Lot 1 of the consolidation subdivision plan, CCS-07-000666, being a portion of Lot 1427, 1431, 1433, 1434, 1435, 1436, 1488, pls-982) situated in the Barangay of Buluang, Compostela, Cebu, containing an area of SEVENTY-FOUR THOUSAND FOUR HUNDRED EIGHTY-EIGHT (74,488) square meters, more or less and;

A parcel of land (Lot 2 of the consolidation subdivision plan, CCS-07-000666, being a portion (of) Lot 1427, 1431, 1433, 1434, 1435, 1436, 1488, Pls-982) situated in the Barangay of Buluang, Compostela, Cebu, containing an area of FIVE HUNDRED TWENTY-NINE (529) square meters, more or less;

and that their titles thereto be REGISTERED and CONFIRMED.

Upon finality of this decision, the Land Registration Authority is directed to issue the corresponding decree of registration and certificate of title pursuant to Sec. 39, Chapter IV, Presidential Decree 1529.

Furnish all parties concerned with a copy of this Decision.

SO ORDERED.^[10]

The Republic, through the Office of the Solicitor General (OSG), then filed its Notice of Appeal^[11] dated June 30, 2005. On appeal, the Republic argued that SLDC failed to prove by well-nigh incontrovertible evidence that it has been in open, continuous,

exclusive, and notorious occupation of the subject parcels of land since June 12, 1945 or earlier to establish its registrable title under Section 14(1) of P.D. No. 1529. [12]

The CA Ruling

In its assailed Decision, the CA affirmed the grant of SLDC's application for registration, albeit for a different ground. The CA held that the pieces of evidence presented by SLDC are insufficient to establish its claim of possession and occupation of the subject parcels of land since June 12, 1945 or earlier to make said lands eligible for registration under Section 14(1) of P.D. No. 1529. However, perusal of SLDC's application reveals that its claim of ownership over the subject lots comes within the purview of Section 14(2) of said law. Hence, the CA ruled that SLDC may still register the subject lands as the possessor may still register an alienable public land under Section 14(2) of P.D. No. 1529 despite its failure to prove possession thereof from June 12, 1945 or earlier as required by Section 14(1) thereof. [13]

Premised thereupon, the CA ruled that SLDC was able to establish its registrable title under Section 14(2) considering that it was able to prove possession for more than 30 years through its predecessors-in-interest, and that it was undisputed that the subject lots are alienable and disposable lands. The CA, disposed, thus:

WHEREFORE, premises considered, the instant appeal is DENIED on the ground that the application for confirmation and registration of title over Lots Nos. 1 and 2 of the Consolidated Plan Ccs-07-000666 filed by [petitioner] San Lorenzo Development Corporation may be granted under Section 14(2) of Presidential Decree No. 1529 or the Property Registration Decree. The Decision dated June 14, 2005 of the Regional Trial Court, Branch 55, Mandaue City, in LRC Case No. N-577, LRA Record no. N-70522, is AFFIRMED.

SO ORDERED.

The Republic moved for the reconsideration of said Decision, arguing, among others, that even under Section 14(2), SLDC's application must still be denied on the ground that it failed to prove that the subject parcels of land have been converted from alienable lands of public domain to private lands. The Republic also argued that SLDC likewise failed to prove possession and occupation of the subject lands in the manner required by law.

In its Resolution dated September 17, 2015, the CA denied the Republic's motion for reconsideration, reiterating its ruling that the subject parcels of land were already converted into private properties through the continuous and exclusive possession of SLDC and its predecessors-in-interest for more than 30 years, thereby making said lots susceptible to prescription. The CA ruled:

WHEREFORE, the motion for reconsideration filed by the Republic of the Philippines is DENIED for lack of merit.

SO ORDERED. [14]

Hence, this petition, wherein the Republic argues that the CA erred in treating SLDC's application as one pursued under Section 14(2) of P.D. No. 1529 when the RTC's grant thereof was based on Section 14(1). Under Section 14(1), the Republic