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[G.R. No. 193657, September 04, 2018]

REPUBLIC OF THE PHILIPPINES, PETITIONER, V. HEIRS OF IGNACIO DAQUER AND THE REGISTER OF DEEDS, PROVINCE OF PALAWAN, RESPONDENTS.

D E C I S I O N

LEONEN, J.:

Any application for a homestead settlement recognizes that the land belongs to the public domain.[1] Prior to its disposition, the public land has to be classified first as alienable and disposable[2] through a positive act of the government.[3] This act must be direct and express, not merely inferred from an instrument such as the homestead patent. The State has the right to institute an action for the reversion of an inalienable land of the public domain erroneously awarded by its officials and agents.

This resolves a Petition for Review on Certiorari[4] under Rule 45 of the 1997 Rules of Procedure assailing the January 14, 2010 Decision[5] and September 7, 2010 Resolution[6] of the Court of Appeals in CA-G.R. CV No. 90488, which affirmed the September 28, 2007 Decision[7] of Branch 95, Regional Trial Court, Puerto Princesa City. The Regional Trial Court denied the Republic of the Philippines' Complaint for Cancellation of Free Patent, Original Certificate of Title and Reversion of land[8] for lack of merit.

On October 22, 1933, Ignacio Daquer (Daquer), married to Fernanda Abela,[9] applied for a homestead patent grant over Lot No. H-19731, situated at Brgy. Corong-Corong, Centro, Bacuit, Palawan.[10]

Daquer lodged Homestead Application No. 197317[11] before the Bureau of Lands, now Land Management Bureau, seeking nine (9) hectares or 90,000 square meters of land for his "exclusive personal use and benefit."[12]

On September 3, 1936, the Provincial Environment and Natural Resources Officer, by the Director of the Bureau of Lands' authority, approved[13] Daquer's application and issued him Homestead Patent No. V- 67820, covering an area of 65,273 square meters.[14]

Thereafter, Homestead Patent No. V-67820 was transmitted to the Registrar of Deeds of Palawan for registration.[15] After registration, Original Certificate of Title (OCT) No. G-3287 was issued in Daquer's name.[16]

On April 3, 1969, Daquer passed away. He was survived by his children, who were his legal heirs, namely, Porcepina Daquer Aban (Porcepina), Alita Daquer Quijano,

and Neria Daquer Laguta (collectively, Heirs of Daquer).[17]

Subsequently, the Department Secretary and the Undersecretary for Legal Affairs of the Department of Agriculture and Natural Resources instructed the Community Environment and Natural Resource Office (CENRO) "to submit an inventory of suspected spurious titles cases which may fall within timberland and classified public forest."[18]

Pursuant to their directive, Mariano Lilang, Jr. (Lilang), Land Management Officer III of CENRO, Taytay, Palawan, conducted an investigation to determine whether lands covered by approved patent applications were indeed alienable or disposable.[19]

Upon investigation, Lilang discovered that the land covered by Homestead Application No. 197317 and OCT No. G-3287 fell within the zone of unclassified public forest.[20] Relative to this, Lilang and Senior Forest Management Specialist Chief Leonardo Publico issued a Certification[21] dated July 10, 2000, confirming that Lot No. H-19731 was "still within the Unclassified Zone," thus:

> This CERTIFIES that the area of Plan H. 197317 in CENTRO Bacuit, El Nido, Palawan and with Homestead Patent No. V-67820 and Original Certificate of Title No. G-3287 in the name of Ignacio Daquer *is still within the Unclassified Zone, as per Land Classification Map No. 1467 certified on September 16, 1941*.
>
> Issued in connection with the on-going investigation of questionable land titles being made by this Office.[22] (Emphasis supplied)

Consequently, the Republic of the Philippines (the Republic) filed a Complaint for Cancellation of Free Patent, Original Certificate of Title and Reversion[23] of land to public domain on April 1, 2003.[24] It argued that Lot No. H-19731 could not have been validly registered because it fell within the forest or timberland zone. It stated that the Director of the Lands and Management Bureau[25] was bereft of any jurisdiction over public forests or any lands incapable of registration. It claimed that until and unless these lands were reclassified and considered disposable and alienable, occupying them in the concept of an owner, no matter how long, could not ripen into ownership.[26]

In support of its complaint, the Republic presented Land Management Officer Lilang as its witness.[27]

Lilang testified that he conducted a records investigation on Daquer's land. Based on his investigation, it was disclosed that Lot No. H-19731 fell within the unclassified public forest. He explained that he based his conclusion on Land Classification Map No. 1467. He averred that all lands not within the tract of areas classified as alienable and disposable, as shown in the classification map, were regarded as unclassified public forest. Thus, since Lot No. H-19731 fell outside the alienable and disposable area, it should be considered as part of the unclassified public forest. [28]

The Heirs of Daquer, on the other hand, presented Porcepina as witness. Porcepina testified that she was residing at Lot No. H-19731 and that she had custody of OCT No. G-3287. She paid the taxes over the land after the death of her brother,

Francisco Daquer. She admitted that her late father also owned other properties aside from Lot No. H-19731.[29]

The Heirs of Daquer also presented as witness Eduardo Franciso, who testified that he was familiar with the area covered by Lot No. H-19731 because his house was only 10 meters away from it. He admitted that the area where his house and Lot No. H-19731 were located was timber land.[30]

In its September 28, 2007 Decision, the Regional Trial Court denied[31] the Republic's petition for cancellation and reversion for lack of merit.

In its ruling, the Regional Trial Court relied heavily on the presumption of regularity of official functions when the Undersecretary of the Department of Agriculture and Natural Resources, acting for the President, granted the homestead patent. It ruled that the President, acting through his alter ego, would not award a homestead patent over forest land but only over public agricultural land.[32]

The Regional Trial Court likewise noted that under the land classification map, areas falling outside the alienable and disposable area were not considered as unclassified public forest, but only unclassified land.[33] Citing *Krivenko v. Register of Deeds*,[34] it ruled that unclassified lands, such as Lot No. H-19731, are presumed to be agricultural lands.[35]

Finally, the Regional Trial Court held that even assuming that Lot No. H-19731 was previously considered as unclassified land, the issuance of Homestead Patent No. V-67820 "could only mean that the land at that point in time had already been expressly classified as alienable or disposable land of public domain."[36]

The Republic appealed before the Court of Appeals,[37] objecting to the ruling that the land was presumed alienable and disposable agricultural land.[38] It also contested the ruling of the Regional Trial Court that the issuance of Homestead Patent No. V-67820 effectively classified the land from public domain land to alienable and disposable land.[39]

According to the Republic, public lands may only be classified by the Executive Department through the Office of the President.[40] Citing *Heirs of Spouses Vda. De Palanca v. Republic*,[41] it argued that "[w]hen the property is still unclassified, whatever possession applicants may have had, and however long, still cannot ripen into private ownership."[42] Finally, it asserted that Homestead Patent No. V-67820 suffered from a jurisdictional flaw warranting the reversion of the land to the State:

> The Director of the Lands Management Bureau (then Bureau of Lands] is devoid of jurisdiction over public forests or any land not capable of registration. When he (or she] is misled into issuing patents over such lands, the patents and the corresponding certificates of title are immediately infected with jurisdictional flaw which warrants the institution of suit to revert land to the State[.][43]

In its January 14, 2010 Decision, the Court of Appeals dismissed the appeal and affirmed the Regional Trial Court September 28, 2007 Decision.

The Republic's Motion for Reconsideration[44] was denied by the Court of Appeals on September 7, 2010.[45]

On October 28, 2010,[46] the Republic appealed the Court of Appeals January 14, 2010 Decision and September 7, 2010 Resolution before this Court.

Thus, for this Court's resolution are the following issues:

First, whether or not the mere issuance of a homestead patent could classify an otherwise unclassified public land into an alienable and disposable agricultural land of the public domain; and

Second, whether or not the issuance of Homestead Patent No. V-67820 was jurisdictionally defective as Lot No. H-19731 was still part of the inalienable public land when Homestead Application No. 197317 was granted.

The Petition is impressed with merit.

I.A

A homestead patent is a gratuitous grant from the government "designed to distribute disposable agricultural lots of the State to land-destitute citizens for their home and cultivation."[47] Being a gratuitous grant, a homestead patent applicant must strictly comply with the requirements laid down by the law.

When Daquer filed Homestead Application No. 197317 on October 22, 1933, the governing law was Act No. 2874 or the Public Land Act, which outlined the procedure for the classification and disposition of lands of the public domain, to wit:

CHAPTER II

Classification, Delimitation, and Survey of Lands of the Public Domain,
for the Concession Thereof

> Section 6. *The Governor-General*, upon the recommendation of the Secretary of Agriculture and Natural Resources, shall from time to time *classify the lands of the public domain* into —
>
> (a) Alienable or disposable
> (b) Timber, and
> (c) Mineral lands
>
> and may at any time and in a like manner, transfer such lands from one class to another, *for the purposes of their government and disposition*.
>
> Section 7. For the purpose of the government and disposition of alienable or disposable public lands, *the Governor-General*, upon recommendation by the Secretary of Agriculture and Natural Resources, *shall from time to time declare what lands are open to disposition or concession under this Act*.
>
> Section 8. *Only those lands shall be declared open to disposition or concession which have been officially delimited and classified* and, when practicable, surveyed, *and which have not been reserved for public or quasi-public uses*, nor appropriated by the Government, nor in any

manner become private property, nor those on which a private right authorized and recognized by this Act or any other valid law may be claimed, or which, having been reserved or appropriated, have ceased to be so. However, the Governor-General may, for reasons of public interest, declare lands of the public domain open to disposition before the same have had their boundaries established or been surveyed, or may, for the same reasons, suspend their concession or disposition until they are again declared open to concession or disposition by proclamation duly published or by Act of the Legislature.

Section 9. For the purposes of their government and disposition, the lands of the public domain alienable or open to disposition shall be classified, according to the use or purposes to which such lands are destined, as follows:

(a) Agricultural.
(b) Commercial, industrial, or for similar productive purposes.
(c) Educational, charitable, and other similar purposes.
(d) Reservations for town sites, and for public and quasi-public uses.

The Governor-General, upon recommendation by the Secretary of Agriculture and Natural Resources, shall from time to time make the classifications provided for in this section, and may, at any time and in a similar manner, transfer lands from one class to another. (Emphasis supplied)

Under the Public Land Act, the Governor-General (now the President), upon the recommendation of the Secretary of Agriculture and Natural Resources (now Department of Environment and Natural Resources), shall have the power to classify lands of the public domain into: (1) alienable or disposable; (2) timber; and (3) mineral lands.

Lands of public domain which have been classified as alienable or disposable may further be classified into: (1) agricultural; (2) commercial, industrial, or for similar productive purposes; (3) educational, charitable and other similar purposes; and (4) reservations for town sites, and for public and quasi-public uses.[48]

Once lands of public domain have been classified as public agricultural lands, they may be disposed through any of the following means: (1) homestead settlement; (2) sale; (3) lease; or (4) confirmation of imperfect or incomplete titles. Section 11 provides:

TITLE II
Agricultural Public Lands

CHAPTER III
Forms of Concession of Agricultural Lands

Section 11. *Public lands suitable for agricultural purposes* can be disposed of only as follows, and not otherwise:

(1) For homestead settlement.
(2) By sale.