

SECOND DIVISION

[G.R. No. 200973, May 30, 2016]

**REPUBLIC OF THE PHILIPPINES, REPRESENTED BY THE
REGIONAL EXECUTIVE DIRECTOR, DEPARTMENT OF
ENVIRONMENT AND NATURAL RESOURCES (DENR) - REGION IV,
MANILA, PETITIONER, VS. AMOR HACHERO AND THE REGISTER
OF DEEDS OF PALAWAN, RESPONDENTS.**

DECISION

MENDOZA, J.:

Subject of this petition for review on *certiorari* is the July 4, 2011 Decision^[1] of the Court of Appeals (CA), in CA-G.R. CV No. 87267 and its March 6, 2012 Resolution,^[2] affirming the March 29, 2006 Decision^[3] of the Regional Trial Court, Branch 48, Puerto Princesa, Palawan (RTC), which denied the Petition for Cancellation of Free Patent, Original Certificate of Title and Reversion filed by the Republic of the Philippines (*Republic*).

The Antecedents

Sometime in 1996, Amor Hachero (*Hachero*) filed his Free Patent Application No. 045307-969 covering Lot No. 1514, CAD-1150-D (*subject land*) before the Community Environment and Natural Resources Office (CENRO) of Palawan. The subject land, with an area of 3.1308 hectares or 31,308 square meters (*subject land*), is located in Sagrada, Busuanga, Palawan.^[4]

The said application for free patent was later approved by the Provincial Environment and Natural Resources Officer (PENRO) of Palawan based on the following findings:

- 1) That Hachero was a natural-born Filipino citizen of the Philippines and, therefore, qualified to acquire public land through free patent;
- 2) That the land applied for had been classified as alienable and disposable and, therefore, subject to disposition under the Public Land Law;
- 3) That an investigation conducted by the Land Investigator/Inspector/Deputy Public Land Inspector Sim A. Luto, found that the subject land had been occupied and cultivated by Hachero himself and/or through his predecessor- in-interest since June 12, 1945 or prior thereto;
- 4) That the notice for the acquisition of the land by Hachero was

published in accordance with law and that no other person provided a better right to the land applied for;

5) That there was no adverse claim involving the land still pending determination before the CENRO; and

6) That the claim of Hachero was complete and there was no record in the CENRO of any obstacle to the issuance of the patent.^[5]

On October 15, 1998, Free Patent No. 045307-98-9384 was issued to Hachero and the subject land was registered under Original Certificate of Title (OCT) No. E-18011 on May 7, 1999.

After an inspection and verification were conducted by the CENRO in 2000, it was discovered that the subject land, covered by OCT No. E-18011, was still classified as timberland and so not susceptible of private ownership under the Free Patent provision of the Public Land Act.^[6]

Consequently, on November 26, 2002, the Republic, represented by the Regional Executive Director, Department of Environment and Natural Resources (DENR)-Region IV, Manila, filed the Complaint for the Cancellation of Free Patent No. 045307-98-9384 and OCT No. E-18011 and for Reversion, which was docketed as Civil Case No. 3726.

Despite personal receipt of the summons and the complaint, however, Hachero did not file any responsive pleading within the period required by law. Upon the Republic's motion, the RTC declared Hachero in default. Thereafter, the Republic was allowed to present its evidence *ex-parte*.^[7]

The Republic presented its lone witness, Diosdado Ocampo, former CENRO officer of Palawan, and formally offered the following documents as its exhibits: a) Application for Free Patent of Amor Hachero; b) Orders of Approval of the Application and Issuance of Free Patent; c) Free Patent No. 045307-98-9384; d) OCT No. E-18011 issued in the name of Amor Hachero; e) Inspection Report, dated July 24, 2000; and f) Verification, dated July 17, 2000, both issued by one Sim Luto.^[8]

The Ruling of the RTC

On March 29, 2006, the RTC rendered its decision in favor of Hachero. The dispositive portion of the RTC decision reads:

WHEREFORE, premises considered, the Court hereby resolves to deny the instant action for cancellation of Free Patent and Original Certificate of Title and Reversion for lack of merit. No pronouncement as to costs.

IT IS SO ORDERED.^[9]

The RTC explained that the free patent and title had already been issued after Hachero was found to have complied with all the requirements; that it was the

Republic itself thru the DENR-CENRO, Coron, which brought the subject land under the operation of the Torrens System; that it could not understand the complete turnabout made by the same office and its officials who certified before that the subject land was alienable and disposable and who approved Hachero's application; that the Republic failed to show the document which stated that the subject land was still timberland as indicated under Project No. 2A L.C. Map No. 839, released on December 9, 1929, despite the fact that said document was already available at the CENRO office at the time of the application for free patent; that the lands adjacent to the subject land were already alienable and disposable; that the free patent and the title itself were public documents entitled to the presumption of regularity; and that the verification and inspection report of one Sim Luto together with the other CENRO officials presented by the Republic were insufficient to defeat Hachero's patent and title.^[10]

The Ruling of the CA

On July 4, 2011, the CA affirmed the RTC decision, stating that the verification presented by the Republic could not be given probative value because L.C. Map No. 839, dated December 9, 1929, which served as basis for the verification, was not presented before the RTC. According to the CA, the Inspection Report, standing alone, was not sufficient to overcome the burden imposed upon the Republic and could not serve as basis of the reversion of the subject land. The CA doubted the subsequent findings of the land investigator that the subject land was still timberland because he was the same land investigator who previously evaluated the subject land and certified that it was alienable and disposable.^[11]

Not in conformity, the Republic filed the subject petition anchored on the following

GROUND

THE HONORABLE COURT OF APPEALS GRAVELY ERRED IN AFFIRMING THE DISMISSAL OF PETITIONER'S ACTION FOR CANCELLATION OF FREE PATENT NO. 045307-98-9384 AND ORIGINAL CERTIFICATE OF TITLE (OCT) NO. E-18011 AND REVERSION, CONSIDERING THAT:

I

THE DISCHARGE OF THE OFFICIAL FUNCTIONS BY THE INVESTIGATING PERSONNEL OF THE DENR IN THIS CASE HAS THE PRESUMPTION OF REGULARITY, WHICH PRIVATE RESPONDENT FAILED TO REBUT.

II

THE PREVIOUS FACTUAL MIS APPRECIATION COMMITTED BY THE DENR EMPLOYEES CANNOT AND SHOULD NOT BIND THE GOVERNMENT, ESPECIALLY WHEN, AS IN THIS CASE, THE MISTAKE OR ERROR REFERS TO IMMUTABLE MATTERS SUCH AS ALIENABILITY OF A PORTION OF PUBLIC DOMAIN.^[12]

In advocacy of its cause, the Republic basically argues that per its investigation and verification conducted in July 2000, the free patent issued to Hachero was defective and erroneous considering that the land it covered fell within the timberland zone. It contends that the said factual findings carry great weight and should be accorded respect by the courts due to the special knowledge and expertise of DENR personnel over matters within their jurisdiction. Considering that the DENR personnel acted in the discharge of their official functions, the Republic asserted that they have in their favor the presumption of regularity in the performance of their official duties. Moreover, Hachero failed to rebut the DENR's investigation report and, for said reason, the presumption in favor of the investigating personnel and their report has become conclusive.

The Republic further contends that the title issued to Hachero, which had been issued based on an erroneous DENR finding that the land was alienable, can still be overturned by a later report stating otherwise. Thus, the Inspection Report,^[13] dated July 24, 2000, and Verification Report,^[14] dated July 17, 2000, superseded the previous finding that the subject land was alienable and disposable.

The Republic avers that the State is not estopped by the mistakes of its officers and employees and that the previous factual misappreciation committed by DENR employees cannot bind the government.^[15]

Hachero's counter-position

Hachero counters that the petition should be dismissed on the ground that it has raised substantially factual matters. He points out that the findings of fact of the RTC and the CA are final and conclusive and cannot be reviewed on appeal if there is no showing of grave abuse of discretion. He calls the attention of the Court to the fact that the officials, who previously certified to the alienability and disposability of the subject land but made a complete turn around by declaring otherwise, could not have made a mistake or error. He asserts that the main document a vital piece of data denominated as Cadastral Map No. 839, which became the basis for the reinspection/reinvestigation and verification by CENRO, Coron, was released on December 9, 1929 and admittedly already in their records when the application was approved for titling, and yet was not presented in court as evidence. Finally, Hachero stresses that the government cannot be allowed to deal dishonorably or capriciously with its citizens and that titleholders may not be made to bear the unfavorable effect of the mistake or negligence of the State's agents, in the absence of his complicity in a fraud or manifest damage to third persons.^[16]

The Court's Ruling

The Court finds merit in the petition.

*General Rule and Exceptions when
factual findings of the trial court
are affirmed by the CA*

It is generally settled in jurisprudence that the findings of fact of the trial court specially when affirmed by the CA are final, binding and conclusive and may not be

re-examined by this Court. There are, however, several exceptions to this rule, to wit:

- 1] When the findings are grounded entirely on speculation, surmises or conjectures;
- 2] When the inference made is manifestly mistaken, absurd or impossible;
- 3] When there is grave abuse of discretion;
- 4] When the judgment is based on misapprehension of facts;
- 5] When the findings of facts are conflicting;
- 6] When in making its findings, the CA went beyond the issues of the case, or its findings are contrary to the admissions of both the appellant and the appellee;
- 7] When the findings of the CA are contrary to that of the trial court;
- 8] When the findings are conclusions without citation of specific evidence on which they are based;
- 9] When the facts set forth in the petition as well as in the main and reply briefs are not disputed;
- 10] When the findings of fact are premised on the supposed absence of evidence and contradicted by the evidence on record; and
- 11] When the CA manifestly overlooked certain relevant facts not disputed by the parties, which, if properly considered, would justify a different conclusion.^[17]

After combing through the records, the Court is of the considered view that there is a need to review the findings of the courts below due to the presence of some of the enumerated exceptions mentioned above, which are 1) when the judgment is based on misapprehension of facts; and 2) when the findings of fact are contradicted by the evidence on record.

The Republic showed clear and convincing proof that the subject land was inalienable and non-disposable

Records reveal that on October 15, 1998, upon the approval of Hachero's application by CENRO of Palawan, Free Patent No. 045307-98-9384 was issued and, on May 7, 1999, the property was subsequently registered under OCT No. E-18011.

Thereafter, in an effort to find out fake or illegal titles, the DENR created a task force to investigate and evaluate all issued patents and titles. An investigation conducted by a representative of the Regional Executive Director of the Regional Office No. IV revealed that the subject land covered by OCT No. E-18011 was still timberland and, therefore, could not be segregated from the public domain as timberlands were classified as inalienable and non-disposable public lands.

Accordingly, both Sim Luto, Land Management Officer III, and Diosdado L. Ocampo, Community Environment and Natural Resources Officer, prepared and signed the Inspection Report, dated July 24, 2000, and Verification, dated July 17, 2000, attesting to the fact the subject land fell within the timberland zone under Project