

THIRD DIVISION

[G.R. No. 200726, November 09, 2016]

**REPUBLIC OF THE PHILIPPINES, PETITIONER, VS. MATEO LAO,
RESPONDENT.**

RESOLUTION

REYES, J.:

This is a petition for review on *certiorari*^[1] under Rule 45 of the Rules of Court seeking to annul and set aside the Decision^[2] dated February 1, 2012 issued by the Court of Appeals (CA) in CA-G.R. CEB-CV No. 81180.

Facts

On November 16, 2000, Mateo Lao (Lao) filed with the Municipal Circuit Trial Court (MCTC) of Liloan-Compostela, Cebu an Application for Original Registration of Title of two parcels of land situated in Barangay Estaca, Compostela, Cebu. The subjects of the Application are Lot Nos. 206 and 208 covered by Compostela Subdivision AP-072218-001228 containing a total area of 8,800 square meters.^[3] Lao alleged in his Application that he acquired the subject properties by purchase and that he and his predecessors-in-interest have been in peaceful, open, continuous, exclusive, and notorious possession and occupation of the same in the concept of owners prior to June 12, 1945.^[4] Lao attached in his application the following documents: (1) tracing cloth plan; (2) white print of plan; (3) technical description of the subject properties; (4) Geodetic Engineer's Certificate; and (5) Certificate of Assessment.^[5]

The case was set for initial hearing by the MCTC on January 11, 2002; Lao's counsel offered evidence to establish the jurisdictional facts of the case. After marking the jurisdictional requirements, the case was called three times for the benefit of any oppositors to the application. There being no oppositors, the MCTC issued an Order of General Default, except as against the State.^[6] Lao testified that he acquired the subject properties in 1990 from Vicente Calo (Vicente), as evidenced by a Deed of Absolute Sale. He claimed that he possessed the subject properties through his caretaker Zacarias Castro (Zacarias), who planted the same with different kinds of fruit-bearing trees.^[7]

Zacarias, testifying in behalf of Lao, alleged that he is familiar with the subject properties since he is the owner of a lot adjacent thereto. He averred that the subject properties were initially owned by his father Casimiro Castro (Casimiro). After his father's death, the subject properties were possessed by Perpetua Calo (Perpetua), and later by Vicente who sold the same to Lao in 1990. Zacarias claimed that he has been the caretaker of the subject properties from the time the same were owned by Perpetua in the 1950s up to the present.^[8]

On July 26, 2002, the MCTC rendered a Decision granting Lao's application. The case was later re-opened after the MCTC received the Opposition filed by the Republic of the Philippines (petitioner) on August 8, 2002.^[9] Trial on the merits of Lao's application ensued thereafter.

Consequently, however, the MCTC rendered a Decision dated November 28, 2002, granting Lao's application. Thus, the MCTC directed the issuance of Original Certificate of Title over the subject properties. The petitioner appealed the Decision dated November 28, 2002 of the MCTC to the CA, maintaining that Lao has failed to establish that he and his supposed predecessors-in-interest had been in open, continuous, exclusive and notorious possession and occupation of the subject properties under a claim of ownership since June 12, 1945.^[10]

On February 1, 2012, the CA rendered the herein assailed Decision,^[11] affirming the MCTC ruling. The CA opined that the evidence presented by Lao reflects the twin requirements of ownership and possession over the subject properties for at least 30 years. The CA further held that Lao and his predecessors-in-interest have been religiously paying taxes on the subject properties, which is good indicium of possession in the concept of an owner.^[12]

In this petition for review on *certiorari*, the petitioner maintains that the requirement of open, continuous, exclusive and notorious possession and occupation of the subject properties under a bona fide claim of ownership since June 12, 1945 had not been complied with.^[13] Further, the petitioner claims that the lower courts erred in granting Lao's application since there was no proof that the subject properties had been classified as within the alienable and disposable land of the public domain.^[14]

On the other hand, Lao avers that the subject properties form part of the alienable and disposable lands of the public domain; he explains that the Land Management Bureau of the Department of Environment and Natural Resources (DENR) would not have approved the tracing cloth plan of the subject properties if the same are not alienable and disposable.^[15] He further claims that the lower courts' findings as regards the nature of his and his predecessors-in-interest's possession and occupation of the subject properties are findings of fact, which is conclusive upon this Court.^[16]

Issue

Essentially, the issue for the Court's resolution is whether Lao's application for original registration of the subject properties should be granted.

Ruling of the Court

The petition is granted.

Section 14 of Presidential Decree (P.D.) No. 1529, otherwise known as the Property Registration Decree, enumerates those who may apply for original registration of title to land, *viz.*:

Sec. 14. *Who may apply.* The following persons may file in the proper Court of First Instance an application for registration of title to land, whether personally or through their duly authorized representatives:

- (1) Those who by themselves or through their predecessors-in-interest have been in open, continuous, exclusive and notorious possession and occupation of alienable and disposable lands of the public domain under a bona fide claim of ownership since June 12, 1945, or earlier.
- (2) Those who have acquired ownership of private lands by prescription under the provision of existing laws.
- (3) Those who have acquired ownership of private lands or abandoned river beds by right of accession or accretion under the existing laws.
- (4) Those who have acquired ownership of land in any other manner provided for by law.

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A perusal of Lao's application shows that he applied for original registration of the subject properties under Section 14(1) of P.D. No. 1529, claiming that he and his predecessors-in-interest have been in peaceful, open, continuous, exclusive, and notorious possession and occupation of the same in the concept of owners prior to June 12, 1945.^[17]

Under Section 14(1) of P.D. No. 1529, it is imperative for an applicant for registration of title over a parcel of land to establish the following: (1) possession of the parcel of land under a bona fide claim of ownership, by himself and/or through his predecessors-in-interest since June 12, 1945, or earlier; and (2) that the property sought to be registered is already declared alienable and disposable at the time of the application.^[18]

The lower courts erred in ruling that Lao was able to establish that he and his predecessors-in-interest have been in peaceful, open, continuous, exclusive, and notorious possession and occupation of the same in the concept of owners prior to June 12, 1945. It is settled that the applicant must present proof of specific acts of ownership to substantiate the claim and cannot just offer general statements, which are mere conclusions of law rather than factual evidence of possession.^[19] "Actual possession consists in the manifestation of acts of dominion over it of such a nature as a party would actually exercise over his own property."^[20]

The CA, in concluding that Lao met the required possession and occupation of the subject properties for original registration, opined that:

It bears stressing that [Lao] and his [predecessors-in-interest] have been religiously paying taxes thereon. In *Rosalina Clado-Reyes[,]* et al. v. *Spouses Limpe*, the Supreme Court reiterated that tax declarations or realty tax receipts are not conclusive evidence of ownership. Nevertheless, they are good indicia of possession in the concept of an owner, for no one in his right mind would be paying taxes for a property that is not in his actual or at least constructive possession. Here, the payment of the taxes on the subject land by [Lao] and his [predecessors-