

FIRST DIVISION

[G.R. No. 194066, June 04, 2014]

REPUBLIC OF THE PHILIPPINES, PETITIONER, VS. FRANKLIN M. MILLADO, RESPONDENT.

DECISION

VILLARAMA, JR., J.:

Before the Court is a petition for review under Rule 45 which seeks to reverse and set aside the Decision^[1] dated October 13, 2010 of the Court of Appeals (CA) in CA-G.R. CV No. 93056. The CA affirmed the Decision^[2] dated January 14, 2009 of the Regional Trial Court (RTC) of Iba, Zambales, Branch 71 granting the petition for reconstitution in L.R.A. Case No. RTC-237-I.

On February 7, 2007, Franklin M. Millado (respondent) filed a petition^[3] for reconstitution of Original Certificate of Title (OCT) No. 2108 issued in favor of the following, in undivided equal shares: Isabel Bautista, single; Sixto Bautista, married to Elena Ela; and Apolonia Bautista, single. Respondent alleged that he and his wife are the vendees of the property covered by the said title, by virtue of a Deed of Extra-Judicial Settlement of Estate with Sale^[4] executed by the heirs of spouses Sixto and Elena Bautista on December 29, 2006. He further averred that the owner's duplicate of OCT No. 2108 was in his possession while he was securing clearances for the transfer of title in their names but he either left or misplaced the same.

Respondent claimed that despite efforts he exerted to locate the owner's duplicate of OCT No. 2108, he was unable to find it. Upon verification with the Registry of Deeds, the original copy of OCT No. 2108 was likewise not found in the files of said office, as per the certification^[5] issued by the Register of Deeds for the Province of Zambales stating that said title was "declared missing as per Inventory dated Dec. 17, 1981 and that despite diligent effort to locate it, the same could not be found."

On March 13, 2007, the trial court ordered respondent to submit the names and addresses of the occupants or persons in possession of the property, the owners of the adjoining properties and all persons who may have any interest in the property. In compliance, respondent submitted only the names and addresses of the owners/actual occupants of the adjoining lots. Thereupon, the trial court issued an Order setting the hearing of the petition on September 11, 2007.^[6]

Considering that the National Printing Office could no longer accommodate the publication of the notice for the scheduled hearing date^[7], the trial court issued an Amended Order^[8] on August 28, 2007 setting a new hearing date for the petition, December 13, 2007, and directing that (a) the notice/order be published twice in the successive issues of the Official Gazette, posted in the premises of the subject

property, the main entrance of the Provincial Capitol and at the entrance of the municipal building of San Narciso, Zambales; (b) copies of the notice/order together with the petition be sent to the Office of the Solicitor General (Makati City), the Provincial Prosecutor (Iba, Zambales), the Register of Deeds for the Province of Zambales, the Land Registration Authority (National Land Titles and Deeds, LRA), Atty. Jose T. Pacis (Palanginan, Iba, Zambales), Engr. Franklin M. Millado and the adjoining lot owners, namely; Remedios Fernandez and Pascual Fernandez (San Vicente, San Narciso, Zambales), Letecia Mariano (San Juan, San Narciso, Zambales) and Harris Fogata (Candelaria, San Narciso, Zambales); (c) the LRA thru its Records Section submit its report within 30 days from receipt of the order/notice, pursuant to Sections 10 and 12 of LRC Circular No. 35; and (d) the Register of Deeds to submit her verification in accordance with the aforesaid rule, within 30 days from receipt of notice/order.

At the hearing, Jovito Calimlim, Jr., Records Officer of the Registry of Deeds of Zambales, testified that based on the inventory files of titles in their office, OCT No. 2108 was declared missing as of December 17, 1981, with no pending transaction, per verification from the Primary Entry Book. Upon being notified that the owner's duplicate copy of said title was likewise lost, they advised respondent to file a petition for reconstitution with the court. No opposition to the petition was filed by their office and the LRA. As to the basis of the existence of OCT No. 2108, he said that their office relied on the decree of registration issued by the LRA. However, he is not aware of the circumstances of the loss of said title in their office.^[9]

Respondent also took the witness stand and confirmed the loss of the owner's duplicate copy of OCT No. 2108 sometime in February or March 2007 while he was securing clearances from the Bureau of Internal Revenue for the payment of capital gains tax. He said that at that time he had a bunch of documents in an envelope but he forgot about it. He went back to the said office looking for the envelope but there were many people going in and out of said office. He secured a certification from the Register of Deeds on the lost or missing original OCT No. 2108 in their files, and also a certification from the LRA regarding the issuance of the decree of registration.^[10]

After the formal offer of documentary evidence showing compliance with publication and posting of notice requirements, and receipt of the Report from the LRA, the case was submitted for decision. The LRA Report stated that: (1) based on the "Record Book of Cadastral Lots" on file at the Cadastral Decree Section, it appears that Decree No. 295110 was issued for Lot No. 4616, San Narciso Cadastre on October 8, 1927 in Cadastral Case No. 9, GLRO Cad. Rec. No. 371, and as per copy of said decree on file at the Vault Section, Docket Division, the decree was issued in favor of Isabel, Sixto and Apolonia, all surnamed Bautista, in undivided equal shares; (2) the technical description of the property does not appear to overlap previously plotted/decreed properties in the area; and (3) an authenticated copy of Decree No. 295110 which can be secured from the LRA may be used as a source of reconstitution pursuant to Section 2(d) of Republic Act No. 26 (R.A. 26).^[11]

On January 14, 2009, the trial court rendered its decision granting the petition for reconstitution, as follows:

WHEREFORE, the Register of Deeds of Zambales is directed to reconstitute Original Certificate of Title No. 2108.

Let copies of this decision be furnished the Register of Deeds of Zambales, the Land Registration Authority, Quezon City, the Solicitor General, Makati City, the Provincial Prosecutor, Iba, Zambales, Atty. Jose T. Pacis and the petitioner.

SO ORDERED.^[12]

The Republic of the Philippines (petitioner) thru the Solicitor General, appealed to the CA, arguing that the trial court gravely erred in granting the petition for reconstitution despite non-compliance with all the jurisdictional requisites. It pointed out that respondent failed to notify all the interested parties, particularly the heirs of the registered owners.^[13]

By Decision dated October 13, 2010, the CA dismissed petitioner's appeal and affirmed the trial court's ruling. It held that the respondent had satisfactorily complied with the statutory notice requirements so that the adjoining owners and any other persons who may have an interest in the property may be duly notified of the proceedings and given the opportunity to oppose the petition.

Petitioner is now before this Court assailing the CA in not ruling that respondent failed to comply with *all* the jurisdictional requisites for reconstitution of title.

The appeal is meritorious.

The nature of judicial reconstitution proceedings is the restoration of an instrument which is supposed to have been lost or destroyed in its original form and condition.^[14] The purpose of the reconstitution of title or any document is to have the same reproduced, after proper proceedings in the same form they were when the loss or destruction occurred.^[15]

R.A. 26 provides for the special procedure and requirements for the reconstitution of Torrens certificates of title.

Section 2 of R.A. 26, which governs reconstitution of *original* certificates of title, provides:

SEC. 2. Original certificates of title shall be reconstituted from such of the sources hereunder enumerated as may be available, in the following order:

(a) The owner's duplicate of the certificate of title;

(b) The co-owner's, mortgagee's, or lessee's duplicate of the certificate of title;

(c) A certified copy of the certificate of title, previously issued by the register of deeds or by a legal custodian thereof;