

## SECOND DIVISION

[ G.R. No. 175685, August 07, 2013 ]

**REPUBLIC OF THE PHILIPPINES, PETITIONER, VS. ANGELES  
BELLATE, AND SPOUSES JESUS CABANTO AND MARIETA  
JUANERIO, RESPONDENTS.**

### DECISION

**BRION, J.:**

Before us is a petition for review on *certiorari*<sup>[1]</sup> seeking to reverse and set aside the decision<sup>[2]</sup> dated December 9, 2005 of the Court of Appeals (CA) in CA-G.R. CV No. 65295. The decision denied the appeal of the Republic of the Philippines (*Republic*) from the decision of the Regional Trial Court (RTC) of Calbayog City, Branch 32, which dismissed the Republic's complaint for reversion of land to the mass of public domain and for the annulment of the granted free patent and title.

#### **Factual Antecedents**

Respondent Angeles Bellate<sup>[3]</sup> filed Free Patent Application (FPA) No. (VIII-2) 8216 over Lot No. 2624, Cad. 422 on December 28, 1975.<sup>[4]</sup> The lot has an area of 2,630 square meters and is located in *Barangay* Matobato, Calbayog City. Pursuant to the FPA, the Register of Deeds of Calbayog City issued Original Certificate of Title (OCT) No. 1546 on March 27, 1976 in favor of Angeles.<sup>[5]</sup>

On February 19, 1980, Enriquita Bellate-Quizan<sup>[6]</sup> filed a protest against Angeles before the Land Management Bureau (formerly, Bureau of Lands).<sup>[7]</sup> She prayed for the annulment of the FPA in favor of Angeles. She said that the FPA was obtained through fraud and misrepresentation because Angeles did not state the fact that the land had other occupants aside from him.<sup>[8]</sup>

Meanwhile, Lot No. 2624 was divided into two smaller lots, described as Lot Nos. 2624-A and 2624-B with areas of 2,130 square meters and 500 square meters, respectively.<sup>[9]</sup> Respondent Jesus Cabanto bought the smaller lot (Lot No. 2624-B) from Angeles.<sup>[10]</sup> This led to the cancellation of OCT No. 1546, and the issuance of Transfer Certificate of Title (TCT) No. 770 for Lot No. 2624-A, in the name of Angeles, and TCT No. 771 for Lot No. 2624-B, in the name of Cabanto.<sup>[11]</sup>

Acting on Enriquita's protest, the Director of Lands ordered Supervising Land Examiner Jovencio D. Bulan to conduct a formal investigation on Lot No. 2624. He submitted a final investigation report on February 9, 1987.<sup>[12]</sup>

On the basis of this report, the Republic, through the Office of the Solicitor General, filed a case against Angeles and spouses Cabanto and Marieta Juanerio (*Juanerio*)

for the reversion of land to the mass of public domain and for the annulment of the granted free patent and title with the RTC of Calbayog City, Branch 32, on March 9, 1990.<sup>[13]</sup> The Republic alleged that Angeles committed fraud and misrepresentation in securing his free patent when he stated under oath that Lot No. 2624 was not occupied by any other person, contrary to the investigation report.<sup>[14]</sup>

The respondents denied the Republic's allegations in the complaint and countered that: 1) the action is barred by prescription; 2) the title of spouses Cabanto and Juanerio had become indefeasible because they were buyers in good faith; and 3) the Republic's complaint failed to state a cause of action.<sup>[15]</sup>

During the pre-trial, the counsel of the respondents informed the RTC about the pendency of Civil Case No. 137-CC, an action for ownership and recovery of possession of Lot No. 2624-B which respondent Cabanto instituted in the RTC of Calbayog City, Branch 31, against Fideles Quizan, Eduardo Quizan, Preciosa Bellate, Constancio Cabaliza and Uldarico Pania.<sup>[16]</sup>

During trial, Enriquita testified that Eusebia Bellate was the original occupant of the 27,930-square-meter land located in *Barangay* Matobato, Calbayog City. Eusebia died on September 27, 1924. Eusebia's son, Sotero Bellate, inherited and occupied the land until his death on October 15, 1946. Sotero had four children, namely: Angeles, Anecito, Agustin and Conchita, all surnamed Bellate. They succeeded and occupied Eusebia's land. Sotero's two other sons, Anecito and Agustin, were already dead as of January 11, 1943 and August 15, 1975, respectively. Enriquita's mother was Conchita Bellate who died on April 10, 1976. Aside from Enriquita, Conchita had two other children, namely, Fideles and Eduardo.<sup>[17]</sup>

### **The RTC Ruling**

In its resolution dated March 27, 1991, the RTC dismissed the complaint on the ground of *litis pendentia*.<sup>[18]</sup> The Republic appealed the case to the CA, which remanded it back to the RTC for trial on the merits.<sup>[19]</sup>

On October 7, 1996, the RTC dismissed the complaint on the premise that the land which was the subject of dispute was different from the land previously occupied by Eusebia.<sup>[20]</sup> The RTC held that if the lands were different, then there was no fraud. The RTC based its conclusion on the submitted tax declarations, and on the differences in areas and boundaries of the properties.<sup>[21]</sup>

The Republic appealed the RTC decision to the CA.

### **The CA Ruling**

The CA did not agree with the RTC's findings on the identity of the properties, but nonetheless denied the appeal in its decision<sup>[22]</sup> dated December 9, 2005.

The CA pointed out that the identity of the properties involved was never raised in the pleadings. The CA held that Lot No. 2624 is part of the 27,930-square-meter lot which Eusebia previously occupied.<sup>[23]</sup> This land is now occupied by her heirs — Angeles and Enriquita, among them. Despite this finding, the CA still believed that

the Republic failed to establish the existence of fraud or misrepresentation by preponderance of evidence. Based on the investigation report, the CA concluded that Angeles did not commit fraud or misrepresentation in his application for free patent since there were no findings that other persons occupied a portion of Lot No. 2624.<sup>[24]</sup> This finding led the CA to conclude that neither fraud nor misrepresentation was committed.

On January 6, 2006, the Republic filed a motion for reconsideration which the CA denied on December 12, 2006.

The Republic thus sought recourse with this Court through a petition for review on *certiorari* under Rule 45.

### **The Petition**

The Republic raises the following issues:

*First*, citing *Remalante v. Tibe*,<sup>[25]</sup> the Republic argues that this petition falls within the exception to the rule that only questions of law may be raised in a petition for review on *certiorari* under Rule 45. The Republic emphasizes that the CA and the RTC had conflicting findings of fact, and that the judgment of the CA is premised on a misapprehension of facts.<sup>[26]</sup>

*Second*, the Republic argued that Angeles made false statements in his application which, under Section 91 of Commonwealth Act No. 141,<sup>[27]</sup> constitutes as ground for the cancellation of the concession, title or permit that was granted. The Republic pointed out that no less than Angeles' own witness, Roberta B. Coquilla, admitted that the property applied for free patent by her father, Angeles, was occupied by Preciosa Bellate, Freddie Bellate and others.<sup>[28]</sup>

### **The Case for the Respondents**

The respondents sought the denial of the Republic's petition for review on *certiorari* on the ground that the questions involved are not questions of law but of facts which are, as a general rule, not within the ambit of this Court in a petition for review on *certiorari* under Rule 45. <sup>[29]</sup>

The respondents argued that "[i]t is presumptuous on the part of the [Republic] to say that Jovencio Bulan stated in his report that upon his inspection, he found the houses of the heirs of Angeles Bellate standing on the land in question."<sup>[30]</sup>

### **The Issues**

The main issues are:

I. Whether or not this court may review the case under rule 45 of the Revised Rules of Court.

II. Whether or not the respondent committed fraud or misrepresentation of facts which would warrant the cancelation of

the free patent and certificate of title of the contested land.<sup>[31]</sup>

### **The Court's Ruling**

We deny the petition for lack of merit.

#### ***The court may review the case under Rule 45 of the Revised Rules of Court.***

"The jurisdiction of the Supreme Court in cases brought to it from the CA is limited to reviewing and revising the errors of law imputed to it, its findings of fact being conclusive."<sup>[32]</sup> In several decisions, however, the Court enumerated the exceptional circumstances when the Supreme Court may review the findings of fact of the CA.<sup>[33]</sup>

In the present case, we agree with the Republic that the petition falls within the exceptions because the lower courts' findings of fact are conflicting.

Contrary to the respondents' claim, the case of *Fuentes v. CA*<sup>[34]</sup> is inapplicable. In *Fuentes*, the Court held that "[p]revailing jurisprudence uniformly holds that findings of facts of the trial court, particularly when affirmed by the CA, are binding upon this Court." A review of *Fuentes*, however, reveals that it is not applicable to this case. In *Fuentes*, the RTC of Ozamis City affirmed the Municipal Circuit Trial Court's findings of fact, deleting only the monetary award in favor of the private respondents therein.

In the present petition, however, the CA did not affirm the RTC's findings of facts. The RTC compared the tax declarations and differences in areas and boundaries of the two properties and held:

Indubitably, the foregoing descriptions of the two parcels of land under Tax Dec. No. 36100 in the name of Angeles Bellate and Tax Dec. No. 24864 in the name of Eusebia Bellate demonstrates (sic) that they are two distinct and separate parcels of land. Correspondingly, **Lot No. 2624 (the property described in Tax Dec. No. 36100), subject of the Free Patent Application of Angeles Bellate and registered in Original Certificate of Title No. 1546 is not the same parcel of land claimed by Enriquita Bellate-Quizan to be that originally owned by the late Eusebia Bellate.**<sup>[35]</sup> (emphasis ours)

On the other hand, the CA observed:

We do not however agree with the above-quoted findings of the trial court. To begin with, the identity of the two properties was never raised by the parties in their pleadings, specifically by the defendants-appellants. A perusal of the records would show that the issue raised for determination before the RTC was whether or not Angeles Bellate made false statements in his application for free patent which constitute[s] a ground for the cancellation of his concession. Moreover, **the final investigation report of Jovencio Bulan established the fact that Lot No. 2624 was part of the 27,930 square-meter parcel of land previously declared for taxation purposes in the name of Eusebia Bellate.** As correctly observed by the Solicitor General, it is only logical

that there would be differences in the boundaries and areas after the segregation of Lot No. 2624 from the 27,930 square-meter land.<sup>[36]</sup> (emphasis ours)

While both the RTC and the CA decisions ruled in favor of the respondents, the Republic correctly observed, however, that the RTC and the CA arrived at contradicting findings of facts. The RTC's findings that Lot No. 2624 was not the same parcel of land originally owned by Eusebia cannot be reconciled with the CA's findings that Lot No. 2624 was part of the 27,930-square-meter land of Eusebia.

Moreover, the parties do not dispute the CA's findings of facts. The Republic is only assailing the CA's conclusion that Angeles did not commit fraud in her application for free patent. Therefore, this Court may review the case.

***The respondent did not commit fraud or misrepresentation of facts which would warrant the cancellation of the free patent and certificate of title.***

We do not agree with the Republic that Angeles committed false statement or omission of facts when he stated in the application that the land is not claimed or occupied by any other person.

The certificate of title issued pursuant to any grant or patent involving public lands is as conclusive and indefeasible as any other certificate of title issued to private lands in the ordinary or cadastral registration proceedings. It is not subject to collateral attack.<sup>[37]</sup> Though the certificate of title is conclusive and indefeasible, however, Section 91 of Commonwealth Act No. 141 (The Public Land Act) provides for the cancellation of the concession, title or permit granted for any false statement in the application or omission of facts in the application.

Once a patent is registered and the corresponding certificate of title is issued, the land covered by it ceases to be part of the public domain and becomes private property, and the Torrens Title issued pursuant to the patent becomes indefeasible upon the expiration of one year from the date of issuance of such patent.<sup>[38]</sup> However, as held in *The Director of Lands v. De Luna, et al.*,<sup>[39]</sup> even after the lapse of one year, the State may still bring an action under Section 101<sup>[40]</sup> of Commonwealth Act No. 141 for the reversion to the public domain of land which has been fraudulently granted to private individuals.<sup>[41]</sup> The burden of proof rests on the party who, as determined by the pleadings or the nature of the case, asserts the affirmative of an issue.<sup>[42]</sup> In other words, the Republic has the burden to prove that Angeles committed fraud in his application for free patent.

In *Libudan v. Gil*,<sup>[43]</sup> we held:

[T]he fraud must consist in an intentional omission of facts required by law to be stated in the application or a willful statement of a claim against the truth. It must show some specific acts intended to deceive and deprive another of his right. **The fraud must be actual and extrinsic, not merely constructive or intrinsic; the evidence thereof must be clear, convincing and more than merely preponderant,** because the proceedings which are assailed as having