

SECOND DIVISION

[G.R. No. 169461, September 02, 2013]

FIRST GAS POWER CORPORATION, PETITIONER, VS. REPUBLIC OF THE PHILIPPINES, REPRESENTED BY THE OFFICE OF THE SOLICITOR GENERAL, RESPONDENT.

DECISION

PERLAS-BERNABE, J.:

Assailed in this petition for review on *certiorari*^[1] are the Decision^[2] dated December 6, 2004 and Resolution^[3] dated August 23, 2005 of the Court of Appeals (CA) in CA-G.R. SP No. 67635 which annulled and set aside the Decision^[4] dated February 28, 2001 and Amended Order^[5] dated September 4, 2001 of the Regional Trial Court of Batangas City, Branch 3 (RTC) in Land Reg. Case No. N-1554 (LRA Rec. No. N-69624), setting aside the final decree of registration issued in favor of petitioner First Gas Power Corporation (petitioner) over the parcels of land subject of this case.

The Facts

Through a Petition dated April 17, 1998 filed before the RTC, petitioner sought for the original registration of two parcels of land situated at Brgy. Sta. Rita, Batangas City, denominated as Lot Nos. 1298 and 1315 (subject lots), both of Cad. 264 of the Batangas Cadastre, which consist of 4,155 and 968 square meters, respectively.^[6] The case was docketed as Land Reg. Case No. N-1554 (LRA Rec. No. N-69624) and, as a matter of course, was called for initial hearing. No oppositor appeared during the said hearing except Prosecutor Amelia Panganiban who appeared in behalf of the Office of the Solicitor General (respondent). Consequently, the RTC issued the corresponding Order of Special Default and the reception of evidence was delegated to the Branch Clerk of Court.^[7]

For land registration purposes, the subject lots were both investigated and inspected separately by Special Land Investigator Rodolfo A. Fernandez and Forester I Loida Y. Maglinao of the Department of Environment and Natural Resources (DENR) CENRO of Batangas City. Based on their findings, the subject lots are within the alienable and disposable zone under project no. 13, Ic map no. 718 issued on March 16, 1928. Also, in a letter dated January 18, 1999 from Robert C. Pangyarihan, Chief of the Surveys Division of the DENR Region IV – Land Management Sector, copy furnished the RTC, it is stated that the subject lots are not portion of/nor identical to any approved isolated survey.^[8]

During the reception of evidence, the government, through respondent, was given the opportunity to examine the authenticity of the documents presented by petitioner in support of its application for land registration as well as cross-examine

the latter's witnesses. Without any objection from the former, all exhibits offered by petitioner were admitted by the RTC. Meanwhile, respondent did not present any evidence to contradict petitioner's application.^[9]

The RTC Ruling and Subsequent Proceedings

In a Decision^[10] dated February 28, 2001, the RTC granted petitioner's application for the registration of the subject lots. It found that petitioner was able to substantiate its *bona fide* claim of ownership over the subject lots as it was shown, *inter alia*, that: (a) petitioner purchased Lot No. 1298 from its previous owner, Pio Benito Aguado, by virtue of a Deed of Absolute Sale dated March 23, 1995, while Lot No. 1315 was purchased from its previous owner, Glenn Manipis, as per Deed of Absolute Sale dated March 2, 1995; (b) petitioner and its predecessors-in-interest have been in open, peaceful, continuous, public, and uninterrupted possession of the subject lots even before 1945; and (c) the subject lots had already been declared for taxation purposes under the name of petitioner and the corresponding realty taxes have been equally paid by it.^[11] Finding petitioner's application to be well-founded and fully substantiated by evidence sufficient under the law, the RTC directed the registration of the subject lots in favor of petitioner and the issuance of the corresponding decree by the Land Registration Authority (LRA) upon finality of its decision.^[12]

On July 17, 2001, petitioner filed a Manifestation with Motion (manifestation with motion), manifesting to the RTC the existence of an LRA Report dated November 24, 1998 (LRA Report) which states that the subject lots were previously applied for registration and were both decided under Cadastral Case No. 37 (Cad. Case No. 37) and, in this regard, moved that the aforesaid decision be set aside. The said manifestation with motion reads in part:

2. LRA Record Book of Cadastral Lots on file in this Authority shows that **lots 1298 and 1315, Cad. 264, Batangas Cadastre were previously applied for registration of title in the Cadastral proceedings and were both decided under Cadastral Case No. 37**, GLRO Record No. 1696, and are subject of the following annotation, to quote:

"Lots 1298 (45-1)
1315 (61-1) Pte. De Nueva doc."

x x x x

WHEREFORE, to avoid duplication in the issuance of titles covering the same parcels of land, the foregoing is respectfully submitted to the Honorable Court with the recommendation that x x x should the instant application be granted, an order be issued setting aside the decision in the cadastral proceeding with respect to lots 1298 and 1315, Cad[.] 264, under Cad. Case No. 37.^[13] (Emphasis and underscoring supplied)

In the same pleading, petitioner maintained its prayer for the issuance of a decree of registration in its favor.^[14] Subsequently, the RTC issued an Amended Order^[15] dated September 4, 2001, (a) setting aside any decision affecting the subject lots in Cad. Case No. 37 in view of petitioner's manifestation and motion and upon the

LRA's recommendation; and (b) reiterating the issuance of the corresponding decree of registration in favor of petitioner due to the finality of the RTC Decision, to wit:

In view of the Manifestation and Motion filed by the applicant thru counsel and upon recommendation of the Land Registration Authority in its Report dated November 24, 1998 together with the letter dated June 18, 1999 from Robert C. Pangyarihan, Chief Survey[s] Division, DENR, Region IV, Land Management Sector, stating that Lots 1298 and 1315 are not portion of/nor identical to any approved isolated survey, **this Court hereby sets aside any decision in the cadastral proceedings for Lots 1298 and 1315, Cad. 264, under Case No. 37, and hereby reiterates that the Land Registration Authority may now issue the corresponding decree of registration and certificate of title as stated in the Decision dated February 28, 2001 which had attained finality.** This amends the Order dated August 6, 2001.

SO ORDERED.^[16] (Emphases and underscoring supplied)

Claiming that the RTC's Amended Order was tainted with grave abuse of discretion, respondent filed a petition for *certiorari* (*certiorari* petition) before the CA which was initially denied due course on November 26, 2001. Upon reconsideration, the CA admitted respondent's *certiorari* petition and directed petitioner to file its comment thereto. The parties thereafter filed their respective memoranda.^[17]

The CA Ruling

In a Decision^[18] dated December 6, 2004, the CA granted respondent's *certiorari* petition and thereby, annulled and set aside the RTC Decision and Amended Order as well as the final decree of registration issued in favor of petitioner over the subject lots.

At the outset, it noted that while the issue of the propriety of setting aside the decision in Cad. Case No. 37 was raised, the CA was not furnished a copy of the said decision. Thus, in a Resolution dated September 30, 2004, it directed the LRA to submit a copy of the same and, in relation thereto, the LRA submitted a certification of status and certification of non-availability of the record for the subject lots.^[19] The LRA further informed the CA that decrees of registration had already been issued for the subject lots.^[20] In view of these considerations, the CA proceeded and ruled that petitioner should have raised in its application for registration the existence of a decision in Cad. Case No. 37 as it is required to prove its absolute ownership over the same and that no controversy regarding the matter of its ownership exists.^[21] Moreover, the CA pronounced that the RTC's Amended Order which set aside the decision in Cad. Case No. 37 was in utter disregard of the policy of judicial stability, stating further that only the CA can annul judgments of the RTC.^[22] Finally, the CA held that it was erroneous for the RTC to direct the issuance of the corresponding certificate of titles without determining the bearing of the previous decision in Cad. Case No. 37 to petitioner as the applicant.^[23]

Aggrieved, petitioner moved for reconsideration which was, however, denied in a Resolution dated August 23, 2005.^[24] Hence, this petition.

The Issue Before the Court

The essential issue in this case is whether or not the CA erred in annulling and setting aside the RTC Decision and Amended Order as well as the final decree of registration issued in favor of petitioner over the subject lots.

The Court's Ruling

The petition is bereft of merit.

It is a long-standing rule that an applicant who seeks to have a land registered in his name has the burden of proving that he is its owner in fee simple, even though there is no opposition thereto. As held in *Republic v. Lee*:^[25]

The most basic rule in land registration cases is that "no person is entitled to have land registered under the Cadastral or Torrens system unless he is the owner in fee simple of the same, even though there is no opposition presented against such registration by third persons. x x x In order that the petitioner for the registration of his land shall be permitted to have the same registered, and to have the benefit resulting from the certificate of title, finally, issued, the burden is upon him to show that he is the real and absolute owner, in fee simple."^[26] (Citation omitted)

In this case, records disclose that petitioner itself manifested during the proceedings before the RTC that there subsists a decision in a previous cadastral case, *i.e.*, Cad. Case No. 37, which covers the same lots it applied for registration. Petitioner even posits in the present petition that it was apprised of the existence of the foregoing decision even before the rendition of the RTC Decision and Amended Order through the LRA Report dated as early as November 24, 1998 which, as above-quoted, states that the subject lots "were previously applied for registration of title in the [c]adastral proceedings and were both decided under [Cad. Case No. 37], GLRO Record No. 1969, and are subject to the following annotation x x x: 'Lots 1298 (45-1) [and] 1315 (61-1) Pte. Nueva doc.'"^[27] Since it had been duly notified of an existing decision which binds over the subject lots, it was incumbent upon petitioner to prove that the said decision would not affect its claimed status as owner of the subject lots in fee simple.

To note, the fact that the RTC did not order petitioner to address the matter or that it did not properly determine the effects of the existing decision to petitioner's application does not justify the latter's entitlement to have the subject lots registered in its name. Neither can the recommendation of the LRA to have the case set aside be perceived as an ample justification for the RTC's dispositions since this action is precluded by the doctrine of judicial stability as will be discussed below. These missteps just magnify the patent and gross errors of the RTC in these proceedings.

Further, as the CA correctly pointed out, land registration proceedings are *in rem* in nature and, hence, by virtue of the publication requirement, all claimants and occupants of the subject property are deemed to be notified of the existence of a cadastral case involving the subject lots.^[28] In this regard, petitioner cannot, therefore, take refuge on the lack of any personal knowledge on its part previous to its application. Case law dictates that a cadastral proceeding is one *in rem* and binds