

FIRST DIVISION

[G.R. No. 183063, February 24, 2010]

REPUBLIC OF THE PHILIPPINES, PETITIONER, VS. CAYETANO L. SERRANO,^[1] AND HEIRS OF CATALINO M. ALAAN, REPRESENTED BY PAULITA P. ALAAN, RESPONDENTS.

D E C I S I O N

CARPIO MORALES, J.:

Respondent Cayetano L. Serrano (Cayetano) filed on September 21, 1988 before the Regional Trial Court (RTC) of Butuan City an application for registration,^[2] docketed as LRC Case No. 270, over a 533-square meter parcel of commercial land known as Lot 249 ([on Plan Psu-157485] the lot), located in Poblacion Cabadbaran, Agusan del Norte.

Cayetano claimed to have acquired the lot by inheritance from his deceased parents, Simeon Serrano (Simeon) and Agustina Luz; by virtue of a Deed of Exchange^[3] dated February 10, 1961; and by a private deed of partition and extrajudicial settlement forged by him and his co-heirs.

Invoking the applicability of *Presidential Decree No. 1529* or the *Property Registration Decree* or, in the alternative, the provisions of Chapter VIII, Section 48(b) of *Commonwealth Act No. 141*,^[4] Cayetano also claimed to have been in open, continuous, exclusive and notorious possession of the lot under a claim of ownership before 1917 by himself and through his deceased parents-predecessors-in-interest or for more than 70 years.

The Heirs of Catalino Alaán, represented by Paulita Alaán (Paulita),^[5] intervened and filed an application for registration,^[6] their predecessor-in-interest Catalino Alaán (Catalino) having purchased^[7] a 217.45-square meter undivided portion of the lot from Cayetano on February 27, 1989 during the pendency of Cayetano's application for registration.

The intervenor-heirs of Catalino, also invoking the provisions of the *Property Registration Decree* or, alternatively, of Chapter VIII, Section 48(b) of *Commonwealth Act No. 141*, prayed that their application for confirmation of title be considered jointly with that of Cayetano's, and that, thereafter, original certificates of title be issued in both their names.

Cayetano raised no objection or opposition to the intervenor-Heirs of Catalino's application for registration.^[8]

Cayetano's brother-attorney-in-fact Leonardo Serrano (Leonardo) represented him at the hearings of the application. During the pendency of the case, Cayetano

passed away^[9] and was substituted by his heirs.

At the trial, the following pieces of documentary evidence, *inter alia*, were presented to support Cayetano's claim of ownership over the lot: original survey plan dated January 3, 1957 and certified by the Department of Environment and Natural Resources (DENR), and Bureau of Lands Director Zoilo Castrillo,^[10] technical description of the lot (Psu-157485),^[11] Tax Declarations for the years 1924 (in the name of Simeon) and 1948-1997 (in the name of either Simeon [deceased] or Cayetano),^[12] official receipts showing real estate tax payments (from 1948-1997),^[13] and Surveyor's Certificate No. 157485 dated January 1957.^[14]

As Cayetano's sole witness Leonardo was already physically infirm (hard of hearing and due to old age) at the time trial commenced, his testimony was taken by deposition on written interrogatories.^[15]

In answer to the interrogatories,^[16] Leonardo declared that his family had lived on the lot since pre-war time, his father Simeon having built a house on it following his acquisition from Julian Ydulzura in 1923^[17] who had purchased it from Lazaro Rañada in 1917;^[18] that the construction of a family home in 1923 was reflected in Tax Declaration No. 18,587 in the name of Simeon for the year 1924^[19]; that after his father's death in 1931, his mother and his brother Cayetano continued to possess the lot in the concept of owners and Cayetano in fact built his own house and a *bodega* thereon; that Cayetano religiously paid real estate taxes from 1951 up to the current year 1997;^[20] that the lot was assigned to him and Cayetano as their share of the inheritance by virtue of a private document, "*Kaligonan*," dated June 16, 1951,^[21] which was executed by all of the heirs, the contents of which document were subsequently confirmed in a Deed of Extrajudicial Settlement dated August 24, 1988,^[22] and that on February 10, 1961, Cayetano exchanged a titled lot in Butuan City for his (Leonardo's) half-share in the lot, thereby making Cayetano the sole and exclusive owner thereof.^[23]

On the other hand, Paulita, wife of Catalino who represented the heirs of Catalino, declared that in February 1989, Cayetano sold to her husband a 217.45-sq. meter portion of the 533-sq. meter lot subject of the present case as embodied in a deed of absolute sale;^[24] and that Catalino religiously paid real estate taxes therefor. And she presented an approved Subdivision Plan of Lot 249,^[25] Cad-866 indicating therein the respective shares of Cayetano and Catalino based on a survey undertaken by Geodetic Engineer Armando Diola on May 9, 1997.^[26]

The above-said Subdivision Plan of the lot, duly approved by Celso V. Loriega, Jr., Regional Technical Director of the DENR, Lands Management Services, Region Office XIII for Butuan City, carries the following annotation:

Surveyed in accordance with survey authority no. (X-2A) 77 issued by CENRO.

This survey is inside the alienable and disposable area as per project no. 5 L.C Map No. 550 certified on July 18, 1925.

Lot 249-A, Lot 9090, Lot 249-B, Lot 9091, CAD 866 Cabadbaran
Cadastre. (emphasis and underscoring supplied)

Herein petitioner Republic of the Philippines, represented by Butuan provincial prosecutor Ambrosio Gallarde, did not present any evidence to oppose the applications.

By Decision of November 3, 2003,^[27] the RTC granted respondents' applications, disposing as follows:

WHEREFORE, conformably with existing laws and jurisprudence, DECISION is hereby rendered:

1. Awarding a portion of Lot 249, Psu-15(5)7485 (now known as Lot 249-B, Csd-13-000443-D) containing an area of 316 sq. meters to applicant Cayetano L. Serrano, Sr., represented by his heirs;
2. Awarding a portion of Lot 249, Psu-157485 (now known as Lot 249-A, Csd-1-000443-D) containing an area of 217 sq. meters to applicant Catalina M. Alaan, represented by Paulita P. Alaan;

IT IS SO ORDERED.

The Office of the Solicitor General, on behalf of herein petitioner, appealed the RTC decision before the Court of Appeals on the grounds that respondents failed to present evidence that the property was alienable or that they possessed the same in the manner and duration required by the provisions of the *Property Registration Decree*.^[28]

By Decision of May 13, 2008,^[29] the appellate court *affirmed* the decision of the RTC in this wise:

x x x x

. . . [F]rom the aforequoted annotation, the OSG's assertion that there was no competent evidence that would clearly show the subject land was released as alienable and disposable land is unavailing. On the contrary, We HOLD that the said annotation would suffice to comply with the requirement of certification as the same is competent enough to show that the disputed land or the parcels of land (now Lot Nos. 249-A, Cad-866 and 249-B Cad-866, respectively) applied for by the applicants (Cayetano and Alaan) were **already reclassified as alienable and disposable as early as 18 July 1925**, under Project No. 5, L.C. Map No. 550.

x x x x

Records show that the subject land was first owned and possessed by Lazaro Rañada and the same was sold to Julian Ydulzura per untitled document executed on 15 May 1917. On 3 September 1923, Ydulzura sold the subject land for one hundred fifty pesos (Php150.00) to Simeon M. Serrano per untitled document, father of Cayetano. Simeon M. Serrano then had the subject land tax declared in his name in 1924 per *Declaration of Real Property (Urban) No. 18,587*. Upon the demise of Simeon Serrano on 9 January 1931, his heirs, including herein applicant Cayetano, partitioned by way of an *Agreement* on 16 June 1951 the properties of their deceased father. On 24 August 1988, the heirs of Simeon M. Serrano executed a *Deed of Extradjudicial Settlement* confirming further the *Agreement* executed on 16 June 1954 (sic). **It is worth noting that from 1955 up to the filing of the Application for Registration in 21 June 1988 and until 1997, Cayetano religiously paid the real estate taxes of the said subject property. As held in a long line of cases, tax declarations or realty tax payments of property are not conclusive evidence of ownership, nevertheless, they are good indicia of possession in the concept of owner.** Undoubtedly, applicant Cayetano, through his predecessors-in-interest, having been in open, continuous, exclusive and notorious possession and occupation over the subject property under a *bona fide* claim of ownership since June 12, 1945, or earlier had met the requirements set forth in Section 14(1) of the *Property Registration Decree*.

In fine, We FIND and so HOLD that applicant Cayetano L. Serrano and intervenor-appellee heirs of Catalino M. Alaan, have registrable title to the aforesaid subject lands, Lot 249-B, Csd-13-000443-D and Lot 249-A, Csd-1-000443-D, respectively, as they were able to prove that they are qualified and had complied with the requirements set forth by the provisions of *P.D. No. 1529* which amended *Commonwealth Act No. 141, as amended* and *Presidential Decree No. 1073*, which to Our mind merited the allowance of the application for registration of the said property by the trial court.^[30] (italics in the original; emphasis and underscoring supplied)

Hence, the present petition which raises the same grounds as those raised by petitioner before the appellate court.

The petition fails.

The requisites for the filing of an application for registration of title under Section 14(1) of the *Property Registration Decree* are: that the property is alienable and disposable land of the public domain; that the applicants by themselves or through their predecessors-in-interest have been in open, continuous, exclusive and notorious possession and occupation thereof; and that such possession is under a *bona fide* claim of ownership since June 12, 1945 or earlier.^[31]

The Court reiterates the doctrine which more accurately construes Section 14(1) in