

SECOND DIVISION

[G.R. No. 185091, August 08, 2010]

**REPUBLIC OF THE PHILIPPINES, REPRESENTED BY THE
DEPARTMENT OF EDUCATION DIVISION OF LIPA CITY (FOR
PANINSINGIN PRIMARY SCHOOL), PETITIONER, VS. PRIMO
MENDOZA AND MARIA LUCERO, RESPONDENTS.**

D E C I S I O N

ABAD, J.:

This case is about the propriety of filing an ejectment suit against the Government for its failure to acquire ownership of a privately owned property that it had long used as a school site and to pay just compensation for it.

The Facts and the Case

Paninsingin Primary School (PPS) is a public school operated by petitioner Republic of the Philippines (the Republic) through the Department of Education. PPS has been using 1,149 square meters of land in Lipa City, Batangas since 1957 for its school. But the property, a portion of Lots 1923 and 1925, were registered in the name of respondents Primo and Maria Mendoza (the Mendozas) under Transfer Certificate of Title (TCT) T-11410.^[1]

On March 27, 1962 the Mendozas caused Lots 1923 and 1925 to be consolidated and subdivided into four lots, as follows:

- Lot 1 - 292 square meters in favor of Claudia Dimayuga
- Lot 2 - 292 square meters in favor of the Mendozas
- Lot 3 - 543 square meters in favor of Gervacio Ronquillo; and
- Lot 4 - 1,149 square meters in favor of the City Government of Lipa^[2]

As a result of subdivision, the Register of Deeds partially cancelled TCT T-11410 and issued new titles for Lots 1 and 3 in favor of Dimayuga and Ronquillo, respectively. Lot 2 remained in the name of the Mendozas but no new title was issued in the name of the City Government of Lipa for Lot 4.^[3] Meantime, PPS remained in possession of the property.

The Republic claimed that, while no title was issued in the name of the City Government of Lipa, the Mendozas had relinquished to it their right over the school lot as evidenced by the consolidation and subdivision plan. Further, the property had long been tax-declared in the name of the City Government and PPS built significant, permanent improvements on the same. These improvements had also

been tax-declared.^[4]

The Mendozas claim, on the other hand, that although PPS sought permission from them to use the property as a school site, they never relinquished their right to it. They allowed PPS to occupy the property since they had no need for it at that time. Thus, it has remained registered in their name under the original title, TCT T-11410, which had only been partially cancelled.

On November 6, 1998 the Mendozas wrote PPS, demanding that it vacate the disputed property.^[5] When PPS declined to do so, on January 12, 1999 the Mendozas filed a complaint with the Municipal Trial Court in Cities (MTCC) of Lipa City in Civil Case 0002-99 against PPS for unlawful detainer with application for temporary restraining order and writ of preliminary injunction.^[6]

On July 13, 1999 the MTCC rendered a decision, dismissing the complaint on ground of the Republic's immunity from suit.^[7] The Mendozas appealed to the Regional Trial Court (RTC) of Lipa City which ruled that the Republic's consent was not necessary since the action before the MTCC was not against it.^[8]

In light of the RTC's decision, the Mendozas filed with the MTCC a motion to render judgment in the case before it.^[9] The MTCC denied the motion, however, saying that jurisdiction over the case had passed to the RTC upon appeal.^[10] Later, the RTC remanded the case back to the MTCC,^[11] which then dismissed the case for insufficiency of evidence.^[12] Consequently, the Mendozas once again appealed to the RTC in Civil Case 2001-0236.

On June 27, 2006 the RTC found in favor of the Mendozas and ordered PPS to vacate the property. It held that the Mendozas had the better right of possession since they were its registered owners. PPS, on the other hand, could not produce any document to prove the transfer of ownership of the land in its favor.^[13] PPS moved for reconsideration, but the RTC denied it.

The Republic, through the Office of the Solicitor General (OSG), appealed the RTC decision to the Court of Appeals (CA) in CA-G.R. SP 96604 on the grounds that: (1) the Mendozas were barred by laches from recovering possession of the school lot; (2) sufficient evidence showed that the Mendozas relinquished ownership of the subject lot to the City Government of Lipa City for use as school; and (3) Lot 4, Pcs-5019 has long been declared in the name of the City Government since 1957 for taxation purposes.^[14]

In a decision dated February 26, 2008, the CA affirmed the RTC decision.^[15] Upholding the Torrens system, it emphasized the indefeasibility of the Mendozas' registered title and the imprescriptible nature of their right to eject any person occupying the property. The CA held that, this being the case, the Republic's possession of the property through PPS should be deemed merely a tolerated one that could not ripen into ownership.

The CA also rejected the Republic's claim of ownership since it presented no documentary evidence to prove the transfer of the property in favor of the

government. Moreover, even assuming that the Mendozas relinquished their right to the property in 1957 in the government's favor, the latter never took steps to have the title to the property issued in its name or have its right as owner annotated on the Mendozas' title. The CA held that, by its omissions, the Republic may be held in estoppel to claim that the Mendozas were barred by laches from bringing its action.

With the denial of its motion for reconsideration, the Republic has taken recourse to this Court *via* petition for review on *certiorari* under Rule 45.

The Issue Presented

The issue in this case is whether or not the CA erred in holding that the Mendozas were entitled to evict the Republic from the subject property that it had used for a public school.

The Court's Ruling

A decree of registration is conclusive upon all persons, including the Government of the Republic and all its branches, whether or not mentioned by name in the application for registration or its notice.^[16] Indeed, title to the land, once registered, is imprescriptible.^[17] No one may acquire it from the registered owner by adverse, open, and notorious possession.^[18] Thus, to a registered owner under the Torrens system, the right to recover possession of the registered property is equally imprescriptible since possession is a mere consequence of ownership.

Here, the existence and genuineness of the Mendozas' title over the property has not been disputed. While the consolidation and subdivision plan of Lots 1923 and 1925 shows that a 1,149 square meter lot had been designated to the City Government, the Republic itself admits that no new title was issued to it or to any of its subdivisions for the portion that PPS had been occupying since 1957.^[19]

That the City Government of Lipa tax-declared the property and its improvements in its name cannot defeat the Mendozas' title. This Court has allowed tax declarations to stand as proof of ownership only in the absence of a certificate of title.^[20] Otherwise, they have little evidentiary weight as proof of ownership.^[21]

The CA erred, however, in ordering the eviction of PPS from the property that it had held as government school site for more than 50 years. The evidence on record shows that the Mendozas intended to cede the property to the City Government of Lipa permanently. In fact, they allowed the city to declare the property in its name for tax purposes. And when they sought in 1962 to have the bigger lot subdivided into four, the Mendozas earmarked Lot 4, containing 1,149 square meters, for the City Government of Lipa. Under the circumstances, it may be assumed that the Mendozas agreed to transfer ownership of the land to the government, whether to the City Government of Lipa or to the Republic, way back but never got around to do so and the Republic itself altogether forgot about it. Consequently, the Republic should be deemed entitled to possession pending the Mendozas' formal transfer of ownership to it upon payment of just compensation.

The Court holds that, where the owner agrees voluntarily to the taking of his