

SECOND DIVISION

[G.R. No. 122269, September 30, 1999]

REPUBLIC OF THE PHILIPPINES, REPRESENTED BY THE SECRETARY OF AGRICULTURE, PETITIONER, VS. THE HON. COURT OF APPEALS, HON. VIVENCIO A. BANTUGAN, PRESIDING JUDGE OF THE REGIONAL TRIAL COURT, BRANCH 55, ALAMINOS, PANGASINAN, AND HEIRS OF ZENAIDA BUSTRIA-TIGNO, REPRESENTED BY CAMILO TIGNO, RESPONDENTS.

DECISION

MENDOZA, J.:

For review is the decision^[1] of the Court of Appeals, dated October 4, 1995, in CA-G.R. SP No. 34013, dismissing a petition filed by the Republic of the Philippines for the annulment of the decision of the Regional Trial Court of Alaminos, Pangasinan, which declared private respondents to be the absolute owners of a piece of land in Barangay Malacapas, Dasol, Pangasinan. The government, as petitioner, prays that the aforesaid decision of the trial court, rendered in Civil Case No. A-1759, be annulled.

The facts are stated in the following portion of the decision of the Court of Appeals:

Sometime in 1957, one Matias Bustamante filed with the then CFI of Pangasinan an application for registration under Act No. 496, as amended, of a tract of land containing an area of 880,000 square meters, more or less, situated in Barangay Malacapas, Dasol, Pangasinan.

Both the Director of Forestry and the Director of Fisheries filed oppositions to the aforesaid application, alleging among others, that 'said parcel of land, with the exception of 97,525 square meters, is a part of the Timber Land Block "A" Land Classification Project 44, which is converted into fish ponds.' Isidro Bustria [private respondents' predecessor-in-interest] and Julian Bustria, also opposed the said application for land registration, alleging that they 'have in the year 1943 occupied in good faith their respective portions having a total area of fifty (50) hectares, more or less x x x converted their respective portions into fish ponds x x x and actually possessed and occupied their respective portions x x x exclusively against all persons, except the Director of Forestry & Director of Fishery.' After trial, the lower court rendered a Decision in favor of applicant Bustamante.

On appeal to this Honorable Court, docketed as CA-G.R. No. 30058-R, it was found that 783,275 square meters of the land applied for were accretions added to applicant Bustamante's riceland of 9.7525 hectares,

and that said accretion was caused by the sea on the southward portion of said riceland. This Honorable Court then ruled:

This being so, the said accretion belongs – not to the riparian owner – but the State. All lands thrown up by the sea and formed upon the shores, belong to the national domain and are for public use, in accordance with the provisions of the Law on Waters of August 3, 1866 (*Insular Government vs. Aldecoa*, 19 Phil. 505) (p. 20, Decision, November 16, 1967).

Thus, modifying the judgment of the lower court, this Honorable Court rendered a Decision on November 16, 1967, disposing:

IN VIEW OF ALL THE FOREGOING, the appealed decision is hereby modified so that only 9.7525 of the land applied for is hereby adjudicated and ordered to be registered in the name of the applicant, the remaining area being hereby declared land of the public domain belonging to the Republic of the Philippines, without prejudice to whatever rights oppositors Isidro Bustria and Julian Bustria may have acquired over portions of the area thus declared as land of the public domain, with costs against applicant.

SO ORDERED.

When brought up on certiorari to the Supreme Court, the foregoing Judgment was affirmed in toto in the Resolution in G.R. No. L-18605 dated February 29, 1968.

It is relevant to state at this point that the parcel of land that is presently the subject of the dispute in the instant case, Lot No. 7764, CAD 624-D (Portion) [Psu-155696, Lot 3 (Portion)], forms part of the above-mentioned parcel of land declared by this Honorable Court as belonging to the public domain, classified/zonified land available for fishpond development, per L.C. Map No. 3175, approved on June 24, 1984, under administrative Order No. 4-1829 (Annex 'D', Petition). The subject lot contains an area of 49,999 square meters, more or less. This lot has been leased to Mr. Porfirio Morado by the [Republic of the Philippines], represented by the Secretary of Agriculture, for a period of twenty-five (25) years, or up to December 31, 2013, under Fishpond Lease Agreement No. 5132, dated August 17, 1989 (Annex 'E', Petition).

On July 6, 1988, however, the late Zenaida Bustria [daughter of Isidro Bustria] filed a complaint against Porfirio Morado in the Regional Trial Court of Alaminos, Pangasinan, Branch 55, for ownership and possession over the lot in question [docketed as Civil Case No. A-1759]. Herein petitioner, the Republic of the Philippines, was not made a party to that suit.

In her complaint, Zenaida Bustria claimed absolute ownership and quiet and peaceful possession of several lots under PSU-155696 surveyed in the name of her father, Isidro Bustria. She further asserted that said Porfirio Morado maliciously applied for a fishpond permit with the Bureau

of Fisheries and Aquatic Resources over Lot 3 thereof (the subject lot), well-knowing that said lot had always been occupied, possessed and worked by her and her predecessors-in-interest.

Porfirio Morado denied the allegations in the complaint, claiming that the lot in question is part of the public domain which he developed and converted into a fishpond. Due, however, to Porfirio Morado's and his counsel's failure to appear at the pre-trial and subsequent court hearings, the trial court subsequently declared Porfirio Morado 'as in default.'

On December 17, 1991, respondent Judge rendered a decision, the dispositive portion of which reads:

WHEREFORE, judgment is hereby rendered:

- (a) Declaring the plaintiff as the exclusive and absolute owner of the land in question stated in paragraph 4 of the Complaint and entitled to the exclusive and quiet possession of the said land; and
- (b) Ordering the defendant to pay the plaintiff the amount of P15,000.00 as attorney's fees and the sum of P500.00 per day of hearing of the counsel, plus costs.

(Annex 'A', Petition)

On January 23, 1992, Porfirio Morado filed a Petition for Relief from Judgment which was denied on July 21, 1992 for lack of merit.

On July 8, 1992, a writ of execution was issued, and it was implemented by Sheriffs Manuel O. de Asis and Sheriff Cesar A. Gines. Spouses Porfirio Morado and Juliana Morado thereafter filed with this Honorable Court a Petition for Certiorari with Writ of Preliminary Injunction, docketed as CA-G.R. No. 28932. In a Resolution dated December 11, 1992, the Petition was denied for lack of merit. The related Motion for Reconsideration was denied in the Resolution dated February 18, 1993. (Rollo, pp. 107-112)

(Underscoring omitted)^[2]

On April 19, 1994, petitioner, invoking §9 of B.P. Blg. 129,^[3] filed with the Court of Appeals a petition for the annulment of the trial court's decision, dated December 17, 1991. Petitioner alleged that the land in question is within the classified/zonified alienable and disposable land for fishpond development, per L.C. Map No. 3175 approved on June 24, 1984, under Administrative Order No. 4-1829 and that since the land formed part of the public domain, the Bureau of Fisheries and Aquatic Resources (BFAR) has jurisdiction over its disposition in accordance with P.D. No. 704, §4.

On October 4, 1995 the Court of Appeals rendered a decision dismissing the petition.^[4]

Hence, this petition for review.

The judgment rendered in a case may be annulled on any of the following grounds: (a) the judgment is void for want of jurisdiction or for lack of due process of law; or (b) it was obtained through extrinsic fraud.^[5] The question in this case is whether the decision of the Regional Trial Court is void on any of these grounds. The preliminary question, however, is whether the government can bring such action even though it was not a party to the action in which the decision sought to be annulled was rendered.

We shall deal with these questions in inverse order.

First, is the question whether petitioner has personality to bring the action below. To begin with, an action to recover a parcel of land *is in personam*. As such, it is binding only between the parties thereto, as this Court explained in *Ching v. Court of Appeals*,^[6] viz:

An action to redeem, or to recover title to or possession of, real property is not an action in rem or an action against the whole world, like a land registration proceeding or the probate of a will; it is an action *in personam*, so much so that a judgment therein is binding only upon the parties properly impleaded and duly heard or given an opportunity to be heard. Actions in personam and actions *in rem* differ in that the former are directed against specific persons and seek personal judgments, while the latter are directed against the thing or property or status of a person and seek judgments with respect thereto as against the whole world. An action to recover a parcel of land is a real action but it is an action *in personam*, for it binds a particular individual only although it concerns the right to a tangible thing.

The appellate court, holding that the proceedings before the trial court were *in personam*, ruled that since petitioner was not a party to Civil Case No. A-1759, it is not a real party-in-interest and, therefore, has no personality to bring the action for annulment of the judgment rendered in that case. The appellate court said:

Private respondents are correct. Civil Case No. A-1759 was purely for "Ownership and Possession". The decision sought to be annulled is solely "between the private respondents [the Bustrias] and Porfirio Morado" (Rollo, p. 142). Petitioner Republic was not a party in the case and is not bound by the judgment rendered therein.

It is settled, a real party-in-interest is one who stands to be benefited or injured by the judgment in the suit (Salonga vs. Warner Barnes & Co., Ltd., 88 Phil. 128; University of the Philippines Board of Regents vs. Ligo-Telan, 227 SCRA 342; Tampingco vs. Intermediate Appellate Court, 207 SCRA 652; Republic vs. Sandiganbayan, 203 SCRA 310; Travelwide Associated Sales, Inc. vs. Court of appeals, 199 SCRA 205).

Petitioner Republic not being a party, and the judgment not being *in rem*, it does not stand to be benefited or injured by the judgment sought. Petitioner Republic can on its own, and even without resorting to this petition for annulment of judgment, institute the proper action to assert its claim that the "subject lot is a land forming part of the public domain"