



Republic of the Philippines
 Supreme Court
 Manila

FIRST DIVISION

JOSE B. LURIZ,

Petitioner,

G.R. No. 208948

Present:

- versus -

SERENO, C.J., Chairperson,
 LEONARDO-DE CASTRO,
 BERSAMIN,
 PERLAS-BERNABE, and
 CAGUIOA, JJ.

REPUBLIC
 PHILIPPINES,

OF THE
 Respondents.

Promulgated:

FEB 24 2016

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DECISION

PERLAS-BERNABE, J.:

Assailed in this petition for review on *certiorari*¹ are the Decision² dated May 15, 2013 and the Resolution³ dated August 30, 2013 of the Court of Appeals (CA) in CA-G.R. CV No. 95148, which reversed and set aside the Decision⁴ dated December 15, 2009 of the Regional Trial Court of Quezon City, Branch 83 (RTC) in LRC Case No. Q-8922 (97), thereby dismissing the petition for reconstitution filed by petitioner Jose B. Luriz (Luriz).

¹ Rollo, pp. 14-30.

² Id. at 57-68. Penned by Associate Justice Agnes Reyes-Carpio with Associate Justices Rosalinda Asuncion-Vicente and Priscilla J. Baltazar-Padilla concurring.

³ Id. at 70-71.

⁴ Id. at 33-55. Penned by Presiding Judge Ralph S. Lee.

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The Facts

On May 26, 1997, Luriz filed before the RTC a verified Amended Petition⁵ for reconstitution (reconstitution petition) of Transfer Certificate of Title (TCT) No. 1297⁶ of the Registry of Deeds of Quezon City (RD-QC) in the name of his predecessor-in-interest, Yoichi Urakami (Urakami), covering Lots 8 and 10, Block 260 of Subdivision Plan PSD-18527 situated in Quezon City (subject properties), with an area of 1,517 square meters (sq. m.) and 1,516.50 sq. m., respectively. The case was docketed as LRC Case No. Q-8922 (97).⁷

Luriz alleged that Urakami was the registered owner of the subject properties who sold the same to Tomas Balingit (Balingit) by virtue of a Deed of Absolute Sale⁸ dated February 12, 1948 (February 12, 1948 deed of sale) who, in turn, sold the same to him through a Deed of Absolute Sale⁹ dated January 31, 1975 (January 31, 1975 deed of sale).¹⁰ However, the original copy of TCT No. 1297 with the RD-QC was destroyed by the fire that gutted the Quezon City (QC) Hall in June 1988; hence, the reconstitution petition based on the owner's duplicate copy of TCT No. 1297¹¹ (questioned certificate).

Finding the reconstitution petition to be sufficient in form and substance, the RTC issued an Amended Order¹² dated June 11, 1997 (June 11, 1997 Amended Order), setting the case for initial hearing on September 25, 1997 and directing that the concerned government offices and the adjoining property owners be furnished a copy thereof. The RTC likewise ordered that notice of the reconstitution petition be published in the Official Gazette once a week for two (2) consecutive weeks and posted at least thirty (30) days prior to the scheduled hearing at the main entrance of the RTC's courtroom and on the bulletin board of the Sheriff's Office.¹³ The notice was published in the August 11, 1997 (Vol. 93, No. 32) and August 18, 1997 (Vol. 93, No. 33) issues of the Official Gazette¹⁴ and posted as required.¹⁵

⁵ Dated April 25, 1997. *Id.* at 98-99.

⁶ Records, Vol. 1, p. 5, including dorsal portion.

⁷ See *rollo*, pp. 33-34 and 36.

⁸ *Id.* at 117-118 (pages are inadvertently misarranged).

⁹ *Id.* at 114-115.

¹⁰ See *id.* at 98.

¹¹ See *id.* at 33 and 98.

¹² *Id.* at 108. Issued by Executive Judge Estrella T. Estrada.

¹³ *Id.*

¹⁴ See Certificate of Publication of the National Printing Office issued on August 18, 1997; *id.* at 112.

¹⁵ See Certificate of Posting issued on September 24, 1997; *id.* at 113.

The Republic of the Philippines (Republic) filed its Supplemental Opposition¹⁶ declaring that it is the registered owner of the subject properties as evidenced, *inter alia*, by the following documents: (a) Vesting Order No. P-89¹⁷ dated April 9, 1947 of the Philippine Alien Property Administration of the United States of America (US) confiscating the same as properties belonging to citizens of an enemy country, Japan; (b) Transfer Agreement¹⁸ dated May 7, 1953 between the President of the Philippines and the Attorney General of the US, transferring all of the latter's right, title and interest to the subject properties to the Government of the Republic; (c) Ledger Sheet¹⁹ of the Board of Liquidators describing the dealings in the said properties; (d) Proclamation No. 438²⁰ issued on December 23, 1953 reserving the subject properties for dormitory site purposes of the North General Hospital; and (e) Proclamation No. 732²¹ issued on February 28, 1961 revoking Proclamation No. 438 and reserving the subject properties, instead, for dormitory site purposes of the National Orthopedic Hospital, now Philippine Orthopedic Center (POC), which is presently in possession thereof.

After compliance with the jurisdictional requirements, the RTC allowed Luriz to present his evidence.²²

In the interim, or on November 4, 1997, the Republic filed a Motion for Examination of Documents by the National Bureau of Investigation²³ (NBI) seeking to determine the genuineness and due execution of the questioned certificate and the February 12, 1948 and January 31, 1975 deeds of sale, which was granted in an Order²⁴ dated June 15, 1998. Consequently, the Republic submitted NBI Questioned Documents Report No. 733-998²⁵ dated November 10, 1998 rendered by NBI Document Examiner III Zenaida J. Torres (Ms. Torres) concluding that the questioned certificate is not genuine, and presented the testimony of Ms. Torres affirming said finding.²⁶

In rebuttal, Luriz presented the report²⁷ and testimony of Atty. Desiderio A. Pagui (Atty. Pagui), a retired NBI Document Examiner, who likewise conducted a scientific comparative examination of the questioned certificate, but opined that the two (2) signatures of the Register of Deeds of

¹⁶ Dated August 17, 1998. *Id.* at 182-186.

¹⁷ *Id.* at 195-196.

¹⁸ *Id.* at 198-202.

¹⁹ *Id.* at 204.

²⁰ *Id.* at 223-224.

²¹ *Id.* at 222.

²² See *id.* at 37.

²³ Records, Vol. 1, pp. 160-162.

²⁴ *Id.* at 201-204.

²⁵ Records, Vol. 2, pp. 755-756.

²⁶ See *rollo*, p. 41.

²⁷ Report No. 10-2006 dated December 11, 2006; records, Vol. 2, pp. 877-883.

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Quezon City (Register of Deeds-QC) appearing in the questioned certificate are genuine.²⁸

On the other hand, the other oppositor, Fidel Villanueva (Villanueva), who similarly asserted ownership over the subject properties on the basis of a purported administratively reconstituted TCT No. 65677,²⁹ no longer participated in the proceedings after his motion to set aside the June 11, 1997 Amended Order and the September 25, 1997 hearing was denied by the RTC.³⁰

The RTC Ruling

In a Decision³¹ dated December 15, 2009, the RTC granted Luriz's reconstitution petition and thereby, ordered the Register of Deeds-QC to reconstitute the lost/destroyed original copy of TCT No. 1297.³² It held that Luriz was able to prove the existence³³ of the said title and his interest in the subject properties.³⁴ On the other hand, it found that the evidence presented by the Republic merely tended to establish its claim of ownership over the subject properties, which are improper in a reconstitution proceeding and should be threshed out in a separate proceeding.³⁵

Dissatisfied, the Republic appealed³⁶ to the CA.

The CA Ruling

In a Decision³⁷ dated May 15, 2013, the CA reversed and set aside the RTC ruling and, instead, dismissed Luriz's reconstitution petition.³⁸ It found that the sale in Luriz's favor was *simulated* or *fictitious* considering: (a) his admissions that he was not aware of such sale until sometime in 1996 when his mother-in-law handed him the documents pertaining thereto, and that he did not pay the consideration therefor; and (b) the absence of his signature on the deed of sale. Since the document where Luriz anchors his claim is

²⁸ Id. at 882.

²⁹ Purportedly by virtue of an Order dated January 20, 1997 issued by the Land Registration Authority in Adm. Reconstitution No. Q-536 (97). See Villanueva's Opposition; records, Vol. 1, pp. 71-74.

³⁰ See *rollo*, p. 38.

³¹ Id. at 33-55.

³² Id. at 55.

³³ See id. at 47.

³⁴ See id. at 52.

³⁵ See id. at 48-49.

³⁶ See Notice of Appeal dated January 12, 2010; records, Vol. 2, pp. 1098-1100.

³⁷ *Rollo*, pp. 57-68.

³⁸ Id. at 68.

void, he does not have any interest in the properties in question and has no legal standing to seek reconstitution.³⁹

Unperturbed, Luriz moved for reconsideration,⁴⁰ which was denied in a Resolution⁴¹ dated August 30, 2013; hence, this petition.

The Issue Before the Court

The essential issue for the Court's resolution is whether or not the CA erred in dismissing the petition for reconstitution.

The Court's Ruling

The petition lacks merit.

The reconstitution of a certificate of title denotes restoration in the original form and condition of a lost or destroyed instrument attesting the title of a person to a piece of land. It partakes of a land registration proceeding. Thus, it must be granted only upon **clear proof that the title sought to be restored was indeed issued to the petitioner or his predecessor-in-interest, and such title was in force at the time it was lost or destroyed.**⁴²

In the present case, the reconstitution petition is anchored on a purported owner's duplicate copy of TCT No. 1297 – a source for reconstitution of title under Section 3 (a)⁴³ of Republic Act No. (RA) 26.⁴⁴ Based on the provisions of the said law, the following must be present for an order of reconstitution to issue: (a) the certificate of title had been lost or destroyed; (b) the documents presented by petitioner are sufficient and proper to warrant reconstitution of the lost or destroyed certificate of title; (c) the petitioner is the registered owner of the property or had an interest therein; (d) the certificate of title was in force at the time it was lost and destroyed; and (e) the description, area, and boundaries of the property are substantially the same as those contained in the lost or destroyed certificate

³⁹ See *id.* at 63-67.

⁴⁰ See motion for reconsideration dated June 6, 2013; *CA rollo*, pp. 295-302.

⁴¹ *Rollo*, pp. 70-71.

⁴² See *Republic v. Santua*, 586 Phil. 291, 297-298 (2008).

⁴³ Section 3. Transfer certificates of title shall be reconstituted from such of the sources hereunder enumerated as may be available, in the following order:

(a) The owner's duplicate of the certificate of title;

x x x x

⁴⁴ Entitled "AN ACT PROVIDING A SPECIAL PROCEDURE FOR THE RECONSTITUTION OF TORRENS CERTIFICATES OF TITLE LOST OR DESTROYED," approved on September 25, 1946.

of title.⁴⁵ Particularly, when the reconstitution is based on an extant owner's duplicate TCT, **the main concern is the authenticity and genuineness of the certificate.**⁴⁶

Tested against the foregoing, the Court finds that **Luriz was not able to prove that TCT No. 1297 sought to be reconstituted was authentic, genuine, and in force at the time it was lost and destroyed.**

At the forefront of this pronouncement is Vesting Order No. P-89⁴⁷ dated April 9, 1947, which was promulgated pursuant to the provisions of the Trading with the Enemy Act⁴⁸ of the US, as amended (Trading with the Enemy Act), the Philippine Property Act of 1946,⁴⁹ and Executive Order No. 9818,⁵⁰ with the document entitled "Exhibit A,"⁵¹ which seized or vested the subject properties "to be held, used, administered, liquidated, sold or otherwise dealt with in the interest and for the benefit of the [US]"⁵² in accordance with the foregoing Acts.⁵³

⁴⁵ *Heirs of Enrique Toring v. Heirs of Teodosia Boquilaga*, 645 Phil. 518, 534 (2010). See also Section 12 of RA 26 which provides:

SEC. 12. Petitions for reconstitution from sources enumerated in sections 2(c), 2(d), 2(e), 2(f), 3(c), 3(d), 3(e), and/or 3(f) of this Act, shall be filed with the proper Court of First Instance, by the registered owner, his assigns, or any person having an interest in the property. The petition shall state or contain, among other things, the following: (a) that the owners duplicate of the certificate of title had been lost or destroyed; (b) that no co-owner's, mortgagee's or lessee's duplicate had been issued, or, if any had been issued, the same had been lost or destroyed; (c) the location, area and boundaries of the property; (d) the nature and description of the buildings or improvements, if any, which do not belong to the owner of the land, and the names and addresses of the owners of such buildings or improvements; (e) the names and addresses of the occupants or persons in possession of the property, of the owners of the adjoining properties and of all persons who may have interest in the property; (f) a detailed description of the encumbrances, if any, affecting the property; and (g) a statement that no deeds or other instruments affecting the property have been presented for registration, or, if there be any, the registration thereof has not been accomplished, as yet. All the documents, or authenticated copies thereof, to be introduced in evidence in support to the petition for reconstitution shall be attached thereto and filed with the same: Provided, That in case the reconstitution is to be made exclusively from sources enumerated in section 2(f) or 3(f) of this Act, the petition shall be further accompanied with a plan and technical description of the property duly approved by the Chief of the General Land Registration Office, or with a certified copy of the description taken from a prior certificate of title covering the same property.

⁴⁶ *Angat v. Republic*, 609 Phil. 146, 171 (2009), citing *Puzon v. Sta. Lucia Realty and Development, Inc.*, 406 Phil. 263 (2001).

⁴⁷ *Rollo*, pp. 195-196.

⁴⁸ Enacted on October 6, 1917.

⁴⁹ Public Law 485 – 79th US Congress, entitled "AN ACT TO PROVIDE FOR THE RETENTION BY THE UNITED STATES GOVERNMENT OR ITS AGENCIES OR INSTRUMENTALITIES OF REAL AND PERSONAL PROPERTY WITHIN THE PHILIPPINES NOW OWNED OR LATER ACQUIRED AND FOR THE ADMINISTRATION OF THE TRADING WITH THE ENEMY ACT OF OCTOBER 16, 1917, AS AMENDED, IN THE PHILIPPINES, SUBSEQUENT TO INDEPENDENCE," approved on July 3, 1946.

⁵⁰ Entitled "ESTABLISHING THE PHILIPPINE ALIEN PROPERTY ADMINISTRATION AND DEFINING ITS FUNCTIONS," issued by US President Harry S. Truman on January 7, 1947.

⁵¹ *Rollo*, p. 197. Vesting Order No. P-89 and Exhibit A were published in the Official Gazette, Vol. 43, pp. 1390-1391 (April 1947).

⁵² *Id.* at 196.

⁵³ See *id.*

To recall, after the liberation of the Philippines during World War II, properties belonging to Japanese nationals located in this country were taken possession of by the Alien Property Custodian appointed by the President of the US under the Trading with the Enemy Act. Although the Philippines was not a territory or within the jurisdiction or national domain of the US, it was then occupied by the US military and naval forces.⁵⁴ The application of the Trading with the Enemy Act was extended to the Philippines by mutual agreement of the two Governments, while the operation of the Philippine Property Act of 1946 was based on the express provision of the said act, and on the tacit consent thereto and the conduct of the Philippine Government in receiving the benefits of its provisions.⁵⁵ The extraterritorial effect of the said foreign statutes to the Philippines was expressly recognized in *Brownell, Jr. v. Sun Life Assurance Company*⁵⁶ where the Court ruled:

[W]hen the proclamation of the independence of the Philippines by President Truman was made, said independence was granted "in accordance with and subject to the reservations provided in the applicable statutes of the United States." The enforcement of the Trading With the Enemy Act of the United States was contemplated to be made applicable after independence, within the meaning of the reservations.

On the part of the Philippines, conformity to the enactment of the Philippine Property Act of 1946 of the United States was announced by President Manuel Roxas in a joint statement signed by him and by Commissioner McNutt. Ambassador Romulo also formally expressed the conformity of the Philippine Government to the approval of said act to the American Senate prior to its approval. And after the grant of independence, the Congress of the Philippines approved Republic Act No. 8, entitled

AN ACT TO AUTHORIZE THE PRESIDENT OF THE PHILIPPINES TO ENTER INTO SUCH CONTRACT OR UNDERTAKINGS AS MAY BE NECESSARY TO EFFECTUATE THE TRANSFER TO THE REPUBLIC OF THE PHILIPPINES UNDER THE PHILIPPINE PROPERTY ACT OF NINETEEN HUNDRED AND FORTY-SIX OF ANY PROPERTY OR PROPERTY RIGHTS OR THE PROCEEDS THEREOF AUTHORIZED TO BE TRANSFERRED UNDER SAID ACT; PROVIDING FOR THE ADMINISTRATION AND DISPOSITION OF SUCH PROPERTIES ONCE RECEIVED; AND APPROPRIATING THE NECESSARY FUND THEREFOR.

The Congress of the Philippines also approved Republic Act No. 7, which established a Foreign Funds Control Office. After the approval of the Philippine Property Act of 1946 of the United States, the Philippine Government also formally expressed, through the Secretary of Foreign Affairs, conformity thereto. (See letters of Secretary dated August 22,

⁵⁴ See *Haw Pia v. China Banking Corporation*, 80 Phil. 604, 625 (1948).

⁵⁵ See *Brownell, Jr. v. Sun Life Assurance Company*, 95 Phil. 228, 236 (1954).

⁵⁶ *Id.*

1946, and June 3, 1947.) The Congress of the Philippines has also approved Republic Act No. 477, which provides for the administration and disposition of properties which have been or may hereafter be transferred to the Republic of the Philippines in accordance with the Philippine Property Act of 1946 of the United States.

It is evident, therefore, that the consent of the Philippine Government to the application of the Philippine Property Act of 1946 to the Philippines after independence was given, not only by the Executive Department of the Philippine Government, but also by the Congress, which enacted the laws that would implement or carry out the benefits accruing from the operation of the United States law. x x x.⁵⁷ (Emphasis supplied)

Being an official record of a duty especially enjoined by laws in force in the Philippines at the time it was issued,⁵⁸ Vesting Order No. P-89 is, therefore, *prima facie* evidence of the facts stated therein.⁵⁹

Vesting Order No. P-89 dated April 9, 1947 stated that, after proper investigation, the Philippine Alien Property Administration had found that the properties particularly described in **Exhibit A**, *i.e.*, the Transcript of TCT No. 1297; B[oo]k T-9 P[age] 47, were owned or controlled by “nationals of a designated enemy country (Japan).”⁶⁰ **Exhibit A** identified the vested properties as:

(a) covered by **TCT No. 1297** issued by the RD-QC on **July 19, 1941**, and may be found in **B[oo]k T-9 P[age]47** of the registration book;

(b) situated in QC, and bounded and described as follows:

“(1) Lot No. 8, Block No. 260, subdivision, Psd-18527, portion of Lot No. 4-B-3-C-2A-1, described in subdivision Plan Psd-18526, GLRO Record No. 7681

NE – Lot No. 10, Block No. 260)	
SE – Lot No. 9, Block No. 260)	
SW – Lot No. 6, Block No. 260)	AREA: 1578.8
NW – Street Lot No. 31)	square meters

(2) Lot No. 10, Block No. 260, etc. (see above)

NE – Lot No. 12, Block No. 260)	
SE – Lot No. 11, Block No. 260)	
SW – Lot No. 8, Block No. 260)	AREA: 1454.7

⁵⁷ Id. at 232-233.

⁵⁸ Namely, the Trading with the Enemy Act, as amended, and the Philippine Property Act of 1946. The said laws which were passed by the US Congress continued to be in force even after the Philippines was given independence on July 4, 1946. (See *Brownell, Jr. v. Bautista*, 95 Phil. 853, 862-863 [1954], citing *Brownell, Jr. v. Sun Life Assurance Company*, id.)

⁵⁹ See *Dimaguila v. Monteiro*, G.R. No. 201011, January 27, 2014, 714 SCRA 565, 582.

⁶⁰ See *rollo*, pp. 195 and 197.

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NW – Street Lot No. 31) square meters”⁶¹

- (c) registered in accordance with the provisions of the Land Registration Act in the name of: “**YOICHIRO URAKAMI, Japanese, married to Hisako Urakami.**”⁶²
- (d) “originally registered on 8th July 1914 in the Register Book of [the RD-QC], Vol. A-7, Page 136, as O.C.T #735, pursuant to Decree #17431, issued in G.L.R.O. _____, Record #7681.”⁶³

The legal effect of a vesting order was to effectuate immediately the transfer of title to the US by operation of law, without any necessity for any court action, and as completely as if by conveyance, transfer, or assignment,⁶⁴ thereby completely divesting the former owner of every right with respect to the vested property.⁶⁵ It is worthy to note that under Section 39 (a)⁶⁶ of the Trading with the Enemy Act, properties of Japanese nationals vested after December 17, 1941 shall not be returned to their owners, and the US shall not pay compensation therefor. **Instead, the vested properties were to be conveyed to the Republic as part of its over-all plan of rehabilitation.⁶⁷**

Nonetheless, to safeguard the rights of citizens and friendly aliens – *i.e.*, persons who are **not** enemies or allies of enemies – claiming any interest, right, or title to the vested properties, the Trading with the Enemy Act, both in its original and amendatory provisions, permits the filing of suits for the recovery of any property vested or seized⁶⁸ **on or after**

⁶¹ Id. at 197.

⁶² Id.

⁶³ See id.

⁶⁴ See *Republic v. Guanzon*, 158 Phil. 1000, 1003 (1974); citations omitted.

⁶⁵ Lino M. Patajo, *Application of the Trading with the Enemy Act in the Philippines*, 26 PHILIPPINE LAW JOURNAL 305, 331-333 (1951).

⁶⁶ **§39. Retention of properties or interests of Germany and Japan and their nationals; proceeds covered into Treasury; ex gratia payment to Switzerland**

(a) No property or interest therein of Germany, Japan, or any national of either such country vested in or transferred to any officer or agency of the Government at any time after December 17, 1941, pursuant to the provisions of this Act, shall be returned to former owners thereof or their successors in interest, and the United States shall not pay compensation for any such property or interest therein. The net proceeds remaining upon the completion of administration, liquidation, and disposition pursuant to the provisions of this Act of any such property or interest therein shall be covered into the Treasury at the earliest practicable date. Nothing in this section shall be construed to repeal or otherwise affect the operation of the provisions of section 32, 40, 41, 42 or 43 of this Act or of the Philippine Property Act of 1946.

x x x x (Underscoring supplied)

⁶⁷ Lino M. Patajo, *Application of the Trading with the Enemy Act in the Philippines*, 26 PHILIPPINE LAW JOURNAL 305, 333 (1951), citing 3 Hyde, *International Law*, p. 1736-1737.

⁶⁸ Lino M. Patajo, *Application of the Trading with the Enemy Act in the Philippines*, 26 PHILIPPINE LAW JOURNAL 305, 334 (1951). Such suits shall be filed pursuant to Section 9 (a) of the said Act, which reads:

§9. Claims to property transferred to custodian; notice of claim; filing; return of property; suits to recover; sale of claimed property in time of war or during national emergency

(a) Any person not an enemy or ally of enemy claiming any interest, right, or title in any money or other property which may have been conveyed, transferred, assigned, delivered, or paid to the Alien Property Custodian or seized by him hereunder and held by him or by the Treasurer of the United States, or to whom any debt may be owing from an enemy or ally of enemy whose property or any part thereof shall have been conveyed, transferred, assigned, delivered, or paid to the Alien Property Custodian or seized by him hereunder and held by him or by the Treasurer of the United States may file with the said custodian a notice of his claim under oath and in such form and containing such particulars as the said custodian shall require; and the President, if application is made therefor by the claimant, may order the payment, conveyance, transfer, assignment, or delivery to said claimant of the money or other property so held by the Alien Property Custodian or by the Treasurer of the United States, or of the interest therein to which the President shall determine said claimant is entitled: *Provided*, That no such order by the President shall bar any person from the prosecution of any suit at law or in equity against the claimant to establish any right, title, or interest which he may have in such money or other property. If the President shall not so order within sixty days after the filing of such application or if the claimant shall have filed the notice as above required and shall have made no application to the President, said claimant may institute a suit in equity in the United States District Court for the District of Columbia or in the district court of the United States for the district in which such claimant resides, or, if a corporation, where it has its principal place of business (to which suit the Alien Property Custodian or the Treasurer of the United States, as the case may be, shall be made a party defendant), to establish the interest, right, title, or debt so claimed, and if so established the court shall order the payment, conveyance, transfer, assignment, or delivery to said claimant of the money or other property so held by the Alien Property Custodian or by the Treasurer of the United States or the interest therein to which the court shall determine said claimant is entitled. If suit shall be so instituted, then such money or property shall be retained in the custody of the Alien Property Custodian, or in the Treasury of the United States, as provided in this Act, and until any final judgment or decree which shall be entered in favor of the claimant shall be fully satisfied by payment or conveyance, transfer, assignment, or delivery by the defendant, or by the Alien Property Custodian, or Treasurer of the United States on order of the court, or until final judgment or decree shall be entered against the claimant or suit otherwise terminated: *Provided further*, That upon a determination made by the President, in time of war or during any national emergency declared by the President, that the interest and welfare of the United States require the sale of any property or interest or any part thereof claimed in any suit filed under this subsection and pending on or after the date of enactment of this proviso the Alien Property Custodian or any successor officer, or agency may sell such property or interest or part thereof, in conformity with law applicable to sales of property by him, at any time prior to the entry of final judgment in such suit. No such sale shall be made until thirty days have passed after the publication of notice in the Federal Register of the intention to sell. The net proceeds of any such sale shall be deposited in a special account established in the Treasury, and shall be held in trust by the Secretary of the Treasury pending the entry of final judgment in such suit. Any recovery of any claimant in any such suit in respect of the property or interest or part thereof so sold shall be satisfied from the net proceeds of such sale unless such claimant, within sixty days after receipt of notice of the amount of net proceeds of sale serves upon the Alien Property Custodian, or any successor officer or agency, and files with the court an election to waive all claims to the net proceeds, or any part thereof, and to claim just compensation instead. If the court finds that the claimant has established an interest, right, or title in any property in respect of which such an election has been served and filed, it shall proceed to determine the amount which will constitute just compensation for such interest, right, or title, and shall order payment to the claimant of the amount so determined. An order for the payment of just compensation hereunder shall be a judgment against the United States and shall be payable first from the net proceeds of the sale in an amount not to exceed the amount the claimant would have received had he elected to accept his proportionate part of the net proceeds of the sale, and the balance, if any, shall be payable in the same manner as are judgments in cases arising under section 1346 of title 28, United States Code. The Alien Property Custodian or any successor officer or agency shall, immediately upon the entry of final judgment, notify the Secretary of the Treasury of the determination by final judgment of the claimant's interest and right to the proportionate part of the net proceeds

December 18, 1941, until April 30, 1949 or after the expiration of two (2) years from the date of vesting, whichever is later.⁶⁹

With the foregoing in mind, it is clear that after the execution of Vesting Order No. P-89 on April 9, 1947, the registered owner, **Yoichiro Urakami**, was divested of any title or interest in the vested properties⁷⁰ registered in his name under TCT No. 1297, which was thereby rendered **of no force and effect at the time it was lost or destroyed, i.e., on June 1988 and, thus, cannot be reconstituted.** In addition, the records are bereft of showing that any citizen or friendly alien made any claim to the vested properties under Vesting Order No. P-89 within the prescriptive period ending April 30, 1949. Accordingly, the vested properties were transferred by the Attorney General of the US⁷¹ to the Republic under Transfer Agreement⁷² dated May 7, 1953, and thereafter became the subject of two (2) Presidential Proclamations, namely: (a) Proclamation No. 438⁷³ issued by then President Elpidio R. Quirino on December 23, 1953, reserving them for dormitory site purposes of the North General Hospital; and (b) Proclamation No. 732⁷⁴ issued by then President Carlos P. Garcia on February 28, 1961,

from the sale, and the final determination by judgment of the amount of just compensation in the event the claimant has elected to recover just compensation for the interest in the property he claimed.

x x x x (Underscoring supplied)

⁶⁹ Lino M. Patajo, *Application of the Trading with the Enemy Act in the Philippines*, 26 PHILIPPINE LAW JOURNAL 305, 336-337 (1951). See also Section 33 of the same Act which reads:

§33. Notice of Claim; institution of suits; computation of time.

No return may be made pursuant to section 9 or 32 unless notice of claim has been filed: (a) in the case of any property or interest acquired by the United States prior to December 18, 1941, by August 9, 1948; or (b) in the case of any property or interest acquired by the United States on or after December 18, 1941, not later than one year from February 9, 1954, or two years from the vesting of the property or interest in respect of which the claim is made, whichever is later. No suit pursuant to section 9 may be instituted after April 30, 1949, or after the expiration of two years from the date of the seizure by or vesting in the Alien Property Custodian, as the case may be, of the property or interest in respect of which relief is sought, whichever is later, but in computing such two years there shall be excluded any period during which there was pending a suit or claim for return pursuant to section 9 or 32(a) hereof. (Underscoring supplied)

⁷⁰ See *Reyes v. Pecson*, 86 Phil. 181, 189 (1950), wherein the Court elucidated the effect of the vesting of a property, thus:

The Philippine Alien Property Administrator was not a debtor of Teizo Mori, because the latter had been divested of any title or interest in the properties formerly owned by him and registered in his name after the vesting order No. P-7 had been executed, and because the said properties after the vesting order No. P-7 had been executed, and after they had been sold, the proceeds realized from the sale thereof, belonged to the Government of the United States of America.

⁷¹ Under Executive Order 10254, entitled "TERMINATING THE PHILIPPINE ALIEN PROPERTY ADMINISTRATION AND TRANSFERRING ITS FUNCTIONS TO THE DEPARTMENT OF JUSTICE," issued by US President Harry S. Truman on June 15, 1951, the Philippine Alien Property Administration was terminated, and all authority, rights, privileges, powers, duties, functions, as well as all property or interests vested in or transferred to such Administration or the Administrator thereof, were vested in or transferred or delegated to the Attorney General, to be administered by him or under his direction and control by such officers and agencies of the Department of Justice as he may designate.

⁷² *Rollo*, pp. 198-202.

⁷³ *Id.* at 223-224.

⁷⁴ *Id.* at 222.

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reserving them, instead, for dormitory site purposes of the National Orthopedic Hospital, now POC, which is presently in possession thereof.

Furthermore, doubt was cast on the **authenticity and genuineness of the questioned certificate** because save for the TCT number, the metes and bounds, and the OCT details, all the other details of the properties (*i.e.*, [a] the registered owner, [b] the respective areas of the subject lots, and [c] the details of the entry in the registration book, such as the book and page number where entered, as well as the date of entry) are materially different from the recitals in Exhibit A of Vesting Order No. P-89. The evidentiary value of the said order and the corresponding exhibit duly published in the Official Gazette which, as mentioned, are official records of a duty especially enjoined by laws in force at the time of its issuance, must be sustained in the absence of strong, complete and conclusive proof of its falsity or nullity,⁷⁵ and must prevail over the questioned certificate.

Notably, these findings should not be taken as an adjudication on the ownership of the subject lands. As priorly intimated, they are but determinations of whether or not the certificate of title sought to be reconstituted is authentic, genuine, and in force and effect at the time it was lost or destroyed, which, based on case law, are central to resolving petitions for reconstitution of title. Clearly, a reconstitution of title proceeding involves only the re-issuance of a new certificate of title lost or destroyed in its original form and condition. In this light, the court does not pass upon the ownership of the land covered by the lost or destroyed certificate, as the said matter should be threshed out in a separate proceeding for the purpose.⁷⁶

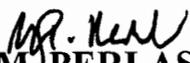
Thus, for all these reasons, the reconstitution petition should have already been denied. With this, it was therefore unnecessary for the CA to have determined the validity or invalidity of the January 31, 1975 deed of sale in favor of Luriz, specifically, with respect to the issue of whether or not the sale was simulated or fictitious.

WHEREFORE, the petition is **DENIED**. The Decision dated May 15, 2013 and the Resolution dated August 30, 2013 of the Court of Appeals in CA-G.R. CV No. 95148 dismissing the petition for reconstitution filed by petitioner Jose B. Luriz are hereby **AFFIRMED** for the afore-discussed reasons.

⁷⁵ *Palileo v. National Irrigation Administration*, 509 Phil. 273, 282 (2005).

⁷⁶ See *Sps. Layos v. Fil-Estate Golf and Dev't, Inc.*, 583 Phil. 72, 115-116 (2008).

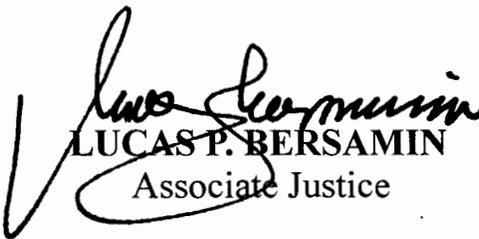
SO ORDERED.

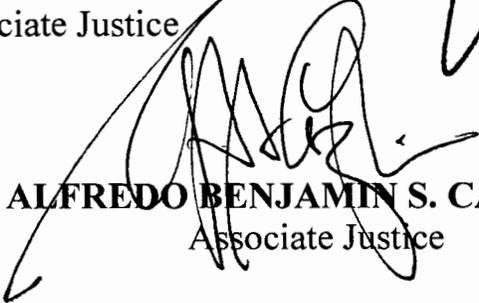

ESTELA M. PERLAS-BERNABE
Associate Justice

WE CONCUR:


MARIA LOURDES P. A. SERENO
Chief Justice
Chairperson

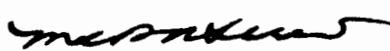

TERESITA J. LEONARDO-DE CASTRO
Associate Justice


LUCAS P. BERSAMIN
Associate Justice


ALFREDO BENJAMIN S. CAGUIOA
Associate Justice

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.


MARIA LOURDES P. A. SERENO
Chief Justice