

## Republic of the Philippines Supreme Court Manila

#### SECOND DIVISION

**APOLINARIO** 

VALDEZ,

G.R. No. 201655

**AMANDA** 

ESPIRITU,

AQUILINA HERNANDEZ, and

SALVADOR

PETINES.

represented by their Heirs and/or

Successors-in-interest,

Present:

Petitioners,

PERLAS-BERNABE, J.,

Chairperson,

HERNANDO.

INTING.

DELOS SANTOS, and

BALTAZAR-PADILLA, JJ.

- versus -

HEIRS OF ANTERO CATABAS,

Respondents.

Promulgated:

DECISION

#### HERNANDO, J.:

Challenged in this Petition [for Review] on Certiorari<sup>1</sup> is the April 19, 2011 Decision<sup>2</sup> and March 30, 2012 Resolution<sup>3</sup> of the Court of Appeals (CA) in CA-G.R. SP No. 104307 which denied the Petition for Review under Rule 43 filed by herein petitioners Apolinario Valdez (Apolinario), Amanda Espiritu (Amanda), Aquilina Hernandez (Aquilina), and Salvador Petines (Salvador), together with Arcadia Gaddi (Arcadia), Angel Gaddi (Angel), Luis Gaddi (Luis), and Lina Gaddi (Lina), represented by their heirs and/or successors-in-interest. Consequently, the CA affirmed the May 18, 1998 Decision<sup>4</sup> and May 29, 2008 Resolution<sup>5</sup> of the Office of the President (OP) in O.P. Case No. 97-8068 which confirmed Antero Catabas' (Antero) vested right over Lot No. 4967-C, Cad-211.

<sup>\*</sup> On official leave.

<sup>&</sup>lt;sup>1</sup> Rollo, pp. 10-38.

<sup>&</sup>lt;sup>2</sup> CA rollo, pp. 228-239; penned by Associate Justice Rosmari D. Carandang (now a Member of this Court) and concurred in by Associate Justices Ramon R. Garcia and Samuel H. Gaerlan (now a Member of this Court).

<sup>&</sup>lt;sup>3</sup> Id. at 363-367.

<sup>&</sup>lt;sup>4</sup> Id. at 45-51.

<sup>&</sup>lt;sup>5</sup> Id. at 42-44.

located in Victory Norte, Santiago, Isabela, based on his valid and subsisting Free Patent Application No. V-8500.

#### The Antecedents

On September 8, 1949, Antero filed Free Patent Application (FPA) No. V-8500<sup>6</sup> for Lot No. 4967.<sup>7</sup> Pursuant to Proclamation No. 427 dated November 7, 1931, Lot No. 4967 was subdivided into three (3) lots. Lot Nos. 4967-A and 4967-B were reserved for public purposes, particularly road and market site. Hence, on September 15, 1952<sup>8</sup> Antero amended his application to cover only Lot No. 4967-C.<sup>9</sup>

Thereafter, Cadastral Subdivision Survey No. 167 was conducted pursuant to Proclamation No. 247<sup>10</sup> dated January 19, 1956 further subdividing Lot No. 4967-C to several lots for disposition to qualified claimants.

Meanwhile, Antero's free patent application was recommended for approval by Assistant Public Land Inspector Tomas Cruz and was forwarded to the Central Office of the Bureau of Lands on September 24, 1952.<sup>11</sup> The recommendation for approval was received by the Director of Lands on October 7, 1952, who ordered the posting of the notices of Antero's free patent application in different conspicuous places<sup>12</sup>.

The controversy arose when herein petitioners Apolinario, Amanda, and Aquilina, together with Maria Dolores Valdez (Maria Dolores) and Evangeline Franco (Evangeline), filed sales patent applications over Lot Nos. 316, 317, 500, 501-B, 498, 502, and 505. Similarly, petitioner Salvador, together with Sofia Barrera and Laureana Bergonia, Lina, Cresencio Andungo, Artemio Valdez, Antonio Valdez, Estrella Lachica (Estrella) and Alexander Valdez (Alexander) filed their respective claims over Lot Nos. 315, 318, 501, 499, 506, 507, 510, and 511, which lots originally formed part of Lot No. 4967-C and were included in the FPA No. V-8500 filed by Antero.

Hence, herein respondents heirs of Catabas filed a protest against the sales patent applications and other claims of petitioners and other claimants over Lot No. 4967-C. The heirs of Catabas alleged that the lots in question were covered by a subsisting free patent application filed by Antero who acquired a vested right over it by reason of his early possession since 1929 as evidenced by Tax Declaration No. 12942 dated February 15, 1929 and Tax Declaration No. 13666

<sup>&</sup>lt;sup>6</sup> DENR records, pp. 398-399.

<sup>&</sup>lt;sup>7</sup> Also referred to as 4976 in some parts of the records.

<sup>8</sup> Id. at 400-401

<sup>&</sup>lt;sup>9</sup> Also referred as Lot No. 4976-C in some parts of the records.

<sup>&</sup>lt;sup>10</sup> EXCLUDING FROM THE OPERATION OF PROCLAMATION NO. 427 DATED NOVEMBER 7, 1931, WHICH ESTABLISHED THE FARM SCHOOL RESERVATION SITUATED IN THE MUNICIPALITY OF SANTIAGO, PROVINCE OF ISABELA, ISLAND OF LUZON, CERTAIN PORTIONS OF THE LAND EMBRACED THEREIN, EXCEPT THE PARCELS WHICH ARE ACTUALLY OCCUPIED AND USED FOR FARM SCHOOL PURPOSES AND DECLARING THE SAME OPEN TO DISPOSITION UNDER THE PROVISIONS OF THE PUBLIC LAND ACT.

<sup>11</sup> DENR records, p. 396.

<sup>12</sup> Id. at 397.

dated October 1, 1930 and the corresponding payments of the real estate taxes ever since.

Respondents further averred that the case of *Municipality of Santiago*, *Isabela vs. Court of Appeals*<sup>13</sup> already confirmed their possession and claim over the lots in dispute when it recognized that Antero filed his Answer during the cadastral proceedings conducted for the Municipality of Santiago, Isabela to record his claim on Lot No. 4967 while another claimant, Eulalio Bayaua (Bayaua), petitioners' predecessor-in-interest, did not file any Answer thereto. Although a free patent is yet to be issued to Antero, respondents claimed that Antero already acquired a vested right over Lot No. 4967-C since FPA No. V-8500 was never canceled by the proper authority.

On the other hand, petitioner Apolinario together with Maria Dolores, Evangeline, and Artemio, claimed that in 1953, Maria Dolores and Artemio bought from a certain Maria Cavinian (Cavinian), the surviving spouse of Bayaua, a portion of 3,500 square meters of Lot No. 4967 and Lot No. 8000, Cad-211.

Thereafter, in 1957, pursuant to Proclamation No. 247 dated January 19, 1956, the Bureau of Lands subdivided Lot Nos. 1 and 4967 of Santiago Cadastre into small residential lots, which included that portion of Lot Nos. 4967 and 8000 bought by the Valdezes from Cavinian in 1953. These became Lot Nos. 502, 505, 506, 507, 508, 509 and 510, Ccs-167. Later on, Maria Dolores ceded and transferred the other lots to Evangeline, Estrella and Alexander.

Consequently, miscellaneous sales patent applications were approved in 1984 by the Bureau of Lands in favor of Arcadia over Lot No. 316, Luis over Lot No. 317, petitioner Apolinario over Lot No. 500, petitioner Amanda over Lot No. 501-B, petitioner Aquilina over Lot No. 498, Maria Dolores over Lot No. 502 and Evangeline over Lot No. 505. In addition, Lina likewise filed a sales patent application with the Bureau of Lands over Lot No. 318, Ccs-167 which she bought from a certain Rumeriano de la Cruz in March 1978.

On July 13, 1988, Land Investigator Luis V. Salatan, Sr. (Salatan) was assigned by the Bureau of Lands to investigate the respective claims of the parties over Lot No. 4967-C. Salatan then recommended the dismissal of respondents' protest on the following grounds: (a) Antero's failure to formally oppose the exclusion of that portion of Lot No. 4967 which was petitioned by the VICAROS Homeowners Association as per Proclamation No. 247 dated January 19, 1956 from the operation of Proclamation No. 427 dated May 24, 1949 which allocated the area for disposition to qualified claimants; and (b) Antero's failure to protest to protect his rights and interests over the subject property when a subdivision survey was conducted in the area.<sup>14</sup>

<sup>13 205</sup> Phil. 638, 641 (1983).

<sup>&</sup>lt;sup>14</sup> DENR records, pp. 491-503.

# Ruling of the Regional Executive Director (RED), Region II and the Secretary of the Department of Environment and Natural Resources (DENR):

Despite the recommendation of Land Investigator Salatan, the RED of DENR Region II, Tuguegarao, Cagayan, in an Order dated February 4, 1991, <sup>15</sup> gave due course to respondents' protest. The RED-DENR Region II found the issuance of petitioners' sales patent to be premature, illegal, fraudulent and their possession over the subject lots characterized by bad faith considering that their sales patents were issued while Antero's application was still subsisting. The RED then ordered the reversion of the lots covered by the sales patents issued to some of the petitioners subject to the rights of the respondents, and the dismissal of the other claims.

Petitioners filed a motion for reconsideration which was however denied.<sup>16</sup> Thus, they elevated their case to the Secretary of the DENR who affirmed the ruling of the RED.<sup>17</sup>

#### Ruling of the Office of the President:

Thereafter, petitioners appealed to the OP which consequently dismissed their appeal in its May 18, 1998 Decision. The OP found that Antero's FPA No. V-8500 had already met all the requirements for the issuance of a free patent. Hence, Antero already obtained vested rights over the subject property and can be regarded as the equitable owner thereof. Even without a patent, Antero's right over the subject property is beyond question as all the requirements under the law had already been accomplished. The OP ratiocinated in this wise:

One of the issues which has to be resolved in this appeal is who between the parties have a better or prior right to the lots in controversy based on the evidence presented. From the above recital, it is uncontroverted that appellants only began to assert their respective claims over the disputed lots sometime after the execution of the subdivision survey CCs-167 in 1953. Subsisting and still being considered and acted upon at the time was Free Patent Application No. V-8500 of Antero Catabas over the disputed portions of Lot No. 4967-C, Cad-211. This application was never denied or disapproved by the then Bureau of Lands and therefore, should have been given preferential attention in the processing of the claims over the lots in question. The prior rights of Antero Catabas over the lots has to be respected as it springs from his incipient and original settlement, occupation and sustained possession thereof in the concept of owner. Free Patent Application No. V-8500 of Antero Catabas still subsists in the records and is the same application that appellees are pursuing so that land patents may be issued to them.

The records preponderantly show that the free patent application of Antero Catabas was acted upon by the different governing agencies concerned. Sometime in 1952, he was ordered by the then Bureau of Lands to amend his previous application to cover only portion "C" of Lot No. 4967, Cad-211 with an area of 0.3794 hectares, which he did per Free Patent Application No. V-8500 (Exhibit "D" for Appellees). Said application finds solace when the Director of Lands

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<sup>15</sup> Id. at 515-522.

<sup>16</sup> Id. at 594-599.

<sup>17</sup> See CA rollo, p. 48.

<sup>18</sup> Id. at 45-51.

acknowledged the same by ordering that notices of the free patent application be posted in different conspicuous places. Thus, the actuation of the said official only implies recognition that the application of the late Antero Catabas was sufficient in form and substance and meets all the initial requirements for the issuance of free patent. This is buttressed by the action taken by Assitant Public Land Inspector Tomas Cruz who, as early as September 24, 1952, recommended the approval of the free patent application of Antero Catabas for portion "C" of Lot No. 4967.

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In the case at bar, it appears that the Free Patent Application No. V-8500 of Antero Catabas has already met the requirements for issuance of a free patent. The fact that the application was posted and subsequently recommended for approval implies that all the terms and conditions entitling him to a patent were already fixed and established and were no longer open to controversy. Hence, such interest or right over the lots had become vested and Antero Catabas, the predecessor-ininterest of herein appellees, is to be regarded as the equitable owner thereof. So that, even without a patent, where all the requirements under the law had already been accomplished, the right or interest of the applicant to have a patent issued in his favor is beyond question. <sup>19</sup>

Petitioners filed a motion for reconsideration but this was later denied by the OP in its May 29, 2008 Resolution<sup>20</sup>. Hence, they filed a petition for review under Rule 43 of the Rules of Court before the CA.

### Ruling of the Court of Appeals:

On April 19, 2011, the CA rendered its Decision<sup>21</sup> denying for lack of merit the petition for review filed by petitioners together with Arcadia, Angel, Luis and Lina. The appellate court reasoned that the application of Antero should be given preference over the claims of petitioners. Clearly, Antero's FPA No. V-8500 has not been canceled until this time. Moreover, the CA noted that petitioners acquired their supposed right over the subject property from Cavinian, the widow of Bayaua, who had not filed an Answer in the cadastral proceedings conducted in 1939. The subsequent Answer filed by Bayaua in 1962 was also denied by the cadastral court.

Petitioners filed their motion for reconsideration which was denied by the appellate court in its March 30, 2012 Resolution<sup>22</sup>. Hence, petitioners filed this Petition [for Review on *Certiorari*] under Rule 45.

#### **ISSUE**

Who between the parties have a superior right to the lots in controversy?

Petitioners argue that the findings of Land Investigator Salatan, specifically that (a) Antero failed to formally oppose or negate the exclusion of the subject property from the coverage of Proclamation No. 247 dated January

<sup>19</sup> Id. at 49-50.

<sup>&</sup>lt;sup>20</sup> Id. at 42-44.

<sup>21</sup> Id. at 228-239.

<sup>&</sup>lt;sup>22</sup> Id. at 363-367.

19, 1956; and (b) Antero failed to protect his right or interest over the subject property, support their position that Antero indeed waived his right therein. Moreover, Antero did not oppose the petition filed by VICAROS Homeowners Association under Proclamation No. 247 dated January 19, 1956 to exclude the subject property from the operation of Proclamation No. 427 for disposition by the Bureau of Lands to qualified claimants. In addition, Antero waived his right or interest over the subject property when he did not oppose the survey and subsequent distribution thereof to qualified claimants.

Furthermore, petitioners assert that the appellate court's reliance on *Balboa* v. Farrales (Balboa)<sup>23</sup> is misplaced in view of the ruling in *Quinsay* v. Intermediate Appellate Court (Quinsay),<sup>24</sup> that vested rights over the land subject of a homestead application can only be validly claimed by a claimant after approval by the Director of Lands of the final proof for a homestead patent. In this case, petitioners stressed that Antero's free patent application was never approved by the Bureau of Lands. Thus, he cannot be deemed to have acquired vested right over the subject property.

Lastly, petitioners argue that after the lapse of one year from the date of entry of the decree of registration, the certificate of title of the subject property became indefeasible and incontrovertible. However, the appellate court did not determine the issue of indefeasibility of petitioners' title over the subject property. Hence, petitioners pray that their respective titles over the subject property be confirmed.

On the other hand, respondents contend that preference should be accorded to Antero and his successors-in-interest over the sales patents issued to petitioners. They insist that the free patent application of Antero was filed prior to petitioners' sales patent applications and had already been approved. The only thing left to do is the ministerial issuance of the patent in favor of Antero.

Respondents further claim that the rulings in *Balboa* and *Quinsay* can actually be applied in the present case in favor of Antero as the latter acquired a vested right over the subject property based on his approved free patent application. Hence, the issuance of petitioners' titles was premature because there was a previous and subsisting free patent application filed by Antero ahead of herein petitioners and their predecessors-in-interest.

Furthermore, respondents argue that a void title confers no right. Antero's open, continuous, exclusive and notorious possession of the subject property is deemed to have ripened into acquisition by operation of law, that is, of a right to a government grant without the necessity of a certificate of title being issued. This right cannot be affected by the subsequent issuance of a free patent by the Director of Lands as the Public Land Law applies only to lands that are part of public domain and not to those which have already been segregated from the public domain.

<sup>&</sup>lt;sup>23</sup> 51 Phil. 498 (1928).

<sup>&</sup>lt;sup>24</sup> 272-A Phil. 235 (1991).

## The Court's Ruling

The petition lacks merit.

In this case, the law applicable at the time of Antero's alleged acquisition of Lot No. 4967 is Act No. 2874<sup>25</sup> dated November 29, 1919, as amended. Section 45 (b) of Act No. 2874 states that "those who by themselves or through their predecessor-in-interest have been in open, continuous, exclusive, and notorious possession and occupation of agricultural lands of the public domain, under a bona fide claim of acquisition of ownership, except as against the Government, since [July 26, 1894] except when prevented by war or force majeure" may apply with the Court of First Instance of the province for the confirmation of their claims and the issuance of a certificate of title therefor, under the Land Registration Act. Furthermore, Section 49 of Act No. 2874 provides that in cadastral proceedings, instead of an application, an answer or claim may be filed which produces the same effect as in the procedure provided in Sections 47 and 48 of Act No. 2874.

As can be gleaned from the records, Antero filed his Answer dated August 21, 1935 in Cadastral Case No. 30 which involved Lot No. 4967 in order to claim his title or interest over said lot. In fact, in the case of *Municipality of Santiago*, *Isabela v. Court of Appeals*, <sup>26</sup> this Court confirmed that Antero filed his Answer during the cadastral proceedings with regard to Lot No. 4967. However, the lower court declared Lot No. 4967 as public land and dismissed Antero's Answer for lack of due prosecution, to wit:

On September 17, 1963, the lower Court issued another Order declaring Lot No. 4967 public land.

"WHEREFORE, as prayed for by the First Assistant Provincial Fiscal, representing the Municipality of Santiago, the cadastral answer filed by Antero Catabas over Lot 4967 is hereby definitely dismissed, for lack of due prosecution, pursuant to Section 3, Rule 30, Rules of Court.

<u>No. 30 GLRO Rec. No. 1496, is declared public land</u> subject, however, to whatever rights the Municipality of Santiago, Province of Isabela, may have by virtue and pursuant to Presidential Proclamation No. 131 dated May 24, 1949." <sup>27</sup> [Emphasis ours.]

In the same case, the CFI's September 17, 1963 Order in Cadastral Case No. 30 was declared to have become final and conclusive, there being no appeal from the parties. Meanwhile, Antero filed FPA No. V-8500 on September 1, 1949<sup>28</sup> for Lot No. 4967 under Commonwealth Act (C.A.) No. 141 dated

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<sup>&</sup>lt;sup>25</sup> AN ACT TO AMEND AND COMPILE THE LAWS RELATIVE TO LANDS OF THE PUBLIC DOMAIN, AND FOR OTHER PURPOSES. Took effect July 1, 1919.

<sup>&</sup>lt;sup>26</sup> Supra note 12.

<sup>&</sup>lt;sup>27</sup> Id. at 641-642.

<sup>&</sup>lt;sup>28</sup> DENR records, pp. 398-399.

November 7, 1936. He later amended his free patent application on September 15, 1952<sup>29</sup> to cover only Lot No. 4967-C.

However, on January 19, 1956, Proclamation No. 247 was issued which excluded certain portions of the land embraced in the Agricultural Farm School of Santiago and declared the same open for disposition. Hence, Lot No. 4967-C was further subdivided into several lots which were acquired by petitioners and became the subject of the present dispute.

At the time of the issuance of Proclamation No. 247 on January 19, 1956 and the conduct of the Cadastral Subdivision Survey No. 167, there was a subsisting and pending free patent application filed by Antero on Lot No. 4967-C on September 1, 1949 under C.A. No. 141, as amended. The same was recommended for approval by Assistant Public Land Inspector Tomas Cruz and forwarded to the Central Office of the Bureau of Lands on September 24, 1952 and received by the Director of Lands on October 7, 1952 who then caused the posting of notices of Antero's free patent application in different conspicuous places. However, it bears stressing that at the time of Antero's application for free patent in 1949, Lot No. 4967-C was part of the Agricultural Farm School of Santiago which is an inalienable public land. It was only declared as alienable public land open for disposition to qualified claimants in 1956 pursuant to Proclamation No. 247.

The questions now therefore are: (a) whether Antero's occupation and possession of Lot No. 4967-C since 1929 be considered in granting his free patent application filed in 1949 when the subject property is not yet declared as alienable and disposable; and (b) whether the subsequent declaration in 1956 of Lot No. 4967-C as alienable public land and available for disposition to qualified claimants can be considered in granting Antero's free patent application.

It cannot be emphasized that before the issuance of Proclamation No. 247 in 1956, Antero already filed his claim on Lot No. 4967-C in 1949 through free patent application which was later amended in 1952. Under Section 11 of C.A. No. 141, there are two modes of disposing public lands through confirmation of imperfect or incomplete titles: (1) by judicial confirmation; and (2) by administrative legalization, otherwise known as the grant of free patents. In the present case, Antero chose to file a free patent application which was governed by Section 44 of C.A. No. 141, which states that:

SECTION 44. Any natural-born citizen of the Philippines who since July fourth, nineteen hundred and twenty-six or prior thereto, has continuously occupied and cultivated, either by himself or through his predecessors-in-interest, a tract or tracts of agricultural public lands subject to disposition, or who shall have paid the real estate tax thereon while the same has not been occupied by any person shall be entitled, under the provisions of this chapter, to have a free patent issued to him for such tract or tracts of such land not to exceed twenty-four hectares.

<sup>29</sup> Id. at 400-401.

An applicant for a free patent does not claim the land as his or her private property but acknowledges that the land is still part of the public domain. Antero, in choosing to apply for free patent, acknowledged that the land covered by his application still belongs to the government and is still part of the public domain. Under Section 44 of C.A. No. 141, he is required to prove continuous occupation and cultivation of agricultural land subject to disposition since July 4, 1926 or prior thereto and payment of real estate taxes while the land has not been occupied by other persons.

However, at the time Antero's amended free patent application was filed in 1952, Republic Act (R.A.) No. 782<sup>31</sup> was enacted on June 21, 1952, amending Section 44 of C.A. No. 141. which reads:

Section 1. Any provision of law, rules and regulations to the contrary notwithstanding, any natural born citizen of the Philippines who is not the owner of more than twenty-four hectares, and who since July fourth, nineteen hundred and forty-five or prior thereto, has continuously occupied and cultivated, either by himself or through his predecessors in interest, a tract or tracts of agricultural public lands subject to disposition, shall be entitled, under the provisions of this Act, to have a free patent issued to him for such tract or tracts of such land not to exceed twenty-four hectares. The application shall be accompanied with a map and the technical description of the land occupied along with affidavits proving his occupancy from two disinterested persons residing in the municipality or barrio where the land may be located.

Notwithstanding the fact that when Antero filed his amended free patent application in 1952, the subject property (Lot No. 4967-C) was not yet declared as alienable and disposable public land, We are persuaded to give preference to the possession of Antero since 1929 over the petitioners' claims or interest which arose later than Antero's. The subsequent declaration of Lot No. 4967-C as open for disposition to qualified claimants effectively cured the defect of Antero's free patent application filed before the herein petitioners. Antero's possession of the subject property as evidenced by the payment of real estate taxes starting the year  $1929^{32}$  strengthened his continuous and notorious possession of the subject property which is earlier than July 4, 1945.

In *Republic v. Roasa*, <sup>33</sup> We clarified that a possessor or occupant of property may be a possessor in the concept of an owner prior to the determination that the property is alienable and disposable agricultural land. Thus, the computation of the period of possession may include the period of adverse possession prior to the declaration that the land is alienable and disposable. Though at the time of his application, the subject property was not yet classified as alienable and disposable, the subsequent declaration thereof should be

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<sup>&</sup>lt;sup>30</sup> Taar v. Lawan, G.R. No. 190922, October 11, 2017, 842 SCRA 365, 392, citing Sumail v. Court of First Instance of Cotabato, 96 Phil. 946 (1955),

<sup>&</sup>lt;sup>31</sup> AN ACT TO GRANT FREE PATENTS TO OCCUPANTS OF PUBLIC AGRICULTURAL LAND SINCE OR PRIOR TO JULY FOURTH NINETEEN HUNDRED AND FORTY-FIVE. Approved June 21, 1952. <sup>32</sup> DENR records, pp. 382-388.

<sup>&</sup>lt;sup>33</sup> 752 Phil. 439, 447 (2015) citing *AFP Retirement and Separation Benefits System (AFP-RSBS)* v. Republic, 738 Phil. 143, 150-153 (2014).

considered in Antero's favor whose free patent application was still pending and subsisting at that time and is not canceled up to this time.<sup>34</sup>

In addition, herein petitioners acquired their supposed right or interest over the subject property from the widow of Bayaua. Notably, Bayaua had not filed his answer in the cadastral proceedings of Lot No. 4967. Hence, Bayaua or his widow, Cavinian, had no right or interest to over Lot No. 4967-C that they could transfer to petitioners. Also, the cases of *Balboa* and *Quinsay* are not applicable to the case at bar as the said cases involved homestead patent applications under Act No. 926 and Act No. 2874, respectively, while the present case is a free patent application filed under C.A. No. 141, as amended.

Finally, as regards the issue of the indefeasibility of petitioners' title, we agree with the CA that a discussion on the same is not proper here. As correctly observed by the appellate court, the only issue in this case is whether or not Antero has vested rights over the subject properties on the basis of his free patent application which was never cancelled.<sup>35</sup> The issue regarding petitioners' certificates of title was only brought to fore in their Motion for Reconsideration before the appellate court.<sup>36</sup>

Based on the foregoing, We see no reason to deviate from the ruling of the appellate court which sustained the findings of the DENR and the OP to accord preference over the free patent application filed by Antero over Lot No. 4967-C against herein petitioners.

WHEREFORE, the Petition is **DENIED**. The assailed April 19, 2011 Decision and March 30, 2012 Resolution of the Court of Appeals (CA) in CA-G.R. SP No. 104307 are hereby **AFFIRMED**. Costs on petitioners.

The grounds in petitioners' Appeal Memorandum before the Office of the President were:

- There are facts and circumstances, the significance and importance of which have not been properly considered and understood;
- 2. That the term "vested right" upon which the questioned decision was anchored was not properly understood and applied in the instant case; and
- 3. That there are conclusions and findings of fact which are based on surmises, speculations and conjectures and not supported by the evidence on record and the law. (Id. at 49.)

The grounds raised in their Petition for Review before the Ca were as follows:

Whether or not the Office of the President committed serious errors of facts and law in denying Petitioners' Appeal in ruling that:

- 1) The Free Patent Application No. V-8500 (the "FPA") of Antero Catabas should be given preference over the applications of Petitioners because Antero Catabas has vested rights over the subject properties; and
- 2) There was actual fraud and bad faith on the part of the Petitioners in procuring the early processing of their public land applications leading to the issuance of their respective titles. (Id. at 29.)

<sup>&</sup>lt;sup>34</sup> AFP Retirement and Separation Benefits System (AFP-RSBS) v. Republic, id.

<sup>35</sup> CA rollo, p. 367.

<sup>&</sup>lt;sup>36</sup> Id. at 250-251.

SO ORDERED. '

RAMON PAUL L. HERNANDO

Associate Justice

WE CONCUR:

ESTELA M. PERLAS-BERNABE

Senior Associate Justice Chairperson

HENRIJEAN PAUL B. INTING

Associate Justice

EDGARDO L. DELOS SANTOS

Associate Justice

On official leave

PRISCILLA J. BALTAZAR-PADILLA

Associate Justice

### **ATTESTATION**

I attest 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.

ESTELA M. PERLAS-BERNABE

Senior Associate Justice Chairperson

#### **CERTIFICATION**

Pursuant to Section 13, Article VIII of the Constitution, and the Division Chairperson's Attestation, 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.

DIOSDADO\M. PERALTA

Chief Justice