Republic of the Philippines
Supreme Court
Manila

SECOND DIVISION

REPUBLIC OF THE PHILIPPINES, Petitioner,	**G.R. No. 200863**
	Present:
- *versus* -	PERLAS-BERNABE, *J.*, Chairperson, HERNANDO, INTING, DELOS SANTOS, and BALTAZAR-PADILLA,* *JJ.*
HEREDEROS DE CIRIACO CHUNACO DISTELERIA INCORPORADA, Respondent.	Promulgated: 14 OCT 2020

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DECISION

HERNANDO, *J.*:

Challenged in this Petition for Review on *Certiorari*[1] is the March 2, 2012 Decision[2] of the Court of Appeals (CA) in CA-G.R. CV No. 88495, which affirmed the September 25, 2006 Decision[3] of the Municipal Trial Court (MTC) of Guinobatan, Albay in LRA Case No. 01-03 granting the application of respondent Herederos de Ciriaco Chunaco Disteleria Incorporada (HCCDI) for land registration of Lot No. 3246 located in Barangay Masarawag, Guinobatan, Albay.

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* On leave.

[1] *Rollo*, pp. 9-31.

[2] CA *rollo*, pp. 93-105; penned by Associate Justice Remedios A. Salazar-Fernando and concurred in by Associate Justices Ramon M. Bato, Jr. and Florito S. Macalino.

[3] Records, pp. 136-145, penned by Judge Aurora Binamira-Parcia.

The Antecedents

HCCDI, a domestic corporation with principal office at Barangay Masarawag, Guinobatan, Albay, applied for land registration of Lot No. 3246 with the MTC of Guinobatan, Albay docketed as LRA Case No. 01-03.[4] HCCDI claimed ownership and actual possession of Lot No. 3246, with an area of 71,667 square meters (sqm), and an assessed value of ₱56,930.00, on the ground of its continuous, adverse, public and uninterrupted possession in the concept of an owner since 1976 by virtue of a Deed of Assignment[5] executed by the heirs of Ciriaco Chunaco (Heirs of Chunaco) who, in turn, had been in continuous, adverse, public, and uninterrupted possession of the subject lot in the concept of an owner since 1945 or earlier. The subject lot is bounded on the (1) southwest by: (a) Lot No. 3241 owned by Vicente Olavario; (b) Lot No. 3244 owned by Florencia Miranda and Celestino Palevino; (c) Lot No. 3245 owned by Benjamin Olavario; (d) and Lot No. 3250 owned by the Department of Education Culture and Sports; (2) northwest by: (a) Lot No. 3249 owned by Asuncion Salinas; (b) Lot No. 3248 owned by Cleofas Mar; and (c) Lot No. 3743 owned by Domingo Olaguer; (3) northeast by Lot No. 3247 owned by Leonida Ocampo; (4) northeast and southeast by a barangay road.[6]

HCCDI attached the following documents in its application: (a) Tracing Cloth of Lot No. 3246;[7] (b) Technical Description of Lot No. 3246;[8] and (c) Certificate in Lieu of the Lost Surveyor's Certificate.[9]

Petitioner Republic of the Philippines (Republic), through the Office of the Solicitor General (OSG), opposed[10] HCCDI's application and alleged that neither HCCDI nor its predecessors-in-interest, the Heirs of Chunaco, had been in open, continuous, exclusive and notorious possession and occupation of the subject lot for a period of not less than 30 years. Lot No. 3246 has not been classified as alienable and disposable land of the public domain for at least 30 years prior to the filing of the subject application. Moreover, the muniments of title and/or the tax declarations and tax payment receipts of HCCDI, if any, attached to or alleged in the application for land registration, did not constitute as competent and sufficient evidence of a *bona fide* acquisition of the subject lot or of its open, continuous, exclusive and notorious possession, and occupation thereof, in the concept of an owner, for a period of not less than 30 years. Lastly, the claim of ownership in fee simple on the basis of a Spanish title or grant can no longer be availed of by HCCDI because it failed to file an

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[4] Id. at 1-7.
[5] Folder of Exhibits, pp. 19-30.
[6] *Rollo*, pp. 34-35; see also Folder of Exhibits, p. 45.
[7] *Rollo*, p. 53-54.
[8] Id. at 55.
[9] Id. at 56.
[10] Id. at 69-71.

appropriate application for registration within six months from February 16, 1976 as required by Presidential Decree (P.D.) No. 892.[11]

In its Reply,[12] respondent HCCDI prayed for the denial of petitioner Republic's opposition on grounds that said opposition was evidentiary in nature and had no legal and factual basis.

Subsequently, the MTC issued an order of general default except against the herein petitioner Republic.[13] Thereafter, trial ensued. HCCDI presented Leonides Chunaco (Leonides) and Alekos Chunaco (Alekos) as witnesses.

The Land Management Office (LMO) of the Department of Environment and Natural Resources (DENR), Region V, Rawis, Legazpi City, through Land Investigator Anastacia L. Abaroa (Abaroa), conducted an ocular inspection and submitted a Report[14] in compliance with the MTC's January 29, 2004 Order.[15] As per the LMO's Report, the subject property is within the alienable and disposable zone as classified on March 30, 1926 and outside of the forest zone or forest reserve or unclassified public forest, existing civil or military reservation, or watershed or other establishment reservation. Also, the subject lot has never been forfeited in favor of the government for non-payment of taxes nor confiscated as bond in connection with any civil or criminal case.

The ocular inspection conducted by Abaroa showed that the subject property located about six kilometers away from the *poblacion*, is a coconut plantation occupied and/or possessed by HCCDI. It does not encroach upon an established watershed, river bed, or riverbank protection, creek, right of way, park site or any area devoted to general public use such as, public roads, plaza, canals, streets, *etc.*, or devoted to public service such as, town walls or fortresses. Lastly, the subject property is covered by: (a) survey plan Ap-05-005158 which was approved by the Director of Lands/Regional Land Director/Land Registration Commission and re-approved by the Bureau of Lands on April 11, 2003 in view of P.D. No. 239 dated July 9, 1973; and (b) Tax Declaration No. 2002-05-028-00872 as payment for real property taxes in 2004.[16]

Moreover, a Certification[17] issued by the DENR, Region V, Legazpi City states that based on its records, Lot No. 3246 was surveyed for Ciriaco Chunaco. The subject lot or any portion thereof is not identical to any kind of previously approved isolated survey. Subsequently, the Community Environment and Natural Resources Office (CENRO) of the DENR, Legazpi City issued a

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[11] Id.
[12] Records, p. 76.
[13] Id. at 69.
[14] Id. at 84-86.
[15] Id. at 81.
[16] Id. at 84-86.
[17] Folder of Exhibits, p. 47.

Certification[18] stating that it cannot ascertain whether Lot No. 3246 was covered by any kind of public land application or was issued a patent or title due to the fire in February 1992 which destroyed its records.

Likewise, the Land Registration Authority (LRA) submitted its Report[19] to the trial court. The LRA found that upon verification of its Cadastral Record Books, Lot No. 3246 was previously applied for original registration under the cadastral proceedings docketed as Court Cadastral Case No. 32, GLRO Cad. Record No. 1093. However, the copy of the decision in the said cadastral proceedings had been lost or destroyed as a result of World War II. Hence, the LRA could not verify whether or not the subject lot is already covered by a land patent. A subsequent Certification[20] of the LRA states that after due verification in its Index Book of Records in the Municipality of Guinobatan, Albay, Lot No. 3246 has no available records in the Registry of Deeds. Also, no certificate of title, whether original or patent, has been issued as to it.

Other government agencies or offices likewise submitted their certifications and/or report in compliance with the MTC's September 4, 2003 Notice of Initial Hearing.[21] The Office of the Provincial Engineer of Albay issued a Certification/Clearance[22] stating that upon its inspection and verification, the subject lot did not encroach upon any portion of the provincial road right of way nor any portion of any provincial government property. Thus, it offered no objection or opposition to HCCDI's application for registration.

The Department of Public Works and Highways (DPWH), Office of the District Engineer, Albay 2nd Engineering District Office, Paulog, Ligao City informed the trial court that upon verification, a portion of the subject lot was proposed as a school site of Masarawag National High School and that there were no ongoing public works projects which may affect Lot No. 3246.[23] Also, the subject lot did not encroach upon any portion of the national highway.[24] Thus, the DPWH likewise interposed no objection to HCCDI's application.[25]

Lastly, the Department of Agrarian Reform issued its Certification[26] stating that the subject lot has not yet been covered by Operation Land Transfer or the Comprehensive Agrarian Reform Program pending the issuance of the approved Inventory/List of Untitled Privately Claimed Agricultural Lands.

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[18] Id. at p. 51.
[19] Records, p. 91.
[20] Folder of Exhibits, p. 52.
[21] Records, pp. 37-38.
[22] Id. at 51.
[23] Id. at 65 & 107.
[24] Id. at 65 & 68.
[25] Id. at 65.
[26] Folder of Exhibits, p. 48.

Ruling of the Municipal Trial Court:

On September 25, 2006, the MTC rendered its Decision[27] granting HCCDI's application for land registration and confirming its title to Lot No. 3246. The trial court found that HCCDI's evidence sufficiently established HCCDI's and its predecessors-in-interest's actual, continuous, open, public, peaceful, adverse, and exclusive possession of Lot No. 3246 for 59 years. Thus, pursuant to paragraph 1, Section 14 of P.D. No. 1529, respondent's title to Lot No. 3246 is confirmed and registered in its name.

Ruling of the Court of Appeals:

The appellate court rendered its assailed March 2, 2012 Decision[28] affirming the September 25, 2006 Decision of the MTC in LRA Case No. 01-03. The CA found the February 20, 2004 Report submitted by Land Investigator Abaroa of the LMO, Legazpi City sufficient to prove that the subject lot is indeed alienable and disposable. Certifications from concerned agencies were likewise submitted by HCCDI to prove that there was no opposition nor objection to its application for registration. Thus, the CA ruled that HCCDI amply discharged its burden in proving that the subject lot is alienable and disposable.

The CA likewise gave weight to the testimony of Leonides that HCCDI and its predecessors-in-interest have been in open, continuous, exclusive and notorious possession, and occupation of the subject lot under a *bona fide* claim of acquisition and ownership since June 12, 1945 or earlier. Although Leonides admitted no knowledge on how his father Ciriaco Chunaco (Ciriaco) acquired the subject lot, such admission was not fatal to HCCDI's application as the latter only needed to prove actual possession and occupation under a *bona fide* claim of ownership. Also, the fact that the subject lot had been declared for taxation purposes only in 1980 does not necessarily negate the open, continuous, exclusive and notorious possession of HCCDI and its predecessors-in-interest since 1943. Thus, the CA granted HCCDI's application for land registration of Lot No. 3246.

Hence, petitioner Republic, through the OSG, filed this Petition for Review on *Certiorari* under Rule 45.

Issues

The issues to be resolved in this case are the following:

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[27] Records, pp. 136-145.
[28] CA *rollo*, pp. 93-105.

1) Does Lot No. 3246 form part of the alienable and disposable land of the public domain?

2) Has respondent HCCDI sufficiently proven that it has been in open, continuous, exclusive possession and occupation of the subject lot since June 12, 1945 or earlier?

3) Is respondent HCCDI prohibited from owning lands pursuant to Section 11, Article XIV of the 1973 Constitution; Section 3, Article XII of the 1987 Constitution; and the ruling of this Court in the *Director of Lands v. Intermediate Appellate Court*?[29]

Petitioner argues that all lands of the public domain belong to the State pursuant to Section 2, Article XII of the 1987 Constitution. All lands that do not categorically and positively appear to be of private dominion are presumed to belong to the State. In this case, petitioner argues that HCCDI's reliance on the survey plan which stated that Lot No. 3246 is alienable and disposable is untenable because a survey plan does not *ipso facto* convert a land into an alienable and disposable land of the public domain as well as into a private property. A survey plan is not an incontrovertible evidence that the land being claimed is part of the alienable and disposable land of the public domain.

Petitioner further argues that it is not enough that the land is declared by the LRA in its report as alienable and disposable land. The applicant must prove that the DENR Secretary approved the land classification and released the land of the public domain as alienable and disposable, and that the land subject of the application for registration falls within the approved area per verification through the survey conducted by the CENRO or the Provincial Environment and Natural Resources Office (PENRO). Also, the applicant must present the certified true copy of the original classification approved by the DENR Secretary.

Moreover, petitioner contends that other than the bare assertions of Leonides, no other competent evidence was shown that HCCDI and its predecessors-in-interest have possessed and occupied the subject lot since June 1945 or earlier. Also, no other evidence was presented by HCCDI to corroborate the testimony of Leonides that the subject lot was previously owned by his father since 1943. In fact, the earliest date of the tax declarations proffered by HCCDI was in 1980 which negates its allegation that HCCDI was in open, continuous, exclusive and notorious possession, and occupation of the subject land since June 1945 or earlier.

Lastly, petitioner points out that Section 11, Article XIV of the 1973 Constitution then prevailing at the time the subject lot was allegedly transferred to HCCDI, clearly prohibits private corporations or associations from owning alienable lands of the public domain. This provision was carried over to the

[29] 230 Phil. 590 (1986).

1987 Constitution, specifically in Section 3, Article XII thereof. Petitioner maintains that the subject lot is undeniably part of the public domain in 1976, even assuming it to be alienable and disposable. In fact, when the application for registration was filed, the subject lot is still a part of the public domain which precludes HCCDI from confirming its ownership thereof.

HCCDI, on the other hand, cites the ruling in *Secretary of the Department of Environment and Natural Resources v. Yap*[30] that the positive act of the government declaring the land as alienable and disposable not only covers a presidential proclamation or an executive order, an administrative action, a legislative act or a statute but even investigation reports of the Bureau of Lands. HCCDI maintains that the February 20, 2004 Report prepared by Land Investigator Abaroa is an adequate, incontrovertible and conclusive evidence that the subject land is alienable and disposable.

Moreover, HCCDI claims that it is in open, continuous, exclusive possession, and occupation of the subject lot since June 12, 1945 or earlier. It presented the testimony of Leonides to prove that the subject lot was previously owned by his father in 1943 and that the said land was inherited by him and his siblings. In addition, it presented reports from government agencies, namely, February 20, 2004 Report and Certification issued by the Regional Surveys Division (RSD) in order to corroborate the testimony of Leonides that HCCDI and its predecessors-in-interest were in actual, continuous, open, public, peaceful, adverse and exclusive possession of the subject land for fifty-nine (59) years.

Lastly, HCCDI opines that an exception to the Constitutional prohibition on private corporations or associations owning lands of the public domain is when the land has been in the possession of an occupant since time immemorial which would justify the presumption that the land had never been part of the public domain or that it had been a private property even before the Spanish conquest. In this case, Leonides and his family occupied the subject land in 1943 until 1976 which entitled them to register the subject land in their name. Thus, the subject land, being in the possession of a Filipino citizen since time immemorial, was converted *ipso jure* into a private land and its successor-in-interest is therefore not prohibited from acquiring the subject land and apply for its judicial confirmation of title therefor.

The Court's Ruling

The petition is meritorious.

Section 11 of Commonwealth Act (C.A.) No. 141, or the *Public Land Act of 1936* (PLA), recognizes judicial confirmation of imperfect titles as a mode

[30] 589 Phil. 156, 182 (2008).

of disposition of alienable public lands. Section 48(b) thereof, as amended by P.D. No. 1073, identifies those entitled to judicial confirmation of their title:

> (b) Those who by themselves or through their predecessors-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 or ownership, since June 12, 1945**, immediately preceding the filing of the application for confirmation of title except when prevented by war or *force majeure*. These shall be conclusively presumed to have performed all the conditions essential to a government grant and shall be entitled to a certificate of title under the provisions of this chapter. (Emphasis ours.)

Moreover, Section 14(1) of P.D. No. 1529, otherwise known as the *Property Registration Decree* complements C.A. No. 141 and enumerates the qualified applicants for original registration of title, thus:

> SEC. 14. *Who may apply.* — The following persons may file in the proper Court of First Instance an application for registration of title to land, whether personally or through their duly authorized representatives:
>
> (1) Those who by themselves or through their predecessors-in-interest have been in open, continuous, exclusive and notorious possession and occupation of alienable and disposable lands of the public domain under a *bona fide* claim of ownership since June 12, 1945, or earlier.

Based on the foregoing, HCCDI needed to prove that: (1) the land forms part of the alienable and disposable land of the public domain; and (2) it, by itself or through its predecessors-in-interest, had been in open, continuous, exclusive and notorious possession and occupation of the subject land under a bona fide claim of ownership from June 12, 1945 or earlier.[31]

Lot No. 3246 forms part of the alienable and disposable land of the public domain.

Under the Regalian Doctrine, all the lands of the public domain belong to the State, and that the State is the source of any asserted right to ownership in land and charged with the conservation of such patrimony. Thus, all lands not otherwise appearing to be clearly within private ownership are presumed to belong to the State.

Lands of the public domain are classified under Section 3, Article XII of the 1987 Constitution into (1) agricultural, (2) forest or timber, (3) mineral lands, and (4) national parks. The 1987 Philippine Constitution also provides that "[a]gricultural lands of the public domain may be further classified by law according to the uses to which they may be devoted."

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[31] *Mistica v. Republic*, 615 Phil. 468, 476 (2009) citing *In Re: Application for Land Registration of Title, Fieldman Agricultural Trading Corporation v. Republic*, 573 Phil. 241, 251 (2008).

Furthermore, C.A. No. 141 classified lands of the public domain into three main categories, namely: mineral, forest, and disposable or alienable lands.[32] Only agricultural lands were allowed to be alienated while mineral and timber or forest lands are not subject to private ownership unless they are first reclassified as agricultural lands and so released for alienation.[33] The President, upon the recommendation of the proper department head, has the authority to classify the lands of the public domain into alienable or disposable, timber and mineral lands.[34] Without such classification, the land remains as unclassified land until released therefrom and rendered open to disposition.[35]

In several cases,[36] the Court has recognized the authority of the DENR Secretary to classify agricultural lands of the public domain as alienable and disposable lands, provided it must first be declared as agricultural lands of the public domain. The DENR Secretary can invoke his power under Section 1827 of the Revised Administrative Code of 1917 to classify forest lands into agricultural lands. Once so declared, the DENR Secretary can invoke his delegated power under Section 13 of P.D. No. 705[37] to declare such agricultural lands as alienable and disposable lands of the public domain.[38]

However, both the President and the DENR Secretary cannot delegate their discretionary power to classify lands as alienable and disposable as the same is merely delegated to them under C.A. No. 141 and P.D. No. 705, respectively. *Delegata potestas non potest delegari.* What has once been delegated by Congress can no longer be further delegated or redelegated by the original delegate to another.[39]

In sum, an applicant for land registration must prove that the land sought to be registered has been declared by the President or the DENR Secretary as alienable and disposable land of the public domain. Specifically, an applicant must present a copy of the original classification approved by the DENR Secretary and certified as a true copy by the legal custodian of the official records. A certificate of land classification status issued by the CENRO or PENRO of the DENR and approved by the DENR Secretary must also be presented to prove that the land subject of the application for registration is alienable and disposable, and that it falls within the approved area per

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[32] Commonwealth Act No. 141, Section 6,

[33] *Director of Forestry v. Villareal*, 252 Phil. 622, 636 (1989).

[34] Commonwealth Act No. 141, Sections 6 & 7.

[35] *Manalo vs. Intermediate Appellate Court*, 254 Phil. 799, 805-806 (1989).

[36] *Dumo v. Republic*, G.R. No. 218269, June 6, 2018 citing *Republic v. Heirs of Spouses Ocol*, 799 Phil. 514, 534 (2016); *Republic v. Lualhati*, 757 Phil. 119, 130-132 (2015); *Republic v. Sese*, 735 Phil. 108, 121 (2014); *Spouses Fortuna v. Republic of the Philippines*, 728 Phil. 373, 385 (2014); *Republic v. Remman Enterprises, Inc.*, 727 Phil. 608, 624 (2014); *Republic v. City of Parañaque*, 691 Phil. 476 (2012); *Republic v. Heirs of Juan Fabio*, 595 Phil. 664, 686 (2008); *Republic v. T.A.N. Properties, Inc.*, 578 Phil. 441 (2008).

[37] Revised Forestry Code of the Philippines.

[38] *Director of Forestry v. Villareal*, supra note 33.

[39] *Gonzales v. Philippine Amusement and Gaming Corporation*, 473 Phil. 582, 593-594 (2004). See *Heirs of Felimo Santiago v. Lazaro*, 248 Phil. 593, 600 (1988).

verification survey by the PENRO or CENRO.[40] A CENRO or PENRO certification alone is insufficient to prove the alienable and disposable nature of the land sought to be registered. It is the original classification by the DENR Secretary or the President which is essential to prove that the land is indeed alienable and disposable.

However, despite the stringent rule held in *Republic v. T.A.N. Properties, Inc.* (*T.A.N. Properties*) that the absence of the twin certifications justifies the denial of an application for registration, our subsequent rulings in *Republic v. Vega*[41] (Vega) and *Republic v. Serrano*[42] (Serrano) allowed the approval of the application based on substantial compliance. Even so, *Vega* and *Serrano* were mere *pro hac vice* rulings and did not in any way abandon nor modify the rule on strict compliance pronounced in *T.A.N. Properties*.[43] We explained in *Republic v. San Mateo*[44] as to the basis of our approval of the applications for land registration based on substantial compliance, *viz:*

> In Vega, the Court was mindful of the fact that the trial court rendered its decision on November 13, 2003, way before the rule on strict compliance was laid down in T.A.N. Properties on June 26, 2008. Thus, the trial court was merely applying the rule prevailing at the time, which was substantial compliance. Thus, even if the case reached the Supreme Court after the promulgation of T.A.N. Properties, the Court allowed the application of substantial compliance, because there was no opportunity for the registrant to comply with the Court's ruling in T.A.N. Properties, the trial court and the CA already having decided the case prior to the promulgation of T.A.N. Properties.[45]

Evidently, HCCDI did not present: (a) a copy of the original classification approved by the DENR Secretary or the President and certified as a true copy by the legal custodian of the official records; and (b) a certificate of land classification status issued by the CENRO or PENRO and approved by the DENR Secretary. Nevertheless, it is worth noting that the trial court rendered its decision on the application prior to June 26, 2008, the date of promulgation of *T.A.N. Properties*. In this case, HCCDI cannot be required to comply with the strict rules laid down in *T.A.N. Properties, Inc.* as it had no opportunity to comply with its twin certifications requirement.

Applying *Vega* and *Serrano*, We find that despite the absence of a certification by the CENRO and a certified true copy of the original classification by the DENR Secretary or the President, HCCDI substantially complied with the requirement to show that the subject property is indeed alienable and disposable based on the evidence on record.

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[40] *Republic v. T.A.N. Properties, Inc.*, supra note 36 , at 452-453; *See* also *Republic v. Roche*, 638 Phil. 112, 117-118 (2010).
[41] 654 Phil. 511, (2011).
[42] 627 Phil. 350, (2010).
[43] *Espiritu, Jr. v. Republic*, 811 Phil. 506, 519-520, (2017).
[44] 746 Phil. 394 (2014).
[45] Id. at 456-457.

First, Land Investigator Abaroa's Report[46] dated February 20, 2004, which was issued upon the order of the MTC, states that the entire area is within the alienable and disposable zone as classified as such on March 30, 1926. It further states that the subject property is outside of the forest zone or forest reserve or unclassified public forest, existing civil or military reservation, or watershed or other establishment reservation. Also, it has never been forfeited in favor of the government for non-payment of taxes nor confiscated as bond in connection with any civil or criminal case.

It further describes the property, which is located about six kilometers away from the *poblacion*, as a coconut plantation occupied and/or possessed by HCCDI. Moreover, the subject property does not encroach upon an established watershed, river bed, or riverbank protection, creek, right of way, park site or any area devoted to general public use such as, public roads, plaza, canals, streets, *etc.*, or devoted to public service such as, town walls or fortresses.

Second, the Report states that the subject property is covered by: (a) survey plan Ap-05-005158 which was approved by the Director of Lands/Regional Land Director/Land Registration Commission and re-approved by the Bureau of Lands on April 11, 2003 in view of P.D. No. 239 dated July 9, 1973; and (b) Tax Declaration No. 2002-05-028-00872 as payment for real property taxes in 2004.

Lastly, the LRA and other concerned government agencies never raised the issue that the land subject of registration was not alienable and disposable. No objection to the application on the basis of the nature of land was filed aside from the *pro forma* opposition filed by the OSG. In fact, the trial court required certain government agencies or offices to submit its claim on Lot No. 3246 or any of its portion and/or report to verify the nature of the land sought to be registered by HCCDI.

To reiterate, the DENR, through Land Investigator Abaroa, submitted its Report which declared the subject property as within the alienable and disposable zone. The LRA, on the other hand, submitted its Report[47] finding that the subject property was previously applied for original registration under cadastral proceedings docketed as Court Cadastral Case No. 32, GLRO Cad. Record No. 1093. However, it could not verify whether or not the subject lot is already covered by a land patent as the copy of the said decision in the said cadastral proceedings had been lost or destroyed as a result of the war. Also, the DPWH informed the trial court that a portion of the subject property was proposed as a school site of Masarawag National High School and that there were no ongoing public works projects which may affect Lot No. 3246.[48] Other government offices, namely, the Office of the Provincial Engineer of Albay[49]

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[46] Records, pp. 84-86.
[47] Id. at 91.
[48] Id. at 65 & 107.
[49] Id. at 51.

and the DAR,[50] likewise did not oppose nor object on HCCDI's application for registration.

In *Vega*, we declared that the absence of any effective opposition from the government together with the applicant's other pieces of evidence on record substantially proved that the subject property is alienable and disposable, *viz:*

> The *onus* in proving that the land is alienable and disposable still remains with the applicant in an original registration proceeding; and the government, in opposing the purported nature of the land, need not adduce evidence to prove otherwise. In this case though, there was no effective opposition, except the *pro forma* opposition of the OSG, to contradict the applicant's claim as to the character of the public land as alienable and disposable. **The absence of any effective opposition from the government, when coupled with respondents' other pieces of evidence on record persuades this Court to rule in favor of respondents**.[51] (Emphasis ours.)

From the foregoing, we find that the evidence presented by HCCDI and the absence of any countervailing evidence by petitioner, substantially establishes that the land applied for is alienable and disposable. Hence, both the trial court and appellate court committed no reversible error in declaring that the subject property is alienable and disposable land of the public domain.

HCCDI failed to prove its and its predecessors-in-interest's possession and occupation of Lot No. 3246 under a bona fide claim of ownership since June 12, 1945 or earlier.

While we hold that Lot No. 3246 is part of alienable and disposable land of the public domain, HCCDI's application must fail due to non-compliance with Section 14(1) of P.D. No. 1529 which requires the applicant and its predecessors-in-interest to prove that they have been in open, continuous, exclusive and notorious possession, and occupation of the land under a *bona fide* claim of ownership since June 12, 1945 or earlier. In this case, HCCDI and its predecessors-in-interest admittedly have been in possession of the subject lot only from 1980, which is the earliest date of the tax declaration presented by HCCDI. Although it claims that it possessed the subject lot through its predecessors-in-interest since 1943 as testified to by Leonides and Alekos, the tax declarations belie the same. While belated declaration of a property for taxation purposes does not necessarily negate the fact of possession, tax declarations or realty tax payments of property are, nevertheless, good *indicia* of possession in the concept of an owner, for no one in his right mind would be

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[50] Folder of Exhibits, p. 48.
[51] *Republic v. Vega*, supra note 41, p. 526.

paying taxes for a property that is not in his actual or, at least constructive possession.[52]

It bears stressing that the subject lot was declared for taxation purposes only in 1980[53] or four years after the heirs of Ciriaco executed the Deed of Assignment in 1976 in favor of HCCDI. This gives rise to the presumption that HCCDI claimed ownership or possession of the subject lot starting in the year 1980 only. It is worth noting that Ciriaco and his heirs did not declare the subject lot for taxation purposes during their alleged possession and occupation of the subject property from 1943 until 1976. In fact, HCCDI presented only the tax declarations[54] for the years 1980, 1983, 1985, 1991, 1994, 1997, 2000, 2003 and 2004 to prove its alleged actual and physical possession of Lot No. 3246 without any interruption for more than 30 years. This intermittent and sporadic assertion of alleged ownership does not prove open, continuous, exclusive and notorious possession, and occupation. In the absence of other competent evidence, tax declarations do not conclusively establish either possession or declarant's right to registration of title.[55]

Based on the foregoing, we find that the MTC and CA committed reversible error in finding that HCCDI had registerable title over Lot No. 3246 when it failed to prove its and its predecessors-in-interest's possession and occupation since June 12, 1945 or earlier. Thus, HCCDI has no right under Section 14(1) of P.D. No. 1529.

HCCDI, as a corporation, cannot apply for registration of the land of the public domain.

Finally, anent the issue of prohibition against a private corporation applying for registration of the land of the public domain, we agree with petitioner that HCCDI, having acquired Lot No. 3246 through a Deed of Assignment executed in 1976, was prohibited to acquire any kind of alienable and disposable land of the public domain under the 1973 Constitution.

Under the 1935 Constitution, there was no prohibition against corporations from acquiring agricultural land.[56] Private corporations could acquire public agricultural lands not exceeding 1,024 hectares while individuals could acquire more than 144 hectares.[57] However, when the 1973 Constitution took effect, it limited the alienation of lands of the public domain to individuals who were citizen of the Philippines.[58] Private corporations, even if wholly-owned by Filipino citizens, were prohibited from acquiring alienable lands of

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[52] *Republic v. Alconaba*, 471 Phil. 607, 622 (2004).
[53] Folder of Exhibits, p. 31.
[54] Id. at 31-41.
[55] *Wee v. Republic*, 622 Phil. 944, 956 (2009).
[56] *Republic v. T.A.N. Properties, Inc.*, supra note 36, p. 458.
[57] Id. at 460.
[58] Id. at 458.

the public domain.[59] At present, the 1987 Constitution continues the prohibition against private corporations from acquiring any kind of alienable land of the public domain.[60]

Contrary to the contention of HCCDI, our ruling in *Director of Lands v. Intermediate Appellate Court (Director of Lands)*[61] is not applicable on the case at bar. In the said case, we allowed the land registration proceeding of the five parcels of land with an area of 481,390 sqm in favor of Acme Plywood & Veneer Co., Inc. (Acme), which acquired the said parcels of land from the Dumagat tribe in 1962. Although the land registration proceeding was instituted during the effectivity of the 1973 Constitution which prohibited private corporations from holding alienable lands of the public domain except by lease not to exceed 1,000 hectares, we ruled that Acme acquired registrable title as the land was already private land when Acme acquired it from its owners in 1962.

In the case at bar, the evidence on record reveals that HCCDI acquired Lot No. 3246 through a Deed of Assignment executed by the Heirs of Chunaco in favor of HCCDI on August 13, 1976. To reiterate, both HCCDI and its predecessors-in-interest have not shown to have been, as of date, in open, continuous, and adverse possession of Lot No. 3246 for 30 years since June 12, 1945 or earlier. In other words, when HCCDI acquired Lot No. 3246 through a Deed of Assignment, the subject property was not yet private. Thus, the prohibition against private corporation acquiring alienable land of the public domain under the 1973 Constitution applies.

In sum, HCCDI failed to prove that its predecessors-in-interest had already acquired a vested right to a judicial confirmation of title by virtue of their open, continuous, and adverse possession in the concept of an owner for at least 30 years since June 12, 1945 or earlier. More importantly, HCCDI, as a private corporation, cannot apply for the registration of Lot No. 3246 in its name due to the prohibition under the 1973 Constitution. Hence, its application for registration of Lot No. 3246 must necessarily fail.

WHEREFORE, the Petition is **GRANTED**. The assailed March 2, 2012 Decision of the Court of Appeals in CA-G.R. CV No. 88495 affirming the September 25, 2006 Decision of the Municipal Trial Court of Guinobatan, Albay in LRA Case No. 01-03, is **REVERSED** and **SET ASIDE**. The application for the registration of title filed by Herederos de Ciriaco Chunaco Disteleria Incorporada, in said registration case is hereby **DISMISSED.**

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[59] Id. at 458-459.
[60] Id. at 459.
[61] *Director of Lands v. Intermediate Appellate Court*, supra note 29.

SO ORDERED.

RAMON PAUL L. HERNANDO
Associate Justice

WE CONCUR:

ESTELA M. PERLAS-BERNABE
Senior Associate Justice

HENRI JEAN PAUL B. INTING
Associate Justice

EDGARDO L. DELOS SANTOS
Associate Justice

On 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