

Republic of the Philippines Supreme Court Manila

THIRD DIVISION

REPUBLIC OF THE G.R. No. 240895 PHILIPPINES, represented by DEPARTMENT the OF PUBLIC WORKS AND HIGHWAYS, Petitioner, Present: CAGUIOA, J., Chairperson, - versus -INTING, WILLIAM RALLOS, MATEO GAERLAN. RALLOS, LUCIA RALLOS,* DIMAAMPAO, and **ROMEO** RALLOS, SINGH, JJ. CATHERINE RALLOS. ROCHELLE RALLOS, **CHRISTINE** RALLOS, JANUARIO V. SENO,** and the **REGISTER OF DEEDS FOR** Promulgated: **CEBU CITY,** September 21, 2022 Respondents. MistOcBatt x - - - - - - - - - - -

DECISION

INTING, J.:

This Petition for Review on *Certiorari*¹ seeks to reverse and set aside the Decision² dated December 14, 2017 and the Resolution³ dated July 23, 2018 of the Court of Appeals (CA) in CA-G.R. CEB-CV No. 03522. The CA ruled that Branch 6 of the Regional Trial Court (RTC) of Cebu City erred in dismissing the Complaint in Civil Case No. CEB-

^{*} Referred to as "Lucila Rallos" in some parts of the rollo (see rollo, pp. 42-45, 56-60).

^{**} Referred to as "Januario T. Seno" in some parts of the *rollo* (see id.).

¹ *Rollo*, pp. 10-37.

² Id. at 42-63. Penned by Associate Justice Louis P. Acosta and concurred in by Associate Justices Marilyn B. Lagura-Yap and Edward B. Contreras.

³ Id. at 64-66. Penned by Associate Justice Louis P. Acosta and concurred in by Associate Justices Marilyn B. Lagura-Yap and Edward B. Contreras.

21557. Accordingly, the CA resolved to dismiss the appeal of petitioner Department of Public Works and Highways (DPWH) in Civil Case No. CEB-25079, partly grant the appeal of private respondent Romeo Rallos (Romeo) in Civil Case No. CEB-21557, and remand the case to the RTC for the determination of just compensation for the taking of Lot No. 7245, covered by Transfer Certificate of Title (TCT) No. 145498 (subject property).⁴

The Antecedents

The subject matter of the case is a 439-square-meter parcel of land in Cebu City which is referred to as Lot No. 7245 and forms part of the V. Rama Avenue (previously, Guadalupe Road). It was earlier registered under Original Certificate of Title (OCT) No. RO-3105 (O-1930)⁵ issued on January 31, 1919 in the names of Victoria, Juan, and Numeriana, all surnamed Rallos. Per the court order dated June 19, 1996, OCT No. RO-3105 (O-1930) was judicially reconstituted. A year thereafter, or on June 16, 1997, OCT No. RO-3105 (O-1930) was cancelled and TCT No. 145498 was issued over the same property in the names of: Romeo, William, Mateo, Lucia, Catherine, Rochelle, and Christine, all surnamed Rallos; and Januario V. Seno (Januario) (collectively, William, *et al.*).⁶

Because of the contending interests over the subject property, two civil cases were filed before the RTC. In *Civil Case No. CEB-21557*, private respondent Romeo prayed for the recovery of its possession, partition and damages; while in *Civil Case No. CEB-25079*, petitioner DPWH prayed for the reversion of the property and cancellation/annulment of title in favor of the government.

Civil Case No. CEB-21557

In his amended Complaint⁷ for *recovery of possession, partition* and damages against the City of Cebu and/or the Republic of the Philippines (Republic) and respondents William, *et al.*, private respondent Romeo alleged that he and respondents William, *et al.*, were successors-in-interest of Numeriana, one of the original registered owners.

Private respondent Romeo further alleged that Numeriana, who

⁴ Id. at 85-86.

Id. at 80-83. Referred to as "0-1930" in some parts of the *rollo* (see id. at 46, 56-60).

⁶ Id. at 80.

⁷ Records (Civil Case No. CEB-21557), pp. 110-114.

was single and childless, executed her last will and testament⁸ dated April 13, 1945 bequeathing the subject property to her nephew, Francisco Rallos (Francisco).⁹ When Francisco eventually died, he left the subject land to his children: Romeo, William, Mateo, and Lucia; as well as his grandchildren: Catherine, Rochelle, and Christine. The heirs of Francisco in turn gave a ¹/₄ share *pro indiviso* to private respondent Januario for the legal services he rendered. Consequently, on June 16, 1997, the subject property was registered in the names of Romeo and William, *et al.* (collectively, private respondents) under TCT No. 145498.¹⁰

Because the DPWH refused to pay private respondents the value of the subject property that already formed part of a national road (V. Rama Avenue), private respondent Romeo was compelled to file Civil Case No. CEB-21557 for the court to either restore the property to private respondents or pay them the value thereof, including damages and attorney's fees.¹¹

In their Answer,¹² William, *et al.* admitted the allegations in the Complaint filed by Romeo. They prayed that either or both the City of Cebu and petitioner DPWH be ordered to pay them and Romeo the value of the subject property or deliver to them its possession.

The Republic, through the DPWH, countered in its amended Answer¹³ that the Complaint stated no cause of action. Being part of a national road, the subject property was beyond the commerce of man. It added that Romeo slept on his rights and therefore his action was barred by laches.

The City of Cebu, on the other hand, posited that it was not the proper party to be sued, but the Republic. Like the DPWH, it asserted that the subject properly formed part of a national road and that for having waited for about 53 years to claim the property, Romeo was guilty of laches.¹⁴

Later, the City of Cebu filed a Motion to Dismiss.¹⁵ On November

- ¹¹ Id. at 113.
- ¹² Id. at 20-22.
- ¹³ Id. at 203-213.
- ¹⁴ Id. at 257-258.
- ¹⁵ Id. at 426-427.

⁸ Id. at 116-121.

⁹ Id. at 123.

¹⁰ Id. At 111, 115.

17, 2000, the RTC found merit on the Motion, and thus, it dropped the City of Cebu as a party-defendant in the case.

Civil Case No. CEB-25079

Meanwhile, in its Complaint¹⁶ for *reversion and cancellation/annulment of title* filed against private respondents and the Register of Deeds for Cebu City, the Republic, represented by the DPWH, averred that Numeriana died on March 5, 1941, or more than four years before she allegedly executed her last will and testament on April 13, 1945 as alleged by private respondents.¹⁷

According to the Republic, the subject property was originally covered by OCT No. RO-3105 in the names of Victoria, Juan, and Numeriana. Later on, private respondents caused the annotation of the extrajudicial partition of the subject property on OCT No. RO-3105 (O-1930). This annotation led to the cancellation of OCT No. RO-3105 (O-1930) and the eventual issuance of TCT No. 145498 in the names of private respondents.¹⁸

The Republic further averred that the subject property had always been part of the V. Rama Avenue, even before the Second World War. Being part of a national road, it may not be appropriated, made a subject of contracts, alienated, or encumbered. Because private respondents irregularly obtained title over the subject property, it was necessary to cancel their titles and to revert the property to the government.¹⁹

On October 3, 2001, the RTC ordered the consolidation of Civil Case Nos. CEB-21557 and CEB-25079.²⁰

Ruling of the RTC

On October 30, 2009, the RTC rendered its Joint Judgment²¹ dismissing both the Complaints in Civil Case Nos. CEB-25079 and CEB-21557.

The RTC ruled that private respondents failed to establish their filial relationship to Numeriana and Francisco. In fact, they did not

²⁰ *Rollo*, p. 47.

¹⁶ Records (Civil Case No. CEB-25079), pp. 1-7.

¹⁷ Id. at 3.

¹⁸ Id. at 2.

¹⁹ Id. at 3-4.

²¹ Id. at 67-79. Penned by Presiding Judge Ester M. Veloso.

submit any birth and death certificates to prove their heirship. They also failed to prove that they inherited the subject property considering that private respondent Romeo testified on direct examination that Numeriana was the wife of his father Francisco; while on cross-examination, he alleged that Numeriana was his grandaunt.²²

In addition, in her last will and testament, Numeriana stated that she was single and childless. Private respondent Romeo and the rest of the Ralloses were also not among the named heirs of Numeriana as her enumerated heirs only included Concepcion, Gerundia, Simeon, Guadalupe, Genoveva, and Francisco, all surnamed Rallos; as well as Juana Mendez and Enriqueta Garcia.²³

Further, the evidence adduced by private respondent Romeo showed that Numeriana bequeathed the subject property to Francisco in her last will and testament. However, in 1948, Francisco sold the subject property along with the other two lots (Lot Nos. 269 and 473-B-2) delivered to him under the project of partition of the estate of Numeriana. It was thus unclear how the Ralloses were able to secure a title over the same property on June 16, 1997.²⁴

Meanwhile, the Complaint in the reversion case was dismissed because evidence showed that the subject property was not initially part of a public road, and the Republic failed to prove that there was fraud in the issuance of title (OCT No. RO-3105) over the subject property.²⁵

In its Joint Order²⁶ dated March 20, 2010, the RTC denied the Motion for Reconsideration filed by private respondent Romeo and gave due course to the Republic's Notice of Appeal. On April 21, 2010, it gave due course to the Notice of Appeal filed by private respondent Romeo.²⁷

Ruling of the CA

In its Decision²⁸ dated December 14, 2017, the CA dismissed the appeal of the Republic, through the DPWH, and partly granted the appeal interposed by Romeo. The decretal portion of the CA decision

²² Id. at 77.

²³ Id.

²⁴ Id. at 78-79.

²⁵ Id. at 79.

²⁶ Records (Civil Case No. CEB-21557), pp. 335-338.

²⁷ Id. at 342.

²⁸ *Rollo*, pp. 42-63.

Decision

reads:

Accordingly, this Court resolves to:

- 1.DISMISS the appeal of the DPWH from the dismissal of Civil Case No. CEB-25079;
- 2. PARTIALLY GRANT the appeal of plaintiff-appellant Romeo Rallos from the dismissal of Civil Case No. CEB-21557; and
- 3.REMAND the instant case to the RTC for the determination of the proper amount of just compensation for the taking of Lot 7245, as covered by TCT No. 145498.

SO ORDERED.29

The CA decreed that the appeal filed by petitioner DPWH must be dismissed for failure to assign errors in the RTC Joint Judgment. It stressed that in effect, the appeal was abandoned as the RTC judgment may not be subject of a review in the absence of assignment of errors.³⁰

At any rate, the CA also found the appeal of petitioner DPWH to be lacking in merit as the RTC did not err in dismissing the Complaint in Civil Case No. CEB-25079. It ruled that the State failed to prove its cause of action for the reversion of the subject property. It pointed out that the Republic itself introduced into the records OCT No. RO-3105 (O-1930) and TCT No. 145498, which meant that the presumption that the subject land formed part of the public domain could not prevail. Further, the CA noted that the State did not submit any proof that there was fraud or error in the titling of the property in the name of the predecessors-in-interest of private respondents; thus, the subject land may not be reverted to the public domain.³¹

However, the CA held that the RTC erred in dismissing private respondent Romeo's case for recovery of possession, partition, and damages (Civil Case No. CEB-21557), underscoring that:

[I]n the Formal Offer of Exhibits dated 28 January 2009, filed after the consolidation of the two cases, plaintiff-appellant Romeo Rallos included in his offer TCT No. 145498. Having

²⁹ Id. at 63.

³⁰ Id. at 50-53.

³¹ Id. at 53, 56-57.

shown title over the subject property in his own name, therefore, plaintiff-appellant [Romeo] Rallos is no longer obligated to prove filiation to his predecessors-in-interest as he is presumed to have demonstrated the same in the course of the proceedings for the issuance of the said certificate of title.

хххх

It is readily apparent that the factual circumstances prevailing in *Secretary of the DPWH v. Spouses Tecson* are squarely on all fours with the facts of the instant case. In this case, as in *Tecson*, the State appears to have taken the subject property without the benefit of expropriation proceedings sometime after the issuance of OCT No. RO-3105 (0-1930) in the names of the predecessors-in-interest of [private respondents].

Likewise, as in *Tecson*, plaintiff-appellant Romeo Rallos filed an action for recovery of possession in which the Pre-Trial Order dated 21 July 1999 did not include *laches* or prescription in the issues to be resolved. Finally, as in *Tecson*, the owners of the expropriated property in this case failed to question the taking of the said property for a long period of time. Pursuant, therefore, to the pronouncements of the Supreme Court in *Tecson*, this Court finds that the owners of Lot 7245 are deemed to have waived their right to recover possession of the said property, but are entitled to [the] compensation for the value thereof.³²

Consequently, the CA resolved to remand the case to the RTC for the determination of just compensation in favor of private respondents.

With the denial³³ of its Motion for Reconsideration, the Republic filed the instant Petition for Review on *Certiorari*³⁴ raising the following issues:

Issues

I.

WHETHER OR NOT RESPONDENTS HAVE A VALID OWNERSHIP CLAIM OVER LOT NO. 7245

³⁴ Id. at 10-37.

³² Id. at 58-60.

³³ See Resolution dated July 23, 2018; id. at 64-66.

II.

8

THE WHETHER OR NOT RECONSTITUTED ORIGINAL CERTIFICATE OF TITLE (OCT) NO. RO-3105 (O-1930) ISSUED IN THE NAMES OF RALLOS. JUAN RALLOS, VICTORIA AND NUMERIANA RALLOS AND ALL ITS DERIVATIVE CERTIFICATES OF TITLE SHOULD BE CANCELLED³⁵

Petitioner's Arguments

The Republic maintains that the subject property has always been part of the V. Rama Avenue and the issuance of the reconstituted OCT No. RO-3105 (O-1930) and its derivative title, TCT No. 145498, could not transform a property of the public dominion to one of private dominion. It adds that the subject property was part of the V. Rama Avenue since its construction before the Second World War or even before private respondents obtained their titles over it through reconstitution proceedings.³⁶

The Republic also stresses that in 1948, Francisco, the predecessor-in-interest of private respondents, already sold the subject property; such sale was indicated in the project of partition of the estate of Numeriana that private respondents themselves adduced in evidence. Hence, it argues that, considering that the title over the subject property was irregularly obtained, there is a need to cancel private respondents' title and revert the property to the public domain.³⁷

Respondents' Arguments

Meanwhile, private respondents essentially echo the ruling of the CA.³⁸ They stress that on the basis of the evidence submitted by the Republic, the land in question was only incorporated to the V. Rama Avenue and this fact refutes the title of the government over it.³⁹

- ³⁸ Id. at 136-138.
- ³⁹ Id. at 138.

³⁵ Id. at 20-21.

³⁶ Id. at 23-24.

³⁷ Id. at 25-26.

Decision

The Court's Ruling

Preliminarily, the CA ruled that the Republic's appeal filed therewith was dismissible for failure to indicate an assignment of errors in its Appellant's Brief as required under Section 1(f),⁴⁰ Rule 50 of the Rules of Court (Rules).

The Court disagrees with the CA. To the Court's mind, the Republic substantially complied with the Rules by its inclusion of the following "Argument" in its Appellant's Brief:⁴¹

Lot No. 7245 IS [A] PROPERTY OF THE PUBLIC DOMINION AND IS OUTSIDE THE COMMERCE OF MAN. THE RALLOSES' TITLE OVER SAID LOT WAS, THEREFORE, IRREGULARLY OBTAINED AND MUST BE CANCELLED.⁴²

It is discernible from the foregoing that the Republic ascribed error on the part of the RTC in not canceling the title of private respondents over the subject property. Apart from the quoted "Argument," the Republic aptly discussed⁴³ the errors it ascribed against the RTC. Notably, its discussions were of similar import as those propounded in the present Petition for Review on *Certiorari*.

In fine, despite the lack of an express statement of "assignment of errors," the Appellant's Brief filed by the Republic was sufficient so as to inform the CA of the matters necessary for the disposition of the appeal. Indeed, "procedural rules are intended to help secure, and not to suppress, substantial justice. A deviation from a rigid enforcement of the rules may thus, be allowed to attain the prime objective for, after all, the dispensation of justice is the core reason for the existence of courts."⁴⁴

As to the substantive issues, the Republic argues, among others, that private respondents are not entitled to just compensation because the fact that their predecessor-in-interest sold the subject property in 1948 meant that their subsequent land title over it was irregularly issued.⁴⁵

⁴⁰ SECTION 1. Grounds for dismissal of appeal. — An appeal may be dismissed by the Court of Appeals, on its own motion or on that of the appellee, on the following grounds: x x x x

⁽f) Absence of specific assignment of errors in the appellant's brief x x x; x x x x x

⁴¹ CA *rollo*, pp. 165-179.

⁴² Id. at 172.

⁴³ Id. at 172-177.

⁴⁴ Philippine Coconut Authority v. Corona International, Inc., 395 Phil. 742, 750 (2000).

⁴⁵ *Rollo*, pp. 25-26.

The contention of the Republic is with merit.

As a rule, the Court is not a trier of facts and only questions of law may be raised in a petition for review on *certiorari*. The Court's review under Rule 45 is limited to errors of law that the lower courts may have committed as it is not the function of the Court to analyze anew the evidence already considered in the proceedings in the courts *a quo*. This rule nonetheless admits of certain exceptions including, but not limited to, such instances when the judgment is anchored on a misapprehension of facts, and where the findings of the CA are contrary to those of the trial court.⁴⁶

It is likewise a basic precept that a party who alleges a fact has the burden of proving it. More particularly, in civil cases, the plaintiff has the burden to prove his or her case by a preponderance of evidence. In turn, "preponderant evidence refers to evidence that is of greater weight, or more convincing, than the evidence offered in opposition to it. It is proof that leads the trier of facts to find that the existence of the contested fact is more probable than its non-existence."⁴⁷

Contrary to the finding of the RTC, the CA ruled that private respondents are entitled to receive the value of the subject property. It decreed that for having presented a land title in their names, private respondents are entitled to just compensation for the taking of the subject property.⁴⁸

By reason of the divergent factual findings of the RTC and the CA, the Court deems it necessary to re-evaluate relevant matters to arrive at a just disposition of the case. As will be discussed below, the Court further finds that the CA's finding on the entitlement of private respondents to just compensation is founded on a misapprehension of facts which provides another justification for re-evaluation of the conflicting factual findings of the RTC and the CA.

To underscore, the adduced evidence reveals that the subject property was previously registered under OCT No. RO-3105 (O-1930) issued on January 31, 1919 in the names of Victoria, Juan, and Numeriana, all surnamed Rallos. According to the CA, the eventual issuance of TCT No. 145498 in the names of private respondents on June

⁴⁸ *Rollo*, pp. 58-60.

⁴⁶ Sps. Miano v. Manila Electric Company, 800 Phil. 118, 123 (2016).

⁴⁷ Heirs of Teresita Villanueva v. Heirs of Petronila Syquia Mendoza, 810 Phil. 172, 183 (2017).

16, 1997 entitled them to receive the value of the property as it was taken by the government without payment of just compensation.⁴⁹

However, private respondents failed to establish by preponderant evidence their entitlement to just compensation. *For one*, there was no clear showing that the original owners, Victoria and Juan, waived their rights and interests over the subject property in favor of their co-owner Numeriana. Under OCT No. RO-3105 (O-1930), the property was co-owned by Victoria, Juan, and Numeriana.⁵⁰ In the absence of proof that she had full ownership thereof, Numeriana cannot convey the whole property to Francisco.

Even if the Court will consider the fact that in her last will and testament⁵¹ dated April 13, 1945, Numeriana bequeathed the subject property to her nephew, Francisco, still private respondents failed to convince that they are its owners entitled to receive just compensation. Notably, the project of partition of the estate of Numeriana (that private respondent Romeo himself submitted in evidence) contained an express statement that in 1948, Francisco already sold the subject property and two other lots delivered to him under the project of partition.⁵² Hence, as aptly observed by the RTC, it is unclear how private respondents were able to obtain title over the property, *viz*.:

[T]he evidence presented by Romeo Rallos shows that Lot 7245 was bequeathed by Numeriana Rallos to Francisco Rallos in her Last Will. In his Exhibit "D", which is the Project of Partition of the Estate of Numeriana Rallos, the Administrator declared that he had delivered the possession and titles of Lots 269, 7245 and 473-B-2 to Francisco Rallos, in compliance of [*sic*] the order of the probate court dated November 8, 1948 and that, as a matter of fact, **the said three lots had already been sold by Francisco Rallos.** This Project of Partition was subsequently approved by the probate court. In 1997, the Ralloses were able to secure a title over Lot 7245, TCT No. 145498, which was issued on June 16, 1997. It is unclear to the court how the Ralloses were able to obtain this title over Lot 7245 vis-àvis the statement of the Administrator that Francisco Rallos had already sold the same property by 1948. x x x.⁵³ (Emphasis in the original)

Verily, for lack of sufficient evidence proving their case for

⁴⁹ Id.

⁵⁰ See id. at 56.

⁵¹ Id. at 116-121.

⁵² Id. at 103.

⁵³ Id. at 78.

recovery of possession (or payment of the value of the property), partition and damages, private respondents' Complaint in Civil Case No. CEB-21557 must be dismissed, as properly decreed by the RTC.⁵⁴

In similar regard, the complaint in Civil Case No. CEB-25079 for reversion and cancellation/annulment of title must be dismissed. This is as unanimously ruled by the RTC and the CA.⁵⁵

By reversion, we refer to the proceeding whereby the State seeks for the return of a parcel of land to the mass of the public domain. It "is proper when public land is fraudulently awarded and disposed of in favor of private individuals or corporations, or when a person obtains a title under the Public Land Act which includes, by oversight, lands which cannot be registered under the Torrens system as they form part of the public domain."⁵⁶ In fine, in order for reversion to be successfully undertaken, the State must discharge its burden to prove that the land decreed or adjudicated to the defendant forms part of public land and cannot be owned by private individuals.⁵⁷

In the case, the Republic's insistence on the irregular issuance of TCT No. 145498 in the names of private respondents will not suffice for the reversion of the subject property. As underscored by the RTC and the CA, the Republic needed to prove, first and foremost, that the land in dispute forms part of the public domain and that there was fraud surrounding the issuance of OCT No. RO-3105 (O-1930) issued in the names of the predecessors-in-interest of private respondents. The Republic, however, failed to discharge its burden of proof.⁵⁸

The Court stresses further that while Our discussions here indicated irregularities in the reconstitution proceedings involving OCT No. RO-3105 (O-1930), it is beyond the scope of the instant case to delve on the validity of the reconstitution of title obtained by private respondents. The matters before the Court are limited to those pertinent to the Complaints for: (1) recovery of possession, partition and damages respondents; reversion private and (2)and filed by cancellation/annulment of title (TCT No. 145498) filed by the Republic. The complaints, as discussed above, were properly dismissed by the RTC for failure of both parties to adduce evidence to prove that they are

⁵⁴ Id. at 79.

⁵⁵ Id. at 63, 79.

⁵⁶ Vines Realty Corp. v. Ret, G.R. No. 224610, October 13, 2021.

⁵⁷ Id.

⁵⁸ *Rollo*, pp. 54-57.

Decision

entitled to the respective reliefs prayed for.

WHEREFORE, the Decision dated December 14, 2017 and the Resolution dated July 23, 2018 of the Court of Appeals in CA-G.R. CEB-CV No. 03522 are **REVERSED** and **SET ASIDE**. The Joint Judgment dated October 30, 2009 and Joint Order dated March 20, 2010 of Branch 6, Regional Trial Court of Cebu City dismissing the Complaints in Civil Case Nos. CEB-21557 and CEB-25079 are **REINSTATED**.

SO ORDERED.

HENŔÍ JE N PAUL B. INTING

Associate Justice

WE CONCUR:

S. CAGUIOA ALF/REDO BEN Associate Justice Chairperson

TOUN SAMUEL H. GAERLAN Associate Justice

Ĺ

R B. DIMAAMPA YA Associate Justice

ARIA FILOMENA D. SINGH Associate Justice

13

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.

ALFREDO BENJAMIN S. CAGUIOA Associate Sustice Chairperson, Third Division

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.

MARVIC MARIO VICTOR F. LEONEN

Senior Associate Justice Acting Chief Justice (Per Special Order No. 2914, September 15, 2022)