Republic of the Philippines
Supreme Court
Manila

THIRD DIVISION

NOTICE

Sirs/Mesdames:

Please take notice that the Court, Third Division, issued a Resolution dated **August 26, 2020**, *which reads as follows:*

"**G.R. No. 208219** ***(DMCI Holdings Inc., represented by its Treasurer, Ma. Edwina C. Laperal v. Republic of the Philippines).*** – Assailed in this appeal by *certiorari* are the Decision[1] and Resolution[2] promulgated on February 15, 2013 and July 12, 2013, respectively, by the Court of Appeals *(CA)* in CA-G.R. CV No. 96873 whereby the appellate court reversed and set aside the Decision[3] dated March 4, 2011 of the Regional Trial Court, Pasig City, Branch 153 *(RTC)*, in LRC Case No. N-11561-TG, allowing the registration of Lot 6072 in favor of DMCI Holdings, Inc. *(DMCI, petitioner)*.

Antecedents

Maria Cruz *(Maria)* occupied Lot 6072, an 8,470 square meter parcel of land located in Brgy. Ususan, Taguig City, and planted several crops and used the same to maintain a piggery and raise poultry. She also paid the taxes imposed on the property. Upon her death in 1940, Maria's daughters, Cristina Dela Cruz, Angela C. Ramos, Milagros C. Dionisio, Virginia T. Dela Cruz, Potenciano Gregorio and Gregoria Santos inherited the land as evidenced by an Extra Judicial Settlement of Estate.[4]

The heirs of Maria then possessed the property and paid the realty taxes imposed thereon until they sold their interest over the property in favour of DMCI through an Absolute Deed of Sale.[5]

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[1] *Rollo*, pp. 28-37; penned by Associate Justice Rebecca De Guia-Salvador (retired) with Associate Justices Apolinario D. Bruselas, Jr. and Samuel H. Gaerlan (now a Member of this Court), concurring.
[2] Id. at 39-40.
[3] Id. at 41-46; penned by Judge Briccio C. Ygaña.
[4] Id. at 43.
[5] Id.

- over -

Thereafter, DMCI filed a Petition for an Application for Registration under Section 14(1), Presidential Decree *(P.D.)* No. 1529 or the *Property Registration Decree* before the RTC. In its petition, DMCI alleged that it and its predecessors-in-interest have occupied and possessed the subject land for sixty (60) years in an open, continuous, exclusive, adverse and notorious manner; and the subject lot is not part of any naval or military reservation.[6]

To prove the material allegations of the petition, DMCI presented the following witnesses: (1) Cristina Dela Cruz, who testified on the length and character of possession of DMCI's predecessors-in-interest; (2) Atty. Basilio Gascon, who testified on DMCI's acquisition of the property; and (3) Corazon Calamno of the Department of Environment and Natural Resources *(DENR)*. DMCI also presented a certification from the Regional Technical Director of DENR's Forest Management Services *(DENR-FMS)*, Ali Bari, stating that Lot 6072 is alienable and disposable.[7]

Despite notices, the Office of the Solicitor General *(OSG)* failed to appear, thereby waiving its right to cross-examine DMCI's witnesses.

Decision of the RTC

After due proceedings, the RTC granted DMCI's application and ordered the issuance of a Torrens title in its favor. The RTC found that DMCI was able to prove all the essential averments of its petition. It ruled that DMCI was able to show that, along with its predecessors-in-interest, it was able to possess Lot 6072 even before June 12, 1945; that the character of the possession was open, continuous, exclusive, adverse and notorious considering that they utilized the lot for raising poultry and as a piggery, and even planted several trees and crops; and, following the certification of DENR-FMS, the lot is part of alienable and disposable lands of the public domain. The trial court disposed:

> WHEREFORE, judgment is hereby rendered declaring DMCI Holdings, Inc. as the owner in fee simple of the parcel of land (Lot 6072-B, of the conversion-subd. Plan, Swo 00-001348, being a portion of Lot 6072, Mcadm-590-D, Tagig Cad. Mapping, L.R.C. Rec. No.), with an area of Eight Thousand Four Hundred Seventy (8,470) Square Meters, located at Brgy. Ususan, Taguig City.
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> After the decision shall have become final and executory, let the Land Registration Authority issue the decree of registration.

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[6] Id. at 42-43.
[7] Id. at 29-30.

SO ORDERED.[8]

Decision of the CA

As stated, the CA reversed the decision of the RTC and ordered the dismissal of the petition. In support of its conclusion, the CA ruled that DMCI failed to prove that the land subject of the registration was alienable and disposable land of the public domain. The CA ruled that the requirements laid down by this Court in *Republic v. Medida*[9] to prove that land sought to be registered as alienable and disposable were not complied with, *viz.*: (a) a CENRO or PENRO Certification that the land in question is alienable and disposable land of the public domain; and (b) a certified true copy of the original classification made by the DENR Secretary. More so, the appellate court found that there was nothing in the records which shows that the Regional Technical Director of the DENR-FMS has the authority to issue certifications regarding the classification of lands; on the contrary, jurisprudence has shown that said officer lacks such authority to issue certifications on land classification. The *fallo* reads:

> **WHEREFORE**, premises considered, the appeal is **GRANTED** and the appealed Decision dated March 4, 2011 is, accordingly, **REVERSED** and **SET ASIDE**. In lieu thereof, another is entered ordering the **DENIAL** of appellee's application for registration.
>
> **SO ORDERED.**[10]

The subsequent Motion for Reconsideration was likewise denied by the CA, prompting DMCI to file this instant petition.

The Issue

DMCI raises this singular assignment of error, thus:

> THE COURT OF APPEALS COMMITTED AN ERROR OF LAW IN REVERSING THE DECISION OF THE REGIONAL TRIAL COURT GRANTING THE APPLICATION FOR ORIGINAL REGISTRATION OF THE SUBJECT PARCEL OF LAND.[11]

DMCI argues that the CA erred in reversing the RTC decision considering that it was able to present evidence sufficient for registration under Section 14(1) of P.D. No. 1529. It also belatedly submitted the copy of the original classification approved by the DENR Secretary and the

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[8] Id. at 46.
[9] 692 Phil. 454 (2012).
[10] *Rollo*, p. 36.
[11] Id. at 18.

certification of the legal custodian of the official records that show the real character of Lot 6072. Moreover, DMCI invokes *Victoria v. Republic*[12] in justifying the belated submission of the DENR Secretary Certification. Lastly, it blames the inaction of the OSG resulting in its failure to prove the public character of the land and the latter's failure to object during trial into misleading it to believe that the evidence it presented were already sufficient.[13]

In turn, the OSG insists on the insufficiency of the evidence presented by DMCI. It argues that jurisprudence is clear that for registration under Section 14(1), P.D. No. 1529, the alienability and disposability of the public agricultural land should be evidenced by (a) PENRO or CENRO Certification, and (b) the DENR Secretary's Certification. Both certifications are required by law. Here, the OSG raises that the documents submitted by DMCI do not rise to the level of the certifications required by law. Further, the OSG urged the Court not to accept the belatedly submitted certifications, as the same were not formally offered during trial and were not even placed on record. Lastly, the OSG argues that there was a dearth of evidence as to the character of occupation made by DMCI's predecessors-in-interest since, aside from the payment of real property taxes, no other acts of ownership were made during the time the heirs of Maria inherited the property until DMCI's acquisition.[14]

The Ruling of the Court

The petition is unmeritorious.

Firstly, the Court cannot accept DMCI's burden and blame-shifting. It is doctrinal that the party applying for registration has the *onus probandi* that the land sought to be registered is part of alienable and disposable lands of the public domain. This burden imposed on the registrant stems from the *jura regalia* principle that maintains that all lands belong to the State which is the source of any asserted right to any ownership of land. As such, all lands not appearing to be clearly within private ownership are presumed to belong to the State. Thus, public lands not shown to have been reclassified or released as alienable agricultural land, or alienated to a private person by the State, remain part of the inalienable public domain.[15]

Here, DMCI cannot shift its burden and compel the government to prove that Lot 6072 was part of public domain. It is presumed that the lot is part of the public domain. To overcome this presumption, DMCI must

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[12] 666 Phil. 519 (2011).
[13] *Rollo*, pp. 18-21.
[14] Id. at 70-83.
[15] *Republic v. Heirs of Spouses Estacio*, 799 Phil. 514, 527 (2016).

present, among others, incontrovertible evidence to establish that the land subject of the application is alienable and disposable.[16] Also, it is not the duty of the government to direct the applicant as to what constitutes sufficient evidence to warrant the issuance of a title. Thus, the insufficiency of the evidence can only be attributed to the shortcomings of the petitioner and not the government.

Second, in an application based on Section 14(1) of P.D. No. 1529, the applicant must prove three (3) facts: (1) that the subject land forms part of the disposable and alienable lands of the public domain; (2) that the applicant and his predecessors-in-interest have been in open, continuous, exclusive and notorious possession and occupation of the same; and (3) that his possession has been under a *bona fide* claim of ownership since June 12, 1945, or earlier. Each element must necessarily be proven by no less than clear, positive and convincing evidence; otherwise the application for registration should be denied.[17]

Insofar as the evidence required to prove that the land sought to be registered is part of the alienable and disposable lands of the public domain, an applicant must establish the existence of a positive act of the government such as a presidential proclamation or an executive order; an administrative action; investigation reports of Bureau of Lands investigators; and a legislative act or statute. The applicant may secure a certification from the government that the lands applied for are alienable and disposable, but the certification must show that the DENR Secretary had 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 survey by the PENRO or CENRO. The applicant must also present a copy of the original classification of the land into alienable and disposable, as declared by the DENR Secretary or as proclaimed by the President.[18]

In other words, applicants must submit the application for original registration with the CENRO Certification and 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.[19]

Here, DMCI failed to present both requirements during trial claiming that based on its discretion, there are sufficient evidence presented to prove the alienability and disposability of the lot aside from those stated above. However, when jurisprudence itself declares the kinds of evidence necessary

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[16] Id. at 528.
[17] *Gaerlan v. Republic*, 729 Phil. 418, 434 (2014); citation omitted.
[18] Id. at 434-435.
[19] *Republic v. Spouses Go*, 815 Phil. 306, 324 (2017).

to prove a fact in issue, a party is not given the sole discretion to substitute what the law requires. The certification of the Regional Technical Director of DENR-FMS cannot substitute the dual certification required by law to prove the land's availability to disposal.

The belated submission of the DENR Secretary's Certification also cannot be considered in proving the character of the land because the CENRO or PENRO Certification was not submitted. At the risk of sounding repetitive, **both** the DENR certification **and** the PENRO or CENRO Certification are necessary to prove the alienability of the land. This was the state of the jurisprudence as stated in *Republic v. Alaminos Ice Plant and Cold Storage, Inc.*,[20] thus:

> The above pronouncements in *Republic v. T.A.N. Properties* remain current, and were current at the time of the CA ruling. Naturally, the pronouncements found iteration in succeeding cases, notably in the 2011 *pro hac vice* case of *Republic v. Vega*, where the general rule was nevertheless summarized and reaffirmed in this wise:
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> > To establish that the land subject of the application is alienable and disposable public land, the general rule remains: all applications for original registration under the Property Registration Decree must include **both** (1) a CENRO or PENRO certification **and** (2) a certified true copy of the original classification made by the DENR Secretary.
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> Respondent failed to present a certified true copy of the DENR's original classification of the land. With this failure, the presumption that Lot 6411-B, Csd-01-013782-D, is inalienable public domain has not been overturned. The land is incapable of registration in this case. On the strength of this reason alone, We reverse the assailed ruling.[21]

Another reason why the belated submission of the DENR Secretary's Certification cannot be admitted is because following the mandate of the Rules of Court, no evidence shall be admitted without being formally offered into evidence.[22] Absent this offer, the certification cannot be assigned any evidentiary value. In the past, the Court had declined to consider belatedly presented evidence on this ground.[23]

Further, the Court cannot accept, hook, line and sinker the genuineness and due execution of this certification without a testimonial

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[20] G.R. No. 189723, July 11, 2018, 871 SCRA 510.
[21] Id. at 523-524; citations omitted.
[22] Section 34, Rule 132, Rules of Court.
[23] *Republic v. Alaminos Ice Plant and Cold Storage, Inc.*, supra note 20, at 524; see also *Republic v. Jabson*, G.R. No. 200223, June 6, 2018, 864 SCRA 391, 407.

sponsor.[24] Without testimony to prove the execution and authenticity of the document, the Court will not entertain such evidence.

More, petitioner would of course harp on the highest interest of justice plea. This plea, however, should fall on deaf ears considering that petitioner did not even bother explaining why it failed to secure this piece of evidence during trial to justify the belated admission of the document. It must be remembered that the phrase 'highest interest of justice' is not a talisman that would immediately justify the relaxation of the rules of procedure. Petitioner should, first and foremost, present a justifiable reason why such failure to present evidence during trial is something that is acceptable.

Neither can the doctrine of substantial compliance be considered in petitioner's favor. The doctrine of substantial compliance was discussed in *Espiritu v. Republic*[25] in this manner:

> The rule is that applicants for land registration bear the burden of proving that the land applied for registration is alienable and disposable. In this regard, the applicant for land registration must prove that the DENR Secretary had 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 survey by the PENRO or CENRO. In addition, he must also 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. These facts must be established to prove that the land is alienable and disposable.
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> In this case, during the proceedings before the RTC, to prove the alienable and disposable character of the subject land, the petitioners presented the DENR-NCR certification stating that the subject land was verified to be within the alienable and disposable part of the public domain. This piece of evidence is insufficient to overcome the presumption of State ownership. As already discussed, the present rule requires the presentation, not only of the certification from the CENRO/PENRO, but also the submission of 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.
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> Likewise, the petitioners' claim of substantial compliance does not warrant approval of the application.
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> The rule on strict compliance enunciated in *Republic of the Philippines v. T.A.N. Properties (T.A.N. Properties)* remains to be the governing rule in land registration cases. This rule was neither abandoned nor modified by the subsequent pronouncements in *Vega* and *Serrano* as these latter cases were mere *pro hac vice*. In fact, in *Vega*, the Court

[24] See *Gaerlan v. Republic*, supra note 17, at 439.
[25] 811 Phil. 506 (2017).

clarified that the ruling on substantial compliance applies *pro hac vice* and did not, in any way, detract from the Court's ruling in *T.A.N. Properties* and similar cases which impose a strict requirement to prove that the land applied for registration is alienable and disposable.

Further, in Republic of the *Philippines v. San Mateo (San Mateo),* the Court expounded on the reason behind the subsequent decisions which granted applications for land registration on the basis of 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. (Italics omitted)

From the foregoing, it is clear that substantial compliance may be applied, at the discretion of the courts, only if the trial court rendered its decision on the application prior to June 26, 2008, the date of the promulgation of *T.A.N. Properties*. In this case, the application for registration, which was filed on March 1, 2010, was granted by the RTC only on July 30, 2012, or four (4) years after the promulgation of *T.A.N. Properties*. Evidently, the courts did not have discretion to apply the rule on substantial compliance. Thus, the petitioners' reliance on *Vega* and *Serrano,* as well as on *Sta. Ana Victoria*, which similarly appreciated substantial compliance, is clearly misplaced. Hence, the petitioners failed to prove the first requisite for registration under Section 14(1).[26]

Here, while the application was filed before the RTC on August 9, 2006, *Republic v. T.A.N. Properties*[27] had already been promulgated during the hearing — about three (3) years before the RTC rendered judgment in favor of DMCI. Hence, the parties were already appraised of the strict compliance with the requirements under Section 14(1) of P.D. No. 1529. Petitioner cannot feign ignorance of this jurisprudential requirement.

Lastly, but equally important, even assuming that the land was declared as alienable and disposable land of the public domain, a review of the records would show that the possession of the applicant or his predecessors-in-interest were under the claim of ownership. While it was shown that Maria paid the taxes therein and used the same, her heirs failed to

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[26] Id. at 519-520.
[27] 578 Phil. 441 (2008).

follow suit. With the exception of the payment of real property taxes, nothing shows that they had occupied the land in the concept of an owner. In *Espiritu, Jr., v. Republic,*[28] the Court explains:

> In *Republic of the Philippines v. Remman Enterprises, Inc.*, the Court held that for purposes of land registration under Section 14(1) of P.D. No. 1529, proof of specific acts of ownership must be presented to substantiate the claim of open, continuous, exclusive, and notorious possession and occupation of the land subject of the application. Applicants for land registration cannot just offer general statements which are mere conclusions of law rather than factual evidence of possession. Actual possession consists in the manifestation of acts of dominion over it of such nature as a party would actually exercise over his own property.[29]

Here, except for the payment of real property taxes, nothing showed that DMCI's predecessors-in-interest, particularly the heirs of Maria who allegedly owned the property from 1940 until 1995, exercised acts of ownership over the property.

With all these considered, the application must be denied.

WHEREFORE, premises considered, the Court **DENIES** the petition and **AFFIRMS** the February 15, 2013 Decision and July 12, 2013 Resolution of the Court of Appeals in CA-G.R. CV No. 96873.

SO ORDERED." *(***Caguioa, J.**, *designated additional member vice* **Gaerlan, J.**, *per Raffle dated July 15, 2020.)*

By authority of the Court:

Misael DC Batt
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Division Clerk of Court
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COURT OF APPEALS
CA G.R. CV No. 96873
1000 Manila

[28] Supra note 25.
[29] Id. at 521-522; citation omitted.

The Presiding Judge
REGIONAL TRIAL COURT
Branch 153, Pasig City
[LRC Case No. N-1156-TG]

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