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I vote to dismiss the petition, for the reason discussed above. Insofar as the majority ruling deviates from the views I stated herein, I respectfully dissent.

FIRST DIVISION

[G.R. No. 166899. August 10, 2006]

HEIRS OF PASTORA LOZANO, represented by their Attorney-in-Fact, EDUARDO LOZANO, *petitioner, vs.* **THE REGISTER OF DEEDS, LINGAYEN, PANGASINAN, and REPUBLIC OF THE PHILIPPINES,** *respondents.*

SYLLABUS

1. **CIVIL LAW; LAND REGISTRATION; RECONSTITUTION OF LOST OR DESTROYED TITLE; POSTING OF NOTICE, REQUIRED; OBJECTIVE THEREOF, EXPLAINED.** — Section 10 of Republic Act (R.A.) No. 26 provides that the court before which a petition for the reconstitution of a TCT is filed shall cause a notice of the petition to be posted on the main entrance of the Provincial Capitol Building and of the municipal building of the municipality where the property is located, at least 30 days prior to the date of hearing, as provided in Section 9. x x x In a catena of cases, the Court has ruled that the requirements under R.A. No. 26 are indispensable and must be strictly complied with. In *Director of Lands v. Court of Appeals,* the Court ruled that the requirements of R.A. No. 26 must be interpreted strictly and must be applied vigorously with exactness and precision to safeguard against spurious, unfounded land ownership claims.

2. **ID.; ID.; ID.; SOURCES OF RECONSTITUTION AS ENUMERATED IN THEIR ORDER OF PREFERENCE.** — Under Section 3 of R.A. No. 26, the petitioner is burdened to adduce in evidence the documents in the order stated therein as sources of the deed to be reconstituted, namely: (a) The owner's duplicate of the certificate of title; (b) The co-owner's, mortgagee's, or lessee's duplicate of the certificate of title;

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(c) A certified copy of the certificate of title previously issued by the register of deeds or by a legal custodian thereof; (d) The deed of transfer or other document, on file in the Register of Deeds, containing the description of the property, or an authenticated copy thereof, showing that its original had been registered, and pursuant to which the lost or destroyed transfer certificate of title was issued; (e) A document on file in the Register of Deeds by which the property, the description of which is given in said document, is mortgaged, leased or encumbered, or an authenticated copy of said document showing that its original had been registered; and (f) Any other document which, in the judgment of the court, is sufficient and proper basis for reconstituting the lost or destroyed certificate of title.

3. **ID.; ID.; ID.; PURPOSE OF RECONSTITUTION.** — The reconstitution of the title or deed is simply the re-issuance of the copy of the certificate of title allegedly lost or destroyed in its original form and condition. The purpose of the reconstitution of title or any document is to have the same reproduced, after observing the procedure provided by law, in the same form they were when the loss or destruction occurred. x x x Any title issued by the Register of Deeds, including the original copy on file in the Office of the Register of Deeds or the owner's duplicate of said title, must bear the signature of the Register of Deeds. Hence, the owner's duplicate copy of title relied upon by the petitioner must be authentic and not spurious.

APPEARANCES OF COUNSEL

Public Attorney's Office for petitioners.
The Solicitor General for respondents.

D E C I S I O N

CALLEJO, SR., *J.*:

Before us is a Petition for Review on *Certiorari* under Rule 45 of the Revised Rules of Court seeking to reverse the Decision[1]

[1] Penned by Associate Justice Eloy R. Bello, Jr. (retired), with Associate Justices Regalado E. Maambong and Lucenito N. Tagle, concurring; *rollo*, pp. 51-56.

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of the Court of Appeals (CA)[2] in CA-G.R. CV No. 66632, which annulled and set aside the ruling[3] of the Regional Trial Court (RTC) of Villasis, Pangasinan, Branch 50 in Petition No. V-0036 (Cad. Lot No. 196, T.C.T. No. 17100), as well as the resolution denying the motion for reconsideration thereof.

On August 7, 1998, Pastora R. Lozano filed a petition with the RTC of Villasis, Pangasinan, for the reconstitution of the original copy of Transfer Certificate of Title (TCT) No. 17100 covering Lot No. 196 of the Cadastral Survey of Villasis, Pangasinan. She prayed that, after due notice, publication, and hearing, an order be issued directing the Register of Deeds of Lingayen, Pangasinan to reconstitute the office file of the title to be based on the technical description embodied in the owner's duplicate copy itself, upon payment of the required legal fees.[4]

On August 12, 1998, the RTC issued an Order[5] setting the initial hearing of the petition at 8:30 a.m. on December 2, 1998. During the hearing, petitioner did not appear. Neither was there any opposition to the petition, although the Assistant Provincial Prosecutor entered his special appearance for the Republic of the Philippines. The hearing was reset at 8:30 a.m. on January 27, 1999.[6] However, on January 11, 1999, the trial court learned that its August 12, 1998 Order had not been published in a newspaper of general circulation in Pangasinan, or in the Official Gazette, as mandated by law. The hearing set on January 27, 1999 was cancelled.[7]

Also, on January 11, 1999, the RTC issued an Order[8] stating that the petition, being sufficient in form and substance, set for

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[2] Fourteenth Division.

[3] Penned by Presiding Judge Rosario C. Cruz; *rollo*, pp. 27-30.

[4] Records, p. 2.

[5] *Id.* at 7-8.

[6] *Id.* at 18.

[7] *Id.* at 19.

[8] Exh. "A", *id.* at 20-21.

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initial hearing at 8:30 a.m. on July 8, 1999, and all interested persons were enjoined to appear and show cause why the same should not be granted.

On March 27, 1999, petitioner died intestate and was survived by her heirs.[9] Thereafter, the heirs prayed that they be substituted as petitioners,[10] attaching thereto a Special Power of Attorney appointing German R. Lozano as representative in the case.

During the July 8, 1999 hearing, petitioners failed to prove that the January 11, 1999 Order of the court was posted at the main entrance of the Provincial Capitol, the Office of the Register of Deeds, and at the Municipal Hall of Villasis, Pangasinan. Despite the foregoing, the trial court issued on July 8, 1999 an Order of General Default, declaring that petitioners were able to establish the jurisdictional requirements for the court to take cognizance of the petition.[11]

During the hearing on October 19, 1999, German R. Lozano testified. However, petitioners reserved their right to submit as evidence the deed executed by Sixto Dominguez covering the property in favor of the spouses Marciano Racadio and Emiliana Galima.[12] The deed was not adduced in evidence, and in lieu thereof, petitioners offered a Certificate issued by the Acting Register of Deeds that the original file copy of the Deed of Conveyance in favor of said spouses could not be located and "is presumed lost or destroyed as a consequence of the lost record."[13]

Petitioners adduced the following testimonial and documentary evidence: the spouses Marciano Racadio and Emiliana Galima were the registered owners of the property located at San Andres

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[9] Records, p. 30.

[10] *Id.*

[11] *Id.* at 54.

[12] *Id.* at 59.

[13] Exhibit "O", *id.* at 65.

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Street, Zone IV, Villasis, Pangasinan, with an area of 1,352 square meters covered by TCT No. 17100. Upon the demise of the spouses Racadio, they were survived by their daughter, Pastora Lozano, as sole heir.[14] Sometime in 1957, Pastora Lozano left Pangasinan and was employed in Manila. She entrusted the owner's duplicate of TCT No. 17100 [15] to German R. Lozano who, since then had been in possession of said certificate of title.[16] They were not aware how the spouses Marciano Racadio and Emiliana Galima acquired the property, but Pastora Lozano used to tell German Lozano that it was acquired from Sixto Dominguez.[17] The property was declared for taxation purposes in 1998 under the name of Marciano Racadio as owner, under Tax Declaration No. 004-00250,[18] and that the realty taxes on the property were paid for 1998-1999.[19] Petitioners had a technical description of the property issued by a surveyor of the Local Management Office on July 9, 1999.[20]

On cross-examination, German Lozano admitted that the owner's duplicate of TCT No. 17100 does not contain the signature of the Register of Deeds, and that the number of the title is handwritten.[21] Petitioners formally offered their documentary evidence which the court admitted "for whatever they might be worth."[22]

On January 26, 2000, the RTC rendered judgment granting the petition. The *fallo* of the decision reads:

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[14] TSN, September 15, 1998, pp. 12-13.

[15] Exhibit "N", records, p. 4.

[16] TSN, December 19, 1999.

[17] TSN, October 19, 1999.

[18] Exhibit "R", records, p. 68.

[19] Exhibits "S" to "T-2", *id.* at 66-67.

[20] Exhibit "U", *id.* at 70.

[21] TSN, October 19, 1994, p. 14.

[22] Records, p. 74.

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WHEREFORE, the court, finding the documentary and parole evidence adduced to be adequate and sufficiently persuasive to warrant the reconstitution of Transfer Certificate of Title No. 17100, and pursuant to Section 110, PD 1529 and Sections 2(a) and 15 of R.A. 26, hereby directs the Register of Deeds of Lingayen, Pangasinan to reconstitute the office file copy of Transfer Certificate of Title No. 17100 covering the subject lot in the name of the registered owner-spouses Marciano Racadio and Emiliana Galima as appearing in the owner's duplicate copy of TCT No. 17100, without prejudice to the annotation of subsisting rights or interests not duly noted in these proceedings, if any, and the right of the Administrator, Land Registration Authority, as provided for in Section 16, Land Registration Commission (now NALDTRA) Circular No. 35 dated June 13, 1983.

SO ORDERED.[23]

The Republic of the Philippines, through the Office of the Solicitor General (OSG), as appellant, appealed the decision to the CA.

In its Appellant's Brief, the OSG assigned the lone error that the trial court erred in ordering the Register of Deeds of Lingayen, Pangasinan to reconstitute the office file copy of TCT No. 17100 on the basis of an unauthenticated owner's duplicate copy.[24]

It averred that petitioners failed to adduce in evidence the owner's duplicate of TCT No. 17100 which bears the signature of the Register of Deeds. Since petitioners failed to establish the genuineness and due execution of the owner's duplicate copy of the title certificate, the trial court erred in granting the petition.[25]

For their part, the heirs of Pastora Lozano alleged that since the owner's duplicate of TCT No. 17100[26] is the duplicate original of TCT No. 17100 within the context of Rule 130, Section 4

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[23] *Id.* at 103.

[24] CA *rollo*, p. 18.

[25] *Id.* at 13-21.

[26] Exhibit "N", records, p. 4.

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of the Revised Rules of Evidence, proof of the execution and genuineness of the owner's duplicate copy is no longer necessary. Besides, the owner's duplicate of said title is in the nature of a public document, hence, admissible in evidence without further proof of due execution or genuineness. Moreover, no private parties opposed the petition. It behooved the oppositor to prove that the owner's duplicate of TCT No. 17100[27] presented was not a duplicate copy thereof.

On August 27, 2004, the CA rendered judgment granting the appeal, holding as follows:

> After a thorough consideration of both parties' contentions, [w]e are convinced that the instant appeal is impressed with merit.
>
> We give utmost consideration to the fact that the owner's duplicate copy presented by appellee was not duly signed by the Register of Deeds. This defect was neither clarified nor justified by appellee both before the lower court and before Us on appeal. Appellee merely explained that what was presented before the court was a duplicate original, and thus, need not be authenticated. Such explanation, however, does not change the fact that the owner's duplicate does not contain the Register of Deeds' signature, making the title inherently flawed.
>
> Under Section 41, Act No. 496, it is provided that:
>
> > "Immediately upon the entry of the decree of registration the clerk shall send a certified copy thereof, under the seal of the court to the register of deeds for the province, or provinces or city in which the land lies, and the register of deeds shall transcribe the decree in a book to be called the "Registration Book," in which a leaf, or leaves, in consecutive order, shall be devoted exclusively to each title. *The entry made by the register of deeds in this book in each case shall be the original certificate of title,* ***and shall be signed by him*** *and sealed with the seal of the court. All certificates of title shall be numbered consecutively, beginning with number one. The register of deeds in each case make an exact duplicate of the original certificate, including the seal, but putting on it the words*

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[27] *Id.*

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> *"owner's duplicate certificate," and deliver the same to the owner or to his attorney duly authorized.* In case of a variance between the owner's duplicate certificate and the original certificate, the original shall prevail. The certified copy of the decree of registration shall be filed and numbered by the register of deeds with a reference noted on it to the place of record of the original certificate of title: Provided, however, That when an application includes land lying in more than one province or one province and the city of Manila, the court shall cause the part lying in each province or in the city of Manila to be described separately by metes and bounds in the decree of registration, and the clerk shall send to the register of deeds of each province, or the city of Manila, as the case may be, a copy of the decree containing a description of the land within that province or city, and the register of deeds shall register the same and issue an owner's duplicate therefor, and thereafter for all matters pertaining to registration under this Act the portion in each province or city shall be treated as a separate parcel of land." (Emphasis supplied)

Without the signature of the Register of Deeds, the owner's duplicate copy presented by appellee as basis for the reconstitution could definitely be categorized as spurious and of dubious origin. It would be very difficult to support and uphold the validity of a public document which does not bear the signature of the official in charge of the office which issued such document. In all candidness, the trial court should have been more circumspect in appraising the value of the document presented before it. Although no person came forward to contest the reconstitution of the subject title even after the requirements of posting and publication have been complied with, the duplicate copy presented by appellee, on its face, is apparently flawed. In addition, the manner the title number was written should have also alarmed the trial court as it was obviously different from the other entries in the title.[28]

Petitioners filed a motion for reconsideration, which the appellate court resolved to deny on September 28, 2004.[29]

Thus, the instant petition for review on *certiorari*, where petitioners assail the appellate court's ruling and contend that

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[28] CA *rollo*, pp. 51-52.

[29] *Id.* at 59.

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the RTC did not err when it ordered the Register of Deeds of Lingayen, Pangasinan, to reconstitute the office file copy of TCT No. 17100 on the basis of the unauthenticated duplicate copy.[30] Petitioners assert that, even if the duplicate original submitted by them is unsigned, this should not militate against their petition as they are not at fault. The lack of signature of the Register of Deeds is merely an irregularity that does not render the owner's duplicate void. Besides, the issue of the validity of a Torrens title may be raised only in an action specifically brought to impugn or annul said title.

In its Comment on the petition, the OSG made the following averments:

3. It is respectfully submitted that the issue submitted for resolution by petitioner as ground for the review of the assailed Court of Appeals' Decision is totally irrelevant and immaterial to the sole and primordial issue in cases of reconstitution of the original copy of certificates of title on file with the Registry of Deeds, *i.e.*, whether or not petitioner presented a competent source for the reconstitution of the certificate of title.

4. It is respectfully submitted that the Court of Appeals did not err when it declared that petitioner's owner's duplicate copy is not a competent source for the reconstitution of the original copy of Transfer Certificate of Title No. 17100, the same being not duly signed by the issuing Register of Deeds and its number being handwritten. Petitioner failed to explain such defect/irregularity.

While public documents, *e.g.*, owner's duplicate copy of certificate of title, are admissible in evidence without further proof of their due execution or genuineness (***Antillon vs. Barcelon*, 37 Phil. 148 [1917]**), the rule does not apply where, on its face, such documents are not authenticated by the official signature and seal which they are supposed to bear. Thus, while petitioner may argue that the subject property is covered by a certificate of title which was lost/destroyed, she is also duty-bound to present a competent source for its reconstitution. This, petitioner failed to do. Thus, no error may be attributed to the Court of Appeals when it reversed and set aside the RTC Decision dated January 26, 2000.[31]

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[30] *Id.* at 17.

[31] *Rollo*, pp. 70-71.

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The sole issue is whether or not the owner's duplicate which does not bear the signature of the Register of Deeds is a competent source on which a reconstitution of a title certificate may be based.

The petition is denied for lack of merit.

Petitioners seek the reconstitution of the original copy of TCT No. 17100 in the custody of the Register of Deeds of Lingayen, Pangasinan. Section 10 of Republic Act (Rep. Act) No. 26 provides that the court before which a petition for the reconstitution of a TCT is filed shall cause a notice of the petition to be posted on the main entrance of the Provincial Capitol Building and of the municipal building of the municipality where the property is located, at least 30 days prior to the date of hearing, as provided in Section 9, which reads:

Sec. 9. A registered owner desiring to have his reconstituted certificate of title freed from the encumbrance mentioned in Section seven of this Act, may file a petition to that end with the proper Court of First Instance, giving his reason or reasons therefor. A similar petition may, likewise, be filed by a mortgagee, lessee or other lien holder whose interest is annotated in the reconstituted certificate of title. Thereupon, the court shall cause ***a notice of the petition to be published, at the expense of the petitioner, twice in successive issues of the Official Gazette, and to be posted on the main entrance of the provincial building and of the municipal building of the municipality or city in which the land lies***, at least thirty days prior to the date of hearing, and after hearing, shall determine the petition and render such judgment as justice and equity may require. The notice shall specify, among other things, the number of the certificate of title, the name of the registered owner, the names of the interested parties appearing in the reconstituted certificate of title, the location of the property, and the date on which all persons having an interest in the property must appear and file such claim as they may have. The petitioner shall, at the hearing, submit proof of the publication and posting of the notice. (Emphasis supplied)

Sec. 10. Nothing hereinbefore provided shall prevent any registered owner or person in interest from filing the petition mentioned in Section five of this Act directly with the proper Court of First Instance, based on sources enumerated in Sections 2(a), 2(b), 3(a), 3(b) and/or 4(a) of this Act: *Provided, however*, That the Court shall

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cause a notice of the petition, before hearing and granting the same, to be published in the manner stated in Section nine hereof: *And, provided, further,* That certificates of title reconstituted pursuant to this section shall not be subject to the encumbrance referred to in Section seven of this Act.

In a catena of cases,[32] the Court has ruled that the requirements under Rep. Act No. 26 are indispensable and must be strictly complied with.[33] In this case, petitioners failed to cause the posting of the trial court's Order dated January 11, 1999 at the main entrance of the Provincial Capitol of Lingayen and at the Municipal Hall of Villasis; consequently, the trial court did not acquire any jurisdiction over the petition for reconstitution.

In *Director of Lands v. Court of Appeals*,[34] the Court ruled that the requirements of Rep. Act No. 26 must be interpreted strictly and must be applied vigorously with exactness and precision to safeguard against spurious, unfounded land ownership claims.[35]

It appears that the petitioners offered in evidence, as Exhibit "B", the Return of Sheriff Rodolfo Alcantara, Jr. for the purpose of proving, as the certification states, that he caused the posting of the petition, as well as the Order of the court dated January 11, 1999, in four (4) conspicuous places.[36] The Sheriff's Return adverted to by petitioners appears on page 9 of the RTC records and reads:

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[32] *Tahanan Development Corporation v. Court of Appeals*, 203 Phil. 652 (1982); *Metropolitan Waterworks and Sewerage System v. Sison*, 209 Phil. 325 (1983); *Bermudo v. Court of Appeals*, G.R. No. L-38622, October 26, 1987, 155 SCRA 8; *Allama v. Republic of the Philippines*, G.R. No. 88226, February 26, 1992, 206 SCRA 600.

[33] *Republic v. Court of Appeals*, G.R. No. 104372, September 26, 1994, 237 SCRA 94.

[34] 102 SCRA 370.

[35] *Republic v. Planas*, 430 Phil. 848 (2002).

[36] Records, p. 61.

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SHERIFF'S RETURN

In compliance with the Order of this Court dated August 12, 1998, issued by the Honorable Court in the above-entitled case, the undersigned has caused the posting of the copies of Order and Petition and its Annexes in the following places:

1. Bulletin Board, RTC-Br. 50, Villasis, Pangasinan.
2. Provincial Capitol, Lingayen, Pangasinan.
3. The Registry of Deeds, Lingayen, Pangasinan.
4. Municipal Hall, Villasis, Pangasinan.

Villasis, Pangasinan, this 20th day of August, 1998.

Signature
RODOLFO A. ALCANTARA, JR.
Sheriff IV[37]

Patently, the Order referred to in the Sheriff's Return is the August 12, 1998 Order of the court *and not its January 11, 1999 Order*. In the August 12, 1998 Order of the trial court, the hearing of the petition was set on December 2, 1998. However, the initial hearing on said date was cancelled and reset to July 8, 1999 at 8:30 a.m., per order of the court on January 11, 1999. In fine, the Sheriff failed to post the trial court's January 11, 1999 Order.

Under Section 3 of Rep. Act No. 26, petitioners were burdened to adduce in evidence the documents in the order stated therein as sources of the deed to be reconstituted, namely:

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

(b) The co-owner's, mortgagee's, or lessee's duplicate of the certificate of title;

(c) A certified copy of the certificate of title, previously issued by the register of deeds or by a legal custodian thereof;

(d) The deed of transfer or other document, on file in the Register of Deeds, containing the description of the property, or an

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[37] *Id.* at 9.

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authenticated copy thereof, showing that its original had been registered, and pursuant to which the lost or destroyed transfer certificate of title was issued;

(e) A document, on file in the Register of Deeds by which the property, the description of which is given in said document, is mortgaged, leased or encumbered, or an authenticated copy of said document showing that its original had been registered; and

(f) Any other document which, in the judgment of the court, is sufficient and proper basis for reconstituting the lost or destroyed certificate of title.

Petitioners were burdened to prove the execution or existence of the original copy of TCT No. 17100 which is the copy on file in the Office of the Register of Deeds, and the contents thereof.[38]

Clearly, petitioners failed to discharge their burden. Inexplicably, they even also failed to prove the due execution of the original copy of TCT No. 17100, and failed to present any person before whom its execution was authorized, and who was present when it was executed; or the person who, after its execution saw it and recognized the signature of the Register of Deeds; or by a person to whom the Register of Deeds authorized to oversee such execution.

The reconstitution of the title or deed is simply the re-issuance of the copy of the certificate of title allegedly lost or destroyed in its original form and condition.[39] The purpose of the reconstitution of title or any document is to have the same reproduced, after observing the procedure provided by law, in the same form they were when the loss or destruction occurred.[40]

Section 41, second paragraph of Act No. 496 reads:

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[38] *In Re: Reconstitution of the Original Copy, as well as the Owner's Duplicate Copy of TCT No. 38769*, G.R. No. 148025, August 13, 2004, 436 SCRA 502.

[39] *Heirs of Ragua v. Court of Appeals*, 381 Phil. 7, 24 (2000).

[40] *Republic v. Holazo*, G.R. No. 146846, August 31, 2004, 437 SCRA 345, 351-352.

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"Immediately upon the entry of the decree of registration the clerk shall send a certified copy thereof, under the seal of the court to the register of deeds for the province, or provinces or city in which the land lies, and the register of deeds shall transcribe the decree in a book to be called the "Registration Book," in which a leaf, or leaves, in consecutive order, shall be devoted exclusively toe (sic) ach (sic) title. *The entry made by the register of deeds in this book in each case shall be the original certificate of title,* ***and shall be signed by him*** *and sealed with the seal of the court. All certificates of title shall be numbered consecutively, beginning with number one. The register of deeds in each case make an exact duplicate of the original certificate, including the seal, but putting on it the words "owner's duplicate certificate," and deliver the same to the owner or to his attorney duly authorized.* In case of a variance between the owner's duplicate certificate and the original certificate the original shall prevail. The certified copy of the decree of registration shall be filed and numbered by the register of deeds with a reference noted on it to the place of record of the original certificate of title: Provided, however, That when an application includes land lying in more than one province or one province and the city of Manila, the court shall cause the part lying in each province or in the city of Manila to be described separately by metes and bounds in the decree of registration, and the clerk shall send to the register of deeds of each province, or the city of Manila, as the case may be, a copy of the decree containing a description of the land within that province or city, and the register of deeds shall register the same and issue an owner's duplicate therefore, and thereafter for all matters pertaining to registration under this Act the portion in each province or city shall be treated as a separate parcel of land." (Emphasis supplied)

Any title issued by the Register of Deeds, including the original copy on file in the Office of the Register of Deeds or the owner's duplicate of said title, must bear the signature of the Register of Deeds. Hence, the owner's duplicate copy of title relied upon by the petitioner must be authentic and not spurious. In this case, the owner's duplicate of TCT No. 17100 which petitioners adduced in evidence is not signed by the Register of Deeds, and does not even contain the number of the title certificate. After the words "*Certifico de Transferencio De Titulo No.*" is a blank space where the number of the title is supposed to be typewritten. The petitioners failed to explain

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why the owner's duplicate of TCT No. 17100 does not contain such signature. Thus, the ruling of the CA that the owner's duplicate presented by the petitioners is spurious is correct.

It appears that TCT No. 17100 was issued on October 3, 1940 in the names of the spouses Racadio. However, the property was not declared for taxation purposes since then. It was only in 1998, long after the demise of the spouses, that the property was declared for taxation purposes under their names and the realty taxes due thereon were paid.[41]

German Lozano surmised that his grandparents, the spouses Racadio, acquired the property from Sixto Dominguez.[42] From the face of the owner's duplicate of TCT No. 17100, it was issued in 1940. Assuming that the claim of petitioners that the spouses Racadio had acquired the property from Sixto Dominguez as early as 1940, they nevertheless still failed to explain why the technical description of the property prepared by the Land Management Office under the Department of Environment and Natural Resources on July 9, 1998, is still in the name of Sixto Dominguez.[43] When asked if he scrutinized the technical description of the property before submitting it to the court, German Lozano admitted that he failed to do so.

Q Do you know a person by the name of Sixto Dominguez?
A My mother was saying before that she bought that from Sixto Dominguez.

Q In fact, this Sixto Dominguez was the one who caused the survey of this lot as indicated here in the certification?
A I don't know if he was the one who caused the survey, Sir.

Q And who secured this Exh. "U" which is the technical description?
A I was the one who secured it from San Fernando, La Union, Sir.

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[41] Exhibits "R" to "S", and their submarkings, records, pp. 67-68.

[42] TSN, October 19, 1999, p. 17.

[43] Exhibit "U", records, p. 70.

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Q You did not scrutinize this certification anymore when you received this certification from the DENR, San Fernando, La Union?

A I did not scrutinize it, Sir, because my purpose is only to get the technical description of the lot.[44]

Petitioners even failed to adduce in evidence a certified true copy of TCT No. 17009-P as proof that such title exists and is in the name of Sixto Dominguez. Indeed, there is no evidence on record that the spouses Racadio acquired the property from Sixto Dominguez.

Obviously, the trial court failed to scrutinize and verify carefully the owner's duplicate offered by petitioners and the accompanying documents of the petition for reconstitution. Once again, the Court reiterates its warning in *Tahanan Development Corporation v. Court of Appeals*:[45]

Time and again, the integrity and inviolability of Torrens titles issued pursuant to the Land Registration Act (Act 496) and Presidential Decree No. 1529 have been shaken by the very courts whose unwavering duty should be to protect the rights and interests of title holders but instead have favored claimants under the guise of reconstitution filed after a long lapse of time after the Japanese occupation, alleging the existence of original and duplicate certificates of title issued pursuant to a court decree but have subsequently been lost or destroyed including the records of the land registration case on account of the war and lay claim and title to valuable parcels of land previously titled and registered under the Torrens registration system and are even able to dispose these properties to unsuspecting homelot buyers and speculating land developers. The courts must be cautious and careful in granting reconstitution of lost or destroyed certificates of title, both original and duplicate owner's, based on documents and decrees made to appear authentic from mere xerox copies and certifications of officials supposedly signed with the seals of their office affixed thereon, considering the ease and facility with which documents are made to appear as official and authentic. It is the duty of the court to scrutinize and verify carefully all supporting documents, deeds and certifications. Each and every fact, circumstance

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[44] TSN, October 19, 1999.

[45] *Supra* note 32.

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or incident which corroborates or relates to the existence and loss of the title should be examined.[46]

IN LIGHT OF ALL THE FOREGOING, the petition is *DENIED* for lack of merit. The assailed Decision and Resolution of the Court of Appeals are *AFFIRMED.*

SO ORDERED.

Panganiban, C.J. (Chairperson), Ynares-Santiago, Austria-Martinez, and *Chico-Nazario, JJ.,* concur.

EN BANC

[G.R. No. 166933. August 10, 2006]

DEVELOPMENT BANK OF THE PHILIPPINES, *petitioner, vs.* **COMMISSION ON AUDIT,** *respondent.*

SYLLABUS

ADMINISTRATIVE LAW; ADMINSTRATIVE AGENCIES; GRAVE ABUSE OF DISCRETION; NOT COMMITTED IN CASE AT BAR.— Based on Letter of Instruction No. 667 and Letter of Implementation No. 29, prior Presidential authorization is required before the petitioner, being a government-owned and controlled corporation, could purchase the subject vehicles. Verily, Letter of Instruction No. 667 is not a "mere technicality" as petitioner contends, otherwise, administrative agencies would be free to utilize such funds freely as long as they can justify their use through the mere invocation of laudable purposes. Since the disallowance was made pursuant to the applicable law, it cannot be assailed as an act of grave abuse of discretion.

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[46] *Id.* at 691-692.