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was docketed as G.R. No. 226193, entitled *Spouses Roberto and Heide L. Santos v. Prime Savings Bank (PSB) represented by its Statutory Liquidator, The Philippine Deposit Insurance Corporation (PDIC)*. In its Resolution[23] dated October 12, 2016, the Court, First Division denied the Petition for Review on *Certiorari* filed by the Sps. Santos. In its subsequent Resolution dated July 31, 2017, the Court, First Division denied the Sps. Santos' Motion for Reconsideration with finality.

Therefore, with the *Certiorari* Petition having been decided with finality, the instant Petition has been rendered moot and academic.

WHEREFORE, the instant Petition is **DISMISSED**.

SO ORDERED.

Carpio, S.A.J. (*Chairperson*), *Perlas-Bernabe, Reyes, J. Jr.*, and *Lazaro-Javier, JJ.*, concur.

SECOND DIVISION

[G.R. No. 209081. June 19, 2019]

HEIRS OF SPOUSES MONICO SUYAM and CARMEN BASUYAO[*] (both deceased), namely: OLIVER B. SUYAM, MABLE B. SUYAM, CHRISTOPHER B. SUYAM, ABEL B. SUYAM, and CHESTER B. SUYAM, represented by their attorney-in-fact and on his own behalf, TELESFORO B. SUYAM, *petitioners, vs.* **HEIRS OF FELICIANO JULATON @ PONCIANO, namely: LUCINA J. BADUA,**

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[23] Issued by the Division Clerk of Court.

[*] Spelled as "Basoyang" in *rollo*, p. 34.

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SEMEON JULATON, JULIANA J. BUCASAS, ISABEL[**] J. ALLAS, RODOLFO JULATON, CANDIDA[***] J. GAMIT, represented by their attorney-in-fact and on her own behalf, CONSOLACION JULATON, *respondents.*

SYLLABUS

1. POLITICAL LAW; COMMONWEALTH ACT NO. 141 (THE PUBLIC LAND ACT); ONLY PUBLIC LANDS SUITABLE FOR AGRICULTURAL PURPOSES CAN BE DISPOSED BY VIRTUE OF A HOMESTEAD SETTLEMENT; CONDITIONS IMPOSED WHEN CERTIFICATE OF TITLE SHALL BE ISSUED PURSUANT TO A HOMESTEAD PATENT APPLICATION, CITED.— Under Section 11, Chapter III of Commonwealth Act No. 141, otherwise known as the Public Land Act, **only public lands suitable for agricultural purposes** can be disposed by virtue of a homestead settlement. According to Section 14 of the Public Land Act, no certificate of title shall be issued pursuant to a homestead patent application made under Section 13 unless **one-fifth of the land has been improved and cultivated by the applicant within no less than one and no more than five years from and after the date of the approval of the application**. The certificate shall issue only when the applicant shall prove that **he has resided continuously for at least one year in the municipality in which the land is located, or in a municipality adjacent to the same, and has cultivated at least one-fifth of the land continuously since the approval of the application**: x x x To reiterate, under Section 11 of the Public Land Act, only public lands suitable for agricultural purposes can be disposed by virtue of a homestead patent application. The rule is well-settled that an OCT issued on the strength of a homestead patent partakes of the nature of a certificate of title **only when the land disposed of is really part of the disposable land of the public domain**. The open, exclusive and undisputed possession of alienable public land for the period prescribed by law creates the legal fiction whereby the

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[**] Spelled as "Isabelita" in *rollo*, p. 76.

[***] Spelled as "Cadida" in some parts of the *rollo*.

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land, upon completion of the requisite period, *ipso jure* and without the need of judicial or other sanction, ceases to be public land and becomes private property.

2. ID.; ID.; ID.; ID.; A HOMESTEAD PATENT SECURED THROUGH FRAUDULENT MISREPRESENTATION IS HELD TO BE NULL AND VOID.— [A] homestead patent secured through fraudulent misrepresentation is held to be null and void. As held in *Republic of the Philippines v. Court of Appeals*, citing *Rep. of the Phils. v. Mina*, the Court explained that a certificate of title that is void may be ordered canceled. And, a title will be considered void if it is procured through fraud, as when a person applies for registration of the land on the claim that he has been occupying and cultivating it. In the case of disposable public lands, **failure on the part of the grantee to comply with the conditions imposed by law is a ground for holding such title void**. The lapse of one (1) year period within which a decree of title may be reopened for fraud would not prevent the cancellation thereof for to hold that a title may become indefeasible by registration, even if such title had been secured through fraud or in violation of the law would be the height of absurdity. Registration should not be a shield of fraud in securing title.

3. CIVIL LAW; PROPERTY; OWNERSHIP; WHILE TAX RECEIPTS AND TAX DECLARATIONS ARE NOT INCONTROVERTIBLE EVIDENCE OF OWNERSHIP, THEY CONSTITUTE CREDIBLE PROOF OF A CLAIM OF TITLE OVER THE PROPERTY WHEN COUPLED WITH ACTUAL POSSESSION THEREOF.— While it is true that tax receipts and tax declarations are not incontrovertible evidence of ownership, they constitute credible proof of a claim of title over the property. Coupled with actual possession of the property, tax declarations become strong evidence of ownership.

4. ID.; ID.; ID.; BUYER IN GOOD FAITH OR INNOCENT PURCHASER FOR VALUE; ONE WHO BUYS PROPERTY AND PAYS A FULL AND FAIR PRICE FOR IT AT THE TIME OF THE PURCHASE OR BEFORE ANY NOTICE OF SOME OTHER PERSON'S CLAIM ON OR INTEREST IN IT IS A PURCHASER IN GOOD FAITH OR INNOCENT PURCHASER FOR VALUE; NOT PRESENT IN CASE AT BAR.— As correctly held by the CA, the Sps. Suyam are definitely not buyers in

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good faith. In a long line of cases, the Court has defined a purchaser in good faith or innocent purchaser for value as one who buys property and pays a full and fair price for it at the time of the purchase or before any notice of some other person's claim on or interest in it. A buyer who could not have failed to know or discover that the land sold to him was in the adverse possession of another is a buyer in bad faith. To reiterate, in the instant case, as affirmed by the testimony of Telesforo, the Sps. Suyam had fully discovered the fact that another person was possessing the subject property, knowing fully well that Cipriano was in possession of the subject property as tenant of the Heirs of Feliciano. Yet, despite this, the Sps. Suyam still pursued with the sale. Therefore, there is no doubt that the Sps. Suyam were not innocent purchasers of value.

APPEARANCES OF COUNSEL

Public Attorney's Office for petitioners.
Manolo M. Beltejar, Jr. for respondents.

D E C I S I O N

CAGUIOA, *J.*:

Before the Court is a Petition for Review on *Certiorari*[1] (Petition) under Rule 45 of the Rules of Court filed by the petitioners Heirs of Spouses Monico Suyam (Monico) and Carmen Basuyao (Carmen) (collectively, the Sps. Suyam), namely: Oliver, Mable, Christopher, Abel and Chester, all with the surname Suyam (collectively, the Heirs of Sps. Suyam), assailing the Decision[2] dated February 26, 2013 (assailed Decision) and Resolution[3] dated September 2, 2013 (assailed Resolution) of the Court of Appeals (CA) in CA-G.R. CV No. 96366.

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[1] *Rollo*, pp. 12-33.

[2] *Id*. at 40-57. Penned by Associate Justice Victoria Isabel A. Paredes with Associate Justices Japar B. Dimaampao and Angelita A. Gacutan, concurring.

[3] *Id*. at 59-60. Penned by Associate Justice Victoria Isabel A. Paredes with Associate Justices Japar B. Dimaampao and Elihu A. Ybañez, *concurring*.

The Facts and Antecedent Proceedings

As narrated by the CA in its assailed Decision and as culled from the records of the instant case, the essential facts and antecedent proceedings of the case are as follows:

On June 20, 2001, the respondents Heirs of Feliciano Julaton (Feliciano), *a.k.a.* Ponciano, namely: Lucina J. Badua, Semeon Julaton, Juliana J. Bucasas, Isabel J. Allas, Rodolfo Julaton, Candida J. Gamit, represented by their attorney-in-fact and on her own behalf, Consolacion Julaton (Consolacion) (collectively, the Heirs of Feliciano), filed a Complaint[4] for Recovery of Ownership, Cancellation of Title, Annulment of Sale, Reinstatement of Title, Reconveyance and Damages (Complaint) before the Municipal Circuit Trial Court of Maddela-Nagtipunan, Quirino (MCTC) against the Sps. Suyam and Isabel Ramos (Isabel). The case was docketed as Civil Case No. 372.

It was alleged in the Complaint that the Heirs of Feliciano have a valid claim of ownership over a parcel of land located at Dipintin, Maddela, Quirino (subject property), which was allegedly originally owned by Feliciano. It is further alleged that Feliciano had been in possession of the subject property as early as the 1940s or 1950s, and that the Heirs of Feliciano had been cultivating the subject property personally and through their tenants. Furthermore, it is alleged that the Heirs of Feliciano had declared the subject property as their own for taxation purposes and had paid realty taxes thereon.[5]

The controversy arose when, in 1997, upon trying to pay tax arrears on the subject property at the Treasurer's Office in Maddela, Quirino, the Heirs of Feliciano were informed that the subject property had been declared for taxation purposes by the Sps. Suyam. It was discovered that the Sps. Suyam purchased the subject property from Isabel, who was supposedly issued a patent and a corresponding Original Certificate of Title

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[4] *Id*. at 70-75.

[5] *Id*. at 71.

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(OCT), *i.e.*, OCT No. P-1081[6] in 1980. In 1987, Transfer Certificate of Title (TCT) No. T-5864[7] was issued in the name of the Sps. Suyam.[8]

The Heirs of Feliciano vigorously maintained that Isabel acquired title to the subject property fraudulently as she had never possessed or declared ownership of the subject property. Further, the Heirs of Feliciano alleged that the Sps. Suyam were buyers in bad faith because they did not verify who was in possession of the subject property prior to purchasing the same.[9]

In the course of the proceedings, Monico passed away. Hence, he was substituted by the Heirs of Sps. Suyam. Isabel failed to file any responsive pleading and was thus declared in default.

On February 12, 2002, the Heirs of Sps. Suyam filed a Motion[10] to dismiss the Complaint (Motion) on the ground that the MCTC has no jurisdiction over the Complaint, that the Complaint states no cause of action, and that the action brought by the Heirs of Feliciano is not covered by the Rules on Summary Procedure. The MCTC denied the Motion in two (2) Orders, *i.e.*, the Order[11] dated June 20, 2002 directing the Heirs of Sps. Suyam to file their Answer and the Order[12] dated August 23, 2002 setting the hearing of the case to September 5, 2002.

On July 30, 2002, Carmen filed an Answer,[13] denying the allegations in the Complaint. Carmen argued that they are not buyers in bad faith when they purchased the subject property

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[6] *Id.* at 85-86.

[7] *Id*. at 87.

[8] *Id.* at 71-72.

[9] *Id*. at 73.

[10] A copy of which was not attached to the instant Petition.

[11] *Id.*

[12] *Id.*

[13] *Rollo*, pp. 89-90.

as they merely relied on the OCT possessed by their predecessor-in-interest, Isabel.

However, in an Order[14] dated December 29, 2005, the new MCTC Judge, *i.e.,* Acting Presiding Judge Josephine B. Gayagay, set aside the aforesaid Orders and granted the Motion on the ground of lack of jurisdiction. The MCTC held that the Complaint involved several causes of action that comprehend more than the issue of title to, possession of, or any interest in the subject property, such as annulment of contract, reconveyance, and specific performance. According to the MCTC, these are actions incapable of pecuniary estimation and are within the jurisdiction of the Regional Trial Court.

On March 14, 2006, the Heirs of Feliciano filed an appeal before the Regional Trial Court of Maddela, Quirino, Branch 38 (RTC).

On August 2, 2006, the RTC issued an Order[15] affirming the MCTC's Order dated December 29, 2005. Nonetheless, the RTC took cognizance of the Complaint and directed the setting of the case for pre-trial. Trial then ensued.

The Ruling of the RTC

In its Decision[16] dated September 30, 2010, the RTC dismissed the Complaint for lack of merit. The dispositive portion of the Decision reads:

WHEREFORE, premises considered, judgment is hereby rendered **DISMISSING** the complaint of plaintiffs against the defendants for lack of merit.

The counterclaim of the defendants against plaintiffs is also **DISMISSED** for lack of evidence.

SO ORDERED.[17]

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[14] A copy of which was not attached to the instant Petition.

[15] *Id.*

[16] *Rollo*, pp. 103-107.

[17] *Id.* at 107.

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In sum, the RTC believed that the Heirs of Feliciano "failed to establish by clear and convincing evidence their public, peaceful and uninterrupted possession in the concept of an owner of the litigated property."[18]

Feeling aggrieved, the Heirs of Feliciano appealed before the CA.[19]

The Ruling of the CA

In its assailed Decision, the CA reversed the RTC's Decision and granted the Heirs of Feliciano's appeal. The dispositive portion of the assailed Decision reads:

> **WHEREFORE**, the instant appeal is hereby **GRANTED**. The Decision dated September 30, 2010 of the Regional Trial Court, Branch 38, Maddela, Quirino in Civil Case No. 372 for *Recovery of Ownership, Cancellation of Title, Annulment of Sale, Reinstatement of Title, Reconveyance and Damages* is **REVERSED and SET ASIDE.**
>
> The Register of Deeds of Quirino is directed to **CANCEL** the following titles: Original Certificate of Title No. P-1081 in the name of Isabel Ramos, and Transfer Certificate of Title No. T-5864 in the name of Monico Suyam married to Carmen Basuyao.
>
> We declare [the] appellants to be entitled to the possession of the subject land and may now apply for its registration before the proper court.
>
> **SO ORDERED**.[20]

Upon examination of the evidence on record, the CA found that there is "scant evidence either to declare that defendant Isabel's OCT No. P-1081 or that appellees' TCT No. T-5864, were issued validly and legally, and, therefore, We are constrained to direct and order the cancellation of the aforementioned titles, and declare the entitlement of appellants to the subject land."[21]

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[18] *Id.* at 105.

[19] The records do not show if the Heirs of Feliciano filed a Motion for Reconsideration of the RTC's Decision dated September 30, 2002.

[20] *Rollo*, p. 56.

[21] *Id.*

The CA thoroughly explained that, contrary to the findings of the RTC, several uncontroverted facts "prove that there was no natural interruption, for prescription, in [the Heirs of Feliciano's] possession of the subject land."[22]

Hence, the instant Petition filed by the Heirs of Sps. Suyam under Rule 45 of the Rules of Court.

The Heirs of Feliciano filed their Comment[23] dated April 6, 2014, to which the Heirs of Sps. Suyam responded with their Reply[24] dated November 26, 2014.

Issue

The Heirs of Sps. Suyam pose a singular issue for the Court's disposition: whether the CA gravely erred in reversing the Decision of the RTC, thereby granting the Heirs of Feliciano's Complaint for recovery of ownership, cancellation of title, annulment of sale, reinstatement of title, reconveyance and damages.

The Court's Ruling

Upon a close reading of the records of the instant case, the Court finds no cogent reason to reverse the CA's assailed Decision and Resolution and resolves to deny the instant Petition for lack of merit.

It is not disputed that the Heirs of Sps. Suyam trace their supposed ownership of the subject property to their predecessor-in-interest, Isabel. The latter allegedly gained ownership over the subject property when a patent was issued in her favor, leading to the issuance of OCT No. P-1081 in 1980.

A perusal of OCT No. P-1081 reveals that the patent issued in favor of Isabel is a homestead patent, *i.e.*, Homestead Patent No. 151715, issued on August 4, 1980.

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[22] *Id.* at 49.

[23] *Id.* at 149-157.

[24] *Id.* at 171-177.

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Under Section 11, Chapter III of Commonwealth Act No. 141, otherwise known as the Public Land Act, **only public lands suitable for agricultural purposes** can be disposed by virtue of a homestead settlement.

According to Section 14 of the Public Land Act, no certificate of title shall be issued pursuant to a homestead patent application made under Section 13 unless **one-fifth of the land has been improved and cultivated by the applicant within no less than one and no more than five years from and after the date of the approval of the application**. The certificate shall issue only when the applicant shall prove that **he has resided continuously for at least one year in the municipality in which the land is located, or in a municipality adjacent to the same, and has cultivated at least one-fifth of the land continuously since the approval of the application**:

SEC. 13. Upon the filing of an application for a homestead, the Director of Lands, if he finds that the application should be approved, shall do so and authorize the applicant to take possession of the land upon the payment of five pesos, Philippine Currency, as entry fee. Within six months from and after the date of the approval of the application, the applicant shall begin to work the homestead, otherwise he shall lose his prior right to the land.

SEC. 14. No certificate shall be given or patent issued for the land applied for until at least one-fifth of the land has been improved and cultivated. The period within which the land shall be cultivated shall not be less than one nor more than five years, from and after the date of the approval of the application. The applicant shall, within the said period, notify the Director of Lands as soon as he is ready to acquire the title. lf at the date of such notice, the applicant shall prove to the satisfaction of the Director of Lands, that he has resided continuously for at least one year in the municipality in which the land is located, or in a municipality adjacent to the same, and has cultivated at least one-fifth of the land continuously since the approval of the application, and shall make affidavit that no part of said land has been alienated or encumbered, and that he has complied with all the requirements of this Act, then, upon the payment of five pesos, as final fee, he shall be entitled to a patent.

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In the instant case, as correctly held by the CA in its assailed Decision, the subject property was clearly acquired by Isabel through a fraudulently issued homestead patent.

First and foremost, **a homestead patent secured through fraudulent misrepresentation is held to be null and void**.[25] As held in *Republic of the Philippines v. Court of Appeals*,[26] citing *Rep. of the Phils. v. Mina*,[27] the Court explained that a certificate of title that is void may be ordered canceled. And, a title will be considered void if it is procured through fraud, as when a person applies for registration of the land on the claim that he has been occupying and cultivating it. In the case of disposable public lands, **failure on the part of the grantee to comply with the conditions imposed by law is a ground for holding such title void**. The lapse of one (1) year period within which a decree of title may be reopened for fraud would not prevent the cancellation thereof for to hold that a title may become indefeasible by registration, even if such title had been secured through fraud or in violation of the law would be the height of absurdity. Registration should not be a shield of fraud in securing title.

It is clear from the undisputed facts that Isabel failed to comply with any of the conditions imposed under Section 14 of the Public Land Act for the granting of a certificate of title pursuant to a homestead patent application.

It is not seriously disputed that **Isabel has never possessed, much more continuously cultivated, the subject property**. During the pre-trial held before the RTC on June 17, 2008, it was expressly stipulated by the parties that "**[t]he [Heirs of Feliciano] have been in possession of the land in question for a long time, but the [Heirs of Sps. Suyam] have never been in possession thereof** despite the fact that they are

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[25] *Director of Lands v. Manuel*, 119 Phil. 939 (1964).

[26] 262 Phil. 677, 684-685 (1990).

[27] 200 Phil. 428 (1982).

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residents of the same place where the land is located (Dipintin, Maddela, Quirino)."[28]

In fact, even the RTC factually found that **the nephew of Feliciano, Cipriano Marzan (Cipriano), started tilling the subject property as a tenant of the Heirs of Feliciano as early as 1966**.[29] As noted by the CA, Isabel "never appeared to possess or lay claim over the subject land even as Cipriano was physically present on the subject land since 1966, tilling and harvesting crops."[30] Hence, it is abundantly clear that Isabel never cultivated the land.

Second, as further noted by the CA, not only did Isabel fail to declare the subject property for taxation purposes under her name and to pay any realty taxes, lending more credence to the fact that Isabel never possessed and cultivated the subject property, as a matter of fact, at the time when Isabel was supposed to cultivate the subject property in view of the purported homestead patent application as a prerequisite for the issuance of the OCT, since 1978, it was the Heirs of Feliciano who had been paying real estate taxes.[31]

The CA stressed that when "OCT No. P-1081 [was issued in favor of Isabel] in 1980, [the Heirs of Feliciano] were paying the realty taxes."[32] The CA stressed that while Isabel never declared the subject land for taxation purposes, "the tax declaration remained in the name of Feliciano until the [S]pouses Suyam had the subject land declared in their name because of the title the spouses held."[33]

Hence, based on the foregoing, and coupled with the lack of any serious refutation on the part of the Heirs of Sps. Suyam

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[28] *Rollo*, p. 104; emphasis and underscoring supplied.

[29] *Id*. at 106-107.

[30] *Id*. at 50.

[31] *Id.* at 51-52.

[32] *Id*. at 52-53.

[33] *Id*. at 50.

that Isabel never possessed and continuously cultivated the subject property, the essential requisite for the issuance of a certificate of title pursuant to a homestead application under Section 14 of the Public Land Act, *i.e.*, cultivation of one-fifth of the land by Isabel, had not been met. Hence, it is clear that the title from which the Heirs of Sps. Suyam trace their claim of ownership was acquired through fraudulent misrepresentation and is therefore void.

Aside from the fraudulent misrepresentation and manifest failure on the part of Isabel in procuring the homestead patent in accordance with the requirements of the Public Land Act, the Court agrees with the CA and finds that the Heirs of Feliciano have acquired the subject property by open, continuous and undisputed possession for more than thirty (30) years, making the subject property the private property of the Heirs of Feliciano even prior to Isabel's homestead patent application.

To reiterate, under Section 11 of the Public Land Act, only public lands suitable for agricultural purposes can be disposed by virtue of a homestead patent application. The rule is well-settled that an OCT issued on the strength of a homestead patent partakes of the nature of a certificate of title **only when the land disposed of is really part of the disposable land of the public domain**.[34]

The open, exclusive and undisputed possession of alienable public land for the period prescribed by law creates the legal fiction whereby the land, upon completion of the requisite period, *ipso jure* and without the need of judicial or other sanction, ceases to be public land and becomes private property.[35]

In the recently decided case of *Melendres v. Catambay*,[36] which involves fairly similar factual circumstances, the Court

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[34] *Heirs of Gregorio Tengco v. Heirs of Jose Aliwalas*, 250 Phil. 205, 211 (1988).

[35] *The Director of Lands v. IAC*, 230 Phil. 590, 600 (1986).

[36] G.R. No. 198026, November 28, 2018 < http://elibrary.judiciary.gov.ph/thebookshelf/showdocs/1/64938 >.

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held that an OCT that originated from a Free Patent was null and void, considering that prior to the application for such Free Patent, the petitioners therein, through their predecessors-in-interest, had actually, publicly, openly, adversely and continuously possessed the subject property therein in the concept of an owner since the 1940s, cultivating the said property as a rice field, making the subject lot the private property of the petitioners therein prior to the application for Free Patent in accordance with Section 48(b)[37] of the Public Land Act, *viz.*:

In connection with the foregoing doctrine, the Public Land Act states that those who by themselves or through their predecessors-in-interest have been in open, continuous, exclusive, and notorious

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[37] The original text of Section 48(b) of the Public Land Act reads:

(*b*) Those who by themselves or through their predecessors in interest have been in the open, continuous, exclusive, and notorious possession and occupation of agricultural lands of the public domain, under a *bona fide* claim of acquisition of ownership, except as against the Government, since July twenty-sixth, eighteen hundred and ninety-four, 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.

On June 22, 1957, Republic Act No. (RA) 1942 amended the aforesaid provision as follows:

"(*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 of ownership, for at least thirty years 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."

Subsequently, on January 25, 1977, RA 1942 was amended by Section 4, Presidential Decree No. 1073:

SEC. 4. The provisions of Section 48(b) and Section 48(c), Chapter VIII, of the Public Land Act are hereby amended in the sense that these provisions shall apply only to alienable and disposable lands of the public domain which have been in open, continuous, exclusive and notorious possession and occupation by the applicant himself or thru his predecessor-in-interest, under a *bona fide* claim of acquisition of ownership, since June 12, 1945.

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possession and occupation of agricultural lands of the public domain, under a *bona fide* claim of acquisition or ownership, for at least 30 years immediately preceding the filing of the application for confirmation of title except when prevented by war or *force majeure* shall be conclusively presumed to have performed all the conditions essential to a Government grant and shall be entitled to a certificate of title.

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In the instant case, by virtue of the actual, public, open, adverse, and continuous possession of the subject property by petitioners in the concept of an owner since 1940s, the subject property ceased to be a land of the public domain and became private property.

Hence, in line with established jurisprudence, **if the land in question is proven to be of private ownership** and, therefore, beyond the jurisdiction of the then Director of Lands (now Land Management Bureau), **the free patent and subsequent title issued pursuant thereto are null and void**. The indefeasibility and imprescriptibility of the Torrens title issued pursuant to such null and void patent do not prevent the nullification of the title. **If it was private land, the patent and certificate of title issued upon the patent are a nullity.**

Therefore, the Court finds Free Patent No. (IV-1) 001692 issued in favor of Alejandro Catambay null and void. Necessarily, OCT No. M-2177 which was issued in accordance with Free Patent No. (IV-1) 001692 is deemed invalidly issued.[38]

In *Celso Amarante Heirs v. Court of Appeals,*[39] the Court held that the open, exclusive and undisputed possession of public land for more than 30 years by a person in accordance with Section 48(b) of the Public Land Act, who occupied the land by planting various coconut, mango, and bamboo trees, wherein the grandchildren of the planter likewise continued occupying the said property for several years, created the legal fiction whereby the said land, upon completion of the requisite period of possession, *ipso jure* became private property.

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[38] *Melendres v. Catambay*, *supra* note 36.

[39] 264 Phil. 174 (1990).

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In *Heirs of Santiago v. Heirs of Santiago*,[40] wherein the Court held that since the petitioners therein were able to prove their open, continuous, exclusive, and notorious possession and occupation of the land for several decades, such land was deemed to have already been acquired by the petitioners therein by operation law, thus segregating such land from the public domain. **This led the Court to invalidate a patent covering such land, as well as the certificate of title issued by virtue of such void patent**, *viz.*:

> The settled rule is that a free patent issued over a private land is null and void, and produces no legal effects whatsoever. **Private ownership of land — as when there is a *prima facie* proof of ownership like a duly registered possessory information or a clear showing of open, continuous, exclusive, and notorious possession, by present or previous occupants — is not affected by the issuance of a free patent over the same land, because the Public Land law applies only to lands of the public domain**. The Director of Lands has no authority to grant free patent to lands that have ceased to be public in character and have passed to private ownership. Consequently, a certificate of title issued pursuant to a homestead patent partakes of the nature of a certificate issued in a judicial proceeding only if the land covered by it is really a part of the disposable land of the public domain.
>
> In the instant case, **it was established that Lot 2344 is a private property of the Santiago clan since time immemorial, and that they have declared the same for taxation**. Although tax declarations or realty tax payment of property are not conclusive evidence of ownership, nevertheless, they are good *indicia* of possession in the concept of owner, for no one in his right mind would be paying taxes for a property that is not in his actual or constructive possession. They constitute at least proof that the holder has a claim of title over the property. The voluntary declaration of a piece of property for taxation purposes manifests not only one's sincere and honest desire to obtain title to the property and announces his adverse claim against the State and all other interested parties, but also the intention to contribute needed revenues to the Government. Such an act strengthens one's *bona fide* claim of acquisition of ownership.

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[40] 452 Phil. 238 (2003).

Considering the open, continuous, exclusive and notorious possession and occupation of the land by respondents and their predecessors-in-interests, they are deemed to have acquired, by operation of law, a right to a government grant without the necessity of a certificate of title being issued. The land was thus segregated from the public domain and the director of lands had no authority to issue a patent. Hence, the free patent covering Lot 2344, a private land, and the certificate of title issued pursuant thereto, are void.

Similarly in *Magistrado v. Esplana*, the applicant for a free patent declared that the lots subject of the application formed part of the public domain for the sole purpose of obtaining title thereto as cheaply as possible. We annulled the titles granted to the applicant after finding that the lots were privately owned and continuously possessed by the applicant and his predecessors-in-interest since time immemorial. Likewise, in *Robles v. Court of Appeals*, the free patent issued to the applicant was declared void because the lot involved was shown to be private land which petitioner inherited from his grandparents.

Respondents' claim of ownership over Lot 2344-C and Lot 2344-A is fully substantiated. Their open, continuous, exclusive, and notorious possession of Lot 2344-C in the concept of owners for more than seventy years supports their contention that the lot was inherited by Mariano from her grandmother Marta, who in turn inherited the lot from her parents. This fact was also corroborated by respondents' witnesses who declared that the house where Marta and Mariano's family resided was already existing in the disputed portion of Lot 2344 even when they were still children. It is worthy to note that although Lot 2344-C was within the property declared for taxation by the late Simplicia Santiago, he did not disturb the possession of Marta and Mariano. Moreover, while the heirs of Simplicio tried to make it appear that Mariano built his house only in 1983, Nestor Santiago admitted on cross-examination that Mariano Santiago's house was already existing in the disputed lot since he attained the age of reason. The fact that Mariano did not declare Lot 2344-C for taxation does not militate against his title. As he explained, he was advised by the Municipal Assessor that his 57 square meter lot was tax exempt and that it was too small to be declared for taxation, hence, he just gave his share in the taxes to his uncle,

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Simplicio, in whose name the entire Lot 2344 was declared for taxation.[41] (Emphasis and underscoring supplied)

In the instant case, the Court does not find any cogent reason to reverse the CA's factual finding that "there was no natural interruption, for prescription, in [the Heirs of Feliciano's] possession of the subject land."[42] The Court finds the factual conclusion of the CA to be with basis.

To reiterate, it was even stipulated by both parties during the pre-trial that **"the [Heirs of Feliciano] have been in possession of the land in question for a long time, but the [Heirs of Sps. Suyam] have never been in possession thereof** despite the fact that they are residents of the same place where the land is located (Dipintin, Maddela, Quirino)."[43] Hence, it cannot now be disputed that the Heirs of Feliciano have been possessing the subject property for a great length of time.

As found by the CA, the testimony of Consolacion clearly established that she was born in the subject property in 1938 and that her family has been in possession of the subject property in 1938. In fact, her testimony established that the family was able to erect a house that still stands on the subject property up to this day.[44] Consolacion herself continued to reside on the subject property until 1974 or 1975 when she transferred her residence to Pangasinan.

The aforesaid is corroborated by the testimony of Cipriano, the tenant of the subject property, who testified that the subject property was owned and possessed by his uncle Feliciano and that he was entrusted the subject property as a tenant by the latter. Cipriano unequivocally testified that from the time he began tilling the subject property in 1966 up to the present time

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[41] *Id.* at 248-250.

[42] *Rollo*, p. 49.

[43] *Id*. at 104; emphasis and underscoring supplied.

[44] *Id*. at 48.

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as the tenant of the Heirs of Feliciano, no other person appeared to claim ownership over the subject property.[45]

Despite Consolacion's transfer of residence to Pangasinan in 1974 or 1975, it cannot be argued that the possession of the subject property by the Heirs of Feliciano ceased to be continuous, considering that prior to Consolacion's transfer to Pangasinan, the Heirs of Feliciano had instituted Cipriano as the tenant of the Heirs of Feliciano since 1966, continuously tilling and cultivating the subject property for the Heirs of Feliciano.

Further solidifying the aforesaid testimonies, the CA likewise notes that the Heirs of Feliciano have been consistently paying realty taxes and declaring the subject property for tax purposes. While it is true that tax receipts and tax declarations are not incontrovertible evidence of ownership, they constitute credible proof of a claim of title over the property. Coupled with actual possession of the property, tax declarations become strong evidence of ownership.[46]

To rebut the unequivocal testimonies of Consolacion and Cipriano as regards the open, continuous, exclusive, and notorious possession of the subject property by the Heirs of Feliciano, the Heirs of Sps. Suyam were only able to present their lone witness, the son of the Sps. Suyam, Telesforo, who merely testified on the surrounding circumstances of the purchase of the subject property by the Sps. Suyam from Isabel. In fact, the testimony of Telesforo even confirmed that Cipriano was tilling and cultivating the subject property as a tenant of the Heirs of Feliciano, as Telesforo testified that the Sps. Suyam indeed had full knowledge of the fact that Cipriano was in possession of the subject property as tenant of the Heirs of Feliciano.[47]

Bearing in mind that the title of Isabel is null and void, it is elementary that **no valid TCT can issue from a void**

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[45] *Id.* at 48-49.

[46] See *Ranola v. Court of Appeals,* 379 Phil. 1, 11 (2000).

[47] *Rollo*, p. 53.

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title, unless an innocent purchaser for value has intervened.[48]

As correctly held by the CA, the Sps. Suyam are definitely not buyers in good faith.

In a long line of cases, the Court has defined a purchaser in good faith or innocent purchaser for value as one who buys property and pays a full and fair price for it at the time of the purchase or before any notice of some other person's claim on or interest in it.[49] A buyer who could not have failed to know or discover that the land sold to him was in the adverse possession of another is a buyer in bad faith.[50]

To reiterate, in the instant case, as affirmed by the testimony of Telesforo, the Sps. Suyam had fully discovered the fact that another person was possessing the subject property, knowing fully well that Cipriano was in possession of the subject property as tenant of the Heirs of Feliciano.[51] Yet, despite this, the Sps. Suyam still pursued with the sale. Therefore, there is no doubt that the Sps. Suyam were not innocent purchasers of value.

All told, the Court holds that the CA did not err when it rendered the assailed Decision and Resolution.

WHEREFORE, the instant appeal is hereby **DENIED**. The Decision dated February 26, 2013 and Resolution dated September 2, 2013 rendered by the Court of Appeals in CA-G.R. CV No. 96366 are **AFFIRMED**.

SO ORDERED.

Carpio, S.A.J. (*Chairperson*), *Perlas-Bernabe, Reyes, J. Jr.*, and *Lazaro-Javier, JJ.*, concur.

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[48] *Pineda v. Court of Appeals*, 456 Phil. 732, 747 (2003).

[49] *Sps. Tanglao v. Sps. Parungao*, 561 Phil. 254, 262 (2007), citing *Tanongon v. Samson,* 431 Phil. 729 (2002).

[50] *Heirs of Durano, Sr. v. Spouses Uy*, 398 Phil. 125, 152 (2000).

[51] *Rollo*, p. 53.