Supreme Court E-Library

FIRST DIVISION

[G.R. Nos. L-31666-68. April 30, 1979]

LEPANTO CONSOLIDATED MINING COMPANY, *petitioner, vs.* **MANUEL DUMYUNG, THE REGISTER OF DEEDS OF BAGUIO CITY, and the COURT OF FIRST INSTANCE OF BAGUIO CITY (BRANCH I),** *respondents.*

LEPANTO CONSOLIDATED MINING COMPANY, *petitioner, vs.* **FORTUNATO DUMYUNG, THE REGISTER OF DEEDS OF BAGUIO CITY, and the COURT OF FIRST INSTANCE OF BAGUIO CITY (BRANCH I),** *respondents.*

LEPANTO CONSOLIDATED MINING COMPANY, *petitioner, vs.* **DUMYUNG BONAYAN, THE REGISTER OF DEEDS OF BAGUIO CITY, and the COURT OF FIRST INSTANCE OF BAGUIO CITY (BRANCH I),** *respondents.*

SYLLABUS

1. **CIVIL LAW; PUBLIC LAND; MEMBERS OF CULTURAL MINORITIES ARE ENTITLED TO ACQUIRE PUBLIC LAND, DISPOSABLE OR NOT, UNDER REPUBLIC ACT NO. 3872.** — A member of the cultural minorities who has continuously occupied and cultivated either by himself or through his predecessors-in-interest, a tract or tracts of land, whether disposable or not since July 4, 1956, shall be entitled to a free patent issued to him for such tract or tracts of land not exceed 20 hectares; provided that at the time he filed his free patent application he is not the owner of any real property secured or disposable under the provision of the Public Land Law. (Section 44, Republic Act 3872)

2. **ID.; ID.; CERTIFICATION OF TITLE COVERING TIMBER OR MINERAL LAND IS VOID.** — It is well settled that a certificates of title is void when it covers property of public domain classified as forest or timber and mineral lands. Any title issued

Supreme Court E-Library

on non-disposable lots even in the hands of alleged innocent purchaser for value, shall be cancelled.

3. **REMEDIAL LAW; CIVIL PROCEDURE; ACQUITTAL IN CRIMINAL CASE IS NOT A BAR TO A CIVIL CASE; CASE AT BAR.** — The acquittal of private respondents in the criminal cases for falsification of public documents by allegedly making untrue statements in their application for free patents is not a bar to civil actions to cancel their certificates of title issued pursuant to the said free patents. For, the only issue in the criminal cases for falsification was whether there was evidence beyond doubt that the private respondent had committed the acts of falsification alleged in the informations, and the factual issues of whether or not the private respondents are entitled to the benefits of Republic Act No. 3872, and whether or not the lands in question are timber and mineral were not in issue in said criminal cases.

4. **ID.; CIVIL PROCEDURE; DISMISSAL OF ACTION; PREMATURE WHEN EVIDENCE ON THE FACTUAL ISSUES HAD NOT BEEN RECEIVED.** — In a suit for cancellation of title of land on the grounds that the lands covered are mineral and timber lands, it is premature for the trial court to rule that the certificates of title issued to defendants have become indefeasible and that defendants are entitled to the benefits of Republic Act 3872 as members of the cultural minorities, and thereby dismiss the actions without first receiving evidence on the factual issues, namely whether or not the lands in question are timber and mineral lands and whether private respondents belong to the cultural minorities and qualified to be issued free patents.

5. **ID.; ID.; ID.; ID.; REMEDY OF THE AGGRIEVED PARTY.** — Where the trial court prematurely dismisses a suit for cancellation of title of land without first receiving evidence on the factual issues raised in the action, the order of dismissal, upon appeal, shall be set aside and remanded to the trial court for further proceedings.

APPEARANCES OF COUNSEL

Sycip Salazar Luna Manalo & Feliciano, Jesus B. Santos and *Hill & Associates* for petitioner.

Floro B. Bugnosen for private respondents.

Supreme Court E-Library

DECISION

FERNANDEZ, *J.*:

This is a petition to review the order of the Court of First Instance of Baguio City, Branch I, dismissing the three complaints for annulment of titles in Civil Cases Nos. 1068, 1069 and 1070 entitled "*Republic of the Philippines,* Plaintiff, *versus*, *Manuel Dumyung, et al.,* Defendants, Lepanto Consolidated Mining Company, Intervenor" for being without merit.[1]

The Republic of the Philippines, represented by the Director of Lands, commenced in the Court of First Instance of Baguio City Civil Cases Nos. 1068, 1069 and 1070 for annulment of Free Patents Nos. V-152242, V-155050 and V-152243, and of the corresponding Original Certificates of Title Nos. P-208, P-210 and P-209, on the ground of misrepresentation and false data and informations furnished by the defendants, Manuel Dumyung, Fortunato Dumyung and Dumyung Bonayan, respectively, the land embraced in the patents and titles are identified as Lots 1, 2 and 3 of survey plan Psu-181763 containing a total area of 58.4169 hectares, more or less, and situated in the Municipal District of Mankayan, Sub-province of Benguet, Mountain Province. The Register of Deeds of Baguio City was made a formal party defendant.

The complaints in Civil Cases Nos. 1068, 1069 and 1070 are all dated September 22, 1961.[2]

The defendants filed their respective answers.[3]

The Lepanto Consolidated Mining Company, petitioner herein, filed motions for intervention dated February 5, 1962 in the three (3) civil cases[4] which were granted.[5]

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[1] Annex "L", *Rollo*, pp. 104-106.

[2] Annex "A", *Rollo*, pp. 20-23, Annex "A-1", *Rollo*, pp. 24-27; and Annex "A-2", *Rollo*, pp. 28-31.

[3] Annex "B", Annex "B-1" and Annex "B-2", *Rollo*, pp. 32-47.

[4] Annex "C", Annex "C-1" and Annex "C-2", *Rollo*, pp. 48-54.

[5] Annex "D", *Rollo*, pp. 55-56.

Supreme Court E-Library

The complaints in intervention alleged that a portion of the titled lands in question is within the intervenor's ordinary timber license No. 140-'62 dated July 7, 1961 expiring and up for renewal on June 30, 1962 and another portion of said lands is embraced in its mineral claims.[6]

The defendants in the three (3) civil cases filed an amended joint answer with counterclaim to the complaint in intervention.[7] The said amended joint answer was admitted in an order dated September 10, 1972.[8]

Before the hearing on the merits of the three (3) civil cases, the plaintiff, Republic of the Philippines represented by the Director of Lands, filed in the Court of First Instance of Baguio City three (3) criminal cases for falsification of public documents, docketed as Criminal Cases Nos. 2358, 2359 and 2360, against the defendants Manuel Dumyung, Fortunato Dumyung and Dumyung Bonayan, private respondents herein, for allegedly making untrue statements in their applications for free patents over the lands in question. The proceedings on the three (3) civil cases were suspended pending the outcome of the criminal cases.

After the presentation of evidence by the prosecution in the three (3) criminal cases, the defense filed a motion to dismiss the same on the ground that the accused had complied with all the legal requirements in the acquisition of their patents which were duly issued by the Director of Lands and that they are not guilty of the alleged falsification of public documents.

In an order dated December 6, 1967, the trial court sustained the theory of the defense and dismissed the three (3) criminal cases, with costs *de oficio*, for insufficiency of evidence to sustain the conviction of the three (3) accused.[9]

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[6] Annex "E", Annex "E-1" and Annex "E-2", *Rollo*, pp. 57-65.

[7] Annex "F-1", *Rollo*, pp. 68-72.

[8] Annex "F-2", *Rollo*, p. 73.

[9] *Rollo*, p. 105.

Supreme Court E-Library

Thereupon, the defendants filed a motion to dismiss dated October 12, 1968 in Civil Cases Nos. 1068, 1069 and 1070 on the following grounds: (1) extinction of the penal action carries with it the extinction of the civil action when the extinction proceeds from a declaration that the fact from which the civil might arise did not exist; (2) the decision of the trial court acquitting the defendants of the crime charged renders these civil cases moot and academic; (3) the trial court has no jurisdiction to order cancellation of the patents issued by the Director of Lands; (4) the certificates of title in question can no longer be assailed; and (5) the intervenor Lepanto has no legal interest in the subject matter in litigation.[10]

The Court of First Instance of Baguio, Branch I, dismissed the three (3) civil cases because:

"After a careful examination and deliberation of the MOTION TO DISMISS, these civil cases filed by the defendants as well as the two OPPOSITIONS TO MOTION TO DISMISS filed by both plaintiff and intervenor Lepanto Consolidated Mining Company and the records of all the three civil cases, it clearly shows that upon the issuance of said Free Patents on November 26, 1960, the same were duly registered with the office of the Register of Deeds of Baguio and Benguet, pursuant to the provisions of Sec. 122 of Act 496, as amended, and consequently, these properties became the private properties of the defendants, under the operation of Sec. 38 of said Act; hence, these titles enjoy the same privileges and safeguards as Torrens titles (*Director of Lands vs. Heirs of Ciriaco Carle,* G. R. No. L-12485, July 31, 1964). It is therefore clear that OCT Nos. P-208, P-209 and P-210 belonging to the defendants are now indefeasible and this Court has no power to disturb such indefeasibility of said titles, let alone cancel the same.

The records of this case further disclose that the defendants are ignorant natives of Benguet Province and are members of the so-called Cultural Minorities of Mountain Province, who are the same persons accused in the dismissed criminal cases, based on the same grounds. It should be noted that these cases fall squarely under Sec. 3 of Rule III of the New Rules of Court."[11]

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[10] Annex "H", *Rollo*, pp. 77-84.

[11] *Rollo*, pp. 105-106.

Supreme Court E-Library

The plaintiff, Republic of the Philippines represented by the Director of Lands, and the intervenor, Lepanto Consolidated Mining Company, filed separate motions for reconsideration of the order dismissing Civil Cases Nos. 1068, 1069 and 1070.[12] Both motions for reconsideration were denied by the trial court.[13] Thereupon the intervenor, Lepanto Consolidated Mining Company, filed the instant petition.

The petitioner assigns the following errors:

"I

THE LOWER COURT ERRED IN HOLDING THAT THE ORIGINAL CERTIFICATE OF TITLE OF PRIVATE RESPONDENTS WERE 'INDEFEASIBLE' SIMPLY BECAUSE THEY WERE ISSUED PURSUANT TO THE REGISTRATION OF THE FREE PATENTS OF THE PRIVATE RESPONDENTS.

"II

THE LOWER COURT ERRED IN HOLDING THAT THE PRIVATE RESPONDENTS ARE ENTITLED TO THE BENEFITS OF REPUBLIC ACT NO. 3872.

"III

THE LOWER COURT ERRED IN HOLDING THAT THE ACQUITTAL OF THE PRIVATE RESPONDENTS IN THE CRIMINAL CASES FOR FALSIFICATION OF PUBLIC DOCUMENTS BARRED THE CIVIL ACTIONS FOR ANNULMENT OF THE FREE PATENTS AND CANCELLATION OF THE ORIGINAL CERTIFICATES OF TITLE OF THE PRIVATE RESPONDENTS."[14]

Timber and mineral lands are not alienable or disposable. The pertinent provisions of the Public Land Act, Commonwealth Act No. 141, provide:

"Sec. 2. The provisions of this Act shall apply to the lands of the public domain; but timber and mineral lands shall be governed

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[12] Annexes "M" and "N", *Rollo*, pp. 107-117.

[13] Annex "O", *Rollo*, pp. 118-120.

[14] Brief for Petitioner, pp. a-b.

Supreme Court E-Library

by special laws and nothing in this Act provided shall be understood or construed to change or modify the administration and disposition of the lands commonly called 'friar lands' and those which, being privately owned, have reverted to or become the property of the Commonwealth of the Philippines, which administration and disposition shall be governed by the laws at present in force or which may hereafter be enacted."

"Sec. 6. The President, upon the recommendation of the Secretary of Agriculture and Commerce, shall from time to time classify the lands of the public domain into —

(a) Alienable or disposable,
(b) Timber, and
(c) Mineral lands,

and may at any time and in a like manner transfer such lands from one class to another, for the purposes of their administration and disposition."

The principal factual issue raised by the plaintiff, Republic of the Philippines represented by the Director of Lands, and the intervenor, petitioner herein, is that the lands covered by the patents and certificates of title are timber lands and mineral lands and, therefore, not alienable. Without receiving evidence, the trial court dismissed the three (3) cases on the ground that upon the issuance of the free patents on November 26, 1960, said patents were duly registered in the Office of the Registry of Deeds of Baguio pursuant to Section 122 of Act 496, as amended, and said properties became the private properties of the defendants under the operation of Section 38 of the Land Registration Act. The trial court concluded that these titles enjoy the same privileges and safeguards as the torrens title, and Original Certificates of Title Nos. P-208, P-209 and P-210 of the defendants are now indefeasible.

In its order denying the motion for reconsideration the trial court said:

"On the ground of lack of jurisdiction on the part of the Director of Lands to dispose of the properties since they are within the forest zone, the court finds Republic Act No. 3872, to clear this point. Section 1, amending Section 44 of the Land Act in its second paragraph states:

Supreme Court E-Library

> 'A member of the national cultural minorities who has continuously occupied and cultivated, either by himself or through his predecessors-in-interest, a tract or tracts of land, whether disposable or not since July 4, 1955, shall be entitled to the right granted in the preceding paragraph of this section: PROVIDED, that at the time he files his free patent application, he is not the owner of any real property secured or disposable under this provision of the Public Land Law.'

The 'preceding paragraph' refers to the right of a person to have a free patent issued to him, provided he is qualified, which in this case the Director of Lands has the jurisdiction to dispose, whether the land be disposable or not. This provision of law, certainly, applies to herein defendants. The reason for this law is explicit and could very well be seen from its EXPLANATORY NOTE, which reads:

> 'Because of the aggresiveness of our more enterprising Christian brothers in Mindanao, Mountain Province, and other places inhabited by members of the National Cultural Minorities, there has been an exodus of the poor and less fortunate non-christians from their ancestral homes during the last ten years to the fastnesses of the wilderness where they have settled in peace on portions of agricultural lands, unfortunately, in most cases, within the forest zones. But this is not the end of the tragedy of the national cultural minorities. Because of the grant of pasture leases or permits to the more aggressive Christians, these National Cultural Minorities who have settled in the forest zones for the last ten years have been harassed and jailed or threatened with harassment and imprisonment.
>
> The thesis behind the additional paragraph to Section 44 of the Public Land Act is to give the national cultural minorities a fair chance to acquire lands of the public domain.' x x x.

It is for this reason — that is, to give these national cultural minorities who were driven from their ancestral abodes, a fair chance to acquire lands of the public domain —, that Republic Act 3872 was passed. This is the new government policy on liberalization of the free patent provisions of the Public Land Act emphasizing more consideration to and sympathy on the members of the national cultural minorities, which our courts of justice must uphold."[15]

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[15] Annex "O", *Rollo*, pp. 119-120.

Supreme Court E-Library

The trial court assumed without any factual basis that the private respondents are entitled to the benefits of Republic Act 3872. The pertinent provision of Republic Act No. 3872 reads:

"SECTION 1. A new paragraph is hereby added to Section 44 of Commonwealth Act Numbered One hundred forty-one, to read as follows:

"SEC. 44. Any natural-born citizen of the Philippine who is not the owner of more than twenty-four hectares and who since July fourth, nineteen hundred and twenty-six or prior thereto, has continuously occupied and cultivated, either by himself or through his predecessors-in-interest, a tract or tracts of agricultural public lands subject to disposition, or who shall have paid the real estate tax thereon while the same has not been occupied by any person shall be entitled, under the provisions of this chapter, to have a free patent issued to him for such tract or tracts of such land not to exceed twenty-four hectares.

"A member of the national cultural minorities who has continuously occupied and cultivated, either by himself or through his predecessors-in-interest, a tract or tracts of land, whether disposable or not since July 4, 1955, shall be entitled to the right granted in the preceding paragraph of this section: Provided, That at the time he files his free patent application he is not the owner of any real property secured or disposable under this provision of the Public Land Law."

There is no evidence that the private respondents are members of the National Cultural Minorities; that they have continuously occupied and cultivated either by themselves or through their predecessors-in-interest the lands in question since July 4, 1955; and that they are not the owner of any land secured or disposable under the Public Land Act at the time they filed the free patent applications. These qualifications must be established by evidence. Precisely, the intervenor, petitioner herein, claims that it was *in possession of the lands in question when the private respondents* applied for free patents thereon.

It was premature for the trial court to rule on whether or not the titles based on the patents awarded to the private respondents have become indefeasible. It is well settled that a certificate of title is void when it covers property of public domain classified

Supreme Court E-Library

as forest or timber and mineral lands. Any title issued on non-disposable lots even in the hands of alleged innocent purchaser for value, shall be cancelled.[16] In *Director of Lands vs. Abanzado*[17] this Court said:

"4. To complete the picture, reference may be made to the learned and scholarly opinion of Justice Sanchez in *Director of Forestry v. Muñoz,* a 1968 decision. After a review of Spanish legislation, he summarized the present state of the law thus: 'If a Spanish title covering forest land is found to be invalid, that land is public forest land, is part of the public domain, and cannot be appropriated. Before private interests have intervened, the government may decide for itself what portions of the public domain shall be set aside and reserved as forest land. Possession of forest lands, however long, cannot ripen into private ownership.' Nor is this all. He reiterated the basic state objective on the matter in clear and penetrating language: 'The view this Court takes of the cases at bar is but in adherence to public policy that should be followed with respect to forest lands. Many have written much, and many more have spoken, and quite often, above the pressing need for forest preservation, conservation, protection, development and reforestation. Not without justification. For, forests constitute a vital segment of any country's natural resources. It is of common knowledge by now that absence of the necessary green cover on our lands produces a number of adverse or ill effects of serious proportions. Without the trees, watersheds dry up; rivers and lakes which they supply are emptied of their contents. The fish disappears. Denuded areas become dust bowls. As waterfalls cease to function, so will hydroelectric plants. With the rains, the fertile topsoil is washed away; geological erosion results. With erosion come the dreaded floods that wreak havoc and destruction to property — crops, livestock, houses and highways — not to mention precious human lives, x x x.'"

The acquittal of the private respondents in the criminal cases for falsification is not a bar to the civil cases to cancel their titles. The only issue in the criminal cases for falsification was whether there was evidence beyond reasonable doubt that the private respondents had committed the acts of falsification alleged

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[16] *Ledesma vs. Municipality of Iloilo*, 49 Phil. 769.

[17] 65 SCRA 5.

Supreme Court E-Library

in the informations. The factual issues of whether or not the lands in question are timber or mineral lands and whether or not the private respondents are entitled to the benefits of Republic Act No. 3872 were not in issue in the criminal cases.

There is need to remand these cases to the trial court for the reception of evidence on (1) whether or not the lands in question are timber and mineral lands; and (2) whether the private respondents belong to the cultural minorities and are qualified under Republic Act 3872 to be issued free patents on said lands.

WHEREFORE, the order dismissing Civil Cases Nos. 1968, 1969 and 1970 of the Court of First Instance of Baguio City is hereby set aside and said cases are remanded to the trial court for further proceedings, without pronouncement as to costs.

SO ORDERED.

Teehankee (Chairman), Makasiar, Guerrero, De Castro, and *Melencio Herrera, JJ.*, concur.

FIRST DIVISION

[G.R. No. L-31845. April 30, 1979]

GREAT PACIFIC LIFE ASSURANCE COMPANY, *petitioner, vs.* **HONORABLE COURT OF APPEALS,** *respondents.*

[G.R. No. L-31878. April 30, 1979]

LAPULAPU D. MONDRAGON, *petitioner, vs.* **HON. COURT OF APPEALS and NGO HING,** *respondents.*