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complained of, to avoid future litigations.[7] However, the records before us do not show that petitioner's case falls within any of the above-mentioned exceptional instances.

The assailed decision of the respondent appellate court having become final and executory and entry thereof having been made, this Court will not disturb the same.

WHEREFORE, the petition is *DISMISSED*. Costs against petitioner.

SO ORDERED.

Melencio-Herrera (Chairperson), Paras, Sarmiento, and *Regalado, JJ.*, concur.

FIRST DIVISION

[G.R. No. 88233. October 4, 1991]

OSCAR NATIVIDAD, BARTOLOME RAMOS and EUGENIO PASCUAL, *petitioners, vs.* **THE COURT OF APPEALS and REPUBLIC OF THE PHILIPPINES,** *respondents.*

SYLLABUS

1. CIVIL LAW; PUBLIC LAND ACT (C.A. NO. 141); ALIENABLE PUBLIC LAND, MAY BE CONVERTED TO PRIVATE OWNERSHIP THROUGH ACQUISITIVE PRESCRIPTION. — In *Susi vs. Razon* (48 Phil. 424), this Court ruled that "open, continuous, adverse and public possession of a land of the public domain from time immemorial by a private individual personally and through his predecessors confers an effective title on said possessor, whereby the land ceases to be public, to become

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[7] *Mercado vs. CA*, G.R. No. L-44001, 10 June 1988, 162 SCRA 75.

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private property." In *Director of Lands vs. Intermediate Appellate Court and Acme Plywood & Veneer Co., Inc.*, 146 SCRA 509, this Court upheld the doctrine that "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."

2. **ID.; ID.; PROHIBITION AGAINST CONFIRMATION OF TITLE IN FAVOR OF CORPORATION, NOT APPLICABLE IN CASE AT BAR.** — The Director's contention that a corporation may not apply for confirmation of title under Section 48 of Commonwealth Act 141, the Public Land Act, was disposed of in the *Acme* case where this Court ruled that the defect in filing the confirmation proceedings in the name of a corporation was simply an "accidental circumstance, . . . in nowise affecting the substance and merits of the right of ownership sought to be confirmed in said proceedings." Since the petitioners could have had their respective titles confirmed prior to the sale to TCMC, it was not necessary for the corporation to take the circuitous route of assigning to natural persons its rights to the lots for the purpose of complying, on paper, with the technicality of having natural persons file the applications for confirmation of title to the private lands.

3. **POLITICAL LAW; CONSTITUTIONAL LAW; NATIONAL ECONOMY AND PATRIMONY; PROHIBITION AGAINST ACQUISITION OF ALIENABLE PUBLIC LAND BY CORPORATION, NOT APPLICABLE IN CASE AT BAR.** — Under the facts of this case and pursuant to the above rulings, the parcels of land in question had already been converted to private ownership through acquisitive prescription by the predecessors-in-interest of TCMC when the latter purchased them in 1979. All that was needed was the confirmation of the titles of the previous owners or predecessors-in-interest of TCMC. Being already private land when TCMC bought them in 1979, the prohibition in the 1973 Constitution against corporations acquiring *alienable lands of the public domain* except through lease (Article XIV, Section 11, 1973 Constitution) did not apply to them for they were no longer alienable lands of the public domain but private property.

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APPEARANCES OF COUNSEL

Aladdin F. Trinidad for petitioners.

D E C I S I O N

GRIÑO-AQUINO, *J.*:

This is a petition for review of the decision dated August 25, 1988 of the Court of Appeals (Annex G, Petition) reversing the judgment of the Regional Trial Court, Branch 31, Makati, Metro Manila, that allowed the registration in the names of petitioners Oscar Natividad, Eugenio Pascual and Bartolome Ramos of six (6) parcels of land which had originally been applied for by Tomas Claudio Memorial College, Inc. (TCMC for short) in LRC Case No. 10585.

The facts set forth in the decision of the Court of Appeals are as follows:

On January 18, 1982, Tomas Claudio Memorial College, Inc. (TCMC) filed in the Court of First Instance of Rizal, Branch 19 (now Regional Trial Court, Branch 137) an application for registration of title to six (6) parcels of land designated as lots 3010, 3011, 2855, 2853, 2851 and 5650 each respectively containing an area of 2,269, 11,672, 2,273, 3,422, 11,183 and 1,178 square meters, more or less. These lots are situated in Barrio San Juan, Morong, Rizal (Appellees' Brief, p. 208, *Rollo*).

On August 16, 1982, the Director of Lands opposed the application (pp. 151-152, Records) on the grounds among others that:

1. Neither the applicant (TMC) nor its predecessors-in-interest have been in open, continuous, exclusive and notorious possession and occupation of the land in question since June 12, 1945 or prior thereto (Sec. 48[b], P.D. 1073);

2. The muniments of title and/or the tax declarations and tax payments receipts, if any, alleged in the application, do not constitute sufficient evidence of a *bona fide* acquisition of the lands applied for x x x;

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3. The parcels applied for are portions of the public domain belonging to the Republic of the Philippines not subject to private appropriation; and

4. The applicant is a private corporation disqualified under the New Philippine Constitution to hold alienable land of the public domain (Sec. 11, Art. XVI, New Constitution; *Meralco vs. Judge Bartolome*, G.R. No. L-49623, June 29, 1982; *Republic vs. Villanueva*, G.R. No. 55289, June 29, 1982).

On November 19, 1982, TCMC filed a motion for substitution (pp. 238-241, Records), praying that it be substituted by petitioners Oscar Natividad, Eugenio Pascual and Bartolome Ramos because on November 9, 1982, it sold to them the six parcels of land subject of its application. The motion was granted by the lower court in an Order dated November 22, 1982 (p. 247, Records).

Accordingly, in lieu of TCMC, the petitioners thereafter adduced evidence in support of the application, showing that the original owners had possessed and cultivated the land as owners for more than 30 years before they were sold to TCMC. Thus, did the witnesses for the applicants testify:

"(a) Oscar J. Natividad, 55 years old, college professor and resident of 111 Calero St., Morong, Rizal declared that he is the present owner and possessor of Lot 3011; that on November 9, 1982, he purchased Lot 3011 from Tomas Claudio Memorial College, Inc. (Exh. E-Natividad) which in turn purchased it from the heirs of Geronimo Manapat namely Tiburcio Manapat and Manuel Manapat (Exhs. K-L, Natividad) who inherited the same upon the death of their father Geronimo in 1937; that the survey plan of Lot 3011 was approved by the Director of Lands (Exh. F-Natividad); that Lot 3011 was declared for taxation purposes (Exhs. 1, 0, Q, R, S) and the realty taxes for the year covering 1966 up to 1982 were paid (Exhs. J, I, T) (pp. 1-13, tsn. Nov. 13, 1982);

"(b) Crispin Manapat, 54 years old, farmer and resident of Pililla, Rizal, declared that he is the son of Tiburcio Manapat; that Oscar J. Natividad and his predecessors-in-interest Tomas Claudio Memorial College, Inc., Tiburcio Manapat, Manuel Manapat and Geronimo Manapat possessed Lot 3011 continuously openly, adversely and exclusively for over thirty (30) years; that he and his father Tiburcio

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Manapat used to till said land before it was sold to Tomas Claudio Memorial College, Inc. (pp. 9-13, tsn., Nov. 23, 1982).

"(c) Eugenio Pascual, 74 years old, vice-president of Tomas Claudio Memorial College and resident of Morong, Rizal declared that he is the present owner and possessor of Lots 2851 and 2853; that on November 9, 1982, he purchased Lots 2851 and 2853 from Tomas Claudio Memorial College, Inc. (Exh. E-Pascual) which in turn purchased them from the heirs of Simeon Bonifacio on June 29, 1978 (Exh. L-Pascual); that Simeon Bonifacio had been the owner of Lots 2851 and 2853 about fifteen years prior to World War II: that the survey plans of Lots 2851 and 2853 were approved by the Director of Lands (Exhs. F, 6-Pascual); that Lots 2851 and 2853 were declared for taxation purposes (Exhs. M to M-4 Pascual) and the realty taxes for the years covering 1950 up to 1982 were paid (Exhs. N to N-Q; O, P-Pascual) (pp. 1-9, tsn., Dec. 10, 1982).

"(d) Victor Bonifacio, 45 years old, farmer and resident of Morong, Rizal, declared that he is the grandson of Simeon Bonifacio who was the original owner of Lots 2851 and 2853; that his grandfather worked on their properties for forty years; that when his grandfather died before the Second World War, his father Apolonio and his uncles Lucio, Gaudencio and Jose inherited said properties and worked on them until they were sold to Tomas Claudio Memorial College, Inc. on 29 June 1979; that applicant Eugenio Pascual and his predecessors-in-interest owned and possessed said properties continuously, openly, adversely and exclusively for over thirty (30) years.

"(e) Bartolome R. Ramos, 44 years old, employee of Tomas Claudio Memorial College, Inc. and resident of Morong, Rizal, declared that he is the present owner and possessor of lots 5650, 2855, and 3010; that on November 9, 1982, he purchased lots 5650, 2855 and 3010 from Tomas Claudio Memorial College, Inc. (Exh. E-Ramos); that Tomas Claudio Memorial College, Inc. purchased lot 5650 from the heirs of Marcos Trinidad on June 27, 1978 (Exh. 1-Ramos), lot 2855 from the heirs of Domingo Gonzalvo and Modesta Manapat on January 15, 1981 and lot 3010 from Mariano de Castro on December 5, 1979 (Exh. R-Ramos); that the survey plans of lots 5650, 2855 and 3010 were approved by the Director of Lands (Exhs. F, M, S-Ramos); that said lots were declared for taxation purposes (Exhs. J, P, V, X, to X-1; Y to Y-2; AA-Ramos) and the realty taxes for the year 1966 to 1982 (Exhs. J, Q, Z, to Z-2, BB-Ramos);

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"(f) Edilberto Trinidad, 67 years old, farmer, and resident of Morong, Rizal declared that he is the son of Marcos Trinidad who was the original owner and possessor of Lot 5650; that his father worked on said Lot until he died during the Second World War that he and the other heirs of Marcos Trinidad inherited said property from the latter; that the heirs tilled the land until it was sold by them to Tomas Claudio Memorial College, Inc. on 27 June 1979; that applicant Bartolome Ramos and his predecessors-in-interest owned and possessed said land continuously, openly, adversely and exclusively for over thirty (30) years (pp. 4-8, tsn., Dec. 6, 1982).

"(g) Pedro Gonzalvo, 63 years old, carpenter, and resident of Morong, Rizal, declared that he is the son of Domingo Gonzalvo and Modesta Manapat, the original owner/possessor of Lot 2855; that his parents cultivated said land even before the Second World War, planted it with vegetables, mango trees, sampaloc and bananas; that after the death of their parents, he and his brothers, Ireneo, Seferino and Honorio inherited the property; that they cultivated the same until it was sold to Tomas Claudio Memorial, Inc. of (sic) 15 January 1981; that possession of applicant Bartolome Ramos and his predecessors-in-interest over said lot is continuous, openly, adverse and exclusive against the whole world (pp. 7-8, tsn., Dec. 6, 1982).

"(h) Mariano de Castro, 77 years old, farmer and resident of Morong, Rizal declared that his father Juan de Castro was the original owner of lot 3010; that his father planted said lot with peanuts, bamboo and sampaloc trees; that when his father died in 1938 and his mother died in 1965, he, being the only child, inherited the property; that he cultivated the same until it was sold to Tomas Claudio Memorial College, Inc. in 1979; that the possession of applicant Bartolome Ramos and his predecessors-in-interest over said property is continuous, adverse, open, notorious and exclusive against the whole world (pp. 7-11, tsn., Dec. 14, 1980)." (pp. 108-112, *Rollo*.)

On March 16, 1983, the lower court rendered a decision (pp. 248-253, Records), ordering the registration of Lots 3010, 2855, 2853, 2851 and 5650 in the names of Oscar H. Natividad, Eugenio P. Pascual and Bartolome R. Ramos. The dispositive portion of said decision reads:

"WHEREFORE, finding the application to be meritorious, and it appearing that all the applicants have a registerable title over the lots subject of this application, as prayed for, the Court hereby orders

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the registration of title of herein applicant Oscar J. Natividad over lot 3011 x x x Eugenio P. Pascual over Lots 2851 and 2853 x x x Bartolome R. Ramos over Lots 5650, 2855 and 3010 subject to the condition that a width of ten (10) meters strip of Lot 3010 along the Sakayin Creek on the N. along lines 1-2; Sakayin Creek on the NW and SW along lines 4-5-6-7-8-9-1; Sakayin-Creek on the SW along lines 2-3-4-5-6 shall be reserved to the easement of public use for the maintenance and improvement of the channels for flood control and other purposes.

"As soon as this decision shall have become final, let the corresponding decrees be issued in favor of the applicants." (p. 5, Respondents-Appellees Brief, p. 208, *Rollo*.)

The Director of Lands appealed the lower court's decision to the Court of Appeals (formerly Intermediate Appellate Court) alleging that the trial court erred in not holding that the registration of titles of the parcels of land in question in favor of petitioners through substitution was a circumvention of the constitutional prohibition against acquisition by private corporations of alienable lands of the public domain and that furthermore, petitioners failed to adduce adequate and substantial proof that they and their predecessors-in-interest had been in open, continuous, exclusive and notorious possession in the concept of owners since June 12, 1945 or prior thereto, as required by law.

The petitioners did not file their appellees' brief.

On August 25,1988, the Court of Appeals reversed the lower court's decision and denied the application for registration of title in petitioners' names.

Petitioners' motion for reconsideration was denied by the Court of Appeals, hence, the present recourse (pp. 1-7, Appellees' Brief, p. 208, *Rollo*).

The issue raised in the petition for review is whether TCMC, may by itself, or through its vendees, register the titles of the lots in question.

Determinative of this issue is the character of the parcels of land — whether they were still public land or already private — when the registration proceedings were commenced. If they

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were already private lands, the constitutional prohibition against acquisition by a private corporation would not apply (*Director of Lands vs. Intermediate Appellate Court and Acme Plywood & Veneer Co., Inc.*, 146 SCRA 509).

Section 48 of Commonwealth Act No. 141, the Public Land Act, provides:

"SEC. 48. The following described citizens of the Philippines, occupying lands of public domain or claiming to own any such lands or an interest therein, but whose titles have not been perfected or completed, may apply to the Court of First Instance of the province where the land is located for the confirmation of their claims and the issuance of a certificate of title therefor, under the Land Registration Act, to wit:

x x x x x x x x x

"(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."

On the other hand, Article XIV, Section 11, of the 1973 Constitution, in part, provides:

"SEC. 11. x x x. No private corporation or association may hold alienable lands of the public domain except by lease not to exceed one thousand hectares in area, nor may any citizen hold such lands by lease in excess of five hundred hectares x x x."

The thrust of the argument of the Director of Lands is that the sales of the parcels of land to the petitioners were sham transactions intended to circumvent the constitutional prohibition disqualifying a private corporation from acquiring alienable lands of the public domain.

In *Susi vs. Razon* (48 Phil. 424), this Court ruled that "open, continuous, adverse and public possession of a land of the public

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domain from time immemorial by a private individual personally and through his predecessors confers an effective title on said possessor, whereby the land ceases to be public, to become private property."

In the *Acme* case, *supra*, this Court upheld the doctrine that "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." We said:

"Nothing can more clearly demonstrate the logical inevitability of considering possession of public land which is of the character and duration prescribed by statute as the equivalent of an express grant from the State than the dictum of the statute itself that the possessor(s) '. . . shall be *conclusively presumed* to have performed all the conditions essential to a Government grant and shall be entitled to a certificate of title x x x.' No proof being admissible to overcome a conclusive presumption, confirmation proceedings would in truth be little more than a formality, at the most limited to ascertaining whether the possession claimed is of the required character and length of time; and registration thereunder would not confer title, but simply recognize a title already vested. The proceedings would not originally convert the land from public to private land, but only confirm such conversion already affected (sic) from the moment the required period of possession became complete." (*Director of Lands vs. IAC and Acme Plywood & Veneer Co., Inc.*, 146 SCRA 509, 520.)

Under the facts of this case and pursuant to the above rulings, the parcels of land in question had already been converted to private ownership through acquisitive prescription by the predecessors-in-interest of TCMC when the latter purchased them in 1979. All that was needed was the confirmation of the titles of the previous owners or predecessors-in-interest of TCMC.

Being already private land when TCMC bought them in 1979, the prohibition in the 1973 Constitution against corporations acquiring *alienable lands of the public domain* except through lease (Article XIV, Section 11, 1973 Constitution) did not apply to them for they were no longer alienable lands of the public domain but private property.

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The Director's contention that a corporation may not apply for confirmation of title under Section 48 of Commonwealth Act 141, the Public Land Act, was disposed of in the *Acme* case where this Court ruled that the defect in filing the confirmation proceedings in the name of a corporation was simply an "accidental circumstance, x x x in nowise affecting the substance and merits of the right of ownership sought to be confirmed in said proceedings." (*Director of Lands vs. IAC and Acme Plywood & Veneer Co., Inc.*, 146 SCRA 509, 522.) Since the petitioners could have had their respective titles confirmed prior to the sale to TCMC, it was not necessary for the corporation to take the circuitous route of assigning to natural persons its rights to the lots for the purpose of complying, on paper, with the technicality of having natural persons file the applications for confirmation of title to the private lands.

WHEREFORE, the petition for review is granted and the assailed decision of the Court of Appeals is set aside. The order of the Regional Trial Court dated March 16, 1983 is reinstated.

SO ORDERED.

Narvasa, Cruz, and *Medialdea, JJ.*, concur.

FIRST DIVISION

[G.R. No. 91109. October 4, 1991]

SARKIES AND MOLAVE TOURS CORPORATION, *petitioner, vs.* **NATIONAL LABOR RELATIONS COMMISSION (First Division) AND JIMMY ANTONIO,** *respondents.*