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**SECOND DIVISION**

[G.R. No. 180463. January 16, 2013]

**REPUBLIC OF THE PHILIPPINES,** *petitioner, vs.* **AFP RETIREMENT AND SEPARATION BENEFITS SYSTEM,**[*] *respondent,* **HEIRS OF CABALO KUSOP and ATTY. NILO J. FLAVIANO,** *respondents-intervenors.*

**SYLLABUS**

**1. CIVIL LAW; LAND TITLES AND DEEDS; SALES PATENTS ISSUED AFTER THE LAND HAD LOST ITS ALIENABLE AND DISPOSABLE CHARACTER ARE NULL AND VOID.—** [T]he sales patents over Lot X are null and void, for at the time the sales patents were applied for and granted, the land had lost its alienable and disposable character. It was set aside and was being utilized for a public purpose, that is, as a recreational park. Under Section 83 of CA 141, "the President may designate by proclamation any tract or tracts of land of the public domain as reservations for the use of the Commonwealth of the Philippines or of any of its branches, or of the inhabitants thereof, in accordance with regulations prescribed for this purpose, or for quasi-public uses or purposes, when the public interest requires it, including reservations for highways, rights of way for railroads, hydraulic power sites, irrigation systems, communal pastures or *leguas comunales*, public parks, public quarries, public fishponds, workingmen's village and other improvements for the public benefit." And under the present Constitution, national parks are declared part of the public domain, and shall be conserved and may not be increased nor diminished, except by law. x x x Respondents-intervenors no longer had any right to Lot X — not by acquisitive prescription, and certainly not by sales patent.

**2. ID.; ID.; ID.; A PARTY IN WHOSE NAME SALES PATENTS HAS BEEN ISSUED CANNOT FEIGN IGNORANCE OF**

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[*] Also referred to as AFP Retirement and Separation Benefit System in some parts of the records.

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**THE LAW WHICH RESERVES CERTAIN LANDS FOR RECREATION AND HEALTH PURPOSES.—** Respondents-intervenors' actions betray their claim of ownership to Lot X. When Proc. 168 was issued, they did not institute action to question its validity, using as cause of action their claimed ownership and title over the land. The same is true when Proc. 2273 came out. They did not file suit to invalidate it because it contravenes their claimed ownership over Lot X. They simply sat and waited for the good graces of the government to fall on their laps. They simply waited for the State to declare them beneficiaries of the land. And when the President failed to include Lot X in Proc. 2273 and declare it open for disposition to them as beneficiaries, they filed their applications for issuance of miscellaneous sales patents over said lot. All these actions are anathema to a claim of ownership, and instead indicate a willingness to abide by the actions of the State, a show of respect for its dominion over the land. Under the law, respondents-intervenors are charged with knowledge of the law; they cannot feign ignorance. In fact, they could not claim to be unaware of Proc. 168, for precisely they hid under its protective mantle to seek the invalidation of a donation claimed to have been made by them to one Jose Tayoto. Thus, in *Tayoto v. Heirs of Kusop*, an alleged donee (Tayoto) of property located within Lots X, Y-1, and Y-2 filed a case for quieting of title against the donors – herein respondents-intervenors – to protect the property which they allegedly donated to him, which was then in danger of being lost for the reason that respondents-intervenors supposedly reneged on the donation. Respondents-intervenors filed an urgent motion to dismiss the Complaint claiming, among others, the "invalidity of the donation as the subject thereof had not yet been excluded from the Magsaysay Park." x x x For obvious reasons, respondents-intervenors should have, as early as 1990 when the above Decision was promulgated, taken exception to its pronouncements if they rightfully believed that the property covered by Proc. 168 (which included Lot X) rightfully belonged to them. Yet they did not. Instead, after seven long years or in 1997, they filed their applications for the issuance of miscellaneous sales patents over Lot X. This act of filing applications for the issuance of miscellaneous sales patents in their name, taken in conjunction with all the other attendant circumstances, constitutes an express

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acknowledgment that the land does not belong to them, but to the State.

**3. ID.; ID.; ID.; WHERE POSSESSION SINCE TIME IMMEMORIAL CANNOT SUPPORT A CLAIM OF OWNERSHIP OR APPLICATION FOR PATENT.—** While it is true that possession since time immemorial could result in the acquisition of title without need of judicial or other action, respondents-intervenors' actions and conduct, as shown above, not only negate the application of such principle, but in fact point to the opposite. x x x Contrary to the CA's pronouncements, proof or evidence of possession since time immemorial becomes irrelevant and cannot support a claim of ownership or application for a patent, not only because respondents-intervenors have conceded ownership to the State, but also on account of the fact that Lot X has been withdrawn from being alienable and disposable public land, and is now classified and being used as a national park. It has ceased to be alienable, and no proof by the respondents-intervenors will operate to bolster their claim; Lot X will never be awarded to them or to anybody so long as it is being used as a public park or reserve.

**4. ID.; ID.; TITLE ISSUED COVERING NON-DISPOSABLE LOT SHALL BE CANCELLED.—** [A]s regards AFP-RSBS' rights, the Court sustains the petitioner's view that "[a]ny title issued covering non-disposable lots even in the hands of an alleged innocent purchaser for value shall be cancelled." We deem this case worthy of such principle. Besides, we cannot ignore the basic principle that a spring cannot rise higher than its source; as successor-in-interest, AFP-RSBS cannot acquire a better title than its predecessor, the herein respondents-intervenors. Having acquired no title to the property in question, there is no other recourse but for AFP-RSBS to surrender to the rightful ownership of the State.

**APPEARANCES OF COUNSEL**

*The Solicitor General* for petitioner.

*Rodolfo G. Rabaja & Rolando G. Borja* for AFP-RSBS.

*Flaviano Oclarit Oquendo & Associates* for Heirs of Cabalo Kusop.

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**D E C I S I O N**

**DEL CASTILLO, *J.*:**

The processes of the State should not be trifled with. The failure of a party to avail of the proper remedy to acquire or perfect one's title to land cannot justify a resort to other remedies which are otherwise improper and do not provide for the full opportunity to prove his title, but instead require him to concede it before availment.

Certificates of title issued covering inalienable and non-disposable public land, even in the hands of an alleged innocent purchaser for value, should be cancelled.

Before us is a Petition for Review on *Certiorari*[1] questioning the October 26, 2007 Decision[2] of the Court of Appeals (CA) in CA-G.R. CV No. 75170, which reversed the November 5, 2001 Decision[3] of the Regional Trial Court (RTC), Branch 23 of General Santos City in Civil Case No. 6419.

***Factual Antecedents***

Lots X, Y-1 and Y-2 — lands of the public domain consisting of 52,678 square meters located in Barrio Dadiangas, General Santos Municipality (now General Santos City) — were reserved for recreation and health purposes by virtue of Proclamation No. 168[4] (Proc. 168), which was issued in 1963. In 1983, Proclamation No. 2273[5] (Proc. 2273) was issued amending

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[1] *Rollo,* pp. 8-57.

[2] *Id.* at 59-80; penned by Associate Justice Mario V. Lopez and concurred in by Associate Justices Romulo V. Borja and Elihu A. Ybañez.

[3] *Id.* at 81-94; penned by Judge Jose S. Majaducon.

[4] RESERVING FOR RECREATIONAL AND HEALTH RESORT SITE PURPOSES A CERTAIN PARCEL OF LAND OF THE PUBLIC DOMAIN SITUATED IN THE MUNICIPALITY OF GENERAL SANTOS, PROVINCE OF COTABATO, ISLAND OF MINDANAO.

[5] EXCLUDING FROM THE OPERATION OF PROCLAMATION NO. 168, DATED OCTOBER 3, 1963, WHICH ESTABLISHED THE

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Proc. 168, and removing and segregating Lots Y-1 and Y-2 from the reservation and declaring them open for disposition to qualified applicants. As a result, only Lot X — which consists of 15,020 square meters — remained part of the reservation now known as Magsaysay Park.

The record discloses that respondents-intervenors waged a campaign — through petitions and pleas made to the President — to have Lots Y-1 and Y-2 taken out of the reservation for the reason that through their predecessor Cabalo Kusop (Kusop), they have acquired vested private rights over these lots. This campaign resulted in Proc. 2273, which re-classified and returned Lots Y-1 and Y-2 to their original alienable and disposable state.

In 1997, respondents-intervenors filed applications[6] for the issuance of individual miscellaneous sales patents over the whole of Lot X with the Department of Environment and Natural Resources (DENR) regional office in General Santos City, which approved them. Consequently, 16 original certificates of title[7] (OCTs) covering Lot X were issued in the names of respondents-intervenors and several others. In September 1997, these 16 titles were simultaneously conveyed[8] to herein respondent AFP-Retirement and Separation Benefits System (AFP-RSBS), resulting in the issuance of 16 new titles (the AFP-RSBS titles) — Transfer Certificates of Title (TCT) No. T-81051 through T-81062, T-81146-T-81147, and T-81150-T-81151.[9]

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RECREATIONAL AND HEALTH RESORT RESERVATION SITUATED IN THE MUNICIPALITY OF GENERAL SANTOS CITY, ISLAND OF MINDANAO, CERTAIN PORTIONS OF THE LAND EMBRACED THEREIN AND DECLARING THE SAME OPEN TO DISPOSITION UNDER THE PROVISIONS OF THE PUBLIC LAND ACT.

[6] Exhibits "D to D-15", Folder of Exhibits for Plaintiff.

[7] Exhibits "E to E-15", *id.*

[8] See Deeds of Absolute Sale, Exhibits "F to F-15," *id.*

[9] Exhibits "G to G-15", *id.*

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On September 11, 1998, herein petitioner Republic of the Philippines instituted Civil Case No. 6419, which is a Complaint[10] for reversion, cancellation and annulment of the AFP-RSBS titles, on the thesis that they were issued over a public park which is classified as inalienable and non-disposable public land.

Respondents-intervenors intervened[11] in Civil Case No. 6419, and, together with the defendant AFP-RSBS, argued that their predecessor-in-interest Kusop had acquired vested interests over Lot X even before Proc. 168 was issued, having occupied the same for more than 30 years. They claimed that these vested rights, taken together with the favorable recommendations and actions of the DENR and other government agencies to the effect that Lot X was alienable and disposable land of the public domain, as well as the subsequent issuance of sales patents and OCTs in their names, cannot be defeated by Proc. 168. They added that under Proc. 168, private rights are precisely recognized, as shown by the preliminary paragraph thereof which states:

> Upon the recommendation of the Secretary of Agriculture and Natural Resources and pursuant to the authority vested in me by law, I, Diosdado Macapagal, President x x x, do hereby withdraw from sale or settlement and reserve for recreational and health resort site purposes, under the administration of the municipality of General Santos, **subject to private rights, if any there be** x x x[12] (Emphasis supplied.)

### *Ruling of the Regional Trial Court*

On November 5, 2001, the trial court rendered judgment nullifying the AFP-RSBS titles and ordering the return of Lot X to the Republic, with the corresponding issuance of new titles in its name. The trial court ruled that the respondents-intervenors — having benefited by the grant, through Proc. 2273, of Lots Y-1 and Y-2 to them — can no longer claim Lot X, which has been specifically declared as a park reservation under

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[10] *Rollo*, pp. 95-105.

[11] Records, Vol. 1, pp. 158-162.

[12] See Proc. 168, Exhibit "A", Folder of Exhibits for Plaintiff.

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Proc. 168 and further segregated under Proc. 2273. In other words, their private rights, which were guaranteed under Proc. 168, have already been recognized and respected through the subsequently issued Proc. 2273; as a consequence, the succeeding sales patents and OCTs in the names of the respondents-intervenors should be declared null and void not only for being in violation of law, but also because respondents-intervenors did not deserve to acquire more land.

***Ruling of the Court of Appeals***

The CA reduced the issues for resolution to just two: 1) whether the respondents-intervenors acquired vested rights over Lot X, and 2) whether AFP-RSBS is a buyer in good faith.[13] It went on to declare that Lot X was alienable and disposable land, and that respondents-intervenors' predecessor-in-interest acquired title by prescription, on the basis of the documentary evidence presented:

1. Report to the President of the Republic dated August 2, 1982 by the Board of Liquidators, recommending the amendment of Proc. 168 to recognize and respect the rights of respondents-intervenors' predecessors-in-interest, who have been in possession of portions of the reservation since time immemorial;[14]

2. Report of District Land Officer Buenaventura Gonzales of the Bureau of Lands, dated May 26, 1975, likewise stating that respondents-intervenors' predecessors-in-interest have been in possession of portions of the reservation since time immemorial, and that for this reason, Proc. 168 was never in force and effect;[15]

3. Report of Deputy Public Land Inspector Jose Balanza of the Bureau of Lands, dated May 6, 1976, finding that the property covered by Proc. 168 is private property and within an area declared as alienable and disposable under Project No. 47 per L.C. Map No. 700 established by the then Bureau of Forestry;[16]

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[13] *Rollo*, p. 66.

[14] *Id.* at 67.

[15] *Id.* at 68-69.

[16] *Id.* at 70.

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4. Tax Declaration No. 716 in the name of Cabalo Kusop and its subsequent revisions;[17]

5. Certifications issued by the (then) municipal treasurer of General Santos and official receipts showing payment of taxes from 1945-1972;[18]

6. Sworn declaration of ownership submitted to the Philippine Constabulary;[19]

7. 1975 letter of then General Santos Mayor acknowledging that Kusop was in possession of Lot X even before the war; [and][20]

8. Statements and testimonies of several witnesses.[21]

The CA added that as a consequence of their predecessor's possession of Lot X since time immemorial, respondents-intervenors have acquired title without need of judicial or other action, and the property ceased to be public land and thus became private property.[22] It stressed that while "government has the right to classify portions of public land, the primary right of a private individual who possessed and cultivated the land in good faith much prior to such classification must be recognized and should not be prejudiced by after-events which could not have been anticipated."[23]

The CA went on to justify that the reason why Proc. 2273 did not take Lot X out of the public domain is not because the Executive wanted it to remain a recreational park reserve —

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[17] *Id.* at 73.

[18] *Id.* at 73-74.

[19] *Id.* at 74.

[20] *Id.*

[21] *Id.*

[22] Citing *Director of Lands v. Iglesia ni Kristo*, G.R. No. 54276, August 16, 1991, 200 SCRA 606, 609, and *The Director of Lands v. Intermediate Appellate Court*, 230 Phil. 590, 602 (1986).

[23] Citing *Republic v. Court of Appeals*, 261 Phil. 393, 408 (1990).

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but because the respondents-intervenors were in the process of donating said Lot X to General Santos City, and the President deemed it unnecessary to still place it within the coverage of Proc. 2273.

The CA further ruled that the miscellaneous sales patents issued in the names of the respondents-intervenors affirm their claim of ownership over Lot X, while the OCTs subsequently issued in their names rendered their claim indefeasible.

Finally, the appellate court declared that since respondents-intervenors' titles to Lot X were duly obtained, the sale and transfer thereof to respondent AFP-RSBS should be accorded the same treatment as a sale or transfer made to a purchaser in good faith. Besides, it having been shown that the petitioner is not entitled to Lot X since it already belonged to the respondents-intervenors, petitioner had no right to raise the issue of AFP-RSBS' good or bad faith.

Thus, petitioner's Complaint for reversion was dismissed.

**Issues**

The petition now enumerates the following issues for resolution:

I

BY APPLYING FOR MISCELLANEOUS SALES PATENT, THE HEIRS HAVE ADMITTED THAT LOT X IS PUBLIC LAND. THE EVIDENCE THEY SUBMITTED TO ESTABLISH THEIR ALLEGED PRIVATE OWNERSHIP IS THEREFORE UNAVAILING.

II

THE ALLEGED "VESTED RIGHTS" OF THE HEIRS OVER LOT X CANNOT PREVAIL AGAINST GOVERNMENT OWNERSHIP OF PUBLIC LAND UNDER THE REGALIAN DOCTRINE.

III

THERE IS NO BASIS TO CONCLUDE THAT PROCLAMATION 2273 RECOGNIZED THE OWNERSHIP OF LOT X BY THE HEIRS. NEITHER IS THERE BASIS TO CLAIM THAT THE HEIRS RETAINED OWNERSHIP OF LOT X DUE TO THE FAILURE OF

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THE CITY OF GENERAL SANTOS TO ACCEPT THE DONATION OF LOT X.

IV

AFP-RSBS IS NOT A BUYER IN GOOD FAITH.[24]

***Petitioner's Arguments***

Apart from echoing the pronouncements of the trial court, the Republic, in its Petition and Consolidated Reply,[25] submits that respondents-intervenors' applications for miscellaneous sales patents constitute acknowledgment of the fact that Lot X was public land, and not private property acquired by prescription.

Petitioner argues further that with the express recognition that Lot X is public land, it became incumbent upon respondents-intervenors — granting that they are entitled to the issuance of miscellaneous sales patents — to prove that Lot X is alienable and disposable land pursuant to Commonwealth Act No. 141[26] (CA 141); and that in this regard respondents-intervenors failed. They offered proof, in the form of reports and recommendations made by the Bureau of Lands and the Board of Liquidators, among others, which were insufficient to establish that Lot X was alienable and disposable land of the public domain. Besides, under the law governing miscellaneous sales patents, Republic Act No. 730[27] (RA 730), it is specifically required that the property covered by the application should be one that is not being used for a public purpose. Yet the fact remains that Lot X is being utilized as a public recreational park. This being the case, Lot X should not have qualified for distribution allowable under RA 730.

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[24] *Rollo*, pp. 19-20.

[25] *Id.* at 141-178.

[26] THE PUBLIC LAND ACT. November 7, 1936.

[27] AN ACT TO PERMIT THE SALE WITHOUT PUBLIC AUCTION OF PUBLIC LANDS OF THE REPUBLIC OF THE PHILIPPINES FOR RESIDENTIAL PURPOSES TO QUALIFIED APPLICANTS UNDER CERTAIN CONDITIONS. June 18, 1952.

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Petitioner next insists that if indeed respondents-intervenors have become the owners of Lot X by acquisitive prescription, they should have long availed of the proper remedy or remedies to perfect their title through an action for confirmation of imperfect title or original registration. Yet they did not; instead, they resorted to an application for issuance of miscellaneous sales patents. By so doing, respondents-intervenors conceded that they had not acquired title to Lot X.

Petitioner next advances the view that respondents-intervenors' vested rights cannot prevail as against the State's right to Lot X under the Regalian doctrine. Petitioner argues that the presumption still weighs heavily in favor of state ownership of all lands not otherwise declared private and that since Lot X was not declared open for disposition as were Lots Y-1 and Y-2 by and under Proc. 2273, it should properly retain its character as an inalienable public recreational park.

Finally, petitioner submits that the good or bad faith of AFP-RSBS is irrelevant because any title issued on inalienable public land is void even in the hands of an innocent purchaser for value.[28]

***Respondents' Arguments***

AFP-RSBS and the respondents-intervenors collectively argue that the grounds relied upon by the Republic in the petition involve questions of fact, which the Court may not pass upon. They add that since private rights are explicitly recognized under Proc. 168, the respondents-intervenors' predecessor's prior possession since time immemorial over Lot X should thus be respected and should bestow title upon respondents-intervenors.

They argue that if respondents-intervenors chose the wrong remedy in their attempt to perfect their title over Lot X, this was an innocent mistake that in no way divests such title, which was already perfected and acquired by virtue of their predecessor's open, continuous and uninterrupted possession of Lot X.

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[28] Citing *Republic v. Court of Appeals*, 232 Phil. 444, 457 (1987).

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Finally, they argue that the reports and recommendations of the Bureau of Lands and the Board of Liquidators constitute findings of facts of administrative agencies which thus bind the Court. They add that the presumption arising from the Regalian doctrine may be overcome by proof to the contrary, and that it has in fact been overcome by the evidence presented before the trial court.

**Our Ruling**

The Court grants the Petition.

From the wording of Proc. 168, the land it comprises is subject to sale or settlement, and thus alienable and disposable —

> Upon the recommendation of the Secretary of Agriculture and Natural Resources and pursuant to the authority vested in me by law, **I, Diosdado Macapagal, President x x x, do hereby withdraw from sale or settlement and reserve for recreational and health resort site purposes**, under the administration of the municipality of General Santos, **subject to private rights, if any there be** x x x[29] (Emphasis and underscoring supplied.)

However, this alienable and disposable character of the land covered by the proclamation was subsequently withdrawn, and the land was re-classified by then President Macapagal to pave the way for the establishment of a park reservation, subject only to previously acquired private rights. Respondents-intervenors then lobbied for the exclusion of certain portions of the reservation which they claimed to be theirs, allegedly acquired by their predecessor Kusop through prescription. They were successful, for in 1983, then President Marcos issued Proc. 2273, which excluded and segregated Lots Y-1 and Y-2 from the coverage of Proc. 168. In addition, Proc. 2273 declared Lots Y-1 and Y-2 open for distribution to qualified beneficiaries — which included the herein respondents-intervenors. However, Lot X was retained as part of the reservation.

Respondents-intervenors did not question Proc. 2273, precisely because they were the beneficiaries thereof; nor did they object

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[29] See Proc. 168, Exhibit "A", Folder of Exhibits for Plaintiff.

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to the retention of Lot X as part of the park reserve. Instead, in 1997, they applied for, and were granted, sales patents over Lot X.

Evidently, the sales patents over Lot X are null and void, for at the time the sales patents were applied for and granted, the land had lost its alienable and disposable character. It was set aside and was being utilized for a public purpose, that is, as a recreational park. Under Section 83 of CA 141, "the President may designate by proclamation any tract or tracts of land of the public domain as reservations for the use of the Commonwealth of the Philippines or of any of its branches, or of the inhabitants thereof, in accordance with regulations prescribed for this purpose, or for quasi-public uses or purposes, when the public interest requires it, including reservations for highways, rights of way for railroads, hydraulic power sites, irrigation systems, communal pastures or *leguas comunales*, public parks, public quarries, public fishponds, workingmen's village and other improvements for the public benefit." And under the present Constitution, national parks are declared part of the public domain, and shall be conserved and may not be increased nor diminished, except by law.[30]

The 1935 Constitution classified lands of the public domain into **agricultural, forest or timber**. Meanwhile, the 1973 Constitution provided the following divisions: agricultural, industrial or commercial, residential, resettlement, mineral, timber or forest and grazing lands, and such other classes as may be provided by law, giving the government great leeway for classification. **Then the 1987 Constitution reverted to the 1935 Constitution classification with one addition: national parks**. **Of these, only agricultural lands may be alienated**. x x x[31] (Emphasis supplied.)

Respondents-intervenors no longer had any right to Lot X — not by acquisitive prescription, and certainly not by sales

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[30] CONSTITUTION, Article XII, Sections 3 and 4.

[31] *Secretary of the Department of Environment and Natural Resources v. Yap*, G.R. Nos. 167707 and 173775, October 8, 2008, 568 SCRA 164, 184.

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patent. In fact, their act of applying for the issuance of miscellaneous sales patents operates as an express acknowledgment that the State, and not respondents-intervenors, is the owner of Lot X. It is erroneous to suppose that respondents-intervenors possessed title to Lot X when they applied for miscellaneous sales patents, for the premise of such grant or privilege is precisely that the State is the owner of the land, and that the applicant acknowledges this and surrenders to State ownership. The government, as the agent of the State, is possessed of the plenary power as the persona in law to determine who shall be the favored recipients of public lands, as well as under what terms they may be granted such privilege, not excluding the placing of obstacles in the way of their exercise of what otherwise would be ordinary acts of ownership.[32]

Respondents-intervenors' actions betray their claim of ownership to Lot X. When Proc. 168 was issued, they did not institute action to question its validity, using as cause of action their claimed ownership and title over the land. The same is true when Proc. 2273 came out. They did not file suit to invalidate it because it contravenes their claimed ownership over Lot X. They simply sat and waited for the good graces of the government to fall on their laps. They simply waited for the State to declare them beneficiaries of the land. And when the President failed to include Lot X in Proc. 2273 and declare it open for disposition to them as beneficiaries, they filed their applications for issuance of miscellaneous sales patents over said lot. All these actions are anathema to a claim of ownership, and instead indicate a willingness to abide by the actions of the State, a show of respect for its dominion over the land.

Under the law, respondents-intervenors are charged with knowledge of the law; they cannot feign ignorance. In fact, they could not claim to be unaware of Proc. 168, for precisely they hid under its protective mantle to seek the invalidation of a donation claimed to have been made by them to one Jose Tayoto. Thus, in *Tayoto v. Heirs of Kusop*,[33] an alleged donee (Tayoto)

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[32] *Id.* at 185.

[33] 263 Phil. 269 (1990).

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of property located within Lots X, Y-1, and Y-2 filed a case for quieting of title against the donors — herein respondents-intervenors — to protect the property which they allegedly donated to him, which was then in danger of being lost for the reason that respondents-intervenors supposedly reneged on the donation. Respondents-intervenors filed an urgent motion to dismiss the Complaint claiming, among others, the "invalidity of the donation as the subject thereof had not yet been excluded from the Magsaysay Park."[34] In disposing of the case, the Court made the following pronouncement:

> Be that as it may, the donation is void. There are three essential elements of donations: [1] the reduction of the patrimony of the donor, [2] the increase in the patrimony of the donee, and [3] the intent to do an act of liberality (*animus donandi*). Granting that there is an *animus donandi*, **we find that the alleged donation lacks the first two elements which presuppose the donor's ownership rights over the subject of the donation which he transmits to the donee thereby enlarging the donee's estate**. This is in consonance with the rule that a donor cannot lawfully convey what is not his property. In other words, a donation of a parcel of land the dominical rights of which do not belong to the donor at the time of the donation, is void. This holds true even if the subject of the donation is not the land itself but the possessory and proprietary rights over said land.
>
> In this case, although they allegedly declared Magsaysay Park as their own for taxation purposes, **the heirs of Cabalo Kusop did not have any transmissible proprietary rights over the donated property at the time of the donation. In fact, with respect to Lot Y-2, they still had to file a free patents application to obtain an original certificate of title thereon. This is because Proclamation No. 2273 declaring as 'open to disposition under the provisions of the Public Land Act' some portions of the Magsaysay Park, is not an operative law which automatically vests rights of ownership on the heirs of Cabalo Kusop over their claimed parcels of land**.
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> The import of said quoted proviso in a presidential proclamation is discussed in the aforecited *Republic v. Court of Appeals* case

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[34] *Id.* at 277.

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which dealt with the validity of a donation by a sales awardee of a parcel of land which was later reserved by presidential proclamation for medical center site purposes. We held therein that where the land is withdrawn from the public domain and declared as disposable by the Director of Lands under the Public Land Act, the Sales Award covering the same confers on a sales awardee only a possessory and not proprietary right over the land applied, for. The disposition of the land by the Director is merely provisional as the applicant still has to comply with the requirements of the law before any patent is issued. It is only after the compliance with such requirements that the patent is issued and the land applied for considered 'permanently disposed of by the Government.'

The interpretation of said proviso should even be more stringent in this case considering that with respect to Lot Y-1, the heirs of Cabalo Kusop do not appear to have taken even the initial steps mandated by the Public Land Act for claimants of the land excluded from the public domain. The alleged donation was therefore no more than an exercise in futility.[35] (Emphasis and underscoring supplied.)

For obvious reasons, respondents-intervenors should have, as early as 1990 when the above Decision was promulgated, taken exception to its pronouncements if they rightfully believed that the property covered by Proc. 168 (which included Lot X) rightfully belonged to them. Yet they did not. Instead, after seven long years or in 1997, they filed their applications for the issuance of miscellaneous sales patents over Lot X. This act of filing applications for the issuance of miscellaneous sales patents in their name, taken in conjunction with all the other attendant circumstances, constitutes an express acknowledgment that the land does not belong to them, but to the State.

Neither may respondents-intervenors claim innocent mistake for all their missteps in claiming the subject property as their own. The mistakes are simply too numerous, and respondents-intervenors' inaction since 1963 is too glaring. To repeat, their actions are anathema to a claim of ownership. While it is true that possession since time immemorial could result in the

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[35] *Id.* at 280-281.

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acquisition of title without need of judicial or other action, respondents-intervenors' actions and conduct, as shown above, not only negate the application of such principle, but in fact point to the opposite.

The principle of estoppel "bars [one] from denying the truth of a fact which has, in the contemplation of law, become settled by the acts and proceedings of judicial or legislative officers or by the act of the party himself, either by conventional writing or by representations, express or implied or *in pais*."[36] Besides, respondents-intervenors should not be allowed to trifle with the processes of the State. They cannot resort to other remedies which are improper and do not provide for the opportunity to prove their title, but instead require them to concede it before availment.

Contrary to the CA's pronouncements, proof or evidence of possession since time immemorial becomes irrelevant and cannot support a claim of ownership or application for a patent, not only because respondents-intervenors have conceded ownership to the State, but also on account of the fact that Lot X has been withdrawn from being alienable and disposable public land, and is now classified and being used as a national park. It has ceased to be alienable, and no proof by the respondents-intervenors will operate to bolster their claim; Lot X will never be awarded to them or to anybody so long as it is being used as a public park or reserve.

The CA justifies that Proc. 2273 was issued on the assumption that respondents-intervenors were about to donate Lot X to the city (General Santos City); thus, the President has seen fit not to include it in the proclamation. This is specious. If the President indeed knew of the intended donation, then it was all the more necessary for him to have included Lot X in Proc. 2273 and withdrawn it from the coverage of Magsaysay Park; or else the donation to the city would be null and void, for want of right to donate. Yet he did not. Lot X was retained as part of the park reserve precisely because the respondents-intervenors had

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[36] *Cruz v. Court of Appeals*, 354 Phil. 1037, 1054 (1998).

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no vested right to it. And, far from confirming ownership over Lot X, the Republic is correct in the opinion that the miscellaneous sales patents amount to an acknowledgment that respondents-intervenors' rights are inferior, and cannot defeat ownership over Lot X by the State.

Given the above pronouncements, the CA's ruling on other matters, as well as the respondents' arguments on specific points, become irrelevant and inapplicable, if not necessarily invalidated.

Finally, as regards AFP-RSBS' rights, the Court sustains the petitioner's view that "[a]ny title issued covering non-disposable lots even in the hands of an alleged innocent purchaser for value shall be cancelled."[37] We deem this case worthy of such principle. Besides, we cannot ignore the basic principle that a spring cannot rise higher than its source; as successor-in-interest, AFP-RSBS cannot acquire a better title than its predecessor, the herein respondents-intervenors.[38] Having acquired no title to the property in question, there is no other recourse but for AFP-RSBS to surrender to the rightful ownership of the State.

**WHEREFORE,** premises considered, the Petition is **GRANTED.** The October 26, 2007 Decision of the Court of Appeals in CA-G.R. CV No. 75170 is **ANNULLED** and **SET ASIDE.** The November 5, 2001 Decision of the Regional Trial Court, Branch 23 of General Santos City in Civil Case No. 6419 is **REINSTATED.**

The Register of Deeds of General Santos City is ordered to *CANCEL* Transfer Certificates of Title Nos. T-81051, T-81052, T-81053, T-81054, T-81055, T-81056, T-81057, T-81058, T-81059, T-81060, T-81061, T-81062, T-81146, T-81147, T-81150, and T-81151, and **ISSUE** in lieu thereof, new titles in the name of the Republic of the Philippines.

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[37] *Land Bank of the Philippines v. Republic*, G.R. No. 150824, February 4, 2008, 543 SCRA 453, 467.

[38] *Roa v. Heirs of Ebora*, G.R. No. 161137, March 15, 2010, 615 SCRA 231, 238-239.

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No costs.

**SO ORDERED**.

*Carpio (Chairperson), Perez, Perlas-Bernabe,* and *Leonen,*[**] *JJ.,* concur.

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**FIRST DIVISION**

[G.R. No. 188603. Janaury 16, 2013]

**PEOPLE OF THE PHILIPPINES,** *plaintiff-appellee, vs.* **RAMIL RARUGAL *alias* "AMAY BISAYA,"** *accused-appellant.*

**SYLLABUS**

**1. REMEDIAL LAW; EVIDENCE; CREDIBILITY OF WITNESSES; FACTUAL FINDINGS OF THE TRIAL COURT THEREON AS AFFIRMED BY THE COURT OF APPEALS, ACCORDED RESPECT AND FINALITY.—** This Court has consistently stated that the trial court is in a better position to adjudge the credibility of witnesses, especially if its decision is affirmed by the Court of Appeals. x x x The rationale for these guidelines is that the trial courts are in a better position to decide the question of credibility, having heard the witnesses themselves and having observed firsthand their deportment and manner of testifying under grueling examination. We see no need to depart from the aforestated rules. After a careful review of the records, we find that appellant failed to negate the findings of the trial court with concrete evidence that the latter had overlooked, misconstrued, or misapplied some fact or circumstance of weight and substance that would have affected the result of the case. We agree with the Court of Appeals that the prosecution witness recounted

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[**] Per Special Order No. 1408 dated January 15, 2013.