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its contractual stipulations and pursuing the proper court action to hold petitioners liable for their breach thereof.

WHEREFORE, the instant Petition for Review is *DENIED* and the September 28, 2001 *Decision* of the Court of Appeals in CA-G.R. CV No. 45203 is *AFFIRMED*. Costs against petitioners.

SO ORDERED.

Puno (Chairman) and *Callejo, Sr., JJ.,* concur.

Austria-Martinez, J., no part.

Chico-Nazario, J., on leave.

THIRD DIVISION

[G.R. No. 157306. November 25, 2005]

REPUBLIC OF THE PHILIPPINES, *petitioner, vs.* **ANATALIA ACTUB TIU ESTONILO and ANDREA ACTUB TIU PO (in Substitution of NAZARIA BOMBEO),** *respondents*.

SYLLABUS

1. REMEDIAL LAW; APPEAL; FACTUAL FINDINGS OF THE TRIAL COURT WHEN AFFIRMED BY THE APPELLATE COURT ARE GENERALLY CONCLUSIVE; EXCEPTIONS; CASE AT BAR. — As a rule, the factual findings of the trial court, when affirmed by the appellate court, are conclusive and binding on this Court. To this rule, however, there are settled exceptions; for instance, when the judgment assailed is not supported by sufficient evidence or is based on a misapprehension of facts. We find that these exceptions apply here.

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2. CIVIL LAW; LAND REGISTRATION; PUBLIC LAND ACT; PRES. PROC. 265 CREATING A MILITARY RESERVATION FROM THE PUBLIC DOMAIN DOES NOT REQUIRE A JUDICIAL ORDER; CASE AT BAR. — The segregation of land for a public purpose is governed by the Public Land Act, the pertinent provisions of which are [Sections 83, 86, 87 and 53] x x x. Clearly, under the above provisions, only a positive act of the President is needed to segregate a piece of land for a public purpose. It must be noted that while Section 53 grants authority to the director of lands — through the solicitor general — to file a petition against claimants of the reserved land, the filing of that petition is not mandatory. The director of lands is required to file a petition only "whenever in the opinion of the President public interest requires it." x x x Consequently, respondents could not have validly occupied it in 1954, because it was considered inalienable since its reservation in 1938.

3. ID.; ID.; ID.; JUDICIAL CONFIRMATION OF IMPERFECT TITLES; EVIDENCE INSUFFICIENT TO SHOW POSSESSION SINCE "TIME IMMEMORIAL"; CASE AT BAR. — Land that has not been acquired from the government, either by purchase or by grant, belongs to the State as part of the public domain. For this reason, imperfect titles to agricultural lands are subjected to rigorous scrutiny before judicial confirmation is granted. In the same manner, persons claiming the protection of "private rights" in order to exclude their lands from military reservations must show by clear and convincing evidence that the pieces of property in question have been acquired by a legal method of acquiring public lands. In granting respondents judicial confirmation of their imperfect title, the trial and the appellate courts gave much weight to the tax declarations presented by the former. However, while the tax declarations were issued under the names of respondents' predecessors-in-interest, the earliest one presented was issued only in 1954. In addition, the lower courts credited the alleged prior possession by Calixto and Rosendo Bacas, from whom respondents' predecessors had purportedly bought the property. This alleged prior possession, though, was totally devoid of any supporting evidence on record. Respondents' evidence hardly supported the conclusion that their predecessors-in-interest had been in possession of the land since "time immemorial."

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4. ID.; ID.; ID.; ID.; ID.; APPLICANTS HAVE THE BURDEN OF PROVING IMPERFECT TITLE EVEN IF THERE IS NO OPPOSITION; CASE AT BAR. — It must be stressed that respondents, as applicants, have the burden of proving that they have an imperfect title to Lot 4318. Even the absence of opposition from the government does not relieve them of this burden. Thus, it was erroneous for the trial and the appellate courts to hold that the failure of the government to dislodge respondents, judicially or extrajudicially, from the subject land since 1954 already amounted to a title.

APPEARANCES OF COUNSEL

The Solicitor General for petitioner.
Christine Dugenio for respondents.
Mario T. Juni for intervenor.

D E C I S I O N

PANGANIBAN, *J.:*

To segregate portions of the public domain as reservations for the use of the Republic of the Philippines or any of its branches, like the Armed Forces of the Philippines, all that is needed is a presidential proclamation to that effect. A court judgment is not necessary to make the proclamation effective or valid.

The Case

Before us is a Petition for Review[1] under Rule 45 of the Rules of Court, seeking to reverse and set aside the February 21, 2003 Decision[2] of the Court of Appeals (CA) in CA-GR CV No. 66807. The assailed CA Decision disposed as follows:

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[1] *Rollo*, pp. 7-32.

[2] *Id*., pp. 34-48. Special Twelfth Division. Penned by Justice Bienvenido L. Reyes and concurred in by Justices Edgardo P. Cruz (Division chair) and Danilo B. Pine.

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"WHEREFORE, the foregoing premises considered, the ruling of the trial court is hereby AFFIRMED."[3]

The Facts

The antecedents were summarized by the CA as follows:

"This case originated from an application for registration of a parcel of land known as Lot No. 4318 of the cadastral survey of Cagayan de Oro consisting [of] an area of 357,866 square meters, filed by [the] original [a]pplicant, Nazaria Bombeo with the defunct Court of First Instance of Misamis Oriental on July 22, 1954. In her application, Bombeo claimed that said parcel of land was previously owned and possessed by a certain Rosendo Bacas since 1894 until it was sold to her by the heirs of Rosendo Bacas, represented by their attorney-in-fact and heir himself, Calistro Bacas by virtue of an Absolute Sale of Realty (Exhibit 'A') on June 14, 1954.

"After due notice and publication of said application, only the Provincial Fiscal of Misamis Oriental, in behalf of the Chief of Staff of the Armed Forces of the Philippines [AFP] and the Director of [the] Bureau of Land[s] filed its opposition thereto, alleging that Lot 4318 is not a registrable land pursuant to Presidential Proclamation No. 265, which took effect on March 31, 1938, and which declared Lot 4318 reserved for the use of the Philippine Army, to wit:

'PRESIDENTIAL PROCLAMATION NO. 265. RESERVING FOR THE USE OF THE PHILIPPINE ARMY THREE PARCELS OF THE PUBLIC DOMAIN SITUATED IN THE BARRIOS OF BULUA AND CARMEN, MUNICIPALITY OF CAGAYAN, PROVINCE OF MISAMIS ORIENTAL, ISLAND OF MINDANAO.

Upon the recommendation of the Secretary of Agriculture and Commerce and pursuant to the provision of Section eighty-three of Commonwealth Act Number One Hundred and Forty-one, I hereby withdraw from sale of settlement and reserve for the use of the Philippine Army, under the administration of the Chief of Staff subject to private rights, if any thereby, the following described parcels of public domain, situated in the barrios of Bulua and Carmen, Municipality of Cagayan, Province of Misamis

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[3] CA Decision, p. 14; *id*., p. 47.

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Oriental, Island of Mindanao, and particularly described in Bureau of Lands SWO-15234, to wit:

Lot No. 4318. – x x x.

Containing an area of 354,377 square meters.'

"During the initial hearing set on February 12, 1955, an Order of General Default was issued by the lower court. On July 29, 1959, Bombeo died and was substituted by her daughter Cipriana Actub Tiu who eventually died on December 5, 1990. Thereafter, due to intervening deaths of the parties, the case literally went to slumber until it was re-raffled to the Regional Trial Court (Branch 17) of Misamis Oriental on October 16, 1991 and was pursued anew by the daughters of Cipriana Actub Tiu, namely, Anatalia Actub Tiu Estonilo and Andrea Actub Tiu Po. On the other hand, Oppositors Bureau of Lands and Chief of Staff of the Armed Forces of the Philippines, in behalf of the Republic of the Philippines; were represented by the Provincial Prosecutor Florencia Abbu and Major Raul Llacuna of JAGO [Judge Advocate General's Office]. On May 27, 1994, the trial court confirmed title over Lot 4318 to Nazaria Bombeo substituted by her heirs Anatalia Actub Tiu Estonilo and Andrea Actub Tiu Po and ordered registration thereof under the names of the latter. Consequently, Oppositors Bureau of Lands and Chief of Staff of Armed Forces of the Philippines, through the Solicitor General's Office; filed an appeal to said decision x x x.

"During the pendency of the appeal, however, Presidential Proclamation No. 330[4] took effect on June 20, 2000, excluding Lot 4318 from the operation of Presidential Proclamation No. 265[.]

x x x x x x x x x

"In view of the aforesaid decree, x x x [respondents urged the CA] to finally put to rest the controversy in their favor considering that the opposition of the Republic has no longer any basis."[5]

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[4] "Excluding from the Operation [of Proclamation] No. 265 dated 31 March 1938, x x x a certain portion of the land embraced therein and declare the same no longer necessary for public use or service and are open for alienation and disposition for the AFP off-base housing program to be disposed of under the provisions of Republic Acts Nos. 274 and 730."

[5] CA Decision, pp. 2-6; *rollo*, pp. 35-39.

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Ruling of the Court of Appeals

The Court of Appeals ruled that Presidential Proclamation No. 265 (Proc 265) failed to segregate effectively Lot 4318 as part of the military reservation. The CA said that the proclamation was "not self-executory and self-adjudicating considering that there is a need to determine private rights of claimants over lands sought to be reserved."

Moreover, the appellate court agreed with the trial court that respondents were able to establish with sufficient evidence their right to have the land registered under their names. It acknowledged that possession by respondents' predecessors-in-interest had ripened into an imperfect title of ownership, subject to judicial confirmation. It added that ownership of the land would still be deemed vested in respondents, "in view of their almost half a century of open, continuous, adverse and peaceful possession," even if possession by their predecessors-in-interest were not taken into consideration.

Hence, this Petition.[6]

Issues

Petitioner raises the following issues for our consideration:

"I.

Whether or not the Court of Appeals gravely erred in holding that Presidential Proclamation No. 265 did not effectively segregate Lot 4318 from the public domain.

"II.

Whether or not the Court of Appeals gravely erred in finding that respondents were able to establish that they have already acquired private right over Lot 4318 which already amounted to a title.

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[6] This case was deemed submitted for decision on April 22, 2004, upon this Court's receipt of respondents' Memorandum, signed by Atty. Marieto P. Gallego. Petitioner's Memorandum — signed by Solicitor General Alfredo L. Benipayo, Assistant Solicitor General Cecilo O. Estoesta and Associate Solicitor Andrew James S. Ibarra — was received by this Court on December 15, 2003.

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"III.

Whether or not the Court of Appeals gravely erred in holding that the passage of Presidential Proclamation No. 330 which excludes from the operation of Presidential Proclamation No. 265 Lot 4318 negates the claim of the AFP that the land in dispute is actively possessed and used by it."[7]

In short, the main issue is whether respondents have duly proven their title to the subject land and may thus register it under the Public Land Act.

The Court's Ruling

The Petition is meritorious.

Main Issue:

Validity of Respondents' Title

The Public Land Act[8] requires applicants for confirmation of imperfect titles to prove (1) that the land is alienable public land;[9] and (2) that their open, continuous, exclusive and notorious possession and occupation of the property has taken place either since time immemorial or for the period prescribed by law. When the legal conditions are complied with, the possessor of the land — by operation of law — acquires a right to a government grant, without necessitating the issuance of a certificate of title.[10]

After a meticulous review of the Decisions of both the trial and the appellate courts, as well as of the evidence on record, the Court finds that respondents failed to satisfy the above legal requirements.

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[7] Petitioner's Memorandum, pp. 5-6; *rollo*, pp. 132-133. Original in uppercase.

[8] Commonwealth Act (CA) No. 141.

[9] §48(b), as amended by PD 1073 (approved on January 25, 1977).

[10] *Republic v. CA*, 235 SCRA 567, August 24, 1994; *Rural Bank of Compostela,* 337 Phil. 521, April 8, 1997; *Republic v. Doldol,* 356 Phil. 671, September 10, 1998; *Pagkatipunan v. CA,* 429 Phil. 377, March 21, 2002; *Collado v. CA,* 439 Phil. 149, October 4, 2002; *Republic v. CA,* 440 Phil. 697, November 19, 2002.

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Nature of Lot 4318

It is not disputed that Proc 265 specifically reserved Lot 4318 for the use of the Philippine Army. Respondents maintain, though, that the land was not effectively segregated as a military reservation by the Proclamation. Relying on *Baloy v. CA,*[11] they allege that a petition for reservation or a court judgment declaring the reservation is necessary to make Proc 265 effective. They maintain that the provision in the Proclamation subjecting the reservation to private rights presumes that notice and hearing will be afforded to all persons claiming ownership rights over the land. Otherwise, the reservation would amount to a deprivation of property without due process of law. They further allege that the AFP failed to observe these requirements, thus causing the reservation to be ineffectual.

Petitioner, however, argues that the Public Land Act does not require a judicial order to create a military reservation. It contends that the proviso requiring the reservation to be subject to private rights means that persons claiming rights over the reserved land are not precluded from proving their claims. It contends further that respondents were afforded due process when their application for registration of title to Lot 4318 was heard by the lower courts.

We agree with petitioner. The segregation of land for a public purpose is governed by the Public Land Act, the pertinent provisions of which are as follows:

"SECTION 83. Upon the recommendation of the Secretary of Agriculture and Natural Resources, the President may designate by proclamation any tract or tracts of land of the public domain as reservations for the use of the Republic of the Philippines or of any of its branches, or of the inhabitants thereof, in accordance with regulations prescribed for this purposes, 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."

[11] 230 Phil. 135, November 26, 1986.

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"SECTION 86. A certified copy of every proclamation of the President issued under the provisions of this title shall be forwarded to the Director of Lands for record in his office, and a copy of this record shall be forwarded to the Register of Deeds of the province or city where the land lies. Upon receipt of such certified copy, the Director of Lands shall order the immediate survey of the proposed reservation if the land has not yet been surveyed, and as soon as the plat has been completed, he shall proceed in accordance with the next following section."

"SECTION 87. If all the lands included in the proclamation of the President are not registered under the Land Registration Act, the Solicitor General, if requested to do so by the Secretary of Agriculture and Natural Resources, shall proceed in accordance with the provision of Section fifty-three of this Act."

"SECTION 53. It shall be lawful for the Director of Lands, whenever in the opinion of the President the public interests shall require it, to cause to be filed in the proper Court of First Instance, through the Solicitor General or the officer acting in his stead, a petition against the holder, claimant, possessor, or occupant of any land who shall not have voluntarily come in under the provisions of this chapter or of the Land Registration Act, stating in substance that the title of such holder, claimant, possessor, or occupant is open to discussion; or that the boundaries of any such land which has not been brought into court as aforesaid are open to question; or that it is advisable that the title to such lands be settled and adjudicated, and praying that the title to any such land or the boundaries thereof or the right to occupancy thereof be settled and adjudicated. The judicial proceedings under this section shall be in accordance with the laws on adjudication of title in cadastral proceedings."

Clearly, under the above provisions, only a positive act of the President is needed to segregate a piece of land for a public purpose. It must be noted that while Section 53 grants authority to the director of lands — through the solicitor general — to file a petition against claimants of the reserved land, the filing of that petition is not mandatory. The director of lands is required to file a petition only "whenever in the opinion of the President public interest requires it."

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Inapplicable is the ruling in *Baloy v. CA*[12] requiring, after due notice and hearing, a judicial declaration of reservation. The subject of the application for registration in *Baloy* was originally *private* land, as evidenced by a possessory information title issued in the applicants' favor during the Spanish era. As will be explained shortly, Lot 4318 in the present case is unquestionably public land. The only issue is whether respondents have acquired title to the property.

Moreover, the governing law in *Baloy* was Act 627.[13] Under the provisions of that law, the private character of the land shall be respected absent any court order declaring that the property has become public. In the case before us, Proc 265 was issued pursuant to Commonwealth Act (CA) No. 141. Accordingly, only a positive act of the President is required to create a government reservation.

Verily, the Proclamation successfully segregated Lot 4318 as a military reservation. Consequently, respondents could not have validly occupied it in 1954, because it was considered inalienable[14] since its reservation in 1938.

Respondents' Period of Possession

Notwithstanding the reservation in 1938 of Lot 4318 for military use, respondents maintain their entitlement to have it registered under their names. They allege that their predecessors-in-interest were already in adverse, open, peaceful and continuous possession of the property for over 30 years prior to 1938. Thus, they conclude that their imperfect title had already attached long before the issuance of the Proclamation segregating the land as a military reservation.

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[12] *Supra*.

[13] An Act to bring immediately under the operation of the Land Registration Act all lands lying within the boundaries lawfully set apart for military reservations, and all lands desired to be purchased by the Government of the United States for military purposes.

[14] "Section 88 of CA 141: The tract or tracts of land reserved under the provisions of Section eighty-three shall be non-alienable and shall not be subject to occupation, entry, sale, lease, or other disposition until again declared alienable under the provisions of this Act or by proclamation of the President."

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We are not convinced. As a rule, the factual findings of the trial court, when affirmed by the appellate court, are conclusive and binding on this Court. To this rule, however, there are settled exceptions; for instance, when the judgment assailed is not supported by sufficient evidence or is based on a misapprehension of facts.[15] We find that these exceptions apply here.

Land that has not been acquired from the government, either by purchase or by grant, belongs to the State as part of the public domain.[16] For this reason, imperfect titles to agricultural lands are subjected to rigorous scrutiny before judicial confirmation is granted.[17] In the same manner, persons claiming the protection of "private rights" in order to exclude their lands from military reservations must show by clear and convincing evidence that the pieces of property in question have been acquired by a legal method of acquiring public lands.[18]

In granting respondents judicial confirmation of their imperfect title, the trial and the appellate courts gave much weight to the tax declarations presented by the former. However, while the tax declarations were issued under the names of respondents' predecessors-in-interest, the earliest one presented was issued

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[15] *Republic v. Kalaw,* 431 SCRA 401, June 8, 2004; *Philippine Home Assurance Corporation v. CA,* 327 Phil. 255, June 20, 1996; *Baricuatro v. CA,* 382 Phil. 15, February 9, 2000; *Lagon v. Hooven Caomalco Industries, Inc.,* 349 SCRA 363, January 17, 2001; *Martinez v. CA,* 358 SCRA 38, May 21, 2001; *Tin v. People,* 415 Phil. 1, August 10, 2001; *Vicente v. Planters Development Bank,* 444 Phil. 309, January 28, 2003; *The Insular Life Assurance Company, Ltd. v. CA,* 428 SCRA 79, April 28, 2004.

[16] *Collado v. CA, supra*; *Reyes v. CA,* 356 Phil. 606, September 10, 1998; *Republic v. CA,* 390 Phil. 1041, July 14, 2000; *Public Estates Authority v. CA,* 398 Phil. 901, November 20, 2000; *Republic v. CA,* 398 Phil. 911, November 20, 2000; *Seville v. National Development Company,* 351 SCRA 112, February 2, 2001 (citing *Republic v. Marcos*, 52 SCRA 238, July 31, 1973); *Republic v. Lao,* 405 SCRA 291, July 1, 2003.

[17] *Director, Lands Management Bureau v. CA*, 381 Phil. 761, October 7, 2000; *Republic v. Kalaw, supra*.

[18] *Gordula v. CA*, 348 Phil. 670, January 22, 1998 (citing *Director of Lands v. Reyes,* 68 SCRA 177, November 28, 1975).

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only in 1954.[19] *The Director, Lands Management Bureau v. CA*[20] held thus:

"x x x. Tax receipts and tax declarations are not incontrovertible evidence of ownership. They are mere *indicia* of [a] claim of ownership. In *Director of Lands vs. Santiago*:

> 'x x x [I]f it is true that the original owner and possessor, Generosa Santiago, had been in possession since 1925, why were the subject lands declared for taxation purposes for the first time only in 1968, and in the names of Garcia and Obdin? For although tax receipts and declarations of ownership for taxation purposes are not incontrovertible evidence of ownership, they constitute at least proof that the holder had a claim of title over the property.'"[21]

In addition, the lower courts credited the alleged prior possession by Calixto and Rosendo Bacas, from whom respondents' predecessors had purportedly bought the property. This alleged prior possession, though, was totally devoid of any supporting evidence on record. Respondents' evidence hardly supported the conclusion that their predecessors-in-interest had been in possession of the land since "time immemorial."

Moreover, as correctly observed by the Office of the Solicitor General, the evidence on record merely established the transfer of the property from Calixto Bacas to Nazaria Bombeo. The evidence did not show the nature and the period of the alleged possession by Calixto and Rosendo Bacas. It is important that applicants for judicial confirmation of imperfect titles must present specific acts of ownership to substantiate their claims; they cannot simply offer general statements that are mere conclusions of law rather than factual evidence of possession.[22]

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[19] Tax Declaration No. 24671 in the name of Nazaria Bombeo. (CA Decision, p. 12; *rollo*, p. 45). But, according to petitioner, respondents presented tax declarations bearing the various dates 1992, 1985, 1968, 1961 and 1980. Petitioner's Memorandum, p. 13, *rollo*, p. 140.

[20] *Supra*.

[21] *Id*., pp. 771-772, per Purisima, *J.* (citing *Director of Lands, v. Santiago,* 160 SCRA 186, April 15, 1988).

[22] *Republic v. CA,* 390 Phil. 1041, July 14, 2000 (citing *Republic v. CA*, 167 SCRA 150, 156, November 9, 1988).

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It must be stressed that respondents, as applicants, have the burden of proving that they have an imperfect title to Lot 4318. Even the absence of opposition from the government does not relieve them of this burden.[23] Thus, it was erroneous for the trial and the appellate courts to hold that the failure of the government to dislodge respondents, judicially or extrajudicially, from the subject land since 1954 already amounted to a title.

In this connection, the Court reiterates the following ruling in *Director of Lands v. Agustin*:[24]

"x x x. The petitioner is not necessarily entitled to have the land registered under the Torrens system simply because no one appears to oppose his title and to oppose the registration of his land. He must show, even though there is no opposition, to the satisfaction of the court, that he is the absolute owner, in fee simple. Courts are not justified in registering property under the Torrens system, simply because there is no opposition offered. Courts may, even in the absence of any opposition, deny the registration of the land under the Torrens system, upon the ground that the facts presented did not show that the petitioner is the owner, in fee simple, of the land which he is attempting to have registered."

WHEREFORE, the Petition is ***GRANTED***, and the assailed Decision of the Court of Appeals is ***REVERSED*** and ***SET ASIDE***. The segregation of Lot 4318 as part of a military reservation is declared ***VALID***. No pronouncement as to costs.

SO ORDERED.

Sandoval-Gutierrez, Corona, Carpio Morales, and *Garcia, JJ.,* concur.

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[23] *Director, Lands Management Bureau v. CA*, *supra*.

[24] *Director of Lands v Agustin,* 42 Phil. 227, 229, October 6, 1921, per Johnson, *J.*; (cited in *Director, Lands Management Bureau v. CA, supra*).