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SECOND DIVISION

[G.R. No. 198832; January 13, 2021]

REPUBLIC OF THE PHILIPPINES, *Petitioner*, *v.* **SPS. VIRGILIO and ANNA RAMIREZ LONTOK, RISING SUN MOTORS CORPORATION, and the REGISTER OF DEEDS OF LOS BAÑOS and SANTA CRUZ, LAGUNA,** *Respondents*.

APPEARANCES OF COUNSEL

Office of the Solicitor General for petitioner.

Migallos & Luna Law Offices for respondent Rising Sun Motors Corp.

D E C I S I O N

GESMUNDO, *J.*:

Before Us is a Petition for Review on *Certiorari*[1] assailing the September 29, 2011 Decision[2] of the Court of Appeals *(CA)* in CA-G.R. CV No. 86968. The CA affirmed the January 26, 2006 Decision[3] of the Regional Trial Court, Santa Cruz, Laguna, Branch 91 *(RTC)* which dismissed the complaint filed by petitioner Republic of the Philippines *(the Republic)* for failure to state a cause of action.

Antecedents

The CA summarized the facts as follows:

On 30 May 1986, Anna R. Lontok (*A. Lontok*) was granted Free Patent No. (IV-2) 27332 by the Department of [Environment and]

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[1] *Rollo*, pp. 7-24.

[2] Id. at 27-39; penned by Associate Justice Jane Aurora C. Lantion, with Associate Justices Japar B. Dimaampao and Danton Q. Bueser, concurring.

[3] Id. at 73-80; penned by Presiding Judge Divinagracia G. Bustos-Ongkeko.

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Natural Resources thru the Bureau of Lands, NR District No. IV-2, Los Baños, Laguna over a parcel of land located at Banca-Banca, Victoria, Laguna more particularly described as Lot No. 97-A CSD-04-005006 (Cad/Pls No. 420-D) with a total area of 2,180 sq. meters (*subject property, for brevity*). On even date, defendant-appellee A. Lontok was issued Original Certificate of Title (OCT) No. P-8554 by the Registry of Deeds of the Province of Laguna.

On 11 November 1991, A. Lontok sold 1,623 sq. meter portion of the subject property to defendant-appellee The Rising Sun Motors Corporation (*defendant-appellee Rising Sun*), represented by its president Napoleon A. Dator, Jr. As a consequence, OCT No. P-8554 was cancelled insofar as the 1,623 sq. meter portion was concerned and Transfer Certificate of Title (TCT) No. T-129346 was issued by the Registry of Deeds of the Province of Laguna to defendant-appellee Rising Sun on 25 November 1991. Defendant-appellee Rising Sun, thereafter, occupied the property covered by TCT No. T-129346.

It appears on record that OCT No. P-8554 had been totally cancelled by TCT No. T-129346 and TCT Nos. 129354-55, but no other information exists as to the specificity of the two latter titles.

On 19 January 1994, the heirs of Sps. Juanita Armando and Rizalina Bartolome (*protestants*) filed a formal protest before the Department of Environment and Natural Resources (DENR) - Manila against the issuance of the free patent in A. Lontok's name. Protestants' allegations was summarized by the DENR-Manila as follows:

> [T]hat protestants are the children of the late spouses Dr. Juanita Armando Bartolome and Rizalina Sison; that upon the death of their late father, he left a parcel of land situated in Banca-Banca, Victoria, Laguna with an area of .310 hectare, of which .2980 hectare is agricultural and 200 square meters is residential; that the agricultural portion of the land is devoted to coconuts, lanzones, star apple and avocado; that said parcel of land is covered by a tax declaration and that realty taxes thereon had been paid up to the year 1993, as shown by the Certification issued by the Municipal Treasurer of Victoria, Laguna dated January 10, 1994; that protestants' father acquired the land in turn from his late father Juan Bartolome by way of his last will dated October 19, 1936 probated by the court in SP No. 3539; that the protestants' ownership of property was attested by Monina Corcuera, daughter of Eduardo Gutierrez,

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the former overseer of the property in an Affidavit dated October 19, 1993 and by Estelita Sangalang, an [adjoining] landowner in an Affidavit dated January 4, 1994; that the cadastral survey of Victoria, Laguna Cad-427-D was surveyed in the name of Juanito Armando as Lot No. 97, Cad. 427-D with an area of 2,980 square meters; that on February 28, 1986, the District Land Officer of Land District IV-2, upon request of respondents, issued Survey Authority No. 248-86 to subdivide Lot 97, Cad. 427-D — situated in Banca-Banca, Victoria, Laguna; that pursuant to the survey authority, the respondents caused the subdivision of Lot 97, Cad. 427-D into Lots 97-A and 97-B under plan Csd-04-005006 approved by the Lands Regional Director on March 18, 1986; that subsequent thereto, respondent Anna Ramirez Lontok filed with the District Land Office of Los Baños, Laguna, Free Patent Application No. 20722 covering Lot No. 97-A with an area of 2,180 sq. meters; that after final investigation report was duly submitted by Land Inspector Rogelio Diamante, Free Patent No. 27332 was issued on May 30, 1986 which was registered on even date with the Register of Deeds. x x x

Investigation ensued, and on 18 January 1995, a Resolution was issued by the DENR-Manila thru its Regional Executive Director for Region IV-A, Antonio G. Principe, recommending the cancellation of A. Lontok's Free Patent No. (IV-2) 27332 and Original Certificate of Title No. P-8554. The pertinent portion of the Resolution reads:

x x x x

> Based on the investigation/ocular inspection conducted (sic) it was evident that protestants through their predecessors-in-interest have proven substantially their claim of ownership over the controverted Lot No. 97-A. The fact of their possession of a portion thereof does not preclude them from claiming the whole lot identified as Cad Lot No. 97, since the subsequent sub-division was without the protestants' knowledge.
>
> WHEREFORE, premises considered, it is hereby, as it is, ordered that a CANCELLATION proceeding be instituted against Free Patent No. 27332 and Original Certificate of Title No. P-8554 issued in the name of Anna

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> Ramirez Lontok over Lot 97-A and such other title/s emanating from the FP of Lontok by this Office in accordance with the Office of the Solicitor General.
>
> SO ORDERED.

On 17 July 1998, the Republic thru the Office of the Solicitor General *(OSG)* filed a Complaint for Annulment of Patent and Cancellation of Title against the Spouses Virgilio and A. Lontok (*Spouses Lontok*) and defendant-appellee Rising Sun *docketed* as SC 3723. It was alleged in the Complaint that a protest was filed by the Heirs of the Spouses Juanito Armando and Rizalina Bartolome against the issuance of A. Lontok's Free Patent No. (IV-2) 27332, and which protest was subject of an administrative investigation by the DENR-Manila. It was further alleged in the Complaint that: (1) protestants, together with their predecessors-in-interest have been in continuous and adverse possession of the subject property since time immemorial; (2) A. Lontok committed fraud and misrepresentation in her free patent application when she claimed that she had complied with all the cultivation and residence requirement of the free patent law, when in fact she was not in possession of the subject property; and (3) A. Lontok's misrepresentation constitutes sufficient ground for the cancellation of the patent and the corresponding title issued to her under the mandate of Section 91 of the Public Land Act. The Republic prayed for the following reliefs:

> x x x x
>
> 1. Declaring Free Patent No. (IV-2) 27332 and Original Certificate of Title No. P-8554 in the name of defendant Anna Ramirez Lontok, TCT No. T-129346 in the name of defendant Rising Sun Motors Corporation, and all other derivative titles, in [sic] any, null and void ab initio;
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> 2. Ordering defendants Anna Ramirez Lontok and Rising Sun Motors Corporation to surrender their respective owners' duplicate certificates of title to the Register of Deeds of Laguna and the latter to cancel the same as well as all other derivative titles, if any; and
>
> 3. Ordering the reversion of land covered by the aforesaid patent and titles to the mass of the public domain under the administration and disposition of the Director of Lands.
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> x x x x

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On 17 December 1998, defendant-appellee Rising Sun filed its Answer with Counterclaim denying the allegations in the Complaint and countered that it was a buyer in good faith and is not aware of any imperfection in A. Lontok's title to the subject property. Rising Sun also alleged, among others, that (1) the Republic has no cause of action against it; (2) the cause of action had prescribed or barred by the statute of limitations since the Free Patent No. (IV-2) 27332 and OCT No. P-8554 was issued to A. Lontok on 30 May 1986; (3) the court has no jurisdiction over the subject matter or nature of the action; (4) that the cause of action had been barred by prior judgment/ order and thus, constitutes res judicata; and (5) the Republic is guilty of forum shopping.

On 18 December 1998, the Spouses Lontok filed their Answer with Compulsory Counterclaim claiming regularity in the issuance of Free Patent No. 27332 on 30 May 1986. In their defense, the Spouses Lontok alleged, among others, that the Republic had not been candid with the court as it failed to mention that it had filed a similar case before the Municipal Trial Court of Victoria[,] Laguna on 26 December 1996.

On 1 February 2000, the court *a quo* issued a Pre-Trial Order defining the issues of the case, as follows:

x x x x

1. Whether plaintiff has a cause of action against defendants;

2. Whether the Court has jurisdiction over the subject matter, or nature of the action;

3. Whether free patent (sic) No. (IV-2) 27332 and original certificate of title (sic) No. P-8554 are null and void ab initio;

4. Whether the defendant corporation is a purchaser in good faith;

5. Whether the plaintiff is guilty of Forum Shopping;

6. Whether the cause of action of the plaintiff had prescribed or barred by the statute (sic) of Limitations, since the original certificate of title (free patent) was issued on 30 May 1986;

7. Whether the cause of action had been barred by prior judgment (principle of res judicata) in Civil Cases No. SC 3042, RTC, Branch 27, SC-No. 3397 RTC Branch 91 (sic). x x x

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During the proceedings *a quo*, a Motion to Withdraw Appearance dated 29 October 2001 was filed by Spouses Lontok's counsel, Atty. Antonio Oliva, citing irreconcilable differences in the handling of the case. He also stated that the consent of the Spouses Lontok was not obtained and that the latter had manifested their financial constraints in paying for his services. Nothing on record shows that Atty. Oliva's Motion to Withdraw Appearance was acted upon by the court *a quo*. Records disclosed that as of 18 January 2002, there was no appearance in court of the Spouses Lontok.[4] (citations omitted)

The RTC Ruling

In its Decision dated January 26, 2006, the RTC dismissed the case for the Republic's failure to establish its cause of action, thus:

WHEREFORE, premises considered, for failure of the plaintiff to establish its cause of action against the defendants, the instant case is hereby DISMISSED and no damages are awarded as the plaintiff is representing the Government. Defendants spouses Virgilio and Anna Ramirez-Lontok, Rising Sun Motors Corporation, rep. by Napoleon A. Dator, Jr., the registered owners of the respective portions of the land, subject matter of this case are entitled to the lawful ownership, possession and enjoyment thereof. Defendant's counterclaim for other damages is likewise dismissed for lack of sufficient basis.

SO ORDERED.[5]

The trial court held that based on the findings of the Department of Environment and Natural Resources *(DENR)*, the subject property is private in character, to which an action for reversion shall not avail.

The CA Ruling

On appeal, the CA affirmed the RTC and noted that the Republic had asserted in its appellant's brief that the subject property is considered private land, to wit:

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[4] Id. at 28-33.

[5] Id. at 80.

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[A]ppellee Spouses Lontok should not have been granted a patent as the subject property had been considered private in nature in favor of the protestants led by Melinda Bartolome-Orosa thereby necessitating the cancellation of said patent and its concomitant title in the name of respondent Anna Ramirez Lontok and now Rising Sun.[6]

The CA held that the above statement, in conjunction with its allegations in the complaint that the heirs of Dr. Juanito Bartolome and Rizalina Sison *(Spouses Bartolome)* and their predecessors-in-interest have been in continuous and adverse possession of the subject property since time immemorial, indicates that the subject property is actually private in nature. Accordingly, the complaint filed by the Republic failed the test for the sufficiency of a cause of action.

Hence, this petition for review on *certiorari*.

Issue

The Republic, represented herein by the Office of the Solicitor General *(OSG)*, submits the lone issue of whether the CA committed a reversible error in finding that the Republic failed to establish its cause of action.[7]

The OSG maintains that the subject complaint sufficiently stated a cause of action because it contained allegations that respondent Anna Ramirez Lontok fraudulently acquired the property through a free patent. Since the State may dispose of property by awarding free patents, it follows that the subject realty originally formed part of the alienable and disposable land of the public domain. Hence, when Anna Ramirez Lontok fraudulently applied for and was irregularly awarded a free patent, the State can validly file an action for reversion under Section 91 of the Public Land Act.[8] Furthermore, the rule on indefeasibility of title shall not apply because the requirement

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[6] Id. at 36.

[7] Id. at 16.

[8] Id. at 17-19.

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of cultivation and occupation under the Public Land Act had not been satisfied.[9]

Respondent Rising Sun counters that the Republic failed to state a cause of action as it admitted that the subject property is private and beyond the reach of an action for reversion. It also alleges that the said case was an attempt to resurrect the case filed by the heirs of Spouses Bartolome which had already been dismissed with prejudice.

On the other hand, respondent Spouses Lontok failed to file their comment on the petition despite several notices issued by this Court.[10] Hence, We deemed the Spouses Lontok to have waived their right to file a comment.[11]

May a complaint for annulment of patent and cancellation of title with prayer for reversion be dismissed if the subject property does not anymore belong to the alienable and disposable lands of the public domain?

The Court's Ruling

We find merit in the petition.

The CA ruled in the assailed decision that the subject complaint failed to meet the test of sufficiency of cause of action. The CA noted the Republic's allegation that the Spouses Bartolome (from whom respondent Anna Ramirez Lontok purchased the contested lot) and their predecessors and successors-in-interest, had been in continuous and adverse possession of the property since time immemorial. Since the subject property had acquired a private character due to the continued and adverse possession of the Spouses Bartolome and their predecessors-in-interest, the complaint should be dismissed for failure to state a cause of action.[12]

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[9] Id. at 20-21.

[10] *See* Resolutions dated December 14, 2011, id. at 161; September 25, 2013, id. at 179; June 18, 2014, id. at 182; December 10, 2014, id. at 184-185.

[11] Resolution dated September 9, 2015, id. at 187.

[12] Id. at 36-38.

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The CA is partly mistaken.

Failure to state a cause of action refers to the insufficiency of the pleading.[13] In determining whether an initiatory pleading states a cause of action, the test is whether admitting the truth of the facts alleged, can the court render a valid judgment in accordance with the prayer?[14] Hence, only the allegations in the complaint may properly be considered.[15] Failure to make a sufficient allegation of a cause of action in the complaint "warrants its dismissal."[16]

To determine whether the CA and the RTC had been correct in ordering the dismissal of the complaint filed by the Republic, We have to review the allegations contained therein. Hence, We quote the pertinent averments made by the Republic in the subject complaint, *viz.*:

10. On January 19, 1994, the heirs of spouses Juanito Armando and Rizalina Bartolome filed a formal protest against the issuance of the aforesaid free patent and certificate of title alleging, among others, that the parcel of land applied for is a portion of Lot No. 97, Cad. 427-D, with a resultant area of 2,180 square meters which lot was surveyed in the name of Juanito Armando, protestants' father, during the cadastral survey of Victoria, Laguna in 1970, and that the protestants by themselves and thru their predecessors-in-interest have been in open, continuous, exclusive and notorious possession of the subject land since 1919 and that, consequently, defendant Anna Ramirez Lontok, misrepresented in her free patent application that she, by herself and her predecessor-in-interest, have occupied and cultivated the land since July 4, 1945.

11. The protest was the subject of an administrative investigation conducted by Roberto S. Cortes, Jr., Chief of the Claims and Conflicts

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[13] *Yap-Go v. Spouses Uy*, 753 Phil. 667, 675 (2015); *Heirs of Spouses Mesina v. Heirs of Fian, Sr.*, 708 Phil. 327, 333 (2013).

[14] *Samson v. Gabor*, 739 Phil. 429, 440 (2014).

[15] *Aquino v. Quiazon*, 755 Phil. 793, 810 (2015); *Sarming v. Dy*, 432 Phil. 685, 697 (2002).

[16] *Spouses Zepeda v. China Banking Corp.*, 535 Phil. 133, 138-139 (2006).

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Section of the Department of Environment and Natural Resources, Region IV, Manila, who came out with the finding that subject patent and the corresponding original certificate of title were irregularly issued to, and fraudulently acquired by defendant Anna Ramirez Lontok in that:

a) Lot 97-A is a portion of a bigger lot, Lot 97, Cad. 427-D, with a resultant area of 2,180 square meters, which lot was surveyed in the name of Juanito Armando, protestants' father, during the cadastral survey of Victoria, Laguna in 1970.

b) Juanito Armando inherited the land from his father, Juan Bartolome, by way of a last will and testament dated October 19, 1936, which will was probated by the court in Special Proceedings No. 3539. Juan Bartolome, in turn, acquired the land from Pedro Galo thru sale with pacto de retro on April 25, 1919. For his part, Pedro Galo acquired the land from Eufemia Pantaleon who had been in open, continuous, peaceful and public possession thereof for twenty years.

c) Protestants, together with their predecessors-in-interest, have been in continuous and adverse possession of the subject land since time immemorial. Moreover, it was verified from several residents in the locality during the ocular inspection that defendant spouses Lontok never occupied or introduced any improvements over the subject land.

d) Subject property was declared for taxation purposes in the name of Juan Armando Bartolome and the corresponding taxes were duly paid from previous years up to the year 1993.

e) The "Kasulatan ng Bilihan Tuluyan" dated March 20, 1977, which deed of sale was purportedly executed by Juan Bartolome in favor of defendant Anna Ramirez Lontok, and was issued as basis for the issuance of the disputed patent and its corresponding title to defendant Lontok, is of questionable authenticity. The NBI Report states that the questioned and standard signatures of Juan Bartolome and Rizalina Sison Bartolome, the alleged vendors, were not written by one and the same person.

12. Based on the finding of Special Investigator Roberto S. Cortes, Jr., it is evident that defendant Anna Ramirez Lontok committed fraud and misrepresentation in her free patent application when she

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claimed that she has complied with all the cultivation and residence requirements of the free patent law, when in fact she was not in possession thereof, and when she used a spurious document of sale to secure title over the land.

13. Such misrepresentation constitutes sufficient ground for the cancellation of the patent and the corresponding title issued to her, by explicit mandate of Section 91 of the Public Land Act (C.A. No. 141, as amended). x x x

x x x x

PRAYER

WHEREFORE, it is respectfully prayed that judgment be rendered in favor of herein plaintiff as follows:

1. Declaring Free Patent No. (IV-2) 27332 and Original Certificate of Title No. P-8554 in the name of defendant Anna Ramirez Lontok, TCT No. T-129346 in the name of defendant Rising Sun Motors Corporation, and all other derivative titles, if any, null and void, ab initio;

2. Ordering defendants Anna Ramirez Lontok and Rising Sun Motors Corporation to surrender their respective owners' duplicate certificates of title to the Register of Deeds of Laguna and the latter to cancel the same as well as all other derivative titles, if any; and

3. Ordering the reversion of land covered by the aforesaid patent and titles to the mass of the public domain under administration and disposition of the Director of Lands.[17]

As correctly observed by the CA and the RTC, the complaint showed that the subject lot already acquired a private character even before the State granted the free patent application of respondent Anna Ramirez Lontok. The Republic had particularly admitted and recognized in paragraph 11 (b) of the complaint, the fact of the open, continuous and adverse possession of the heirs of Juan Bartolome and their predecessors-in-interest for more than thirty (30) years. In our jurisdiction, the *prima facie* proof of ownership of private land includes a duly registered

[17] *Rollo*, pp. 42-45.

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possessory information or a clear showing of open, continuous, exclusive, and notorious possession, by present or previous occupants.[18]

When property has ceased to be public because it has been acquired by a private individual by operation of law, the Director of Lands loses jurisdiction over the said property and the State has no more title over the property.[19] In this instance, the State no longer possessed a right to initiate an action or even pray for reversion because the realty had already been acquired by virtue of an imperfect title and no longer forms part of the public domain.

Thus, We agree with the CA in faulting the Republic for its failure to state a cause of action in relation to its prayer for reversion. It is well to remind the Republic that in reversion, the pertinent allegations in the complaint would admit State ownership of the disputed land.[20] By acknowledging the imperfect title of the heirs of Juan Bartolome, the State no longer has a cause of action for reversion because the subject realty is already of private ownership.

Nonetheless, We find the dismissal of the subject complaint to be improper.

To recall, the Republic initiated this complaint upon a finding of fraud in the application of a free patent. The authority to file an action in the event of fraud in the application of free patents is based on Sec. 91 of the Public Land Act which reads:

> Section 91. The statements made in the application shall be considered as essential conditions and parts of any concession, title, or permit issued on the basis of such application, and **any false statements therein or omission of facts altering, changing, or modifying the consideration of the facts set forth in such statements, and any subsequent modification, alteration, or change of the material facts set forth in the application shall *ipso facto***

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[18] *Heirs of Santiago v. Heirs of Santiago*, 452 Phil. 238, 248 (2003).

[19] *Angeles v. Republic*, 536 Phil. 587, 613 (2006).

[20] *Tancuntian v. Gempesaw*, 483 Phil. 459, 467 (2004).

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produce the cancellation of the concession, title, or permit granted. It shall be the duty of the Director of Lands, from time to time and whenever he may deem it advisable, to make the necessary investigations for the purpose of ascertaining whether the material facts set out in the application are true, or whether they continue to exist and are maintained and preserved in good faith, and for the purposes of such investigation, the Director of Lands is hereby empowered to issue subpoenas and subpoenas *duces tecum* and, if necessary, to obtain compulsory process from the courts. In every investigation made in accordance with this section, the existence of bad faith, fraud, concealment, or fraudulent and illegal modification of essential facts shall be presumed if the grantee or possessor of the land shall refuse or fail to obey a subpoena or subpoena *duces tecum* lawfully issued by the Director of Lands or his authorized delegates or agents, or shall refuse or fail to give direct and specific answers to pertinent questions, and on the basis of such presumption, an order of cancellation may issue without further proceedings. (emphasis supplied)

Sec. 91 expressly provides for the automatic cancellation of the applications filed on the ground of fraud and misrepresentation. In *Angeles v. Republic*,[21] this Court held that although the State may no longer have a cause of action for reversion, it may still validly initiate a complaint for nullification of patents and titles in order to maintain the integrity of the land registration process, thus:

Indeed, petitioners managed to secure the free patents through District Land Officer Braulio Darum, acting for the Director of Lands and the Republic of the Philippines. They were likewise issued titles over the lots subject of the complaint despite the fact that, by operation of law, spouses Juan Sanga were already its owners. **The Republic of the Philippines, through the Bureau of Lands, is obliged to undo what has been perpetrated by petitioners in violation of law. It behooved the Republic, through the Director of the Bureau of Lands, to institute the proper action for the nullification of the patents and titles. Public respondent is not proscribed from filing the amended complaint merely because the Heirs of Juan Sanga had a cause of action for the cancellation of said patents**

[21] Supra note 19 at 610-612.

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and titles. We quote, with approval, the ruling of the CA on the matter:

That the State has the personality to file a case for the cancellation of issued land titles is supported by Sec. 91 of the Public Land Act (CA 141, as amended) which provides:

> Section 91. The statements made in the application shall be considered as essential conditions and parts of any concession, title, or permit issued on the basis of such application, and any false statements therein or omission of facts altering, changing, or modifying the consideration of the facts set forth in such statements and any subsequent modification, alteration or change of the material facts set forth in the application shall ipso facto produce the cancellation of the concession, title, or permit granted. *It shall be the duty of the Director of Lands, from time to time and whenever he may deem it advisable, to make the necessary investigations for the purpose of ascertaining whether the material facts set out in the application are true, or whether they continue to exist and are maintained and preserved in good faith and for the purposes of such investigation, the Director of Lands is hereby empowered to issue subpoenas and subpoenas duces tecum and if necessary to obtain compulsory process from the courts. x x x*

Under this provision which speaks, *inter alia*, of the **"cancellation of the concession, title or permit granted" the State's authority to cancel an issued title is expressly given. The authority to investigate vests in the Director of Lands. The State must of course act through its appropriate agencies — i.e., the Office of the Solicitor General and the courts — to secure the actual cancellation after observance of due process.** The Honorable Supreme Court confirmed this authority when it held in *Gamao vs. Calamba* that —

> The mere fact that a patent and title have already been issued to defendant Calamba does not preclude administrative investigation by the Director of Lands, who, if he finds that there was fraud in obtaining the same, may himself or in representation of the Republic of the Philippines file an appropriate action for the cancellation of the patent and title or for the reversion of the land to the public domain, as the case may be.

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> Based on these premises, the amendment of government's complaints to drop the reversion aspect did not divest the State of the authority and personality to proceed with its complaints for the cancellation of the patentee's titles despite the State's admission that the lands covered by the disputed patents and titles are private in character. The State maintained sufficient interests in terms of the maintenance of the integrity of the land **registration process to have standing in these cases**. (emphasis supplied)

To reiterate, the effort by the Republic to claim for reversion was rightfully denied due to the private character of the subject realty. However, the complaint which contains allegations of fraud on the part of respondent Anna Ramirez Lontok, clearly vests in the Republic a cause of action to cancel the free patent and the derivative titles pursuant to Sec. 91 of the Public Land Act. The fact that the State can no longer pray for reversion should not have affected its cause of action to cancel the free patent and the derivative titles on the ground of fraud. Hence, it was error for the CA and the RTC to have ordered the dismissal of the Republic's complaint merely on the basis that the prayer for reversion cannot be sustained.

Accordingly, We remand this case to the court of origin for further proceedings on whether fraud attended the application for free patent of respondent Anna Ramirez Lontok.

WHEREFORE, We **GRANT** the Petition for Review; **SET ASIDE** the Court of Appeals Decision dated September 29, 2011; and **REMAND** this case to the Regional Trial Court, Santa Cruz, Laguna, Branch 91 to determine with dispatch whether Free Patent No. (IV-2) 27332 and Original Certificate of Title No. P-8554 in the name of Anna Ramirez Lontok, and the Transfer Certificate of Title No. T-129346 in the name of Rising Sun Motors Corporation are null and void.

SO ORDERED.

Perlas-Bernabe, S.A.J. (*Chairperson*), *Lazaro-Javier, Lopez,* and *Rosario, JJ.*, concur.