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on the same Section 2, Rule IV, Book III of the Implementing Rules and Policy Instructions No. 9. This being the decisive issue to be resolved, We find no necessity to pass upon the other issues raised, such as the effects of the Union's Manifestation and the propriety of applying Policy Instructions No. 9 retroactively to the instant case.

WHEREFORE, the questioned decisions of the respondent Presidential Executive Assistant and the Acting Secretary of Labor are hereby set aside, and the award of the Arbitrator reinstated. Costs against the private respondent.

IT IS SO ORDERED.

Teehankee (Chairman), Plana, Relova, Gutierrez, Jr. and *Patajo, JJ.*, concur.

Melencio-Herrera, J., took no part.

EN BANC

[G.R. No. L-58077. January 7, 1986]

THE DIRECTOR OF LANDS, *petitioner*, *vs.* **HERMANOS Y HERMANAS DE STA. CRUZ DE MAYO, INC., and JUDGE JESUS M. ELBINIAS, Court of First Instance of Bulacan, Sta. Maria Branch,** *respondents.*

SYLLABUS

CIVIL LAW; LAND REGISTRATION; JURIDICAL PERSONS ARE BARRED FROM ACQUIRING LAND OF PUBLIC DOMAIN.— On December 6, 1977 the corporation filed an application for registration. It prayed that if the Land Registration Law is not applicable, then it should be given the benefit of the Public Land Law since the applicant and its predecessors-in-interest have been in possession of the land since 1900. The

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trial court granted the application. The Director of Lands appealed. We hold that the appeal must be sustained because, as already shown, the matter of the disqualification of respondent corporation from registering the lands of the public domain is *res judicata*. Here, the land in question is still a part of the public domain. Consequently, it is covered by the constitutional ban against juridical persons acquiring such lands. The fact that the possessory rights thereto have been owned by private persons (see section 14, Presidential Decree No. 1529, Property Registration Decree), does not make the land private land. It ceases to be a part of the public domain only after it becomes registered land.

RELOVA, *J., concurring opinion*:

CIVIL LAW; PUBLIC LAND ACT; LAND REGISTRATION; NOT ALLOWED EXCEPT AS TO NATURAL PERSONS.— The Public Land Act does not allow the registration except as to natural persons. Besides, under section 11 of Article XIV of the Constitution, herein private respondent is disqualified as a corporation to hold alienable public lands, except by lease (*Republic vs. Iglesia ni Cristo,* 127 SCRA 687).

PLANA, *J., concurring opinion:*

CIVIL LAW; PROPERTY; PUBLIC LAND; CANNOT BE REGISTERED MERELY BECAUSE OF ALLEGED OPEN, CONTINUOUS, EXCLUSIVE POSSESSION OF APPLICANT'S PREDECESSOR.— The appealed decision contravenes Article XIV, Section 11 of the 1973 Constitution. Moreover, the land sought to be registered could not have become private merely because of the alleged open, continuous, exclusive, etc. possession thereof by private respondent's predecessors. For such possession must be under a *bona fide claim of ownership*, which presupposes colorable title or acquisition of the land through some state grant. In the instant case, however, it does not appear that the precedessors of the applicant for land registration had any document to support a *bona fide* claim of ownership, such as *composicion con el estado or informacion posesoria*.

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TEEHANKEE, *J., dissenting opinion:*

1. **CIVIL LAW; OWNERSHIP; ACQUISITIVE PRESCRIPTION, AS A MODE OF ACQUIRING OWNERSHIP; APPLICATION IN CASE OF NON-STOCK CORPORATION.**— The respondent corporation-applicant is a non-stock corporation authorized to acquire real property in pursuit of its operations. Hermanos y Hermanas de Sta. Cruz de Mayo, Inc. and its predecessors-in-interest had been in open, peaceful, adverse, exclusive and continuous possession of the property in the concept of owner since time immemorial. It has introduced improvements on the property by erecting a chapel thereon for the general use of its devotees-members. The property had been declared for taxation purposes and taxes thereon have been paid. There was no opposition to the application, and an order of general default was entered against all except the Director of Lands. On July 28, 1981, respondent judge rendered the decision under review, granting the application for registration. The applicant-corporation is qualified to apply for registration of its land under the provisions of Section 14 of P.D. No. 1529. The applicant-corporation clearly comes under paragraph 2 of Section 14 of said P.D. No. 1529. The Civil Code in its Article 1106 provides that "by prescription one acquires ownership and other real rights through lapse of time in the manner and under the conditions laid down by law." By acquisitive prescription, the land in question in the herein case thereby became private land.

2. **ID.; PROPERTY; PUBLIC LAND; WHEN A LAND CEASED TO BE A PUBLIC DOMAIN AND HAS BECOME A PRIVATE PROPERTY.**— For brevity's sake, I reproduce by reference the grounds of my dissenting opinion in the consolidated cases of Iglesia Ni Cristo and Meralco (114 SCRA 875, 887-899). Suffice it to reiterate what I stressed therein, for purposes of the present case, that "this dissent is based on the failure of the majority to adhere to established doctrine since the 1909 case of Cariño and the 1925 case of Susi down to the 1980 case of Herico, infra, pursuant to the Public Land Act, as amended, that where a possessor has held in the open, exclusive and unchallenged possession of alienable public land for the statutory period provided by law (30 years now under amendatory Rep. Act No. 1942 approved on June 22, 1957), the law itself mandates that the possessor 'shall be conclusively presumed

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to have performed all the conditions essential to a Government grant and shall be entitled to a certificate of title' and 'by legal fiction [the land] has already ceased to be of the public domain and has become private property.' Accordingly, the prohibition in the 1973 Constitution and of the Public Land Act against private corporations holding lands of the public domain has no applicability in the present cases. What Meralco and Iglesia have acquired from their predecessors-in-interest had already ceased to be of the public domain and had become private property at the time of the sale to them and therefore their applications for confirmation of title by virtue of their predecessors-in-interest' vested right and title may be duly granted . . . In fine, since under the Court's settled doctrine, the acquisitive prescription of alienable or disposable public lands provided for now in section 48, par. (b) of the Public Land Act takes place by operation of law and the public land is converted to and becomes private property upon a showing of open and unchallenged possession under *bona fide* claim of ownership by the applicants' predecessors-in-interest for the statutory period of thirty years immediately preceding the filing of the application and 'it is not necessary that a certificate of title should be issued in order that said grant may be sanctioned by the court' which right is expressly backed up by the conclusive presumption or presumption *juris et de jure* of the statute that the possessor has performed all the conditions essential to a Government grant,' the applicant Meralco cannot be said to be barred as a corporation from filing the application for registration of the private property duly acquired by it."

D E C I S I O N

AQUINO, *C.J.*:

This is another land registration case filed by a corporation. We have dismissed land registration cases filed by corporations, particularly by Iglesia ni Cristo, in the following cases:

(1) *Manila Electric Company vs. Castro-Bartolome*, L-49623, June 29, 1982, 114 SCRA 799; (2) *Republic vs. Villanueva,*

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G.R. No. 55289, June 29, 1982, 114 SCRA 875; (3) *Republic vs. Gonong and Iglesia ni Cristo,* G.R. No. 56025, November 25, 1982,118 SCRA 729; (4) *Republic vs. Iglesia ni Cristo,* G.R. No. 59477; (5) *Republic vs. Cendaña and Iglesia ni Cristo,* G.R. No. 60188, both decided on December 27, 1982, 119 SCRA 449; (6) *Director of Lands vs. Lood,* L-32521, September 2, 1983, 124 SCRA 460; (7) *Republic vs. Iglesia ni Cristo,* G.R. No. 61145, February 20, 1984, 127 SCRA 687 and (8) *Republic vs. Iglesia ni Cristo,* G.R. No. 54952, March 5, 1985, 128 SCRA 44.

One reason for the dismissal is that such a land registration proceeding is not allowed by Section 11, Article XIV of the Constitution which provides that "no private corporation or association may hold alienable lands of the public domain except by lease." A land registration proceeding presupposes that the land sought to be registered is a part of the public domain (Heirs of Pelagio Zara *vs.* Director of Lands, 127 Phil. 8; 12).

Another reason is that a corporation cannot invoke the Public Land Law whose provisions on judicial confirmation of imperfect or incomplete titles are available to private individuals only, not to juridical persons. That law provides:

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

x x x x x x x x x

"(b) Those who by themselves or through their predecessors-in-interest have been in open, continuous, exclusive, and notorious possession and occupation of agricultural lands of the public domain, under a *bona fide* claim of acquisition or ownership, for at least thirty years immediately preceding the filing of the application for confirmation of title except when prevented by war or *force majeure.*

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These shall be conclusively presumed to have performed all the conditions essential to a Government grant and shall be entitled to a certificate of title under the provisions of this chapter.

x x x x x x x x x

"SEC. 49. No person claiming title to lands of the public domain not in possession of the qualifications specified in the last preceding section may apply for the benefits of this chapter."

In the instant case, Alejandra Santiago-Zalamea was the possessor of a residential lot with an area of 281 square meters located in San Jose del Monte, Bulacan. She died in 1960. The land was inherited by Nicanor Zalamea who transferred it to his brother Macario.

After Macario's death in 1974, the land was inherited by his widow and two children who in 1976 sold it to Hermanos y Hermanas de Sta. Cruz de Mayo, Inc. which erected a chapel thereon. It is assessed at P1,780.

On December 6, 1977 the corporation filed an application for registration. It prayed that if the Land Registration Law is not applicable, then it should be given the benefit of the Public Land Law since the applicant and its predecessors-in-interest have been in possession of the land since 1900.

The trial court granted the application. The Director of Lands appealed. We hold that the appeal must be sustained because, as already shown, the matter of the disqualification of respondent corporation from registering the lands of the public domain is *res judicata*.

Here, the land in question is still a part of the public domain. Consequently, it is covered by the constitutional ban against juridical persons acquiring such lands. The fact that *the possessory rights thereto have been owned by private persons* (see Section 14, Presidential Decree No. 1529, Property Registration Decree), does not make the land private land. It

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ceases to be a part of the public domain only after it becomes registered land.

WHEREFORE, the judgment of the trial court is reversed and set aside. The application for registration of respondent corporation is dismissed. No costs.

SO ORDERED.

Concepcion, Jr., Abad Santos, Escolin, Gutierrez, Jr., De la Fuente, Alampay, and *Patajo, JJ.*, concur.

Teehankee, J., dissents in a separate opinion.

Plana and *Relova, JJ.*, see concurring opinion.

Melencio-Herrera J., is on leave.

Cuevas, J., took no part.

RELOVA, *J., concurring*:

The Public Land Act does not allow the registration except as to natural persons. Besides, under section 11 of Article XIV of the Constitution, herein private respondent is disqualified as a corporation to hold alienable public lands, except by lease (Republic *vs.* Iglesia ni Cristo, 127 SCRA 687).

PLANA, *J., concurring:*

The appealed decision contravenes Article XIV, Section 11 of the 1973 Constitution. Moreover, the land sought to be registered could not have become private merely because of the alleged open, continuous, exclusive, etc. possession thereof by private respondent's predecessors. For such possession must be under a *bona fide claim of ownership*, which presupposes colorable title or acquisition of the land through some state grant. In the instant case, however, it does not appear that the precedessors of the applicant for land registration had any document to support a *bona fide* claim of ownership, such as *composicion con el estado or informacion posesoria.*

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TEEHANKEE, *J., dissenting*:

The residential 281-square meter lot subject of the application was originally owned by Alejandra Santiago-Zalamea who was in open, peaceful, adverse, exclusive and uninterrupted possession thereof in the concept of owner since time immemorial (pp. 5 and 17, rec.). After the death of said Alejandra Santiago-Zalamea, in 1968, her properties were partitioned among her heirs and the subject parcel of land was assigned to Nicanor Zalamea. Later, Nicanor Zalamea exchanged properties with his brother Macario Zalamea resulting in the latter's ownership and possession of the said land. In 1974, Macario Zalamea died and the subject parcel of land was inherited by his spouse, Aurea Badoy Vda. de Zalamea and his two children, Efren Zalamea and Mary Ann Z. Manuel. On September 25, 1976, the respondent corporation Hermanos y Hermanas de Sta. Cruz de Mayo, Inc. represented by its president, Juanito Avena, acquired the same land by virtue of a deed of sale.

The respondent corporation-applicant is a non-stock corporation authorized to acquire real property in pursuit of its operations. Hermanos y Hermanas de Sta. Cruz de Mayo, Inc. and its predecessors-in-interest had been in open, peaceful, adverse, exclusive and continuous possession of the property in the concept of owner since time immemorial. It has introduced improvements on the property by erecting a chapel thereon for the general use of its devotees-members. The property had been declared for taxation purposes and taxes thereon have been paid.

There was no opposition to the application, and an order of general default was entered against all except the Director of Lands. On July 28, 1981, respondent judge rendered the decision under review, granting the application for registration.

The applicant-corporation is qualified to apply for registration of its land under the provisions of Section 14 of P.D. No. 1529, the pertinent provisions of which read:

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"Sec 14. *Who may apply.*— The following persons may file in the proper Court of First Instance an application for registration of title to land whether personally or through their duly authorized representatives:

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"(2) Those who have acquired ownership of private lands by prescription under the provisions of existing laws.

x x x x x x x x x

"(4) Those who have acquired ownership of land in any other manner provided for by law.

x x x x x x x x x

The applicant-corporation clearly comes under paragraph 2 of Section 14 of said P.D. No. 1529. The Civil Code in its Article 1106 provides that "by prescription one acquires ownership and other real rights through lapse of time in the manner and under the conditions laid down by law." By acquisitive prescription, the land in question in the herein case thereby became private land. And as stated in the case of *Cariño vs. Insular Government of the P.I.* (212 U.S. 449; 53 Law ed. 594): "There are indications that registration was expected from all, but none sufficient to show that, for want of it, ownership actually gained would be lost. The effect of the proof, whenever made, was not to confer title, but simply to establish it, as already conferred by the decree, if not by earlier law."

Paragraph 4 of Section 14 of the cited P.D. is also applicable. The applicant-corporation acquired the land in question by virtue of a deed of sale from its predecessors-in-interest, who acquired the land since time immemorial. The land therefore ceased to form part of the public domain long before November 22, 1977, when it filed voluntary registration proceedings under Act 496, now P.D. No. 1529.

For brevity's sake, I reproduce by reference the grounds of my dissenting opinion in the consolidated cases of *Iglesia Ni Cristo and Meralco* (114 SCRA 875, 887-899). Suffice it to reiterate what I stressed therein, for purposes of the present

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case, that "this dissent is based on the failure of the majority to adhere to established doctrine since the 1909 case of Cariño and the 1925 case of Susi down to the 1980 case of *Herico*, *infra*, pursuant to the Public Land Act, as amended, that where a possessor has held in the open, exclusive and unchallenged possession of alienable public land for the statutory period provided by law (30 years now under amendatory Rep. Act No. 1942 approved on June 22, 1957), the law itself mandates that the possessor 'shall be conclusively presumed to have performed all the conditions essential to a Government grant and shall be entitled to a certificate of title' and 'by legal fiction [the land] has already ceased to be of the public domain and has become private property.' Accordingly, the prohibition in the 1973 Constitution and of the Public Land Act against private corporations holding lands of the public domain has no applicability in the present cases. What Meralco and Iglesia have acquired from their predecessors-in-interest had already ceased to be of the public domain and had become private property at the time of the sale to them and therefore their applications for confirmation of title by virtue of their predecessors-in-interest' vested right and title may be duly granted x x x In fine, since under the Court's settled doctrine, the acquisitive prescription of alienable or disposable public lands provided for now in section 48, par. (b) of the Public Land Act takes place by operation of law and the public land is converted to and becomes private property upon a showing of open and unchallenged possession under *bona fide* claim of ownership by the applicants' predecessors-in-interest for the statutory period of thirty years immediately preceding the filing of the application and 'it is not necessary that a certificate of title should be issued in order that said grant may be sanctioned by the court' which right is expressly backed up by the conclusive presumption or presumption *juris et de jure* of the statute that the possessor has 'performed all the conditions essential to a Government grant,' the applicant Meralco cannot be said to be barred as a corporation from filing the application for registration of the private property duly acquired by it."

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I further maintain, in line with my dissent in the later case of *Director of Lands vs. Lood* (124 SCRA 460, 469), that the acquisition of the small parcel of land herein involved for wellnigh public purposes was long before the prohibition of the 1973 Constitution and therefore was still governed by the 1935 Constitution which allowed acquisition by corporations of public lands up to 1,024 hectares. The ultimate users and beneficiaries of the chapel on the land are all natural persons, the Filipino residents in the community.

I finally hold, as I did in my dissent in the above-cited *Iglesia-Meralco* cases that the ends of justice would best be served, therefore, by considering the application for confirmation as amended to conform to the evidence, *i.e.* as filed in the name of the original owners who as natural persons are duly qualified to apply for formal confirmation of the title that they had acquired by conclusive presumption and mandate of the Public Land Act and who thereafter duly sold it to the herein applicant-corporation and granting the application for confirmation of title to the private land so acquired and sold.

ACCORDINGLY, I vote to dismiss the petition and thus affirmed the decision under review

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SECOND DIVISION

[G.R. No. L-57524. January 8, 1986]

REPUBLIC OF THE PHILIPPINES, *petitioner, vs.* **MAURA SANTOS, APOLONIO PASCUAL, MOBILE OIL PHILIPPINES, INC., PEERS INDUSTRIAL CORPORATION, THE PHILIPPINE NATIONAL BANK, PEDRO SIAPUATCO, AURORA TULIO SIAPUATCO, RICARDO S. SIAPUATCO, ESTELA ESPIRITU, EPIFANIO S. SIAPUATCO, EUGENIO S.**