



REPUBLIC OF THE PHILIPPINES
SUPREME COURT
Manila

SECOND DIVISION

NOTICE

Sirs/Mesdames:

*Please take notice that the Court, Second Division, issued a Resolution dated **05 January 2022** which reads as follows:*

“G.R. No. 198148 (*Susana Realty, Inc. v. Republic of the Philippines*). – Before the Court is a Petition for Review on *Certiorari*¹ dated September 29, 2011 filed by Susana Realty, Inc. (SRI) praying for the reversal of the Decision² dated May 3, 2011 and the Resolution³ dated August 5, 2011 of the Court of Appeals (CA) in CA-G.R. CV No. 90191, which affirmed the Decision⁴ dated October 11, 2006 of the Regional Trial Court (RTC), Branch 16, Cavite City, in Civil Case No. N-7160.

The factual antecedents, as culled from the CA decision, are as follows:

Sometime in 1959, the Office of the Register of Deeds of Cavite was raged by fire. Among the documents destroyed were the original copies of Transfer Certificates of Title (TCT) Nos. (T-5344) RT-19732 and (T-5345) RT-19733, describing two parcels of land located in the Municipality of Noveleta, Cavite (the Subject Lots). Particularly, TCT No. (T-5344) RT-19732 covers Lot 159, Psu-86714, with an area of 441 square meters (sqm), while TCT No. (T-5345) RT-19733 covers Parcels B and E, measuring 12,491 sqm and 5,061 sqm, respectively.⁵

In 1986, after 27 years, SRI filed a petition for the reconstitution of the said titles, which was granted by the RTC of Cavite City. However, upon appeal before the CA, the CA found that the RTC did not acquire jurisdiction over the subject matter of the case because of lack of publication.⁶

¹ *Rollo*, pp. 52-79.

² *Id.* at 80-87; penned by Associate Justice Mario L. Guariña III with Associate Justices Apolinario D. Bruselas, Jr. and Manuel M. Barrios concurring.

³ *Id.* at 89.

⁴ *Id.* at 19-41; penned by Judge Manuel A. Maya.

⁵ *Id.* at 11-12.

⁶ *Id.* at 12.

In 1997, Mayor Dionesio Torres (Mayor Torres) of the Municipality of Noveleta, Cavite, set his eyes on Parcel B under TCT No. (T-5345) RT-19733, as a possible site for a socialized housing program. Based on a certification issued by the Municipal Assessor of Noveleta, Cavite, it was found that the property covered by TCT No. (T-5345) RT-19733 had not been declared for taxation purposes. Thereafter, Mayor Torres moved to reclaim about 800 sqm, but the APM Group of Companies, of which SRI was a part, intervened, and informed Mayor Torres that SRI had a registered title to the property covered by TCT No. (T-5345) RT-19733, and is now described as Lot 118-B. Given this information, Mayor Torres requested the Department of Environment and Natural Resources (DENR) Region IV to conduct an ocular inspection of the site.⁷

In December 1999, the DENR Region IV Assistant Regional Executive Director sent two of his personnel to conduct an ocular inspection of the site. It was reported that the site was an underwater foreshore area along Manila Bay some 40 meters away from the National Highway to Cavite City, where the Municipality of Noveleta had started reclaiming some 1,000 sqm of the watery portion for the resettlement of informal settlers. Because of the condition of the site, the inspectors recommended that the technical description of Lot 118-B under TCT No. (T-5345) RT-19733 be plotted against the DENR Land Classification Map No. 2736 (LC Map No. 2736) in order to determine whether such area falls within the alienable or disposable area, or within the foreshore area of Manila Bay.⁸

In June 2000, the Office of the Solicitor General (OSG) made a similar request for the ocular inspection of Lot 118-B, as well as its adjoining areas, in connection with a petition that it filed for the cancellation of TCT Nos. (T-5344) RT-19732 and (T-5345) RT-19733 in the name of SRI. Accordingly, the DENR plotted the Subject Lots against the DENR LC Map No. 2736, and found that such areas fall within Manila Bay. The DENR Verification Report was then submitted to the DENR Director, who then transmitted the same to the OSG.⁹

Proceedings before the RTC

In view of the findings made in the DENR Verification Report, a complaint was filed against SRI for the reversion of the Subject Lots.¹⁰

After due proceedings, the RTC rendered its Decision dated October 11, 2006,¹¹ the dispositive portion of which reads:

⁷ Id.
⁸ Id. at 12-13.
⁹ Id. at 13.
¹⁰ Id.
¹¹ Id. at 19-41.

WHEREFORE, premises considered, judgment is hereby rendered declaring the inalienable nature of the lots covered by Transfer Certificates of Title No. 5344 and 5345 and further ordering as follows, to wit:

1. The reversion of the subject parcels of land into the mass of the inalienable public domain, and
2. The cancellation by the Register of Deeds of the Province of Cavite of Transfer Certificates of Title No. 5344 and 5345 or any other existing title over the said properties.

Furthermore, the Register of Deeds of the Province of Cavite is enjoined and ordered to desist from issuing any title over the subject properties.

SO ORDERED.¹²

In ordering the reversion of the Subject Lots, the RTC held that the Subject Lots are inalienable and form part of the public domain, considering that the DENR LC Map No. 2736 shows that the same fall within the Manila Bay. The RTC likewise ruled that, even assuming that the Subject Lots are not part of Manila Bay, they at least form part of the foreshore area, which also makes the Subject Lots inalienable. Finally, the RTC declared that the issuance of a title in the name of SRI does not alter the inalienability and public character of the Subject Lots because any judicial decree recognizing private ownership over inalienable land is void.¹³

Appeal before the CA

Aggrieved by the RTC's decision, SRI appealed to the CA and argued, among others, that: (1) it had a vested right of ownership over the Subject Lots; (2) the Subject Lots are not part of Manila Bay; and (3) the Subject Lots are not foreshore land.¹⁴

On May 3, 2011, the CA issued its decision which denied SRI's appeal for lack of merit, considering that under the Regalian Doctrine, foreshore and submerged areas form part of the public domain, and are considered inalienable.¹⁵

The CA found that the evidence on record show that the Subject Lots are foreshore lands:

¹² Id. at 40-41.

¹³ Id. at 31-37.

¹⁴ Id. at 14.

¹⁵ Id. at 15-16.

First, the DENR Verification Report categorically declared that the Subject Lots fall within Manila Bay per DENR LC Map No. 2736.¹⁶

Second, the DENR officials, who conducted an ocular inspection of the site, observed that the Subject Lots were underwater and/or formed part of the foreshore area.¹⁷

Third, DENR Engineer Peter Pangilinan, who used the relocation plan of SRI's Engineer Democrito De Dios to plot the Subject Lots against DENR LC Map No. 2736, confirmed that the Subject Lots fall within the Manila Bay.¹⁸

Given the foregoing, the CA ruled that the Subject Lots are inalienable and consequently, unregistrable. Thus, the CA affirmed the RTC's decision which ordered the reversion of the Subject Lots.¹⁹

Thereafter, SRI filed its Motion for Reconsideration,²⁰ but the same was denied by the CA in its Resolution²¹ dated August 5, 2011.

The instant petition

Undeterred by the adverse rulings of the CA, SRI filed the instant petition where it raised the following issues:

- A. **THE HONORABLE COURT [OF APPEALS] DECIDED A QUESTION OF SUBSTANCE IN RULING THAT THE PROPERTIES SUBJECT OF THIS CASE ARE NOT REGISTRABLE WHICH IS NOT IN ACCORD WITH LAW OR WITH THE APPLICABLE DECISIONS OF THIS HONORABLE COURT.**
- B. **THE HONORABLE COURT OF APPEALS IN AFFIRMING THE REGIONAL TRIAL COURT'S RULING THAT RESPONDENT SRI DID NOT ACQUIRE VESTED RIGHTS OR PRIVATE INTEREST OVER THE SUBJECT PROPERTIES HAS DECIDED IN A WAY NOT IN ACCORD WITH THE APPLICABLE DECISIONS OF THE SUPREME COURT.**²²

SRI's Arguments

In its petition, SRI primarily alleged that the Subject Lots were

¹⁶ Id. at 16.

¹⁷ Id.

¹⁸ Id. at 16-17.

¹⁹ Id. at 17.

²⁰ Id. at 169-184.

²¹ Id. at 89.

²² Id. at 53-54.

registrable at the time of the issuance of their respective titles. Particularly, SRI emphasized that when the Subject Lots were registered, the applicable laws were Act No. 926 and Act No. 2874.²³

Under Act No. 926, which was enacted on October 7, 1903, the RTC, acting as a Land Registration Court, had absolute discretion to declare a property as registrable and may therefore grant registration. Meanwhile, Act No. 2874, which was enacted on November 29, 1919, provided that a valid appropriation of public land removes the subject property from the public domain and makes it private property. Considering that the Subject Lots were decreed for registration by the Land Registration Court, the Subject Lots have ceased to be part of the public domain and have become private property.²⁴

SRI likewise noted that the subsequent reclassification of the Subject Lots in 1972, when the DENR LC Map No. 2736 was made, does not make the Subject Lots inalienable.²⁵ SRI emphasized that the subsequent reclassification of land after its registration will not make such registration void.²⁶

Finally, SRI argued that, since only a small portion or approximately three percent (3%) of the Subject Lots are submerged in water, the entire property cannot be considered as foreshore land.²⁷

OSG's Comment

On May 25, 2012, the OSG filed its Comment,²⁸ where it argued, among others, that: (1) under the Regalian Doctrine, foreshore lands are inalienable and, as such, are not subject of private ownership; (2) the inalienable nature of the Subject Lots was duly established during trial; and (3) any prior private right to the Subject Lots does not bar reversion, considering that, when a private land is invaded by the sea and becomes part of the shore, the submerged lot automatically becomes land of the public domain.²⁹

The Court's Ruling

The Court denies the petition.

²³ Id. at 58-62.

²⁴ Id. at 64-66.

²⁵ Id. at 67.

²⁶ Id. at 72.

²⁷ Id. at 74.

²⁸ Id. at 124-138.

²⁹ Id. at 130-135.

Upon review of the submissions made before the Court, the Court finds that the CA did not err when it affirmed the RTC's decision, and ruled that the Subject Lots are inalienable and form part of the public domain.

To reiterate, the RTC, after judiciously evaluating the evidence on record, ruled that the Subject Lots form part of the public domain, based on the following pieces of evidence presented by the OSG:

First, the DENR Verification Report categorically declared that the Subject Lots fall within Manila Bay per DENR LC Map No. 2736.

Second, the DENR officials, who conducted an ocular inspection of the site, observed that the Subject Lots were underwater and formed part of the foreshore area.

Third, DENR Engineer Peter Pangilinan, who used the relocation plan of SRI's Engineer Democrito De Dios to plot the Subject Lots against DENR LC Map No. 2736, confirmed that the Subject Lots fall within Manila Bay.³⁰

On the other hand, apart from the reconstituted titles supposedly held by SRI which it obtained in an invalid reconstitution proceeding, SRI failed to present any iota of evidence to demonstrate that the Subject Lots do not form part of the public domain. Moreover, SRI's allegation that only approximately three percent (3%) of the Subject Lots are supposedly submerged in water likewise finds no support in the evidence on record. In view thereof, the RTC ruled in favor of the OSG and ordered the reversion of the Subject Lots.

In this regard, it bears emphasis that factual findings made by the RTC are accorded great respect by the Court. As held in *Heirs of Teresita Villanueva v. Heirs of Petronila Syquia Mendoza*:³¹

It is a settled rule that the Supreme Court is not a trier of facts. The function of the Court in petitions for review on *certiorari* under Rule 45 of the Rules of Court is limited to reviewing errors of law that may have been committed by the lower courts. As a matter of sound practice and procedure, **the Court defers and accords finality to the factual findings of [the] trial courts.** To do otherwise would defeat the very essence of Rule 45 and would convert the Court into a trier of facts, which is not its intended purpose under the law. Here, the issue is essentially factual in nature, the determination of which is best left to the courts below, especially the trial court.

x x x x

³⁰ Id. at 16-17.

³¹ 810 Phil. 172 (2017).

Findings of fact made by a trial court are accorded the highest degree of respect by an appellate tribunal and, absent a clear disregard of the evidence before it that can otherwise affect the results of the case, those findings should not simply be ignored. **Absent any clear showing of abuse, arbitrariness, or capriciousness committed on the part of the lower court, its findings of facts are binding and conclusive upon the Court. The reason for this is because the trial court was in a much better position to determine which party was able to present evidence with greater weight.**³² (Emphasis supplied; citations omitted)

In this case, the Court finds that there was no abuse, arbitrariness or capriciousness on the part of the RTC when it ruled that the Subject Lots fall within Manila Bay and/or are considered foreshore lands.

Having established that the Subject Lots fall within Manila Bay and/or are considered foreshore lands, the Court agrees with the view of both the RTC and the CA that the same cannot be registered. In fact, in *Baguio v. Heirs of Ramon Abello*,³³ citing *Republic v. Court of Appeals*,³⁴ the Court emphasized the non-registrability of foreshore lands, to wit:

The non-registrability of foreshore lands is a well-settled jurisprudential doctrine. In *Republic of the Phil. v. CA*, it was held that **foreshore lands belong to the public domain and cannot be the subject of free patents or Torrens titles, viz.:**

The application for a free patent was made in 1972. From the undisputed factual findings of the [CA], however, the land has since become foreshore. Accordingly, it can no longer be subject of a free patent under the Public Land Act. x x x.

x x x x

When the sea moved towards the estate and the tide invaded it, the invaded property became foreshore land and passed to the realm of the public domain. In fact, the Court in *Government vs. Cabangis* annulled the registration of land subject of cadastral proceedings when the parcel subsequently became foreshore land. In another case, the Court voided the registration decree of a trial court and held that said court had no jurisdiction to award foreshore land to any private person or entity. **The subject land in this case, being foreshore land, should therefore be returned to the public domain.** (Emphasis supplied; citations omitted)

Applying the foregoing in this case, and notwithstanding the titles issued in favor of SRI, which, again, were obtained in an invalid

³² Id. at 177-178 and 184.

³³ G.R. Nos. 192956 and 193032, July 24, 2019.

³⁴ 346 Phil. 637, 653-655 (1997).

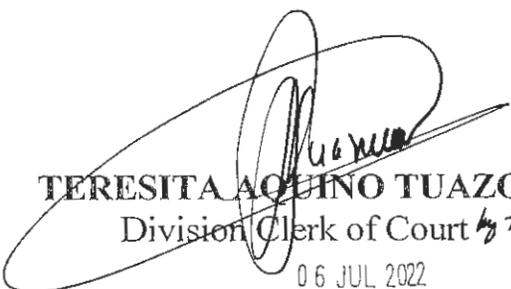
reconstitution proceeding, it is abundantly clear that both the CA and the RTC correctly ordered the reversion of the Subject Lots because the same are considered as foreshore lands. Even assuming that SRI acquired titles over the Subject Lots at the time they were not considered foreshore lands, jurisprudence provides that from the moment the same were invaded by the sea, the Subject Lots became foreshore land, and should be returned to the public domain.

All things considered, the Court finds that the RTC and the CA correctly ruled that the Subject Lots are unregistrable and should thus be reverted to the public domain.

WHEREFORE, premises considered, the Petition for Review on *Certiorari* dated September 29, 2011 filed by Susana Realty, Inc. is **DENIED**. The Decision dated May 3, 2011 and the Resolution dated August 5, 2011 of the Court of Appeals in CA-G.R. CV No. 90191 are **AFFIRMED**.

SO ORDERED."

By authority of the Court:


TERESITA AQUINO TUAZON
 Division Clerk of Court *by 7/c*
 06 JUL 2022

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