



Republic of the Philippines
Supreme Court
Baguio City

SECOND DIVISION

REPUBLIC OF THE PHILIPPINES,
represented by the Register of Deeds,
Petitioner,

G.R. No. 195611

- versus -

HEIRS OF DIEGO LIM, namely,
PRUDENCIA D. LIM,
ANGELINA D. LIM,
SIXTA D. LIM BAJA,
ERNESTO D. LIM,
MIGUEL D. LIM,
JOSEFA D. LIM,
CASIMIRO D. LIM,
BUENAVENTURA D. LIM, and
ENGRACIA D. LIM UY,
(the last five being deceased, but
represented by Prudencia D. Lim),
HEIRS OF JEORGE*JOSEFAT,**
EPIFANIO ROMAMBAN,
SANTIAGO PARONG,
ANTONIO P. CACHO,
JESSMAG, INC.,
ROSITA LAGUERTA,
EMILIO JOSE,
HEIRS OF NESTOR P. TRINIDAD,
ANTONIO DIAZ,
ANTONIO CHUA,
GUILLERMO J. JOSE,
DANIEL MA. JOSE,
LOURDES JOSE,
JUNA MA. JOSE,
WILFREDO V. GARCIA,
JESUS BILBAO,
JOSE CONCEPCION, JR.,

* Or Jorge.

** Or Josafat.

**FRANCISCO ACHACOSO,
DENNIS B. PABLIZO,^{***}
ROMEO A. CRUZ,
JOSE DE LA ROSA,
VICTORIOSO DIAZ CARPIO,
ROSARIO CARPIO SANTOS,
MARIETA CARPIO BACAY,
MARIETA PALMA,
SPOUSES ROLANDO and
OFELIA HUANG,
PELAGIO M. ACHACOSO, and
MELBA M. MANDOCDOC,
*Respondents.***

Present:

BRION, *Acting Chairperson*,
PERALTA,^{****}
DEL CASTILLO,
MENDOZA, *and*
LEONEN, *JJ.*

Promulgated:

18 APR 2016

X

X

DECISION

DEL CASTILLO, J.:

This Petition for Review on *Certiorari*¹ seeks to set aside the September 27, 2010 Decision² of the Court of Appeals (CA) in CA-G.R. CV No. 85329 affirming the April 18, 2005 Decision³ of the Regional Trial Court (RTC) of Iba, Zambales, Branch 70 in Civil Case No. RTC-666-I, as well as the CA's February 11, 2011 Resolution⁴ denying petitioner's Motion for Reconsideration.⁵

Factual Antecedents

Lot 42 consisting of 17,181,376 square meters, more or less – or 1,718.1376 hectares, is situated in Iba, Zambales.

On December 8, 1924, the Director of Lands filed with the then Court of First Instance of Zambales (CFI) a petition for cadastral hearing to settle and adjudicate Lot 42, pursuant to Section 1855 of the Revised Administrative Code.⁶

^{***} Or Tablizo.

^{****} Per Raffle dated March 21, 2016.

¹ *Rollo*, pp. 10-36.

² *Id.* at 37-56; penned by Associate Justice Franchito N. Diamante and concurred in by Associate Justices Josefina Guevara-Salonga and Mariflor P. Punzalan Castillo.

³ *Id.* at 96-108; penned by Judge Clodualdo M. Monta.

⁴ *Id.* at 66-69.

⁵ *Id.* at 57-65.

⁶ Sec. 1855. *Institution of Registration Proceedings.* – When the lands have been surveyed and plotted, the Director of Lands, represented by the Solicitor-General, shall institute registration proceedings, by petition against the holders, claimants, possessors or occupants of such lands or any part thereof, stating in substance that the public interest requires that the title to such lands be settled and adjudicated.

The petition shall contain a description of the lands and shall be accompanied by a plan thereof, and may contain such other data as may serve to furnish full notice to the occupants of the lands and to all persons who may claim any right or interest therein.

**FRANCISCO ACHACOSO,
DENNIS B. PABLIZO,^{***}
ROMEO A. CRUZ,
JOSE DE LA ROSA,
VICTORIOSO DIAZ CARPIO,
ROSARIO CARPIO SANTOS,
MARIETA CARPIO BACAY,
MARIETA PALMA,
SPOUSES ROLANDO and
OFELIA HUANG,
PELAGIO M. ACHACOSO, and
MELBA M. MANDOCDOC,
*Respondents.***

Present:

BRION, *Acting Chairperson,*
PERALTA,^{****}
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The case was docketed as Cadastral Case No. 121. The Director of Lands claimed that Lot 42 was part of the public domain. Herein respondents Epifanio Romamban (Romamban) and Santiago Parong (Parong) opposed the petition, claiming ownership of Lot 42-E, which is a portion of Lot 42. Romamban claimed that he owned by acquisitive prescription, 29 hectares of Lot 42-E; on the other hand, Parong claimed eight hectares of Lot 42-E, which he allegedly purchased from Romamban.

Apart from Romamban and Parong's claims over Lot 42-E, it appears that Diego Lim (Lim) and Jorge Josefát (Josefat) had their own: in October 1968, Lim sent a letter to the CFI informing the latter that he was a claimant over a portion of Lot 42-E, having occupied the same and filed previously a free patent application therefor. Josefát likewise had a pending homestead application over 20 hectares of Lot 42-E.

On November 20, 1969, the CFI of Zambales, Branch 11 rendered judgment in Cadastral Case No. 121 adjudicating in favor of Romamban and Parong, Lot 42-E.⁷ The herein petitioner Republic of the Philippines took issue before the CA *via* an appeal docketed as CA-G.R. CV No. 11483.

Meanwhile, in 1970, Romamban was able to secure in his name Original Certificate of Title No. (OCT) 0-6511, covering the 29 hectares of land awarded to him. Parong was likewise able to obtain in his name Transfer Certificates of Title Nos. (TCT) T-20204, T-20205, and T-20206 over his 8-hectare award. Later on, Romamban and Parong sold or transferred portions of their respective awards and, as a result, several derivative titles were issued in favor of Romamban, Parong, and the other respondents herein, namely Jessmag, Inc., Emilio Jose, Nestor P. Trinidad, Antonio Diaz, Wilfredo V. Garcia, Francisco Achacoso, Jesus Bilbao, Victorioso Diaz Carpio, Jose Concepcion, Jr., Marieta Palma, Marieta Carpio Bacay, Spouses Rolando and Ofelia Huang, Pelagio M. Achacoso, Jose De La Rosa, Dennis B. Pablizo, Romeo A. Cruz, Antonio P. Cacho, Rosario Carpio Santos, Rosita Laguerta, Antonio Chua, Guillermo J. Jose, Daniel Ma. Jose, Lourdes Jose, Juna Ma. Jose, and Melba M. Mandocdoc.

On January 12, 1989,⁸ the CA issued a Decision⁹ in CA-G.R. CV No. 11483, ruling in favor of the Republic, thus –

We find [the Republic's] averment to be impressed with merit. The instant case is a cadastral proceeding under the Public Land Laws. The burden of proving that the land is a registrable private land rests upon [Romamban and

⁷ See September 10, 1991 Order in Civil Case No. RTC-666-1, records, vol. II, pp. 327-330 at 327-328.

⁸ See Entry of Judgment, *rollo*, p. 78.

⁹ Id at 71-77; penned by Associate Justice Hector C. Full and concurred in by Associate Justices Nathaniel M. Paño, Jr. and Asaali S. Isnani.

Parong] in view of the basic presumption that lands of whatever classification belong to the State. x xx. Subject Lot No. 42-E is, therefore, presumed to be public land. To overcome the presumption, it is incumbent upon [Romamban and Parong] to show by clear and convincing evidence that they have been in uninterrupted possession of the same in the concept of an owner for a period of at least thirty (30) years. x xx. However, as has been earlier discussed, since [Romamban and Parong] have already lost their standing in court,¹⁰ the evidence adduced by them in the trial court cannot be admitted to support their claim. This court is thus constrained to rule that the presumption that Lot No. 42-E is a public land has not been overcome. Withal, claimant Diego Lim's Application for Free Patent (Exh. "1") and Claimant Jorge Josefats Homestead Application (Exh. "9") which are pending with the Bureau of Lands are competent evidence that subject Lot No. 42-E is indeed part of the public domain. x xx. Necessarily, therefore, the lower court committed reversible error when it awarded subject Lot No. 42-E to [Romamban and Parong].

IN VIEW OF ALL THE FOREGOING, the decision of the court *a quo* dated November 20, 1969 is hereby REVERSED and its Order dated April 14, 1970 SET ASIDE. It is hereby further declared that subject Lot No. 42-E is deemed and considered part and parcel of the public domain without prejudice to the right of claimant Diego Lim and claimant Jorge Josefats to pursue their respective applications for free patent and homestead patent, respectively. With costs.

SO ORDERED.¹¹

The above Decision became final and executory on February 3, 1989.¹²

Civil Case No. 666-I

On January 3, 1990, Lim and Josefats filed a Complaint¹³ for *accion publiciana* and cancellation of deeds of absolute sale and titles against Romamban, Parong, and their co-respondents herein. The case was docketed as Civil Case No. 666-I and assigned to Branch 70 of the RTC, Iba, Zambales. Lim and Josefats asserted that they were the actual occupants of Lot 42-E, and have filed with the government applications to acquire the same; that Romamban and Parong surreptitiously subdivided Lot 42-E and sold the lots to their co-respondents; that these co-respondents purchased or obtained these lots and occupied them knowing that CA-G.R. CV No. 11483 was still pending; and that by virtue of the resultant Decision in CA-G.R. CV No. 11483, Lim and Josefats are therefore entitled to the subject land. Thus, they prayed that Romamban, Parong, and the other respondents be ordered to vacate Lot 42-E and pay damages and that the deeds of sale and titles issued in their favor be nullified and cancelled.

¹⁰ An order of general default was issued against Romamban and Parong.

¹¹ *Rollo*, pp. 76-77.

¹² *Id.* at 78.

¹³ Records, Vol. I, pp. 1-7.

Romamban, Parong, and the other defendants in Civil Case No. 666-I filed their respective answers and motions to dismiss, arguing among others that they have obtained Torrens titles over the property; that they are innocent purchasers in good faith thereof; and that Lim and Josefats rights are inchoate, as they are mere applicants and not grantees of the property. In a September 10, 1991 Order,¹⁴ the RTC denied the motions to dismiss but declared that Lim and Josefats lacked personality to seek cancellation of the issued titles.

On April 28, 1992, petitioner filed a Motion for Intervention, attaching thereto a Complaint in Intervention,¹⁵ arguing that Romambans OCT 0-6511 and all the other derivative titles of the defendants in Civil Case No. 666-I were null and void since, by virtue of the final and executory January 12, 1989 Decision of the CA in CA-G.R. CV No. 11483, Lot 42-E did not cease to be inalienable public land.

Petitioners motion for intervention was granted and its complaint in intervention was admitted. However, in a February 19, 1998 Order of the trial court, the said complaint in intervention was later dismissed for failure to prosecute.¹⁶

After trial, the RTC rendered a Decision¹⁷ dated April 18, 2005 in Civil Case No. RTC 666-1 declaring as follows:

The main issue in this case is whether or not [sic] the plaintiffs can still recover the [sic] possession of the lots from the defendants in this case which is also for the nullification of their titles. The issues of possession and ownership are inextricably intertwined with each other and should be resolved together.

It is worthy to note that despite the decision of the Court of Appeals setting aside the decision of the then Court of First Instance at Iba, Zambales which awarded Lot 42-E of the Iba Cadastre to Epifanio Romamban and Santiago Y. Parong, no action was filed by the government for the reversion of such lot to the public domain. It is a hornbook doctrine that it is only the State through the Solicitor General that can file an action for reversion x xx which up to the present time is [sic] not yet initiated by the government office concerned. Although the Republic of the Philippines, through the Solicitor General had intervened in this proceeding, it did not pursue its case against the present possessors the defendants, as in fact its complaint in intervention was dismissed on February 19, 1998 x xx for failure x xx to appear in the hearing of this case and for lack of interest to prosecute. Under the factual milieu of this case, the plaintiffs have therefore no legal personality to file the action to revert Lot 42-E of the Iba Cadastre to the public domain which legally pertains to the State through the Office of the Solicitor General.

¹⁴ Records, Vol. II, pp. 327-330.

¹⁵ Id. at 383-390.

¹⁶ Id. at 702; *rollo*, p. 20.

¹⁷ *Rollo*, pp. 96-108.

While the present action is not directly one for reversion but for recovery of possession (*accion publiciana*), still this Court finds plaintiffs'¹⁸ evidence insufficient to overturn the defendants'¹⁹ evidence as to proof of ownership and possession. Witness and plaintiff Prudencia Lim has not even shown any tax declaration either in her name or that of her deceased brother, Diego Lim and so were not paying taxes on the property. The non-existence of a tax declaration of the subject land in the names of the plaintiffs is also confirmed by witnesses Rodrigo A. Aramay and Arturo Buenaventura. The defendants however have certificates of title in their names transferred from the previous owners. The titles of the defendants until now, have not been invalidated. Such titles as a proof of ownership should therefore be given superior weight and the defendants as the holders thereof should be considered as the owners of the property in controversy until their titles are nullified or modified in an appropriate ordinary action *x x x*. The defendants were buyers in good faith and they relied on the titles of the vendors, Epifanio Romamban and Santiago Y. Parong which do not show any encumbrance or annotation of an adverse claim or the pendency of an appeal. The decision of the Court of Appeals in the case of Director of Lands vs. Epifanio Romamban and Santiago Y. Parong (CA-G.R. CV No. 11483 promulgated on January 12, 1989) which declared Lot 42-E, IbaCadaastre to be part and parcel of the public domain, was not annotated in the titles of Epifanio Romamban and Santiago Y. Parong, who were the vendors of the lots now owned and possessed by the defendants. It is a settled doctrinal rule that one who deals with property under the Torrens system need not go beyond the same, but only has to rely on the title *x xx*. As a consequence of such indubitable proof of ownership, the defendants being the actual possessors, have the right to be respected in their possession (Art. 539, Civil Code of the Philippines).

WHEREFORE, judgment is hereby rendered:

- 1) Declaring the defendants and their respective transferees to be the absolute owners and lawful possessors of the lots described in their respective certificates of title;
- 2) Dismissing the plaintiffs' complaint for lack of legal basis;
- 3) Dismissing the defendants' counterclaim for lack of factual basis there being no evidence submitted by them during the trial; and
- 4) Dismissing the cross-claims of some of the defendants for being now moot and academic in view of this decision.

SO ORDERED.²⁰

Ruling of the Court of Appeals

Petitioner filed an appeal before the CA, which was docketed as CA-G.R. CV No. 85329. The Lim and Josefat heirs likewise appealed. In seeking reversal of the RTC's April 18, 2005 Decision, petitioner essentially argued that the final

¹⁸ Heirs of Diego Lim and Heirs of George Josefat.

¹⁹ Romamban and Parong and their co-respondents.

²⁰ *Id.* at 104-108.

and executory January 12, 1989 Decision of the CA in CA-G.R. CV No. 11483 is conclusive as to the nature and classification of Lot 42-E, which is that it is land belonging to the State which may not be disposed or alienated in favor of the respondents; that such a finding constitutes *res judicata* and respondents are bound thereby; and that since the issue of ownership has thus been settled in favor of the State, the RTC may not rule otherwise and declare the property as private land.

On September 27, 2010, the CA rendered the assailed Decision affirming the RTC's April 18, 2005 Decision, pronouncing thus:

The appeal is unmeritorious.

The main issue to be resolved in the case at bar is whether the lower court erred in dismissing the complaint for *accion publiciana* with cancellation of deeds of absolute sale and transfer certificates of title.

We rule in the negative.

In the case at bar, it is undisputed that the parcel of land subject of the instant controversy had been subdivided into smaller lots, and then later on, sold to various entities and third parties by Epifanio Romamban and Santiago Parong. As argued by herein defendants-appellees,²¹ to whom the subdivided property had been separately sold, there was no circumstance or presence of anything appearing on the face of the certificates of title of the afore-named vendors which excites or arouses suspicion which should then prompt the former to look beyond the said certificates and investigate the title.

The real purpose of the Torrens system of registration is to quiet title to land and to put a stop to any question of legality of the title except claims which have been recorded in the certificate of title at the time of registration or which may arise subsequent thereto. Every registered owner and every subsequent purchaser for value in good faith holds the title to the property free from all encumbrances except those noted in the certificate. ***Hence, a purchaser is not required to explore further what the Torrens title on its face indicates in quest for any hidden defect or inchoate right that may subsequently defeat his right thereto.***

Where innocent third persons, relying on the correctness of the certificate of title thus issued, acquire rights over the property the court cannot disregard such rights and order the total cancellation of the certificate. The effect of such an outright cancellation would be to impair public confidence in the certificate of title, for everyone dealing with property registered under the Torrens system would have to inquire in every instance whether the title has been regularly or irregularly issued. This is contrary to the evident purpose of the law. x xx. Even if a decree in a registration proceeding is infected with nullity, still an innocent purchaser for value relying on a Torrens title issued in pursuance thereof is protected.

In *Republic of the Philippines vs. Democrito T. Mendoza, et al.* citing

²¹ Romamban, Parong and their co-respondents.

Republic vs. Agunoy, Sr. et al., the Supreme Court emphatically explained that contested areas and titles which had already passed on to third parties who acquired the same in good faith and for value must be respected and protected, to wit:

Finally, it should be borne in mind that the contested areas and titles thereto had already passed on to third parties who acquired the same from the Mendozas in good faith and for value. When the Mendozas' sales patents were registered, they were brought under the operation of Presidential Decree No. [1529], otherwise known as the Land Registration Decree.

According to Section 103 of the Land Registration Decree, whenever public [land] is by the Government alienated, granted, or conveyed to any person, the same shall be brought under the operation of the said Decree and shall be deemed to [sic] registered lands to all intents and purposes under the Decree. x xx.

In *Republic v. Agunoy, Sr., et al.*, We refused to revert the land in question to the public domain despite the fact that the free patent thereto was secured by fraud since the same land already passed on to purchasers in good faith and for value—

There can be no debate at all on petitioner's submission that no amount of legal technicality may serve as a solid foundation for the enjoyment of the fruits of fraud. It is thus understandable why petitioner chants the dogma of *frauset jus nunquam cohabitant*.

Significantly, however, in the cases cited by petitioner Republic, as well as in those other cases where the doctrine of *fraus et jus nunquam cohabitant* was applied against a patent and the title procured thru fraud or misrepresentation, *we note that the land covered thereby is either a part of the forest zone which is definitely non-disposable, as in Animas, or that said patent and title are still in the name of the person who committed the fraud or misrepresentation, as in Acot, Animas, Republic vs. CA and Del Mundo and Director of Lands vs. Abanilla, et al. and, in either instance, there were yet no innocent third parties standing in the way.*

The foregoing pronouncement which declares that, "*even if the original grantee of a patent and title has obtained the same through fraud, reversion will no longer prosper if such will affect the titles of innocent purchasers for value,*" was reiterated in *Rabaja Ranch Development Corp. vs. AFP Retirement and Separation Benefits System*, and We quote the pertinent provisions, thus:

In *Estate of the Late Jesus S. Yujuico v. Republic*, citing *Republic v. Court of Appeals*, this Court stressed the fact that it was never proven that private respondent St. Jude was a party to the fraud that led to the increase in the area of the property after it was subdivided. In the same case, citing *Republic v. Umali*, **we**

held that, in a reversion case, even if the original grantee of a patent and title has obtained the same through fraud, reversion will no longer prosper as the land had become private land and the fraudulent acquisition cannot affect the titles of innocent purchasers for value.

This conclusion rests very firmly on Section 32 of P.D. No. 1529, which states:

SEC. 32. Review of decree of registration; Innocent purchaser for value. – The decree of registration shall not be reopened or revised by reason of absence, minority, or other disability of any person adversely affected thereby, nor by any proceeding in any court for reversing judgment, subject, however, to the right of any person, including the government and the branches thereof, deprived of land or of any estate or interest therein by such adjudication or confirmation of title obtained by actual fraud, to file in the proper Court of First Instance a petition for reopening and review of the decree of registration not later than one year from and after the date of the entry of such decree of registration, but in no case shall such petition be entertained by the court where an innocent purchaser for value has acquired the land or an interest therein whose rights may be prejudiced. Whenever the phrase “innocent purchaser for value” or an equivalent phrase occurs in this Decree, it shall be deemed to include an innocent lessee, mortgagee, or other encumbrancer for value.

Upon the expiration of said period of one year, the decree of registration and the certificate of title issued shall become incontrovertible. Any person aggrieved by such decree of registration in any case may pursue his remedy by action for damages against the applicant or any other person responsible for the fraud.

Settled is the rule that no valid TCT can issue from a void TCT, unless an innocent purchaser for value had intervened. An innocent purchaser for value is one who buys the property of another, without notice that some other person has a right to or interest in the property, for which a full and fair price is paid by the buyer at the time of the purchase or before receipt of any notice of the claims or interest of some other person in the property. ***The protection given to innocent purchasers for value is necessary to uphold a certificate of title’s efficacy and conclusiveness, which the Torrens system ensures.***

Thus, notwithstanding a final judgment declaring that the property in question forms part of the public domain, a reversion of the said property to the public domain will no longer be allowed at this stage in view of the protection given to innocent purchasers for value which is necessary to uphold a certificate of title’s efficacy and conclusiveness.

Moreover, herein plaintiffs-appellants have no legal standing to bring this instant action. Section 2, Rule 3 of the Rules of Court requires that every action

must be prosecuted and defended in the name of the real party-in-interest. The real party-in-interest is the party who stands to be benefited or injured by the judgment or the party entitled to the avails of the suit.

“Interest,” within the meaning of the rule, means material interest, an interest in the issue and to be affected by the decree, as distinguished from mere interest in the question involved, or a mere incidental interest. Cases construing the real party-in-interest provision can be more easily understood if it is borne in mind that the true meaning of real party-in-interest may be summarized as follows: An action shall be prosecuted in the name of the party who, by the substantive law, has the right sought to be enforced. To qualify a person to be a real party in interest in whose name an action must be prosecuted, he must appear to be the present real owner of the right sought to be enforced.

In the instant case, herein plaintiffs-appellants had in fact admitted that the application for free patent filed by Diego Lim and Jorge Josefat had not been acted upon when a controversy involving the parcel of land subject of the instant case arose. The mere filing of an application for a free patent does not vest ownership upon the applicant.

It is a well-settled rule that the approval of a sales application merely authorized the applicant to take possession of the land so that he could comply with the requirements prescribed by law before a final patent could be issued in his favor. Meanwhile, the government still remained the owner thereof, as in fact the application could still be canceled and the land awarded to another applicant should it be shown that the legal requirements had not been complied with. What divests the government of title to the land is the issuance of the sales patent and its subsequent registration with the Register of Deeds. It is the registration and issuance of the certificate of title that segregate public lands from the mass of public domain and convert it into private property. Hence, the lower court did not err in dismissing the complaint below for *accion publiciana* with cancellation of deeds of absolute sale and transfer certificates of title.

As to the allegation that the decision of the trial court is not valid for its failure to issue the mandatory pre-trial order, We find the same to be devoid of merit. The appellants, in having voluntarily participated in the proceedings below in spite of the alleged absence of a pre-trial order, are now precluded to [sic] challenge the decision through this appeal applying the equitable principle of estoppel.

WHEREFORE, premises considered, the instant appeal is denied. Accordingly, the Decision of the Regional Trial Court of Iba, Zambales dated April 18, 2005 is hereby AFFIRMED.

SO ORDERED.²² (Emphases in the original)

Petitioner filed a Motion for Reconsideration,²³ which the CA denied in its subsequent February 11, 2011 Resolution. Hence, the present Petition.

²² Id. at 47-55.

²³ Id. at 57-65.

Issues

In a June 9, 2014 Resolution,²⁴ this Court resolved to give due course to the Petition, which contains the following assignment of errors:

THE COURT OF APPEALS ERRED ON A QUESTION OF LAW WHEN IT:

(A) CONSIDERED RESPONDENTS CACHO ET AL. ENTITLED TO THE PROTECTION GIVEN TO INNOCENT PURCHASERS FOR VALUE.

(B) DISREGARDED THE FINAL AND EXECUTORY DECISION OF THE COURT OF APPEALS [IN] CA-G.R. CV NO. 11483, WHICH DECLARED THE SUBJECT LOTS PART OF THE PUBLIC DOMAIN.²⁵

Petitioner's Arguments

In its Petition and Consolidated Reply²⁶ seeking reversal of the assailed CA Decision and the dismissal of Civil Case No. 666-I, petitioner argues that with the promulgation of the CA's January 12, 1989 Decision in CA-G.R. CV No. 11483 and its consequent finality, Lot 42-E should be considered public land which could not have been validly acquired by the respondents; that respondents are bound by said CA judgment, and any title obtained by them is necessarily null and void; and that the CA erred in declaring respondents Antonio P. Cacho, et al., as innocent purchasers for value, and in stating that petitioner had lost the right to seek reversion.

Respondents' Arguments

In their Comment,²⁷ the Lim and Josefats heirs adopt the position of the petitioner and pray for the reversal of the assailed CA Decision, arguing that with the pronouncement in CA-G.R. CV No. 11483 that Lot 42-E formed part of the public domain, their co-respondents could not own the portions covered by their respective titles; that the registration of these portions in their name cannot operate to convey title; that Romamban and Parong acted in bad faith in registering Lot 42-E in spite of the pendency of CA-G.R. CV No. 11483; and that they possess the required legal standing as real parties in interest to participate in these

²⁴ Id. at 254-255.

²⁵ Id. at 22.

²⁶ Id. at 240-249.

²⁷ Id. at 191-203.

proceedings, as their rights as claimants were recognized by the pronouncement in CA-G.R. CV No. 11483.

In their respective Comments,²⁸ the other respondents reiterate the soundness of the CA's dispositions, and contend that they are innocent purchasers for value; that they are unaware of any defect in their respective titles or that of their predecessors'; that they may not be bound by the January 12, 1989 Decision in CA-G.R. CV No. 11483 since they were not parties in said case; and that their titles have become indefeasible pursuant to Presidential Decree No. 1529.

Our Ruling

The Court denies the Petition.

In resolving the instant case, the procedural issues must first be tackled before the substantive ones.²⁹ Though the CA was correct in ruling against petitioner, it erred in addressing the substantive issues before tackling the essential procedural question involved – that is, whether petitioner could appeal the RTC's Decision in Civil Case No. 666-I despite the fact that its attempt at intervention was rebuffed.

With the consequent denial of its intervention and dismissal of its complaint-in-intervention in Civil Case No. 666-I, petitioner should have appealed such denial. “[A]n order denying a motion for intervention is appealable. Where the lower court's denial of a motion for intervention amounts to a final order, an appeal is the proper remedy x x x.”³⁰ Having failed to take and prosecute such appeal, petitioner acquired no right to participate in the proceedings in Civil Case No. 666-I, even question the judgment of the RTC consequently rendered in said case. “A prospective intervenor's right to appeal applies only to the denial of his intervention. Not being a party to the case, a person whose intervention the court denied has no standing to question the decision of the court [, but] only the trial court's orders denying his intervention x x x, not the decision itself.”³¹

Since petitioner had no right to appeal the RTC's April 18, 2005 Decision, it was not entitled to a resolution of the substantive issues it raised – particularly who, by law, is properly entitled to Lot 42-E. Be that as it may, petitioner is not left without a remedy. It can still file a reversion case against Romamban and Parong with respect to the portions of Lot 42-E still registered in their names.

²⁸ Id. at 183-189, 207-209, 217-229.

²⁹ *Land Bank of the Philippines v. Atlanta Industries, Inc.*, G.R. No. 193796, July 2, 2014, 729 SCRA 12, 27.

³⁰ *Foster-Gallego v. Spouses Galang*, 479 Phil. 148, 161 (2004), citing *Saw v. Court of Appeals*, 273 Phil. 108 (1991).

³¹ Id. at 162.

After all, petitioner's right to reversion cannot be barred by prescription.³² As to the other portions which have already been transferred to the other respondents who are innocent purchasers for value, the government may file an action for damages against Romamban and Parong or any other person responsible for the fraud.

With respect to the Lim and Josefats heirs, they are precluded from seeking a reversal of the herein assailed judgment. As mere respondents in the present Petition, this Court cannot grant the affirmative relief they seek as they did not themselves file a petition questioning the appellate court's decision. "It is a fundamental principle that a party who does not appeal, or file a petition for *certiorari*, is not entitled to any affirmative relief. An appellee who is not an appellant may assign errors in his brief where his purpose is to maintain the judgment, but he cannot seek modification or reversal of the judgment or claim affirmative relief unless he has also appealed."³³ "As a general rule, a party who has not appealed cannot obtain from the appellate court any affirmative relief other than the ones granted in the appealed decision. The reason for this rule is that since parties did not appeal from the decision or resolution, they are presumed to be satisfied with the adjudication."³⁴ These pronouncements are especially significant considering that the CA ruled that the Lim and Josefats heirs have no legal standing to maintain and prosecute Civil Case No. 666-I; indeed, their Comment should have been stricken off the record as a necessary consequence of the appellate court's pronouncement, which they failed to question and is now binding as to them.

WHEREFORE, the Petition is **DENIED**. The September 27, 2010 Decision and February 11, 2011 Resolution of the Court of Appeals in CA-G.R. CV No. 85329 are **AFFIRMED**.

SO ORDERED.


MARIANO C. DEL CASTILLO
Associate Justice

³² *Republic v. Mina*, G.R. No. L-60685, June 29, 1982, citing *Republic v. Animas*, 56 SCRA 499.

³³ *Corinthian Gardens Association, Inc. v. Spouses Tanjangco*, 578 Phil. 712, 723 (2008), citing *Alauya, Jr. v. Commission on Elections*, 443 Phil. 893, 907 (2003) and *Acebedo Optical Company, Inc. v. Court of Appeals*, 385 Phil. 956, 976-977 (2000).

³⁴ *Salazar v. Philippine Duplicators, Inc. and/or Fontanilla*, 539 Phil. 346, 355 (2006), citing *Filflex Industrial & Manufacturing Corp. v. National Labor Relations Commission*, 349 Phil. 913, 924-925 (1998).

WE CONCUR:


ARTURO D. BRION
Associate Justice
Acting Chairperson


DIOSDADO M. PERALTA
Associate Justice


JOSE CANTRAL MENDOZA
Associate Justice


MARVIC M.V. F. LEONEN
Associate Justice

ATTESTATION


I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.


ARTURO D. BRION
Associate Justice
Acting Chairperson



CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the Division Acting Chairperson's Attestation, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.


MARIA LOURDES P. A. SERENO
Chief Justice

