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March 1, 2023
BY: _____ DATE NO. _____
TIME: _____

MEMORANDUM

**FOR : The Regional Executive Director
DENR MIMAROPA Region**

ATTENTION: The Chief, Legal Division

FROM : The OIC – PENR Officer

**SUBJECT : COURT's VERDICT ON THE CANCELLATION OF TITLE AND
REVERSION CASE AGAINST MARCOPPER FILED BY THE
DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES
– MIMAROPA REGION**

This matter pertains to the decision of the Regional Trial Court of Marinduque, Branch 38, regarding the case of Republic of the Philippines, represented by the Regional Director of the DENR MIMAROPA Region vs. MARCOPPER MINING CORPORATION and the Register of Deeds of Marinduque wherein the Plaintiff seeks to recover or re-acquire the ownership of a parcel of land located in the Municipality of Sta. Cruz, Marinduque with TCT No. T-1339 under the name of the defendant corporation.

Facts of the Case

On July 23, 2018, a complaint was filed by the plaintiff for the reversion of a 5,600 square meter lot located at Brgy. San Antonio, Sta Cruz Marinduque, (Lot No. 8, Plan PSU-106364) covered by TCT No. T-1339 under the name of the defendant. The subject lot was prior decreed in the name of the Municipality of Sta. Cruz (Decree No. N-18098, L.R. Case No. 152, Record No. 53652) before it came into the possession of MARCOPPER. The Municipality then donated it in favor of the defendant on May 21, 1969, and TCT No. T1339 was then issued to the corporation.

In 2018, the DENR filed a complaint seeking to cancel TCT No. T-1339 and revert the subject property to the State on the ground that the lot in question is inalienable, being a part of a timberland or forest land. The defendant corporation claimed that the State has no authority or basis to file the action for reversion, and that its claim is barred by laches.

Issues and Ruling of the Court

The issues involved in the case before hand are first, whether the subject property is alienable and disposable land of the public domain, and second whether or not the plaintiff is entitled to reversion.

The court however *dismissed* the case based on the *ground of lack of jurisdiction*.

The RTC held that the right of the Municipality of Sta. Cruz is based on a judicial decree hence it must be annulled first under Rule 47 of the Revised Rules of Court. Accordingly, the plaintiff never assailed the existence and validity of Decree No. N – 18098 issued by the CFI of Marinduque to the Municipality of Sta. Cruz to which OCT No. 028 was issued and eventually was cancelled after the donation to MARCOPPER leading to the issuance of TCT No. T – 1339.

As stated by the court, the disposition of the case would necessarily entail the annulment of the decree rendered by the CFI to which a different proceeding is involved and jurisdiction over which

is lodged in another court. Moreover, the complaint is bereft of any allegation that the plaintiff does not recognize the decree by the CFI of Marinduque acting as land registration court. Thus, the judgement decreeing the subject property in favor of the Municipality Sta. Cruz must be annulled first before it could be made subject of reversion.

Finally, the court also stated that the plaintiff is not the proper party to institute the cancellation of the title, rather it is the Municipality of Sta. Cruz. An action for cancellation of annulment of title seeks to invalidate title over a property erroneously registered in the name of another. Hence, if granted, the property would be restored to the Municipality of Sta. Cruz as it was the previous registered owner.

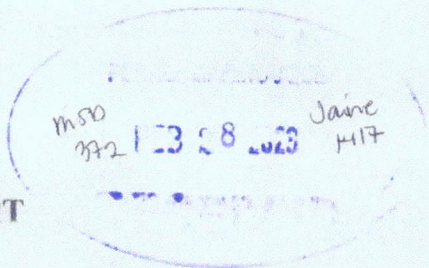
Attached for your reference is the copy of the RTC Branch 38, Boac, Marinduque Decision, February 23, 2023, penned by Judge Emmanuel R. Recalde.

For information and further instruction.


IMELDA M. DIAZ

Republic of the Philippines
Fourth Judicial Region
REGIONAL TRIAL COURT
Branch 38

Boac, Marinduque
rtc1boa038@judiciary.gov.ph
Tel. Nos. (042) 332-0400 or (042) 754-4226



REPUBLIC OF THE PHILIPPINES
represented by the Regional Director
of the Department of Environment
and Natural Resources (DENR)
MIMAROPA Region,

Plaintiff,

Civil Case No. 18-11

For: *Cancellation of Title and
Reversion*

- versus -

MARCOPPER MINING
CORPORATION AND THE
REGISTER OF DEEDS OF
MARINDUQUE,

Defendants.

X-----X

DECISION

The Case

This resolves the action for Cancellation of Title and Reversion filed by Plaintiff Republic of the Philippines ("Republic") represented by the Regional Director of the Department of Environment and Natural Resources ("DENR") MIMAROPA, against Defendant Marcopper Mining Corporation ("Marcopper") seeking to recover or re-acquire ownership of a parcel of land ("Subject Property") located in the Municipality of Sta. Cruz, Province of Marinduque, and covered by Transfer Certificate of Title (TCT) No. T-1339 under the name of Marcopper.

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Antecedent Facts

On July 23, 2018, the instant Complaint was filed by Plaintiff seeking for the reversion of a five thousand six hundred (5,600) square-meter lot located at Brgy. San Antonio, Sta. Cruz, Marinduque, more particularly described as Lot No. 8, Plan PSU-106364, and covered by TCT No. T-1339¹ under the name of Defendant Marcopper.

Prior to Marcopper having title over the Subject Property, the same was decreed in the name of the Municipality of Sta. Cruz, Marinduque, by virtue of Decree No. N-18098, L.R. Case No. 152, Record No. 53652 dated March 12, 1955.² An Original Certificate of Title ("OCT") No. O-28³ was thus issued by the Register of Deeds ("RD") of Marinduque on September 26, 1955 in the name of the Municipality of Sta. Cruz.

Thereafter, the Municipality of Sta. Cruz donated the Subject Property in favor of Marcopper through a Deed of Donation⁴ dated May 21, 1969. As such, OCT No. O-28 was cancelled and TCT No. T-1339 dated December 20, 1977, was issued in favor of Marcopper.

Ownership of the Subject Property remained virtually undisturbed thereafter. However, in 2018, Plaintiff instituted the present Complaint seeking to cancel the certificate of title (TCT No. T-1339) issued in favor of Marcopper and revert the Subject Property to the State on the ground that the said lot in question is inalienable, being part of a timberland or forest land. Marcopper argues otherwise, and claims that the Republic has no authority or basis to file the action for reversion, and that its claim is barred by laches.

As there was no compromise or amicable settlement reached, trial ensued.

Plaintiff Republic presented the following witnesses: 1) Ms. Marlene M. Badilla⁵, the Administrative Assistant III/Records Officer-Designate at the Legal Division of the DENR MIMAROPA Region; 2) Ms. Imelda Diaz⁶, Officer-in-Charge PENR Officer of DENR PENRO Marinduque; 3) Engr.

¹ Exh. "C" for Plaintiff and Exh. "12" for Marcopper.

² Exh. "B". See also par. 2 of Republic's Memorandum and par. 1 of Marcopper's Memorandum.

³ Exh. "G". See also par. 2 of Marcopper's Memorandum.

⁴ See Annex "2" of Marcopper's Answer.

⁵ Exh. "F".

⁶ Exh. "I".

Ernesto Villarico⁷, Engineer III of the National Mapping and Resource Information Authority (NAMRIA); and 4) Engr. Anita L. Iringan⁸, Geodetic Engineer, Engineer III, DENR MIMAROPA Region.

Marcopper, for its part presented its lone witness, Engr. Marlon Advincula.

After resting their cases, the Court directed the parties to submit their respective Memoranda.

Issues

1. Whether the Subject Property is alienable and disposable land of the public domain; and
2. Is the Plaintiff entitled to reversion

Ruling

Plaintiff contends that the Subject Property is inalienable as it is part of the area classified as forest or timber land. As such it asks for the cancellation of title and reversion of the said land to the State.

Without necessarily delving on the main issue involved in the Complaint, the Court is constrained to dismiss the same on the ground of lack of jurisdiction.

A careful review of the allegations in the Complaint would show that Plaintiff never assailed the existence and validity of the Decree⁹ (Decree No. N-18098) issued by then Court of First Instance ("CFI") of Marinduque, acting as a land registration court, in favor of the Municipality of Sta. Cruz, to which OCT No. O-28 was issued, and which, thereafter, was cancelled when TCT No. T-1339 was subsequently issued in favor of Marcopper by virtue of the Deed of Donation executed between the latter and the local government of Sta. Cruz. In fact, the said Decree¹⁰ was part of the narration

⁷ Exh. "J".
⁸ Exh. "L".
⁹ Exh. "B".
¹⁰ *Id.*

of facts by the Plaintiff and used as its evidence. As such, Plaintiff Republic recognizes Decree No. N-18098. Yet, it now asks for the reversion of the Subject Property and cancellation of title without seeking first the annulment of the decree (Decree No. N-18098) upon which OCT No. O-28 was issued.

In this regard, in *Malabanan v. Republic*,¹¹ the Supreme Court ruled that:

“In the present case, the material averments, as well as the character of the relief prayed for by petitioners in the complaint before the RTC, show that their action is one for cancellation of titles and reversion, not for annulment of judgment of the RTC. The complaint alleged that Lot Nos. 43 to 50, the parcels of land subject matter of the action, were not the subject of the CFI's judgment in the relevant prior land registration case. Hence, petitioners pray that the certificates of title of RCAM be cancelled which will not necessitate the annulment of said judgment. Clearly, Rule 47 of the Rules of Court on annulment of judgment finds no application in the instant case.”¹²

Following such finding, this Court rules that it is bereft of any jurisdiction to act on the Complaint considering that the disposition of the case would necessarily entail the annulment of the decree rendered by the CFI of Marinduque to which a different proceeding is involved and more importantly, jurisdiction over which is lodged in another court.

This is in consonance with the decisions of the Supreme Court in the cases of the *Estate of the Late Jesus S. Yujulco v. Republic*,¹³ *Collado v. Court of Appeals*,¹⁴ and *Republic v. Court of Appeals*,¹⁵ which ruled that reversion proceedings instituted by the Government are covered by Rule 47 of the Rules of Court and thus, are within the jurisdiction of the Court of Appeals.

As held in *Yujulco*:¹⁶

“When the 1997 Rules of Civil Procedure became effective on July 1, 1997, it incorporated Rule 47 on annulment of judgments or final orders and resolutions of the RTCs. The two grounds for annulment under Sec. 2, Rule 47 are extrinsic fraud and lack of jurisdiction. If based on extrinsic fraud, the action must

¹¹ G.R. No. 201821, September 19, 2018.

¹² Emphasis ours.

¹³ G.R. No. 168661, October 26, 2007.

¹⁴ G.R. No. 107764, October 4, 2002.

¹⁵ G.R. No. 126316, June 25, 2004.

¹⁶ *Ibid*.

be filed within four (4) years from its discovery, and if based on lack of jurisdiction, before it is barred by laches or estoppel as provided by Section 3, Rule 47. Thus, effective July 1, 1997, any action for reversion of public land instituted by the Government was already covered by Rule 47.

The instant Civil Case No. 01-0222 for annulment and cancellation of Decree No. N-150912 and its derivative titles was filed on June 8, 2001 with the Parañaque City RTC. It is clear therefore that the reversion suit was erroneously instituted in the Parañaque RTC and should have been dismissed for lack of jurisdiction. The proper court is the CA which is the body mandated by BP Blg. 129 and prescribed by Rule 47 to handle annulment of judgments of RTCs.

In *Collado v. Court of Appeals*, the government, represented by the Solicitor General pursuant to Section 9(2) of BP Blg. 129, filed a petition for annulment of judgment with the CA. Similarly in the case of *Republic v. Court of Appeals*, the Solicitor General correctly filed the annulment of judgment with the said appellate court.

This was not done in this case. The Republic misfiled the reversion suit with the Parañaque RTC. It should have been filed with the CA as required by Rule 47. Evidently, the Parañaque RTC had no jurisdiction over the instant reversion case."

Here, the Court finds that the Complaint is bereft of any allegation that Plaintiff Republic does not recognize the decree or final judgment rendered by the CFI of Marinduque acting as a land registration court to which the Original Certificate of Title was issued, and to which TCT No. T-1339 under the name of Marcopper, was derived. Following the above-cited jurisprudence, the judgment decreeing the Subject Property in favor of the Municipality of Sta. Cruz must be invalidated or annulled first before the Subject Property involved could be made subject of reversion proceedings. //

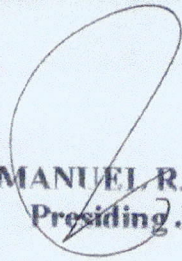
Lastly, even assuming that the Court would have jurisdiction over the case for cancellation of title, it appears that the Plaintiff is not the proper party to institute the same, as an action for cancellation or annulment of title seeks to invalidate title over a property erroneously or wrongfully registered in the name of another. It is worth reiterating that OCT No. O-28 was issued in favor of the Municipality of Sta. Cruz, Marinduque, and was thereafter, cancelled as TCT No. T-1339 was issued in favor of Marcopper. As such, should TCT No. T-1339 be cancelled or annulled, title to the Subject Property would necessarily be restored to the Municipality of Sta. Cruz as it was the previous registered owner of the Subject Property which, again, was not assailed by

Plaintiff

WHEREFORE, premises considered, the Complaint is **DISMISSED** for lack of jurisdiction.

SO ORDERED.

Boac, Marinduque, February 23, 2023.



EMMANUEL R. RECALDE
Presiding Judge