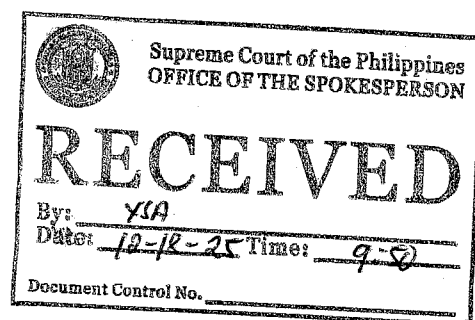




Republic of the Philippines
Supreme Court
Baguio City

THIRD DIVISION

REPUBLIC OF THE PHILIPPINES, G.R. No. 268461
Petitioner,

Present:

-versus-

CAGUIOA, J., Chairperson,
INTING,*
GAERLAN,
DIMAAMPAO, and
SINGH, JJ.

ST. AUGUSTINE REALTY AND
DEVELOPMENT
CORPORATION,

Respondent.

Promulgated:

APR 07 2025

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DECISION

SINGH, J.:

Before the Court is a Petition for Review on *Certiorari*¹ under Rule 45 of the Rules of Court, assailing the Decision,² dated July 28, 2023, of the Court of Appeals (CA) in CA-G.R. CV No. 115979. The CA denied the appeal of petitioner, through the Office of the Solicitor General (OSG), and affirmed the Decision,³ dated March 9, 2020, of Branch 82, Regional Trial Court (RTC), Malolos, Bulacan, in LRC No. P-46-2018, which granted the Petition for Cancellation of Encumbrance Inscribed on Transfer Certificates of Title (TCT) Nos. 039-2015005913, 039-2015005914, 039-2015005915,

* On official business.

¹ *Rollo*, pp. 10-29.

² *Id.* at 30-38. Penned by Associate Justice Alfonso C. Ruiz II and concurred in by Associate Justices Ronaldo Roberto B. Martin and Bonifacio S. Pascua of the Special Fourth Division, Court of Appeals, Manila.

³ *Id.* at 39-42. Penned by Presiding Judge Maria Maruja P. Narvaiza-Mendoza.

039-2015005916, 039-2015005917, 039-2015005918, 039-2015005919, 039-2015005920, 039-2015005921, and 039-2016014452.

The Facts

St. Augustine Realty and Development Corporation (SARDC) is a corporation established under the laws of the Philippines.⁴ It is the legal, absolute, and registered owner of several parcels of land totaling approximately 1,641 square meters, situated in Barangay Malamig, Bustos, Bulacan.⁵ These properties are covered by TCT Nos. 039-2015005913, 039-2015005914, 039-2015005915, 039-2015005916, 039-2015005917, 039-2015005918, 039-2015005919, 039-2015005920, 039-2015005921, and 039-2016014452 (**subject titles**).⁶

The subject titles were derived from TCT No. RT-73496 (T-34599), which underwent administrative reconstitution at the Registry of Deeds of the Province of Bulacan, with approval granted on July 20, 2004.⁷ No claims or interest were made regarding TCT No. RT-73496 (T-34599).⁸

As a result, on June 1, 2018, SARDC initiated a Petition for Cancellation of Encumbrance before the RTC, seeking the removal of the encumbrance annotated on the aforementioned TCTs, in accordance with Sections 7 and 9 of Republic Act No. 26 or An Act Providing a Special Procedure for the Reconstitution of Torrens Certificate of Title Lost or Destroyed.⁹

The Ruling of the RTC

The Regional Trial Court, on March 9, 2020, granted the Petition. The disposition reads:

WHEREFORE, the Register of Deeds of the Province of Bulacan, Guiguinto Branch, is hereby ordered to cancel, upon payment of the required legal fees, the encumbrance annotated on the third page of the **TRANSFER CERTIFICATE OF TITLE NOS. 039-2015005913, 039-2015005914, 039-2015005915, 039-2015005916, 039-2015005917, 039-2015005918, 039-2015005919, 039-2015005920, 039-2015005921, and 039-2016014452** registered under the name of **ST. AUGUSTINE REALTY AND DEVELOPMENT CORPORATION** pursuant to the provisions of [Section] 7 of [Republic Act] No. 26, otherwise known as

⁴ *Id.* at 31.

⁵ *Id.*

⁶ *Id.*

⁷ *Id.*

⁸ *Id.*

⁹ *Id.*



“[A]n Act Providing [a] Special Procedure for the Reconstitution of Torrens Certificate of Title Lost or Destroyed”.

SO ORDERED.¹⁰ (Emphasis in the original)

The RTC determined that the encumbrance uniformly annotated on the subject titles originated from TCT No. RT-73496 (T-34599), which was administratively reconstituted on July 30, 2004, as confirmed by a Certification issued by the Registry of Deeds for the Province of Bulacan, Guiguinto, Bulacan, dated July 31, 2018.¹¹ The RTC found the Petition to be properly supported by the evidence presented, particularly the fact that the two-year period specified under Section 7 of Republic Act No. 26 had already lapsed on July 30, 2006, with no claims or interests made by any party during that time.¹²

The OSG disagreed with the findings of the RTC and subsequently filed an appeal with the CA.¹³

The OSG argued that the RTC lacked jurisdiction over the case due to non-compliance with Section 9 of Republic Act No. 26.¹⁴ Specifically, the RTC failed to ensure the publication of the Petition twice in consecutive issues of the Official Gazette and its posting in designated locations on specific dates.¹⁵ The OSG contended that since the cancellation of an encumbrance is an *in rem* proceeding, proper publication and posting are essential to confer jurisdiction on the court.¹⁶

The Ruling of the CA

The CA denied the appeal, the dispositive portion of which reads:

WHEREFORE, the present appeal is DENIED. The March 9, 2020 Decision of [Branch 82, Regional Trial Court, Malolos, Bulacan,] is AFFIRMED.

SO ORDERED.¹⁷ (Emphasis in the original)

The CA ruled that, upon reviewing the entire Section 9 of Republic Act No. 26, it is clear that, as a general rule, a registered owner who seeks to remove an encumbrance from a reconstituted title must file a Petition with the

¹⁰ *Id.* at 41–42.

¹¹ *Id.* at 41.

¹² *Id.*

¹³ *Id.* at 34.

¹⁴ *Id.*

¹⁵ *Id.*

¹⁶ *Id.*

¹⁷ *Id.* at 37.

RTC.¹⁸ This process requires compliance with the mandatory requirements outlined in the first part of Section 9 of Republic Act No. 26.¹⁹ However, if the registered owner files the Petition more than two years after the reconstitution of the title, and no claims or interests have been made by any party during that time, the mandatory requirements are dispensed with.²⁰

The OSG, before this Court, filed a Petition for Review on *Certiorari*²¹ under Rule 45 of the Rules of Court, arguing that the CA erred in holding that the RTC was vested with jurisdiction, despite the failure to comply with the strict requirements of Section 9 of Republic Act No. 26.²²

The Issue

In order to remove the encumbrance annotated through an administrative reconstitution of title pursuant to Section 7 of Republic Act No. 26, can the mandatory jurisdictional requirements of publication and posting under Section 9 be dispensed with if the registered owner files the petition more than two years after the title's administrative reconstitution and no claims or interests have been raised by any party during that period?

The Ruling of the Court

The Petition is without merit.

Section 110²³ of Presidential Decree No. 1529,²⁴ as amended by

¹⁸ *Id.* at 36.

¹⁹ *Id.*

²⁰ *Id.*

²¹ *Id.* at 10–27.

²² *Id.* at 16.

²³ Presidential Decree No. 1529, sec. 110 states:

Section 110. *Reconstitution of Lost or Destroyed Original of Torrens Title.* – Original copies of certificates of titles lost or destroyed in the office of the Register of Deeds as well as liens and encumbrances affecting the lands covered by such titles shall be reconstituted judicially in accordance with the procedure prescribed in Republic Act No. 26 insofar as not inconsistent with this Decree. The procedure relative to administrative reconstitution of lost or destroyed certificate prescribed in said Act may be availed of only in case of substantial loss or destruction of land titles due to fire, flood[,] or other *force majeure* as determined by the Administrator of the Land Registration Authority: *Provided*, That the number of certificates of titles lost or damaged should be at least [10%] of the total number in the possession of the Office of the Register of Deeds: *Provided, further*, That in no case shall the number of certificates of titles lost or damaged be less than [500].

Notice of all hearings of the petition for judicial reconstitution shall be furnished the Register of Deeds of the place where the land is situated and to the Administrator of the Land Registration Authority. No order or judgment ordering the reconstitution of a certificate of title shall become final until the lapse of [15] days from receipt by the Register of Deeds and by the Administrator of the Land Registration Authority of a notice of such order or judgment without any appeal having been filed by any such officials.

²⁴ Presidential Decree No. 1529 (1978), Amending and Codifying the Law Relative to Registration of Property and for Other Purposes.



Republic Act No. 6732,²⁵ provides for two ways to reconstitute a certificate of title: *first*, administrative reconstitution, which is available only in cases of substantial loss or destruction of the original certificate of title due to *force majeure* as determined by the Administrator of the Land Registration Authority and requires that the number of lost or damaged certificates of title must be at least 10%, and in no case less than 500 certificates of title, of the total certificates of title held by the Office of the Register of Deeds;²⁶ and *second*, judicial reconstitution following the procedures outlined in Republic Act No. 26, which may be availed of when the original certificate of title is lost or destroyed in the office of the Register of Deeds, regardless of the cause, and does not require the conditions set for in administrative reconstitution of a certificate of title.²⁷

For certificates of title reconstituted administratively, any existing rights or interest in the property are protected by annotating an encumbrance on the reconstituted title, as outlined in Section 7 and Section 8 of Republic Act No. 26,²⁸ which state:

Section 7. Reconstituted certificates of title shall have the same validity and legal effect as the originals thereof: *Provided, however, That certificates of title reconstituted extrajudicially, in the manner stated in sections five and six hereof, shall be without prejudice to any party whose right or interest in the property was duly noted in the original, at the time it was lost or destroyed, but entry or notation of which has not been made on the reconstituted certificate of title. This reservation shall be noted as an encumbrance on the reconstituted certificate of title.*

Section 8. *Any person whose right or interest was duly noted in the original of a certificate of title, at the time it was lost or destroyed, but does not appear so noted on the reconstituted certificate of title, which is subject to the reservation provided in the preceding section, may, while such reservation subsists, file a petition with the proper Court of First Instance for the annotation of such right or interest on said reconstituted certificate of title, and the court, after notice and hearing, shall determine the merits of the petition and render such judgment as justice and equity may require. The petition shall state the number of the reconstituted certificate of title and the nature, as well as a description, of the right or interest claimed. (Emphasis supplied)*

To remove the encumbrance annotated in an administratively reconstituted certificate of title pursuant to Section 7 of Republic Act No. 26, Section 9 provides:

²⁵ Republic Act No. 6732 (1989), An Act Allowing Administrative Reconstitution of Original Copies of Certificates of Titles Lost or Destroyed Due to Fire, Flood, and Other *Force Majeure*, Amending for the Purpose Section One Hundred Ten of Presidential Decree Numbered Fifteen Twenty-Nine and Section Five of Republic Act Numbered Twenty-Six.

²⁶ Republic Act No. 6732 (1989), sec.1.

²⁷ *Id.*

²⁸ Republic Act No. 26 (1946), An Act Providing a Special Procedure for the Reconstitution of Torrens Certificates of Title Lost or Destroyed.



Section 9. A registered owner desiring to have his reconstituted certificate of title freed from the encumbrance mentioned in section seven of this Act, may file a petition to that end with the proper Court of First Instance, giving his reason or reasons thereof. A similar petition may, likewise, be filed by a mortgagee, lessees, or other lien holder whose interest is annotated in the reconstituted certificate of title. Thereupon, the court shall cause a notice of the petition to be published, at the expense of the petitioner, twice in successive issues of the *Official Gazette*, and to be posted on the main entrance of the provincial building and of the municipal building of the municipality or city in which the land lies, at least thirty days prior to the date of hearing, and after hearing, shall determine the petition and render such judgment as justice and equity may require. The notice shall specify, among other things, the number of the certificate of title, the name of the registered owner, the names of the interested parties appearing in the reconstituted certificate of title, the location of the property, and the date on which all persons having an interest in the property must appear and file such claim as they may have. The petitioner shall, at the hearing, submit proof of the publication and posting of the notice: *Provided, however, That after the expiration of two years from the date of the reconstitution of a certificate of title, if no petition has been filed within that period under the preceding section, the court shall, on motion ex parte by the registered owner or other person having registered interest in the reconstituted certificate of title, order the register of deeds to cancel, proper annotation, the incumbrance mentioned in section seven hereof.* (Emphasis supplied)

The OSG is correct in saying that a petition for cancellation of an encumbrance in a certificate of title is a proceeding *in rem*.²⁹ In a proceeding *in rem*, jurisdiction over the *res* or the subject matter is required.³⁰ Jurisdiction over the *res* is acquired either (1) by the seizure of the property under legal process, whereby it is brought into actual custody of the law;³¹ or (2) *as a result of the institution of legal proceedings, in which the power of the court is recognized and made effective.*³²

In order for a court to acquire jurisdiction over the *res* in a petition for cancellation of an encumbrance made on a certificate of title pursuant to Section 7 of Republic Act No. 26, Section 9 mandates the publication of the notice of the petition twice in successive issues of the *Official Gazette* and the posting of the notice of the petition at the main entrance of the provincial building and of the municipal building of the municipality or city where the property is located at least 30 days prior to the date of the hearing. However, the RTC and the CA are correct in pointing out that the proviso in Section 9 admits an exception.

A thorough reading of Section 9 shows that, as a general rule, a registered owner who seeks to remove the encumbrance made on their

²⁹ *Rollo*, pp. 24–25.

³⁰ *San Pedro v. Ong et al.*, 590 Phil. 781, 793–795 (2008) [Per J. Chico-Nazario, Third Division], *citing* *Alba v. Court of Appeals*, 503 Phil. 451, 505–506 (2005) [Per J. Ynares-Santiago, First Division].

³¹ *Id.*

³² *Id.* (Emphasis supplied)



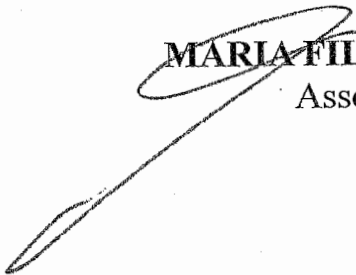
administratively reconstituted title pursuant to Section 7 of Republic Act No. 26 must submit a petition to the RTC. To initiate this, the registered owner must comply with the mandatory jurisdictional requirements outlined in the first part of Section 9 of Republic Act No. 26. However, if the petition is filed more than two years after the administrative reconstitution of the title, and no claim or interests have been made by other parties, the mandatory jurisdictional requirements of posting and publication provided for in Section 9 are no longer necessary. In fact, the law provides that “the court shall, on motion *ex parte* by the registered owner or other person having registered interest in the reconstituted certificate of title, order the register of deeds to cancel, proper annotation, the encumbrance mentioned in section seven hereof.” Therefore, after the lapse of the two-year period, only an *ex parte* motion is necessary to cancel an encumbrance under Section 9. Publication and posting are no longer required. The reason for this distinction is clear: the law already gave sufficient time and opportunity for anyone with a claim to raise the same during the two-year period. There must be finality and stability in our titles at some point. That is the whole essence of the Torrens System.

A fundamental principle in statutory construction is that when the law is clear and unambiguous, there is no need for construction or interpretation – only application.³³ Here, as the provisions are clear, plain, and free from ambiguity, they must be applied according to their plain meaning, without the need for further interpretation.

In this case, the certificates of title were administratively reconstituted on July 30, 2004. The said two-year period is deemed to have lapsed on July 20, 2006. Clearly, the petition to cancel the encumbrance was filed after the two-year period lapsed. Hence, no publication or posting was necessary.

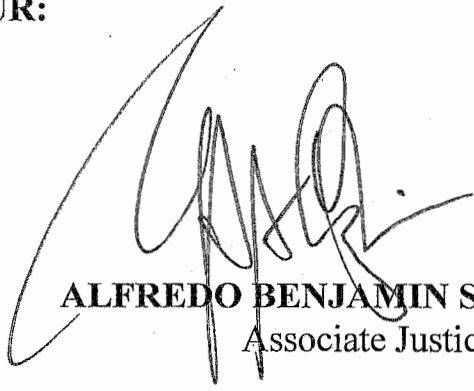
ACCORDINGLY, the Petition for Review on *Certiorari* is **DENIED**. The Decision, dated July 28, 2023, of the Court of Appeals in CA-G.R. CV No. 115979, is **AFFIRMED**.

SO ORDERED.


MARIA FILOMENA D. SINGH
Associate Justice

³³ See *Dubongco v. Commission on Audit*, 848 Phil. 367, 378 (2019) [Per J. Reyes, Jr., *En Banc*].

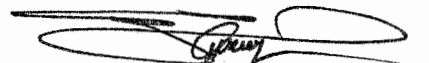
WE CONCUR:



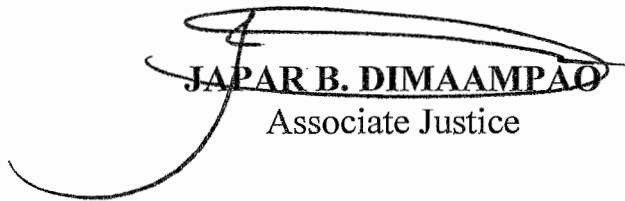
ALFREDO BENJAMIN S. CAGUIOA
Associate Justice

See Concurring

On official business
HENRI JEAN PAUL B. INTING
Associate Justice



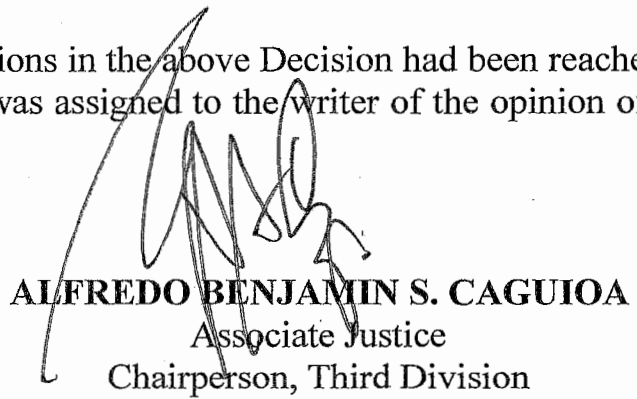
SAMUEL H. GAERLAN
Associate Justice



JAPAR B. DIMAAMPAO
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.

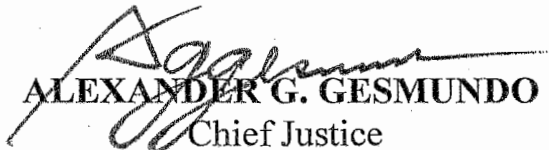


ALFREDO BENJAMIN S. CAGUIOA
Associate Justice
Chairperson, Third Division



CERTIFICATION

Pursuant to Article VIII, Section 13 of the Constitution, and the Division 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.



ALEXANDER G. GESMUNDO
Chief Justice

