Republic of the Philippines
SUPREME COURT
Manila

EN BANC

G.R. No. L-24796 June 28, 1968

DIRECTOR OF FORESTRY, FOREST STATION WARDEN, DISTRICT 13, BUREAU OF FORESTRY, BOARD OF DIRECTORS, NATIONAL WATERWORKS AND SEWERAGE AUTHORITY 1 and CHIEF OF STAFF, ARMED FORCES OF THE PHILIPPINES, petitioners,
vs.
HON. EMMANUEL M. MUÑOZ, as Judge of the Court of First Instance of Bulacan, Branch I, the SHERIFF OF THE PROVINCE of BULACAN, and PINAGCAMALIGAN INDO-AGRO DEVELOPMENT CORPORATION, INC., respondents.

G.R. No. L-25459 June 28, 1968

PINAGCAMALIGAN INDO-AGRO DEVELOPMENT CORPORATION, INC., petitioner,
vs.
HON. MACARIO PERALTA, JR., in his capacity as the Secretary of National Defense; HON. ENETERIO DE JESUS, in his capacity as Undersecretary of National Defense; GENERAL RIGOBERTO ATIENZA, in his capacity as the Chief of Staff; 2 Armed Forces of the Philippines, COLONEL MANUEL V. REYES, in his capacity as the Judge Advocate General, Armed Forces of the Philippines; and the TASK FORCES COMMANDER, Task Force Preserve (Tabak Division), 1st Infantry Division, Fort Magsaysay, Nueva Ecija, respondents.

Office of the Solicitor General for petitioner Director of Forestry, et al.
Gualberto Cruz for respondent Pinagcamaligan Indo-Agro Development Corporation.

SANCHEZ, *J.:*

Two original actions involving divers legal questions are now before this Court.

In the first, L-24796, the corresponding government officials seek — on *certiorari* and prohibition — to annul the order and writ of execution issued by the Court of First Instance of Bulacan in its Civil Case 3035-M allowing Pinagcamaligan Indo-Agro Development Corporation, Inc. (Piadeco, for short) to haul its logs in the area hereinafter to be mentioned.

In the second, L-25459, it was Piadeco's turn to ask — on prohibition and injunction — for a ruling that respondent government officials are "without authority and jurisdiction to stop logging operations, construction of the roads, cutting, gathering and removing of timber and other forest products" from said corporation's private woodland area.

Because of their interrelation, the two case are here jointly considered.

The following undisputed facts control:

Piadeco claims to be the owner of Some 72,000 hectares of land 3 located in the municipalities of Angat, Norzagaray and San Jose del Monte, province of Bulacan, and in Antipolo and Montalban, province of Rizal. Piadeco's evidence of ownership consists of *Titulo de Propiedad* No. 4136, dated April 25, 1894,[4] and a deed of absolute sale of July 12, 1962, in its favor. Piadeco applied for registration as *private* woodland some 10,000 hectares of this land. The Bureau of Forestry, on December 4, 1963, issued in Piadeco's name Certificate of Private Woodland Registration No. PWR 2065-New, covering but a portion of the land an aggregate area of 4,400 hectares and an average stand of 87.20 cubic meters, situated in the municipalities of Angat, Norzagaray, and San Jose del Monte, all of the province of Bulacan, and Montalban, in Rizal. It was to expire on December 31, 1964. By virtue of the registration certificate, Piadeco conducted logging operations..

The controversy in the these cases began on April 11, 1964, when Acting Director of Forestry Apolonio F. Rivera issued an order cancelling PWR No. 2065-New. He required Piadeco to surrender the original certificate to him. Ground for this cancellation was that Piadeco had violated forestry rules and regulations for cutting trees within the Angat and Marikina Watershed Reservations, expressly excluded from the said certificate.[5]

On April 14, 1964, Forest Station Warden Reinaldo B. Marquez, District 13, Bureau of Forestry, wrote Piadeco requesting the latter to desist, effective the same day, April 14, 1964, from conducting its logging operation inside or outside the area covered by PWR 2065-New, and to refrain from removing logs already cut unless they have been scaled and properly invoiced by forestry officers.

Previously, on April 10, 1964, Nawasa's board of directors advised Piadeco, by letter, of the revocation of the 1964 grant to Piadeco, of a right of way from a barrio in Bosoboso, Antipolo, to Montalban, Rizal, as an access road to its logging concession under PWR 2061.

Offshot of the foregoing is Piadeco's petition for *certiorari* and prohibition with preliminary injunction, lodged on April 17, 1964 with the Court of First Instance of Bulacan.[6] This petition was directed against the Director of Forestry, Forest Station Warden Marquez and Nawasa, essentially upon the averment that their acts heretofore narrated were "all precipitate, arbitrary, whimsical and capricious." On the same day, April 17, 1964, Judge Emmanuel M. Muñoz of the Bulacan court directed the government authorities to show cause why preliminary injunction should not issue.

On May 4, 1964, over the Director of Forestry's opposition, the judge ordered the issuance — upon a P10,000-bond — of a writ of preliminary injunction restraining the Director of Forestry, the Forest Station Warden and Nawasa from carrying out and executing the April 10, 1964 revocation by Nawasa of Piadeco's right of way, the April 11, 1964 order of the Director of Forestry, and the April 14, 1964 directive of the Forest Station Warden, heretofore mentioned.

On May 5, 1964, Piadeco moved to declare the forestry officials in default for failure to answer its petition on time.

On May 6, 1964, unaware of Piadeco's May 5 motion, the forestry officials, upon a motion dated April 29, 1964, asked the Bulacan court to dismiss Piadeco's petition upon the averments that said court had no jurisdiction over their persons or the subject matter of the petition, and that administrative remedies have not yet been exhausted by Piadeco. On the same date, too, but in a separate motion, said forestry official asked for a reconsideration of the lower court's order granting preliminary injunction, bottomed upon their charge that the illegal cutting of trees by Piadeco inside

the Angat and Marikina Watershed Reservations — which are the main source of water supply of the City of Manila and its surrounding towns and cities — poses a grave danger of causing them to dry up to the prejudice and irreparable injury of the inhabitants thereof. Piadeco file written opposition on May 13, 1964.

On May 14, 1964, acting on the aforesaid motion for reconsideration and opposition thereto, the judge below ruled that although Piadeco is entitled to injunction, the continuance thereof would cause great damage to the government, while Piadeco can be fully compensated for any damages Piadeco may suffer because of the dissolution thereof. That bond, however, was not filed by the forestry officials.

On July 13, 1964, upon Piadeco's May 5 motion earlier adverted to, the forestry officials were declared in default.

On July 24, 1964, said forestry officials filed a verified motion to set aside the default order and to admit their answer thereto attached. They pleaded excusable neglect and/or oversight of the clerk of the records of the Records section of the Bureau of Forestry.

On July 29, 1964, the court shunted aside the foregoing motion for the reason that their six days' delay was not excusable and their answer was prepared only after three days from their receipt of the order of default. A motion for reconsideration registered by the forestry officials on August 12, 1964 was unavailing. The court below struck down that motion on September 4, 1964.

Thus it is, that Piadeco submitted evidence *ex parte* to the court below against the Director of Forestry and the Forest Station Warden.

Piadeco had, in the meantime, entered into an amicable settlement with Nawasa whereby Piadeco's case against Nawasa was withdrawn, the right of way granted by Nawasa to Piadeco remaining revoked and cancelled; and Nawasa's counterclaim against Piadeco was also withdrawn in consideration of P1,651.59 paid by Piadeco to Nawasa, representing the former's liabilities to the latter.

On December 29, 1964, the court below rendered judgment. It approved Piadeco's compromise agreement with Nawasa. It held that Piadeco was the *owner* of the land in question; that its operation was not in violation of forestry rules and regulations; that aside from its regulation certificate, Piadeco was permitted by Nawasa thru the latter's Resolution 1050, Section of 1963, to conduct selective logging within the Angat-Marikina Watershed upon payment of P2.00 for every cubic meter of timber classified in the first group and P1.75 belonging to the second group; that similar permits were issued to other individuals by the Director of Forestry with the acquiescence of Nawasa; that Piadeco's logging under Resolution 1050 aforesaid could not be contrary to forestry rules and regulations; and that, upon the doctrine laid down in *Santiago vs. Basilan Lumber Co*., L-15532, October 31, 1963, even if Piadeco's private woodland was unregistered, it still retains its inherent "rights of ownership, among which are (its) rights to the fruits of the land and to exclude any persons from the enjoyment and disposal thereof", its only liability being the payment of surcharges on the timber severed from the land. Thereupon, the court reinstated the writ of preliminary injunction earlier issued and made it permanent, with costs..

Meanwhile, on December 28, 1964, one day before the rendition of the judgment just mentioned, Piadeco applied for the renewal of its Certificate of Private Woodland Registration PWR 2065-New, which would expire on the last day of that month. On January 12, 1965, in reply thereto, Assistant Director of Forestry J. L. Utleg denied the renewal requested. He informed Piadeco that its *Titulo de Propiedad* 4136 was not registerable under Forestry Administrative Order No. 12-2 which took effect

on January 1, 1963. The expiration of its registration certificate and the non-renewal thereof notwithstanding, Piadeco continued logging operations. It was about this time that illegal logging was denounced by some members of Congress thereby attracting national attention. This led to a directive by the President of the Philippines on March 8, 1965 to stop all illegal logging operations. Complying therewith, the Secretary of Agriculture and Natural Resources wrote the Secretary of National Defense with the request that units of the Armed Forces of the Philippines be detailed at the areas involved, deputizing them agents of the Bureau of Forestry to assist in the enforcement of forest laws, rules and regulations, and the protection of the forests. The Secretary of National Defense, in turn, direct the Chief of Staff of the Armed Forces to implement the request. And, the Chief of Staff dispatched at ask force of the army into the Angat area, which impounded and seized all logs cut by Piadeco and other loggers which were purportedly conducting illegal operations.

On May 11, 1965, Piadeco sought from the Bulacan court an ex parte writ of execution of the December 29, 1964 decision. That decision had by then become final *for failure of the forestry officials to appeal therefrom*. Piadeco prayed that it be not molested in its logging operations including the hauling of about 600 pieces (unscaled) and 1,000 pieces of mixed (scaled and unscaled) timber from the log ponds.

On May 12, 1965, the Bulacan court presided over temporarily by Judge Ricardo C. Puno set Piadeco's motion for execution for hearing on May 27, 1965. Before the day of the hearing arrived, however, Piadeco withdrew its *ex parte* motion for execution with the manifestation that it would look for a more expeditious way or a more appropriate remedy to enable it to haul the logs before the rains set in. But on May 27, 1965, Piadeco refiled its motion for execution with Judge Muñoz, who had meanwhile resumed his duties.

On June 1, 1965, Judge Muñoz granted Piadeco's motion. In line therewith, on June 3, 1965, the corresponding writ of execution was issued, directing a special sheriff to make effective and execute the aforesaid lower court's decision of December 29, 1964.

Execution notwithstanding, the forestry officials still refused to permit Piadeco to haul its logs. Because of this, on June 11, 1965, Piadeco asked the court below to declare the forestry officials and those acting under them in contempt. On June 30, 1965, the forestry officials opposed. They averred that Piadeco's registration certificate already expired on December 31, 1964; that despite this expiration, Piadeco continued illegal logging operations, which resulted in the seizure of its logs: that after December 31, 1964, the December 29, 1964 decision of the court below became *functus officio* and could no longer be executed. Piadeco's rejoinder of July 1, 1965 was that its registration certificate is not expirable and that it is not a license.

On July 8, 1965, the judge came out with an order declaring that notwithstanding "the expiration of petitioner's [Piadeco's] license (?) on December 31, 1964, their said property remains registered with the Bureau of Forestry subject only to renewal, in which case it can still pursue its logging operations, conditioned upon the payment by it of forest charges." The judge took into consideration a certificate issued on May 4, 1965 by Assistant Director of Forestry J. L. Utleg, as officer-in-charge, that "all the timber cut ... during the lifetime" of the registration certificate "may be transported by" Piadeco "provided they are properly documented." Finding that Piadeco "complied with all the requirements of the Bureau of Forestry and the Bureau of Internal Revenue as regards the proper documentation of the logs in question," the judge thereupon directed the forestry officials "and all members of the Armed Forces stationed along the way" to allow Piadeco "to haul its logs which have already been properly documented."

This precipitated the filing on July 28, 1965 by the Director of Forestry, the Forest Station Warden, the Armed Forces Chief of Staff 7 of an original petition with this Court (L-24796, now at bar)

for *certiorari* and prohibition with preliminary injunction to annul the June 1,1965 order of execution, the June 3, 1965 writ of execution and the July 8, 1965 order allowing Piadeco to haul its logs. Named respondents were Piacedo, Judge Emmanuel M. Muñoz of the Bulacan court, and the Provincial Sheriff of Bulacan..

On July 30, 1965, this Court issued a writ of preliminary injunction, as prayed for by the aforenamed government officials. On August 3, 1965, Piadeco sought the dissolution thereof for the reason, amongst others, that Mr. J. L. Utleg, Assistant Director of Forestry and Officer-in-Charge of the Bureau of Forestry, was already agreeable mentioned, as per his letter of June 7, 1965 to Piadeco informing the latter that the writ of execution was being referred to the Forest Station Warden for compliance. On August 9, 1965, the Solicitor General blocked Piadeco's motion to dissolve, with an allegation, amongst others, that the June 7, 1965 letter just mentioned was deemed recalled when the Director Forestry — realizing that the said writ would allow Piadeco to continue logging after the expiration and non-renewal of its certificate in a public forest area or in an area excluded from the expired permit — did not give effect to the said letter.

On August 18, 1965, manifestation was made by the Solicitor General to this Court thru a motion dated August 17, 1965, that the logs seized and imposed by the armed forces were being exposed to the elements; that the rainy season having set in, there was grave danger that the said logs might deteriorate and become useless. He thus prayed that the forestry officials be authorized to turn the logs over to the engineer corps of the Armed Forces for the construction of prefabricated schoolhouses pursuant to General Circular V-337, series of 1961, of the Bureau of Internal Revenue. On August 31, 1965, Piadeco objected upon the ground that the said logs are still its private property; and that there is no law empowering the State to seize, confiscate and turn over the cut logs to the Armed Forces.

On September 29, 1965, Piadeco, in turn, petitioned for preliminary injunction and moved again to dissolve this Court's writ of preliminary injunction of July 30, 1965. It called attention to the fact that the writ of preliminary injunction issued by the court below on May 4, 1964 in Civil Case 3035-M is still enforceable and has not yet been dissolved because the forestry officials have not filed their P10,000.00-bond as required by the trial court in its order of May 14, 1964.

On October 8, 1965, this Court denied the two motions of Piadeco, declared that the writ of preliminary injunction it issued stands enforced and is effective until otherwise lifted, and authorized the Solicitor General to effect the removal of all the logs subject of his motion of August 17, 1965 from the log ponds but only for the purpose of turning them over to the Armed Forces for safekeeping and custody pending final resolution of the case.

On October 14, 1965, Piadeco traversed the averments of the forestry officials' petition before this Court, thru an answer dated October 12, admission of which was however denied for being late. The case was submitted without further memoranda.

Meanwhile, a companion case (L-25459, also at bar)emerged from subsequent events hereunder related.

On October 20, 1965, pending this Court's resolution of the foregoing petition of the forestry officials (L-24796), Piadeco wrote the Director of Forestry with a request to grant it "*AUTHORITY* to cut, gather and remove timber" from its alleged private woodland. At the same time, it advised the Director of Forestry that "in the absence of such authority or permit", it "shall cut, gather and remove timber from the said area subject to the payment of regular forest charge and 300% surcharge for unlawful cutting in accordance with the penal provisions" of Section 266 of the Tax Code.

On November 4, 1965, Acting Director J. L. Utleg replied. He told Piadeco that "pending meticulous study" of its application for renewal of PWR 2065-New, his "[o]ffice is not now in a position to grant" the desired authority and "will consider any cutting, gathering and removal of timber" from the land "to be illegal, hence, subject to the provisions of Section 266 of the National Internal Revenue Code."

Obviously taking the foregoing letter as a case, Piadeco, on December 6, 1965, advised the Director that immediately upon receipt of said letter, it (Piadeco) resumed logging operations within its private woodland area in the municipality of Montalban, Rizal, "thereby subjecting all timber cut therefrom to the payment of 300% penalty, plus regular forest charges." Piadeco also requested the Director to inform the Task Force Commander that it "can be allowed to continue its logging operation within their private woodland" subject to Section 266 of the Tax Code.

So, on December 7, 1965, Acting Director J. L. Utleg notified the Task Force Commander, through the Undersecretary of National Defense, that Piadeco "can conduct logging operations within its private woodland, as it is a constitutional right on its part to use and enjoy its own property and the fruits thereof" but that whatever timber cut therefrom "should be subject to the payment not only of the regular charges but also of the surcharges imposed by Section 166" of the Tax Code. This notwithstanding, the army authorities refused to heed Utleg's December 7, 1965 letter and stood pat on its posture not to allow Piadeco to conduct logging operations.

Hence, it was Piadeco's turn to come to this Court on December 22, 1965 on an original petition for injunction and prohibition (L-25459 aforesaid) against respondents Secretary of National Defense, the Undersecretary of National Defense, the Chief of Staff, the Judge Advocate General and the Task Force Commander (Task Force Preserve, Tabak Division). Specifically, Piadeco charges as follows: On December 17, 1965, army men [Capt. Zamuco, Lt. Oresque, Sgts. Albino, Gutierrez, Ramirez, and Sawada, and Cpl. Manlapus], boisterously, unlawfully, wilfully, and feloniously entered — upon orders of a certain Major Elfano — Piadeco's land at Barrio Anginan, Montalban, Rizal, outside the watershed reservations. They made a portion of the land their private quarters. They prevented Piadeco's officers (a) from continuing its logging operations, especially the construction of the road inside the land; (b) from cutting, gathering and removing timber and other forest products therefrom; and (c)from living and moving in freedom and engaging in the pursuit of happiness on said land. Piadeco asks principally that respondent officials be declared "without authority and jurisdiction to stop logging operations, construction of the roads, cutting, gathering and removing of timber and other forest products from the Private Woodland area" of the former.

There was a prayer for the issuance of a writ of preliminary injunction which this Court, however, denied on December 31, 1965, and upon reconsideration, on February 1, 1966.

After respondents' answer, and hearing on oral arguments, the case was submitted for decision.

1. Basic to an intelligent appraisal of the rights of Piadeco, who comes to us as an alleged private wood landowner, is the all-important question: Is Piadeco's title registrable with the Bureau of Forestry?

The pertinent statutory provision is Section 1829 of the Revised Administrative Code, *viz*:

> SEC. 1829. *Registration of title to private forest land*. — Every private owner of land containing timber, firewood and other minor forest products shall register his title to the same with the Director of Forestry. A list of such owners, with a statement of the boundaries of their property, shall be furnished by said Director to the Collector of Internal Revenue, and the same shall be supplemented from time to time as occasion may require.

> Upon application of the Director of Forestry the fiscal of the province in which any such land lies shall render assistance in the examination of the title thereof with a view to its registration in the Bureau of Forestry.

Ampliatory thereof is Section 7, Forestry Administrative Order 12-1 of July 1, 1941, as amended by Forestry Administrative Order 12-2, which took effect on January 1, 1963. It reads:

> 7. *Titles that may be registered*. — Only the following titles covering lands containing timber, firewood and other minor forest products may be registered under and pursuant to Section 1829 of the Revised Administrative Code;
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> (a) Administrative titles granted by the present Government, such as homestead patent, free patent, and sales patent; and
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> (b) Judicial titles, such as Torrens Title obtained under the Land Registration Act (Act 496, as amended) or under the Cadastral Act (Act No. 2259, as amended).

The amendment of Forestry Administrative Order 12-1 by Forestry Administrative Order 12-2 consisted in the *omission* of one paragraph, paragraph (c), which particularized as one of the titles registrable pursuant to Section 1829 of the Revised Administrative Code, "[t]itles granted by the Spanish sovereignty in the islands and duly recognized as valid titles under the existing laws."

Piadeco's position is that such amendment contravenes said Section 1829, which does not specify the titles that are registrable thereunder; and that it is diametrically opposed to the Opinion of the Attorney General of October 15, 1919, which ruled that a royal title "issued in September, 1896, and inscribed in the Registry of Property within a year after its issuance is valid, and therefore its owner is entitled to the benefits" of Section 1829 aforesaid. Also cited are the Opinion of the Secretary of the Interior of November 7, 1916, stating that registration under Section 1829 is not subject to change and revocation unless title is established in a different person by judicial declaration; the Opinion of the Director of Forestry of January 8, 1925, which recognized as registrable, titles "such an *informacion posesoria* ..., *composicion con el estado* and purchase under the Spanish sovereignty" amongst others; and the Opinion of the Collector of Internal Revenue of February 6, 1926, declaring imperfect titles within the purview of Section 45(a) of Act 2874, as also registrable.

True it is that the law, Section 1829, does not describe with particularity titles that may be registered with the Bureau of Forestry. Concededly, too, administrative authorities in the past considered as registrable, titles issued during the Spanish regime. In fact, as late as 1962, Forestry Administrative Order 12-1 was still in force, authorizing registration of such Spanish titles. But when Forestry Administrative Order 12-2 came into effect on January 1, 1963, that order should be deemed to have repealed all such previous administrative determinations.

There should be no question now that Forestry Administrative Order 12-2 has the force and effect of law. It was promulgated pursuant to law. Section 1817, Revised Administrative Code, empowers the Bureau of Forestry, with the approval of the department head, to issue regulations "deemed expedient or necessary to secure the protection and conservation of the public forests in such manner as to insure a continued supply of valuable timber and other forest products for the future, and regulating the use and occupancy of the forests and forest reserves, to the same end." Forestry Administrative Order 12-2 was recommended by the Director of Forestry, and approved by the Secretary of Agriculture and Natural Resources. It is no less a valid law. It is an administrative regulation germane to the objects and purposes of the law. A rule shaped out by jurisprudence is that when Congress authorized the promulgation of administrative rules and regulations to implement a given legislation, "[a]ll that is required is that the regulation should be germane to the

objects and purposes of the law; that the regulation be not in contradiction with it, but conform to the standards that the law prescribes."[8] In *Geukeko vs. Araneta*, 102 Phil. 706, 712, we pronounced that the necessity for vesting administrative authorities with power to make rules and regulations for various and varying details of management has been recognized and upheld by the courts.

And we are certainly totally unprepared to jettison Forestry Administrative Order 12-2 as illegal and unreasonable.

Spanish titles are quite dissimilar to administrative and judicial titles under the present system. Although evidences of ownership, these Spanish titles may be lost thru prescription. They are, therefore, neither indefeasible nor imprescriptible. The law in this jurisdiction, both under the present sovereignty and the previous Spanish regime is that ordinary prescription of ten years may take place against a title recorded in the Registry of Property "in virtue of another title also recorded,"[9] and extra-ordinary prescription of thirty years will run, even "without need of title or of good faith."[10] For possession for along period fixed by law, the "unquestionable foundation of the prescription of ownership ... weakens and destroys the force and value of the best possible title to the thing possessed by one who is not the owner thereof."[11] The exception, of course, is the Torrens title, expressly recognized to be indefeasible and impresciptible.[12]

And more. If a Spanish title covering forest land is found to be invalid, that land is public forest land, is part of the public domain, and cannot be appropriated.[13] Before private interests have intervened, the government may decide for itself what portions of the public domain shall be set aside and reserved as forest land.[14] Possession of forest lands, however long, cannot ripen into private ownership.[15]

In this case, it is undisputed that Picadeco's title which it sought to register was issued by the Spanish sovereignty — *Titulo de Propiedad* No. 4136, dated April 25 or 29, 1894. It is unmistakably not one of those enumerated in Section 7 aforesaid. It should not have been allowed registration in the first place. Obviously, registration thereof can never be renewed.

2. Piadeco is nonetheless insistent in its plea that it can still cut, gather, and remove timber from its alleged private woodland, upon payment of forest charges and surcharges.

The purposes of registration, as succinctly stated in Section 6, Forestry Administrative Order 12-1 dated July 1, 1941, are:

> 6. *Objects of registration* — (a) to exempt the owners of private woodlands from the payment of forest products gathered therefrom for commercial or industrial purposes.
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> (b) To regulate the transportation of forest products gathered or collected therefrom and to avoid fraud which may be committed in connection with utilization of such forest products with respect to their origin.
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> (c) To determine the legality of private claims for the protection of the interest of the owners as well as of the Government, and to exclude all land claimed under valid titles from the mass of the public forest in order to facilitate the protection, administration, and supervision of the latter.

The foregoing has in part gained judicial approval in *Santiago vs. Basilan Lumber Company*, L-15532, October 31, 1963, where we pronounced: "Obviously, the purpose of the registration required in Section 1829 of the Administrative Code is to exempt the *titled owner* of the land from the

payment of forestry charges as provided for under Section 266 of the National Internal Revenue Code."[16] And Section 266 of the Tax Code, therein mentioned, provides in full:

> SEC. 266. *Charges collectible on forest products cut, gathered and removed from unregistered private lands*. — The charges above prescribed shall be collected on all forest products cut, gathered and removed *from any private land* the title to which is not registered with the Director of Forestry as required by the Forest Law: *Provided, however*, That in the absence of such registration, the *owner* who desires to cut, gather and remove timber and other forest products from such land shall secure a license from the Director of Forestry in accordance with the Forest Law and regulations. The cutting, and the removing of timber and other forest products *from said private lands* without license shall be considered as unlawful cutting, gathering and removing of forest products from public forest and shall be subject to the charges prescribed in such cases in this Chapter. (As amended by Rep. Act No. 173, approved June 20, 1947.)[17]

Following this provision in the Tax Code is Section 267, which in part provides:

> SEC. 267. *Surcharges for illegal cutting and removal of forest products or for delinquency*. — Where forest products are unlawfully cut or gathered in any public forest without license or, if under license, in violation of the terms thereof, the charges on such products shall be increased by three hundred *per centum*....

To recapitulate, registration of titles by the owners of private woodlands with the Bureau of Forestry results in an exemption "from the payment of forest products gathered therefrom for commercial or industrial purposes." If an owner fails to so register, he is obliged to pay forest charges, as prescribed in Sections 264 and 265 of the Tax Code, because "he still retain(s) his rights of ownership, among which are his rights to the fruits of the land and to exclude any person from the enjoyment and disposal thereof (Art. 429, New Civil Code)."[18] However, as provided in Section 266 above-quoted, if an owner does not register his title, but he desires to cut, gather and remove timber and other forest products from his land, he may "secure a license from the Director of Forestry in accordance with the Forest Law and regulations." If he does not, under the same Section 266, his cutting, gathering and removing of timber and other forest products "shall be considered as unlawful cutting, gathering and removing of forest products from public forests and shall be subject to the charges prescribed in such cases." And this would bring into play Section 267, where, as heretofore quoted, the charges on forest products "unlawfully cut and gathered in any public forest without license, or, if under license, in violation of the terms thereof ... shall be increased by three hundred *per centum*."

But it should be stressed that all of the situations herein mentioned refer specifically to *owners* of private woodlands. The position Piadeco has taken is a jump ahead of where it should be. We are not ready to grant the assumption that Piadeco owns the forest land it seeks to register. Such unwillingness can come from even a superficial assessment of Piadeco's pretensions of ownership based on the *Titulo de Propiedad* in question.

Neither said *Titulo*, nor a copy thereof, was presented in the two proceedings before us. What we have is *merely a description* thereof, *viz*:

TITULO DE PROPIEDAD NUMERO 4136 DATED APRIL 25, 1894, ISSUED BY GOBIERNO CIVIL DE LA PROVINCIA DE BULACAN

> Titulo de Propiedad Numero 4136, in the name of Dn. Mariano San Pedro y Esteban, dated April 25, 1894, being a gratuitous composicion title, grated to Dn. Mariano San Pedroy Esteban, by the Spanish Government in the Philippines, pursuant to Resolution dated April 14, 1894, of the Board of Land Adjustment of the (Spanish) Administration Civil de Filipinas, as authorized under Royal Decree of May 14, 1867 and August 31, 1888, and signed by Dn. Alejandro Garcia, El Jefede la Provincia de Bulacan and Dn. Mariano Lopez Delgado El Secretario de la Junta, with the Seal of the Spanish Government in the Philippines attached thereto and to said Titulo de Propiedad Numero 4136, is affixed a "Sello 10aA*s 1894 y 95 de Peso" documentary stamp bearing Serial Number NO. 292-404 inscribed in the Office of the Registry of Property of Bulacan, on pages 127 and 129 of Book I, for Norzagaray, as Tax Declaration (Fincas) Nos. 57 and 58, Inscripcion No. 1, on July 16, 1894 (or within one (1) year from April 25, 1894, pursuant to Royal Decree of January 12, 1863), the inscription of the said TITULO DE PROPIEDAD NUMERO 4136 of Dn. Mariano San Pedro y Esteban, having been accomplished by the Office of the Land Registry of Bulacan, on the said date of July 16, 1894, by the then Registrar of Bulacan, Dn. Miguel de Lizan, as follows:
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> Ynscrito el titulo que precede, a los folios ciento veinti-sietey ciento veintinueve del Tomo primero de Norzagaray, fincas numeros cincuenta y siete y cincuenta y ocho inscripcion numero uno, Bulacan, diez y seis de julio de mil ocho cientos noventa y cuatro (Fdo.) MIGUEL DE LIZAN.
>
> Two (2) vast parcels of land (agricultural and mountainous lands), together with the improvements thereon, including all the trees in the mountains, all mineral deposits or resources (*pertenecia minera*), including lime, gravel and lumber for ship building, located in the Provinces of Bulacan, Rizal, Quezon and Quezon City, and bounded, on the North, by Sierra Madre Mountains and Rio Grande (Laog to Kinabayunan); on the East, by Maputi, Umiray and Caliwatcanan (Ibona Estate and Public Land); on the South by Susong Dalaga and Cupang (Hegmatangan to Pinugay) and on the West, by Pugad-Lawin and Sapang-Alat (Pinugay, Public Land, Bignay, Lauan to Laog).

The various types of titles granted by the Spanish crown, it will be remembered, were: (1) the "titulo real" or royal grant; (2) the "concession especial" or special grant; (3) the "composicion con el estado" title or adjustment title; (4) the "titulo de compra" or title by purchase; and (5) the "informacion posesoria" or possessory information title, which could become a "titulo gratuito" or a gratuitous title.[19]

Piadeco's *Titulo* appears to be an adjustment title. Piadeco asserts in its answer in L-24796[20] that it is a "titulo de composicion con el estado"[21] or a "composicion" with the State.[22] The given description of *Titulo de Propiedad* No. 4136 above-quoted calls it a "gratuitous composition title."

Title by "composicion con el estado" was granted by the *Direccion General de Administracion Civil*, pursuant to the Royal Decree of June 25, 1880, or by the Chief of the Province by delegation, pursuant to the Royal Decree of August 31, 1888, or under the Royal Decree of February 13,1894, otherwise known as the Maura Law. The theory behind this title is that all lands belong to the State. Applicants to be entitled to adjustment must possess the lands sought to be acquired for a number of years.[23] These titles, as the "titulo real", altho evidences of ownership, may be lost by prescription.[24]

Piadeco's *Titulo de Propiedad* 4136, as heretofore described, was signed, pursuant to the Royal Decrees of May 14, 1867 and August 31, 1888, by Dn. Alejandro Garcia, *el Jefe de la Provincial de Bulacan*, and Dn. Mariano Lopez Delgado, *el Secretario de la Junta*, purportedly with the Seal of the Spanish Government in the Philippines.

The main difficulty here lies with the requirements, then obtaining, for the issuance of Spanish adjustment titles.

The Royal Decree of August 31, 1888 — under which Piadeco's title was issued — classified public lands subject to adjustment into two groups:

First. Those bounded at any point thereof by other lands belonging to the State, and those which, though entirely encircled by private lands, had a total area of more than 30 hectares.

Second. Those with an area of less than 30 hectares and entirely bounded by private lands.

By this royal decree, adjustment of the lands of the first group just mentioned continued to be heard and determined by the general directorate of civil administration with the intervention of the Inspector General of Forests; adjustment of lands of the second group were heard and determined by "a provincial board for the adjustment of lands "headed by a Civil or Military-Civil Governor as president. When the provincial board approves the adjustment, "the chief of the province, in his capacity as deputy of the General Directorate of Civil Administration, shall issue the corresponding title."[25]

The property here involved unquestionably belongs to the first group. That is because the area thereof is more than 30 hectares (72,000 or 74,000 hectares); and, going by the descripcion of its boundaries, the property is bounded by public land. In particular, the description is that it is "bounded, on the North, by *Sierra Madre Mountains* and *Rio Grande* (Laog to Kinabayunan); on the East, by Maputi, Umiray and Caliwatcanan (Ibona Estate and *Public Land*); on the South by Susong Dalaga and Cupang (Hegmatangan to Pinugay) and on the West, by Pugad-Lawin and Sapang-Alat (Pinugay, *Public Land*, Bignay, Lauanto Laog)."[26]

As stated, the title were was "signed by Dn. Alejandro Garcia, *El Jefe de la Provincia de Bulacan*, and by Dn. Mariano Lopez Delgado, *El Secretario de la Junta*, with the Seal of the Spanish Government in the Philippines attached thereto."

Piadeco now claims before this Court that its title "appears to be issued by (on its face) the DIRECTOR GENERAL DE ADMINISTRACION DE FILIPINAS"; that the title is in printed form, with the dry seal in the form of a mountain, bearing the inscription, "Office of the Inspector General of Forests in the Philippine Islands — Adjustment of Lands" and the rubric of the said Inspector General of Forests and is serially numbered, pursuant to the Circular dated February 14, 1894 of the General Directorate of Civil Administration. In the same breath, however, Piadeco avers that the title was approved by the Chief of the Province of Bulacan as Deputy of the General Directorate of Civil Administration and the said Chief issued *Titulo* 4136 pursuant to the Royal Decree of August 31, 1888.[27] These *averments*, we must say, merely emphasize the necessity of adducing evidence to prove the validity of Piadeco's title, which should be done in appropriate land registration proceedings. *Ramirez vs. Director of Lands*, 60 Phil. 114, 123, struck down a similar title covering land which it thereupon declared public forest land, upon grounds, amongst others, that the title was not issued by the proper authority. On this ground, this Court there specifically declared —

> Judging from the area of the land[28] in question and that of the two-third portions from which it has been segregated, upon the supposition that the three-third portions above-mentioned constitute the whole tract of land which had originally passed from Tomas Ilao, it is obvious that the same belonged to the first group, as defined in the aforesaid Royal Decree, on the ground that the area thereof greatly exceeded thirty hectares and was not entirely bounded by private lands. Notwithstanding such facts, the title Exhibit D-2 *was not issued by the General Directorate of Civil Administration with the intervention of the Inspector General of*

Forests, but merely by the provincial board, in open violation of the laws and regulations relative thereto.[29]

But an important moiety here is the deeply disturbing intertwine of two undisputed facts. *First*. The title embraces land "located in the Provinces of Bulacan, Rizal, Quezon, and Quezon City." *Second*. The title was signed only by the provincial officials of Bulacan, and inscribed only in the Land Registry of Bulacan. Why? The situation, indeed, cries desperately for a plausible answer.

To be underscored at this point is the well-embedded principle that private ownership of land must be proved not only through the genuineness of title but also with a clear identity of the land claimed.[30] This Court ruled in a case involving a Spanish title acquired by purchase that the land must be concretely measured per hectare or per *quiñon*, not in mass (*cuerpos ciertos*),[31] That fact that the Royal Decree of August 31, 1888 used 30 hectares as a basis for classifying lands strongly suggests that the land applied for must be measured per hectare.

Here, no definite are seems to have been mentioned in the title. In Piadeco's "Rejoinder to Opposition" dated April 28, 1964 filed in Civil Case 3035-M, it specified the area covered by its *Titulo de Propiedad* as 74,000 hectares.[32] In its "Opposition" of May 13, 1964 in the same case, it described the land as containing 72,000 hectares.[33] Which is which? This but accentuates the nebulous identity of Piadeco's land. Piadeco's ownership thereof then equally suffers from vagueness, fatal at least in these proceedings.

Piadeco asserts that Don Mariano San Pedro y Esteban, the original owner appearing on the title, acquired his rights over the property by prescription under Articles 4 and 5 of the Royal Decree of June 25, 1880,[34] the basic decree that authorized adjustment of lands. By this decree, applications for adjustment — showing the location, boundaries and area of land applied for — were to be filed with the *Direccion General de Administracion Civil*, which then ordered the *classification and survey* of the land with the assistance of the interested party or his legal representative.[35]

The Royal Decree of June 5, 1880 also fixed the period for filing applications for adjustment at one year from the date of the publication of the decree in the *Gaceta de Manila* on September 10, 1880, extended for another year by the Royal Order of July 15, 1881.[36] If Don Mariano sought adjustment within the time prescribed, as he should have, then, seriously to be considered here are the Royal Orders of November 25, 1880 and of October 26, 1881, which limited adjustment to 1,000 hectares of arid lands, 500 hectares of land with trees and 100 hectares of irrigable lands.[37] And, at the risk of repetition, it should be stated again that Piadeco's *Titulo* is held out to embrace 72,000 or 74,000 hectares of lands.

But if more were needed, we have the Maura Law (Royal Decree of February 13, 1894), published in the *Gaceta de Manila* on April 17, 1894.[38] That decree required a second petition for adjustment within six months from publication, for those who had not yet secured their titles at the time of the publication of the law.[39] Said law also abolished the provincial boards for the adjustment of lands established by Royal Decree of December 26, 1884, and confirmed by Royal Decree of August 31, 1888, which boards were directed to deliver to their successors, the provincial boards established by Decree on Municipal Organization issued on May 19, 1893, all records and documents which they may hold in their possession.[40]

Doubt on Piadeco's title here supervenes when we come to consider that that title was either dated April 29 or April 25, 1894, *twelve or eight days after the publication of the Maura Law*.

Let us now take a look, as near as the record allows, at how Piadeco exactly acquired its rights under the Titulo. The original owner appearing thereon was Don Mariano San Pedro y Esteban.

From Piadeco's *explanation — not its evidence* —[41] we cull the following: On December 3,1894, Don Mariano mortgaged the land under *pacto de retro*, redeemable within 10 years, for P8,000.00 to one Don Ignacio Conrado. This transaction was said to have been registered or inscribed on December 4, 1894. Don Mariano failed to redeem within the stipulated period. When Don Ignacio died, his daughter, Maria Socorro Conrado, his only her, adjudicated the land to herself. At about the same time, Piadeco was organized. *Its certificate of registration was issued by the Securities and Exchange Commission on June 27, 1932*. Later, Maria Socorro, heir of Don Ignacio, became a shareholder of Piadeco when she conveyed the land to Piadeco's treasurer and an incorporator, Trinidad B. Estrada, in consideration of a certain amount of Piadeco shares. Thereafter, Trinidad B. Estrada assigned the land to Piadeco. Then came to the scene a certain Fabian Castillo, appearing as sole heir of Don Mariano, the original owner of the land. Castillo also executed an affidavit of adjudication to himself over the same land, and then sold the same to Piadeco. Consideration therefor was paid partially by Piadeco, pending the registration of the land under Act 496.

The question may well be asked: Why was full payment of the consideration to Fabian Castillo made to depend on the registration of the land under the Torrens system, if Piadeco was sure of the validity of *Titulo de Propiedad* 4136? This, and other factors herein pointed out, cast great clouds of doubt that hang most conspicuously over Piadeco's title.

The standing presumption, we must not forget, is that land pertains to the State, and any person seeking to establish ownership over land must conclusively show that he is the owner. 42 And his presumption clings with greater force here where "a portion" of the land Piadeco claims is, as Piadeco itself admits, directly affected by Proclamation No. 71 dated March 10, 1927 of the then Governor-General Leonard Wood of the Philippines, which reserved for watershed purposes an area of 62,309.0952 hectares of land located in Montalban, Province of Rizal, in San Jose del Monte, Norzagaray, Angat, San Rafael, and San Miguel, Province of Bulacan, in Peñaranda, Province of Nueva Ecija, and in Infanta, Province of Tayabas (now Quezon),subject to "private rights if any there be." Private rights must then have to be proved. It will be remembered that, by Article VIII of the Treaty of Paris of December 10,1898, property of the public domain was relinquished and ceded by the Kingdom of Spain to the United States of America, which, of course, transferred the same to the present Republic.

Assertion has likewise been made that Piadeco's title has already been judicially recognized in the judgment rendered in Civil Case 3035-M, the case below, at least insofar as the portion of the land that lies in Bulacan is concerned. This is less than persuasive. Piadeco's title was not directly in issue in the court below. A reading of the decision thereof suggests that said title was not submitted therein. The judge did not even examine that title. According to the decision, Piadeco's ownership was gleaned merely from the registration certificate which stated that a copy of Piadeco's land title, including the corresponding plan, was submitted to the Director of Forestry. A mere statement by the judge below that Piadeco appears to be the owner of the land cannot wipe out the objectionable features of its title.

From all the foregoing, our conclusion is that we cannot give *prima facie* value to Piadeco's title. We cannot thus truly state that Piadeco is a private woodland owner for purpose of these proceedings. This all the more strengthens our view that Piadeco needs to acquire an indefeasible title to be entitled to registration under Section 1829 of the Revised Administrative Code.

3. Even on the assumption that Piadeco's alleged title is registrable, said corporation cannot complain against the cancellation thereof by the Director of Forestry on April 11, 1964. Why?

When the Director of Forestry cancelled Piadeco's registration certificate, he only performed his duty as he saw fit. By Forestry Administrative Order 12-2, "[t]he Director of Forestry may cancel a

certificate of registration for any violation of the provision of this Order or of the forest and internal revenue laws and regulations or of the *terms and conditions embodied in the certificate*, or when found that the area is no longer covered with forest, or upon failure of the landowner thereof, or of his representatives, to obey, follow or implement instructions of the said Director of Forestry."[43] To him, a condition expressly written into the registration certificate was being violated. Piadeco was found to be cutting trees within the Angat and Marikina Watershed Reservations in direct contravention of a specific prohibition in the certificate. And this, upon the basis of positive and actual findings of qualified and competent forestry officers.

Quite revealing is Piadeco's admission[44] before the court below that "it made cuttings on that portion of its own private land *within the Angat and Marikina Watershed Reservation where it was constructing its access road to the area covered by P.W.P. No. 2065* to the construction of which no objection was interposed by ... Nawasa as per its resolution No. 126, Series of 1964."[45] Deducible from the foregoing is that Piadeco was cutting *within* the watershed reservations *outside* the area covered by its registration certificate, altho *within* the land it claims in private ownership, which is now disputed.

Piadeco's registration certificate should remain cancelled. It could be stricken down anytime. It is a nullity. And, notwithstanding the fact that said registration certificate had expired and was not renewed, Piadeco had the temerity to continue operations. Correctly, there was necessity for freezing forthwith Piadeco's illegal acts.[46]

4. True it is that the judgment below virtually reinstated Piadeco's registration certificate. However, as shall be discussed later on in this opinion, that judgment has now no legal effect. For, said certificate, by its very terms, expired on December 31, 1964. Piadeco cannot be heard to protest further.

But Piadeco still insists that it objected to the expiry date of the registration certificate, when it was issued that certificate. Granting the truth of this averment, Piadeco nonetheless accepted the certificate, did not follow up its objection to its logical conclusion, sat supinely until the certificate was cancelled; only then did it renew the bid that its registration certificate is non-expirable.

At all events, Piadeco's submission is inaccurate. Forestry Administrative Order 12-2, promulgated pursuant to law, amended Section 11 of Forestry Administrative Order 12-1, the pertinent part of which reads:

> (b) *Duration of the certificate*. — The certificate of registration issued under this Order shall be made to expire on the last day of the 12th month from the date of its issuance.

This regulation is not without rational basis. This Court had occasion to say once[47] that: "Land may be classified as forestry or mineral today, and, by reason of the exhaustion of the timber or mineral, be classified as agricultural land tomorrow. And vice-versa, by reason of the rapid growth of timber or the discovery of valuable minerals, land classified as agricultural today may be differently classified tomorrow." Forestry Administrative Order 12-2 verily declares that certificates "are renewable for as long as there are substantial amounts of forestry in the area, upon filing of the necessary application therefor" and that those "cancelled for causes may be renewed upon submission of application for registration by the owner and if the cause of cancellation is explained satisfactorily."[48] If only for purposes of effective regulation, annual registration of private woodlands cannot be successfully assailed.

5. We cannot place our stamp of approval on Piadeco's claim that it should be permitted to remove from the premises those logs that have already been cut before December 31, 1964, the expiry date

of its registration certificate. We have already said that its registration certificate is a nullity. Even if it is not, the facts and the law will not support its plea.

It is not altogether clear whether the 600 pieces of unscaled and the 1,000 pieces of mixed (scaled and unscaled)timber sought to be hauled by Piadeco, were cut before December 31, 1964. Piadeco could present only one auxiliary invoice thereon, which but covers 256 logs and that very invoice stated that those logs were "cut or ordered cut" in the area covered by P.W.R. No. 2065-New, "*after* its expiration on Dec. 31, 1964."[49]

Worse, a factual assumption that the logs were cut before that date, is meaningless in law. A contrary view would easily lend itself to misuse and mischief. For, loopholes could then be bored through which an unscrupulous logger may crawl. Such that a holder of a registration certificate could be at complete liberty to just cut and cut during the lifetime of that certificate and leave the hauling for later, as he pleases, even long after expiry thereof. This, we must say, should not be allowed to pass.

6. Absent a valid registration certificate under Section 1829 of the Revised Administrative Code, or a license to cut, gather and remove timber, and more important, credible evidence of private ownership over the forestry land in question, Piadeco's logging operations logically descend to the level of unlawful cutting from public forests.

Seizure made by the government authorities here of logs illegally cut cannot be branded as illegal. It was but in obedience to Bureau of Internal Revenue General Circular No. V-337 of May 24, 1961, which prescribed rules on the disposition of illegally cut logs, pursuant to a directive from the Office of the President to the Secretary of Finance on March 22, 1961. Section 3 of Circular V-337 declares as follows:

> 3. Logs illegally cut from public forests, such as timberlands, forest reserves other than national parks, **50** communal forests and communal pastures shall be subject to seizure and delivered to the nearest Bureau of Internal Revenue Officer who in turn shall deliver them to the duly authorized representative of the Armed Forces of the Philippines for use in the manufacture of prefabricated school houses. The illegal cutter shall not be allowed to pay the forest charges and surcharges and other fees on the logs cut. However, if such forest charges and fees have already been paid, the same shall be retained by the Bureau of Internal Revenue Officer concerned as part of the collection for forest charges, but shall not be the basis for the release of such logs. On the other hand, such payment shall be used as evidence should the illegal cutter be prosecuted in court for the violation of the corresponding forest laws.[51]

Could this Court then justifiably order the delivery to Piadeco of the logs impounded right there on the land? The answer must certainly have to be in the negative; a contrary posture is tantamount to abetting a wrong. The logs belong to the State. They are not Piadeco's. Piadeco cannot later on come back to claim them by curing defects in the proof of its ownership over the land. It has submitted the controversy over the logs for decision to this Court. Any ruling thereon should bind Piadeco. It cannot be overturned by fresh convincing proof of ownership, which it should have offered in the first place.

We hold that government seizure of Piadeco's logs here complained of is valid.

7. The view this Court takes of the cases at bar is but in adherence to public policy that should be followed with respect to forest lands. Many have written much, and many more have spoken, and quite often, about the pressing need for forest preservation, conservation, protection, development and reforestation. Not without justification. For, forests constitute a vital segment of any country's natural resources. It is of common knowledge by now that absence of the necessary green cover on our lands produces a number of adverse or ill effects of serious proportions. Without the trees, watersheds try up; rivers and lakes which they supply are emptied of their contents. The fish

disappear. Denuded areas become dust bowls. As waterfalls cease to function, so will hydroelectric plants. With the rains, the fertile topsoil is washed away; geological erosion results. With erosion come the dreaded floods that wreak havoc and destruction to property — crops, livestock, houses and highways — not to mention precious human lives. Indeed, the foregoing observations should be written down in a lumberman's decalogue.

Because of the importance of forests to the nation, the State's police power has been wielded to regulate the use and occupancy of forests and forest reserves.

To be sure, the validity of the exercise of police power in the name of the general welfare cannot be seriously attacked. Our Government has definite instructions from the Constitution's preamble to "promote the general welfare." Jurisprudence has time and again upheld the police power over individual rights, because of the general welfare. Five decades ago, Mr. Justice Malcolm made it clear that the "right of the individual is necessarily subject to reasonable restraint by general law for the common good" and that the "liberty of the citizen may be restrained in the interest of public health, or of the public order and safety, or otherwise within the proper scope of the police power."[52] Mr. Justice Laurel, about twenty years later, affirmed the precept when he declared that "the state in order to promote the general welfare may interfere with personal liberty, with property, and with business and occupations" and that"[p]ersons and property may be subjected to all kinds of restraints and burdens, in order to secure the general comfort, health, and prosperity of the state."[53] Recently, we quoted from a leading American case,[54] which pronounced that "neither property rights nor contract rights are absolute; for government cannot exist if the citizen may at will use his property to the detriment of his fellow, or exercise his freedom of contract to work them harm," and that, therefore, "[e]qually fundamental with the private right is that of the public to regulate in the common interest.[55]

These precepts more than suffice to sustain the validity of the government's action with respect to Piadeco's logging operations.

8. We come to consider the effects of the judgment in Civil Case 3035-M, where the Court of First Instance of Bulacan adjudged Piadeco's operation not to be in violation of forestry rules and regulations and made permanent the writ of preliminary injunction issued against the defaulting forestry authorities, upon Piadeco's *ex-parte* evidence. That judgment, it should be remembered, is sought to be executed by Piadeco and the execution proceedings in that case are not before this Court on review.

Said judgment enjoined the forestry officials from carrying out and executing the order of April 11, 1964 and the implementing letter of April 14, 1964, cancelling Piadeco's registration certificate, PWR 2065-New. But when execution was ordered on June 1, 1965, and the writ of execution issued on June 3, 1965, and when the court ordered on July 8, 1965 that Piadeco be allowed to haul its logs, the registration certificate *had already expired* on December 31, 1964. It is, therefore, not inappropriate for us to say that judgment had already become *functus officio*[56] and can no longer be executed.

The over-all position we have here taken should dispose of all other issues raised by the parties; hence, unnecessary is a discussion thereof.

For the reasons given —

The petition for *certiorari* and prohibition in L-24796 is hereby granted; the June 1, 1965 order of execution, the June 3, 1965 writ of execution issued pursuant thereto, and the July 8, 1965 order, allowing respondent Pinagcamaligan Indo-Agro Development Corporation, Inc. to haul its logs, all of

the Court of First Instance of Bulacan in Civil Case 3035-M, are hereby declared null and void; the writ of preliminary injunction issued herein is hereby made permanent; and the Chief of the Engineer Corps, Armed Forces of the Philippines, who was permitted by this Court on October 8, 1965 to retain for safekeeping and custody the logs previously seized by the State from the log ponds of respondent Pinagcamaligan Indo-Agro Development Corporation, Inc., is now given authority to use the same for the manufacture of prefabricated school houses; and —

The petition of Pinagcamaligan Indo-Agro Development Corporation, Inc. for injunction and prohibition in L-25459 is hereby denied.

Costs in both cases against Pinagcamaligan Indo-Agro Development Corporation, Inc. So ordered.

Concepcion, C.J., Reyes, J.B.L., Dizon, Makalintal, Zaldivar, Castro, Angeles and Fernando, JJ., concur.

Footnotes

[1]Hereinafter referred to merely as Nawasa. Nawasa should be deemed excluded as a petitioner inasmuch as it did not make any appearance before this Court as such, because of its amicable settlement with respondent Pinagcamaligan Indo-Agro Development Corporation, Inc.

[2]On March 14, 1966, this Court noted petitioner's motion for substitution of party respondents and for leave of court to include incumbents of the positions of Secretary and Undersecretary of National Defense, and the Chief of Staff, Armed Forces of the Philippines.

[3]*Rollo* of L-24796, p. 48. According to Piadeco also in another pleading, the area is 74,000 hectares. *Id*., p. 36. Piadeco's pleadings are attached to the record as annexes of the Government's petition.

[4]Some portions of the record place the date as April 29, 1894.

[5]One condition of the certificate is that it "does not permit the holder to cut trees within the strip of one (1) kilometer wide from the boundary of the Angat and Marikina Watershed Reservation."

[6]Civil Case 3035-M, Court of First Instance of Bulacan, entitled "Pinagcamaligan Indo-Agro Development Corporation, Inc., Petitioner, vs. The Director of Forestry, et al., Respondents."

[7]On August 3, 1965, Piadeco moved that this Court delete Nawasa as one of the petitioners in view of its compromise agreement with Piadeco, to which the Solicitor General signified no objection.

[8]People vs. Exconde, 101 Phil. 1125, 1129-1130, citing Calalang vs. Williams, 70 Phil. 727; Pangasinan Transportation vs. Public Service Commission, 70 Phil., 221; People vs. Rosenthal, 68 Phil. 328; Rubi vs. Provincial Board of Mindoro, 39 Phil. 660.

[9]Article 1126, Civil Code; Article 1949, Spanish Code. Ordinary prescription as between absentees is twenty years under Article 1957, Spanish Civil Code.

[10]Article 1137, Civil Code; Article 1959, Spanish Civil Code.

[11]Kincaid vs. Cabututan, 35 Phil. 383, 395, where the title of ownership lost by prescription was previously acquired from the Spanish government.

[12]Section 46, Act 496.

[13]*See*: Ankron vs. Government, 40 Phil. 10, 14; Li Seng Giap y Cia vs. Director of Lands, 55 Phil. 693; 695; Fernandez Hermanos vs. Director of Lands, 57 Phil. 929, 936; Alfafara vs. Mapa, 95 Phil. 125, 128.

[14]Ankron vs. Government, supra, at p. 16, citing Ramos vs. Director of Lands, 39 Phil. 175; Jocson vs. Director of Forestry, 39 Phil. 560.

[15]Adorable vs. Director, L-13663, March 25, 1960. *See also*: Vaño vs. Government, 41 Phil. 161, 162.

[16]Emphasis supplied.

[17]Emphasis supplied.

[18]Santiago vs. Basilan Lumber Company, *supra*.

[19]For a discussion of these titles, *see* Ventura, Land Titles and Deeds, 1955 ed., pp. 17-32; Noblejas, Land Titles and Deeds, 1965 ed., pp. 4-9; Peña, Registration of Land Titles and Deeds, 1961 ed., pp. 2634; Ponce, The Philippine Torrens System, 1964 ed., pp. 11-31.

[20]To be noted here is this Court's resolution of October 20,1965 (*Rollo*, pp. 139, 227) denying the first to the eighth extensions of time sought by respondent Piadeco within which to answer. In the interest of substantial justice, as Piadeco's answer is attached to the record and the Solicitor General not having moved to expunge the same therefrom, said answer is here considered in the disposition of L-24796.

[21]*Rollo*, p. 486.

[22]*Rollo*, p. 187.

[23]Law 19, Title 12, Book IV, Laws of the Indies. *See*: Valenton vs. Murciano, 3 Phil. 537, 540, 548, 553; J.M. Tuason & Co., Inc. vs. Santiago, 99 Phil. 615, 628-629.

[24]Noblejas, *op. cit.*, pp. 5, 6.

[25]Article 10, Royal Decree of August 31, 1888.

[26]Emphasis supplied.

[27]*Rollo* of L-24796, pp. 184-185.

[28]The area in the *Ramirez* case was 203 hectares, 85 ares and 44 centares (at p. 115). *Compare* this with the alleged area herein involved — 72,000 or 74,000 hectares.

[29]Emphasis supplied. The Royal Decree referred to is the Royal Decree of August 31, 1888.

[30]Oligan vs. Mejia, 17 Phil. 494, 496; Villa Abrille vs. Bañuelos, 20 Phil. 1, 8, citing Sison vs. Ramos, 13 Phil. 54 and Belen vs. Belen, 13 Phil. 202; Licad vs. Bacani, 51 Phil. 51, 54-56; Lasam vs. Director, 65 Phil. 367, 371.

[31]Valdez vs. Director, 62 Phil. 362, 373, 375.

[32]*Rollo* in L-24796, p. 36.

[33]*Id*., p. 48.

[34]*Rollo* of L-24796, p. 184.

[35]Ponce, *op. cit*., p. 22.

[36]*Ibid*.

[37]*See*: Government vs. Avila, 46 Phil. 146, 154; Bayot vs. Director of Lands, 98 Phil. 935, 941. Article 15 of the royal Decree of January 26, 1889 limited the area that may be acquired by purchase to 2,500 hectares, with allowable error up to 5%. Ponce, *op. cit*., p. 19.

[38]*Ibid*., p. 26; Ventura, *op. cit*., p. 28.

[39]*Ibid*.

[40]Ramirez vs. Director of Lands, supra, at p. 124.

[41]*Rollo* of L-24796, pp. 179-188.

[42]De Ralla vs. Director of Lands, 83 Phil. 491, 501, citing Director of Lands vs. Penales, 63 Phil. 1065.

[43]Second paragraph, section 11(c), Forestry Administrative Order 12-1, as amended by Forestry Administrative Order 12-2; emphasis supplied.

[44]*Rollo* of L-24796, p. 50.

[45]Emphasis supplied.

[46]*See*: Cornejo vs. Gabriel, 41 Phil. 188, 193-194; Bisschop vs. Galang, L-18365, May 31, 1963.

[47]Ankron vs. Government, *supra*, at p. 15.

[48]Fifth paragraph, Section 11(c), Forestry Administrative Order 12-1, as amended by Forestry Administrative Order 12-2.

[49]*Rollo* of L-24796, p. 94.

[50]Logs cut from national parks are governed by the preceding section, Section 2, which also directs prosecution and seizure of the logs under Republic Act 122, for use in the manufacture of prefabricated school houses.

[51]The Philippine Tax Journal, December, 1961, pp. 769-771.

[52]Rubi vs. Provincial Board of Mindoro, 39 Phil. 660, 706. See also: Ermita-Malate Hotel and Hotel Operators Ass'n. Inc. vs. City of Manila, 20 Supreme Court Reports Anno. 849, 864; Morfe vs. Mutuc, L-20387, January 31, 1968.

[53]Calalang vs. Williams, 70 Phil. 726, 733, cited in Ermita-Malate Hotel and Motel Operators Ass'n, Inc. vs. City of Manila, supra, at p. 865.

[54]Nebbia vs. New York, 291 U.S. 502, 523, 78 L. ed. 940,948-949.

[55]Philippine American Life Insurance Company vs. Auditor General, L-19255, January 18, 1968.

[56]Manila Railroad Company vs. Yatco, L-23056, May 27,1968, citing Villasenor vs. Albano, 1967C Phild. 882, 885, and cases cited.