

FIRST DIVISION

[G.R. NO. 146262, January 21, 2005]

HEIRS OF EUGENIO LOPEZ, SR., PETITIONERS, VS. HON. ALFREDO R. ENRIQUEZ, IN HIS CAPACITY AS ADMINISTRATOR OF THE LAND REGISTRATION AUTHORITY AND THE REGISTER OF DEEDS OF MARIKINA CITY, RESPONDENTS.

DECISION

CARPIO, J.:

The Case

This is a petition for review^[1] to reverse the Decision^[2] dated 29 November 2000 of the Court of Appeals ("appellate court") in CA-G.R. SP No. 55993. The appellate court affirmed the Resolution^[3] dated 21 May 1999 issued by the Land Registration Authority ("LRA") in Consulta No. 2879. The LRA ruled that a notice of *lis pendens* based on a motion is not registrable.

The Facts

Alfonso Sandoval ("Sandoval") and Roman Ozaeta, Jr. ("Ozaeta") filed an application for registration of title before the Regional Trial Court of Pasig City, Branch 152 ("land registration court"), docketed as Case No. 2858, Land Registration Case No. N-18887 ("LRC No. N-18887"). The land registration court issued an order of general default and hearings on the application followed. On 31 May 1966, the land registration court granted the application. The decision became final and executory, and the land registration court issued a certificate of finality dated 8 March 1991.^[4]

The National Land Titles and Deeds Administration (now LRA) issued on 20 October 1977 Decree Nos. N-217643 and N-217644 in the names of Sandoval and his wife Rosa Ruiz, and Ozaeta and his wife Ma. Salome Lao.^[5]

On 16 July 1997, petitioners Eugenio Lopez, Jr., Manolo Lopez, Oscar Lopez, and Presentacion L. Psinakis ("petitioners"), heirs of Eugenio Lopez, Sr., filed a motion^[6] in LRC No. N-18887. The motion alleged that Sandoval and Ozaeta sold the lots subject of the application to the late Eugenio Lopez, Sr. on 23 September 1970. Petitioners prayed that the court consider in the land registration case the Deed of Absolute Sale^[7] over the lots executed by Sandoval and Ozaeta and their respective spouses in favor of Eugenio Lopez, Sr. Invoking Section 22 of Presidential Decree No. 1529 ("PD 1529"),^[8] petitioners also prayed that the court issue the decree of registration in their names as the successors-in-interest of Eugenio Lopez, Sr.

The land registration court gave due course to the motion and conducted hearings.^[9]

The Register of Deeds of Marikina City issued the corresponding OCT Nos. O-1603 and O-1604 in favor of Sandoval and Ozaeta and their spouses only on 18 August 1998.^[10] The pertinent entries^[11] in the Decrees read:

This Decree is issued pursuant to the Decision dated **31st day of May, 1966** of the Hon. Pedro C. Navarro, Judge of [Court of First Instance of Rizal, Branch II, Pasig, Rizal], and the Honorable Briccio C. Ygaña, this **3rd day of July, 1998**.

Issued at the National Land Titles and Deeds Registration Administration, Quezon City, this **20th day of October, in the year of Our Lord nineteen hundred and ninety-seven** at 8:01 a.m.

(signed)
ALFREDO R. ENRIQUEZ
ADMINISTRATOR
National Land Titles and Deeds
Registration Administration

Entered in the "Registration Book" for Marikina, pursuant to the provisions of section 39 of PD No. 1529, on the **18th day of August nineteen hundred and ninety-eight**, at 1:16 p.m.

(signed)
EDGAR D. SANTOS
Register of Deeds (Emphasis added)

Petitioners filed another motion on 25 November 1998 to declare void Decree Nos. N-217643 and N-217644 and Original Certificate of Title ("OCT") Nos. O-1603 and O-1604. Petitioners pointed out that the OCTs show that incumbent Administrator Alfredo R. Enriquez signed the Decrees on 20 October 1997, before he assumed office on 8 July 1998 and even before Hon. Briccio C. Ygaña issued the Order of 3 July 1998.^[12]

Petitioners questioned the inconsistencies in the dates and requested the LRA to recall the decrees. The LRA Administrator denied the request and explained the inconsistencies in the dates in a letter^[13] dated 1 December 1998. The entire letter states:

Republic of the Philippines
Department of Justice
LAND REGISTRATION AUTHORITY
Quezon City

1 December 1998

Atty. Crisostomo A. Quizon

Quiason Makalintal Barot Torres & Ibarra Law Offices
2nd Floor Benpres Building
Exchange Road corner Meralco Ave.
Ortigas Center, Pasig City

Sir:

This concerns your letter requesting the recall of Decree Nos. N-217643 and N-217644 issued in Land Registration Case No. N-2858, LRC Record No. N-18887, both in the names of Alfonso Sandoval and his wife, Rosa Ruiz, and Roman Ozaeta, Jr., and his wife, Ma. Salome Lao.

Records of this Authority show that aforesaid decrees of registration were prepared on October 20, 1977 pursuant to the decision of the court dated May 31, 1966 and the order for issuance of decree dated August 24, 1993. Said decrees were forwarded to the Office of the Administrator on August 8, 1998 and was [sic] released therefrom on August 13, 1998. Consequently, said decrees were signed sometime between August 8 and 13 1998 and definitely not on October 20, 1997 as what is reflected thereon because the undersigned Administrator assumed office only on July 8, 1998. Apparently, at the time the decrees were signed it was not noticed, through oversight, that they were dated October 20, 1977. It is therefore hereby clarified that Decree Nos. N-217643 and N-217644 were actually issued sometime between August 8 and 13 1998 and not on October 20, 1997.

Regarding the claim that these decrees were prematurely issued as the motion for the issuance of the decrees in favor of the Heirs of Eugenio Lopez, the properties involved having been sold to him by the applicants, is still pending with the court, it is informed that no copy of said motion nor of the order directing this Office to comment thereon appears on file in the records of the case. Hence, these matters could not have been taken into consideration in the issuance of the decrees. Had the Administration been apprised of these incidents, perhaps the issuance of the decrees could have been held in abeyance until the court has resolved the same.

As to the recall of the decrees of registration, we regret to inform you that since the certificates of title transcribed pursuant to said decrees have already been issued and released by the Registrar of Deeds concerned, it is now beyond our authority to recall them unless duly authorized by the court.

We hope that we have satisfactorily disposed of the concerns raised in your letter.

Very truly yours,

(signed)

ALFREDO R. ENRIQUEZ
Administrator

On 25 November 1998, petitioners filed with the Register of Deeds of Marikina City an application to annotate the notice of *lis pendens* at the back of OCT Nos. O-1603 and O-1604 on the ground that petitioners have filed with the land registration court a motion to declare OCT Nos. O-1603 and O-1604 void.^[14] Petitioners attached to the application a copy of the 25 November 1998 motion and the pertinent OCTs.

In a letter^[15] dated 15 December 1998, the Register of Deeds of Marikina City denied the application to annotate the notice of *lis pendens*. The entire letter states:

Republic of the Philippines
Department of Justice
LAND REGISTRATION AUTHORITY
Registry of Deeds, Marikina City

15 December 1998

Atty. Crisostomo A. Quizon
2nd Floor, Benpres Bldg.
Exchange Road cor. Meralco Avenue
Pasig City

Sir:

This is in connection to [sic] your application to have a Notice of Lis Pendens [annotated] at the back of OCT Nos. O-1603 and O-1604 issued in the name of ALFONSO SANDOVAL AND SPOUSE.

Pursuant to Sec. 76, PD No. 1529[,], the contents of the notice are the name[s] of the parties, the court where the action is pending, the date the action was instituted and a copy of the complaint [sic] in order to determine if the person named in the title is impleaded.

We regret to inform you that the application, bereft of the original petition or complaint [sic] upon which this office will base its action, is DENIED.

If you do not agree with our findings, you can, without withdrawing the documents you submitted, elevate the matter en consulta five (5) days from receipt hereof to the Office of the Administrator, Land Registration Authority, East Avenue cor. NIA Road, Quezon City.

Very truly yours,

(signed)
EDGAR D. SANTOS

On 14 January 1999, three days after receipt of the letter, petitioners elevated the denial in *consulta* to the LRA. The case was docketed as Consulta No. 2879.

The Ruling of the Land Registration Authority

In its resolution^[16] dated 21 May 1999, the LRA stated that the sole question for resolution is whether a notice of *lis pendens* is registrable based on a motion to declare void the decrees and titles. The LRA agreed with the Register of Deeds that a notice of *lis pendens* based on a motion is not registrable. Relying on Section 24, Rule 14 of the Rules of Court, the LRA ruled that only a party to a case has the legal personality to file a notice of *lis pendens* relative to the pending case.

The LRA focused on petitioners' standing in LRC No. N-18887. The LRA declared that petitioners are not parties in LRC No. N-18887. Since a land registration case is a proceeding *in rem*, an order of general default binds the whole world as a party in the case. Petitioners are mere movants whose personality the court has not admitted. Based on Section 26 of PD 1529, the LRA ruled that petitioners should have filed a motion to lift the order of general default. Pertinent portions of the LRA decision read:

Until and after the Order of General Default in LRC Case No. 18887 is lifted, petitioners cannot be clothed with personality as oppositors in said land registration case by merely filing a motion after a judgement has been rendered. Such being the case, a notice of *lis pendens* on the basis of the motion filed by petitioners cannot be admitted for registration. To rule otherwise would preempt the judgment of the Court in so far as the personalities of the movants as oppositors in the land registration case is concerned.

WHEREFORE, premises considered, this Authority is of the opinion and so holds that the notice of *lis pendens* is not registrable.

SO ORDERED.^[17]

The Ruling of the Court of Appeals

Undaunted, petitioners filed before the appellate court a petition for review of the LRA's decision. Petitioners filed the petition on the ground of manifest error and grave abuse of discretion on the part of the LRA Administrator when he ruled in Consulta No. 2879 that the notice of *lis pendens* is not registrable.

The appellate court dismissed the petition for lack of merit. The appellate court reiterated the LRA's ruling that only a party to a case has the legal personality to file a notice of *lis pendens*. Petitioners have no legal personality because they failed to file a motion to lift the order of general default in the land registration case.

Issues

Petitioners present the following issues for resolution of this Court: