

## THIRD DIVISION

[ G.R. No. 136283, February 29, 2000 ]

**VIEWMASTER CONSTRUCTION CORPORATION, PETITIONER, VS.  
HON. REYNALDO Y. MAULIT IN HIS OFFICIAL CAPACITY AS  
ADMINISTRATOR OF THE LAND REGISTRATION AUTHORITY;  
AND EDGARDO CASTRO, ACTING REGISTER OF DEEDS OF LAS  
PIÑAS, METRO MANILA; RESPONDENTS.**

### DECISION

**PANGANIBAN, J.:**

A notice of *lis pendens* may be registered when an action or a proceeding directly affects the title to the land or the buildings thereon; or the possession, the use or the occupation thereof. Hence, the registration of such notice should be allowed if the litigation involves the enforcement of an agreement for the co-development of a parcel of land.

#### *Statement of the Case*

Before us is a Petition for Review on *Certiorari*<sup>[1]</sup> assailing the February 27, 1998 Decision<sup>[2]</sup> of the Court of Appeals (CA)<sup>[3]</sup> in CA- GR SP No. 39649 and its November 12, 1998 Resolution<sup>[4]</sup> denying reconsideration. The assailed Decision affirmed the Resolution<sup>[5]</sup> of the Land Registration Authority (LRA) in Consulta No. 2381, which ruled as follows:

"PREMISES CONSIDERED, this Authority is of the considered view and so holds that the Notice of *Lis Pendens* subject of this consulta is not registrable."<sup>[6]</sup>

#### *The Facts*

The undisputed facts were summarized by the Court of Appeals as follows:

"The subject property is known as the Las Piñas property registered in the name of Peltan Development Inc. (now State Properties Corporation) covered by Transfer Certificate of Title No. (S-17992) 12473-A situated in Barrio Tindig na Manga, Las Piñas, Rizal.

"The Chiong/Roxas family collectively owns and controls State Investment Trust, Inc. (formerly State Investment House, Inc.) and is the major shareholder of the following corporations, namely: State Land Investment Corporation, Philippine Development and Industrial Corporation and Stronghold Realty Development.

"Sometime in 1995, the said family decided to give control and

ownership over the said corporations to only one member of the family, through the process of bidding among the family members/stockholders of the said companies. It was agreed that the bidder who acquires 51% or more of the said companies shall be deemed the winner.

"Defendant Allen Roxas, one of the stockholders of State Investment Trust, Inc. applied for a loan with First Metro Investment, Inc. (First Metro for brevity) in the amount of P36,500,000.00 in order to participate in the bidding.

"First Metro granted Allen Roxas' loan application without collateral provided, however, that he procure a guarantor/surety/solidary co-debtor to secure the payment of the said loan.

"Petitioner Viewmaster agreed to act as guarantor for the aforementioned loan in consideration for its participation in a Joint Venture Project to co-develop the real estate assets of State Investment Trust, Inc.

"After a series of negotiations, petitioner Viewmaster and defendant Allen Roxas agreed that should the latter prevail and win in the bidding, he shall sell to petitioner fifty percent (50%) of the total eventual acquisitions of shares of stock in the State Investment Trust, Inc., at a purchase price equivalent to the successful bid price per share plus an additional ten percent (10%) per share.

"As a result of the loans granted by First Metro in consideration of and upon the guaranty of petitioner Viewmaster, defendant Allen Roxas, eventually gained control and ownership of State Investment Trust, Inc.

"However, notwithstanding the lapse of two (2) years since defendant Allen Roxas became the controlling stockholder of State Investment Trust, Inc., he failed to take the necessary action to implement the Joint Venture Project with petitioner Viewmaster to co-develop the subject properties.

"Thus, petitioner's counsel wrote defendant Allen Roxas, reiterating petitioner's demand to comply with the agreement to co-develop the Las Piñas Property and to set in operation all the necessary steps towards the realization of the said project.

"On September 8, 1995, petitioner Viewmaster filed a Complaint for Specific Performance, Enforcement of Implied Trust and Damages against State Investment Trust, Inc. Northeast Land Development, Inc., State Properties Corporation (formerly Peltan Development, Inc.) and defendant Allen Roxas, in his capacity as Vice-Chairman of State Investment Trust, Inc., and Chairman of Northeast Land Development, Inc., State Properties Corporation, which was docketed as Civil Case No.65277.

"On September 11,1995, petitioner Viewmaster filed a Notice of *Lis Pendens* with the Register of Deeds of Quezon City and Las Piñas for the annotation of a Notice of *Lis Pendens* on Transfer Certificate of Title No.

(S-17992) 12473- A, registered in the name of Peltan Development, Inc. (now State Properties Corporation).

"In a letter dated September 15, 1995, the respondent Register of Deeds of Las Piñas denied the request for annotation of the Notice of *Lis Pendens* on the following grounds:

1. the request for annotation and the complaint [do] not contain an adequate description of the subject property;
2. petitioner's action only has an incidental effect on the property in question.

"On September 20, 1995, petitioner filed an appeal to the respondent Land Registration Authority, which was docketed as Consulta No. 2381.

"On December 14, 1995, the Respondent Land Registration Authority issued the assailed Resolution holding that petitioner's 'Notice of *Lis Pendens*' was not registrable."<sup>[7]</sup>

### *Ruling of the Court of Appeals*

In affirming the ruling of the LRA, the Court of Appeals held that petitioner failed to adequately describe the subject property in the Complaint and in the application for the registration of a notice of *lis pendens*. The CA noted that while Transfer Certificate of Title No. (S-17992) 12473-A indicated six parcels of land, petitioner's application mentioned only one parcel.

Moreover, the CA also ruled that a notice of *lis pendens* may be registered only when an action directly affects the title to or possession of the real property. In the present case, the proceedings instituted by petitioner affected the title or possession *incidentally* only, not directly.

Hence, this Petition.<sup>[8]</sup>

### *Issues*

Petitioner submits for the consideration of the Court the following issues:

"I

Whether or not the petitioner failed to adequately describe the subject property in its complaint and in the notice of *lis pendens*.

II

Whether or not the Las Piñas property is directly involved in Civil Case No. 65277."<sup>[9]</sup>

### *The Court's Ruling*

The Petition is meritorious.

*First Issue:*  
*Description of Property*

Petitioner contends that the absence of the property's technical description in either the notice of *lis pendens* or the Complaint is not a sufficient ground for rejecting its application, because a copy of TCT No. (S-17992) 12473-A specifically describing the property was attached to and made an integral part of both documents.

On the other hand, respondents argue that petitioner failed to provide an accurate description of the Las Piñas property, which was merely referred to as a "parcel of land."

The notice of *lis pendens* described the property as follows:

"A parcel of land situated in the Barrio of Tindig na Manga, Municipality of Las Piñas, Province of Rizal x x x containing an area of Seven Hundred Eighty Six Thousand One Hundred Sixty Seven (786,167) square meters, more or less."

By itself, the above does not adequately describe the subject property, pursuant to Section 14 of Rule 13 of the Rules of Court and Section 76 of Presidential Decree (PD) No.1529. It does not distinguish the said property from other properties similarly located in the Barrio of Tindig na Manga, Municipality of Las Piñas, Province of Rizal. Indeed, by the above description alone, it would be impossible to identify the property.

In the paragraph directly preceding the description quoted above, however, petitioner specifically stated that the property referred to in the notice of *lis pendens* was the same parcel of land covered by TCT No. (S-17992) 12473-A:

"Please be notified that on 08 September 1995, the [p]laintiff in the above-entitled case filed an action against the above-named [d]efendants for specific performance, enforcement of an implied trust and damages, now pending in the Regional Trial Court of Pasig, Branch 166, which action involves a parcel of land covered by Transfer Certificate Title (TCT) No. (S-17992) 12473-A, registered in the name of Peltan Development Incorporated which changed its corporate name to State Properties Corporation, one of the [d]efendants in the aforesaid case. The said parcel of land is more particularly described as follows:

'A parcel of land situated in the Barrio of Tindig na Manga, Municipality of Las Piñas, Province of Rizal x x x containing an area of Seven Hundred Eighty Six Thousand One Hundred Sixty Seven (786,167) square meters, more or less.'

"Request is therefore made [for] your good office to record this notice of pendency of the aforementioned action in TCT No. (S-17992) 12473-A for all legal purposes."<sup>[10]</sup>

As earlier noted, a copy of the TCT was attached to and made an integral part of both documents. Consequently, the notice of *lis pendens* submitted for registration, taken as a whole, leaves no doubt as to the identity of the property, the technical description of which appears on the attached TCT. We stress that the main purpose