

SECOND DIVISION

[G.R. No. 229408, November 09, 2020]

CENTRAL REALTY AND DEVELOPMENT CORPORATION, PETITIONER, VS. SOLAR RESOURCES, INC. AND THE REGISTER OF DEEDS OF THE CITY OF MANILA, RESPONDENTS.

D E C I S I O N

LAZARO-JAVIER, J.:

ANTECEDENTS

Pursuant to a Deed of Sale dated December 15, 1989, the Philippine National Bank sold to petitioner Central Realty and Development Corporation (Central) a parcel of land located in Binondo, Manila covered by Original Certificate of Title (OCT) No. 10964 with an area of seven thousand three hundred fifty (7,350) square meters.^[1] OCT No. 10964 was cancelled and Transfer Certificate of Title (TCT) No. 198996 was issued to Central.^[2]

In May 2010, Dolores V. Molina (Molina) caused the annotation of a notice of adverse claim on TCT No. 198996.^[3] She claimed that Central sold the property to her sometime in 1993.

On February 4, 2011, Central filed with the Regional Trial Court (RTC) of Manila a case entitled *In Re: Petition for Cancellation of Adverse Claim on Transfer of Certificate of Title No. 198996, Central Realty and Development Corporation v. Dolores V. Molina and the Register of Deeds of Manila*, docketed Civil Case No. P-11-726/LRC No. N-86/LRC REC No. N-60545. Central disputed the alleged sale of the property to Molina, claiming that its board of directors did not actually meet to confirm the alleged sale.^[4] The case was raffled to Branch 4.

While the petition pended, Central, on September 23, 2011, entered into a joint venture agreement with Federal Land for the construction of a high rise residential condominium project on the property. The Housing and Land Use Regulatory Board (HLURB) granted them a permit to construct and to sell the condominium project.^[5]

Meantime, by Letter dated March 26, 2012, Molina demanded that Central cause the issuance of a new title in her name and to deliver the possession of the property to her, free from any liens and encumbrances.^[6] Her demand though went unheeded.

Consequently, on September 10, 2013, she filed with RTC-Manila a complaint for specific performance and declaration of nullity of real estate mortgage with injunctive relief entitled *Dolores V. Molina, represented by her attorney-in-fact, Rebecca M. Ubas vs. Central Realty and Development Corporation and Federal Land, Inc.*. It was docketed as Civil Case No. 13-130626^[7] and raffled to Branch 6.

On December 18, 2013, Solar purchased the property from Molina.^[8]

Back to Civil Case No. P-11-726/LRC No. N-86/LRC REC No. N-60545, Branch 4 rendered its Decision dated April 11, 2014 ordering the Register of Deeds of Manila to cancel the notice of adverse claim inscribed on TCT No. 198996. It ruled that Central was able to prove that it did not sell the property to any third party. Thus, Molina's adverse claim had no basis at all and Central remained to be the owner of the property, viz.:^[9]

x x x In this case, petitioner Central Realty has aptly proven that the adverse claim made as Entry No. 1515 on the subject title has no leg to stand on. Through documentary evidence presented and the testimony of Atty. Serge Mario C. Iyog, Central Realty has proven that no Deed of Sale or no conveyance of ownership was made in favor of any third party. Petitioner has consistently, up to the present, exercised acts of ownership and administration over the subject property as readily shown by the payment of real property taxes on the property and entering into a Joint Venture Agreement with Federal Land, Inc. (Exhibit "RR").

xxx xxx xxx

Summarily, petitioner has sufficiently shown that the adverse claim annotated on the title by Dolores V. Molina under Entry No. 1515 has no basis and should be cancelled. Subject entry should not burden the property any further as it is undisputed that petitioner Central Realty remains to be the owner of the subject property.

WHEREFORE, premises considered, the Register of Deeds of Manila is hereby ordered, upon payment of the prescribed fees, to cancel from Transfer Certificate of Title No. 198996 the Notice of Adverse Claim inscribed thereon under Entry No. 1515/Vol. 145/T-198996 provided that no document or transaction registered or pending registration in his office shall be adverse (sic) affected thereby.

xxx xxx xxx

SO ORDERED.

On June 9, 2014, Solar annotated its notice of adverse claim on TCT No. 198996.^[10] When Molina died in 2014, Solar moved to be substituted in Civil Case No. 13-130626 as party-plaintiff. The court granted the motion, albeit,^[11] the Court of Appeals (CA) subsequently reversed in its Decision^[12] dated May 11, 2018 in CA-G.R. SP No. 151032, entitled *Central Realty and Development Corporation and Federal Land, Inc. vs. Hon. Jansen R. Rodriguez, in his capacity as Presiding Judge of the Regional Trial Court of Manila, Branch 6, and Solar Resources, Inc.*. Solar's subsequent motion for reconsideration has yet to be resolved by the Court of Appeals.

Meanwhile, Central initiated another petition, this time, seeking the cancellation of Solar's notice of adverse claim on TCT No. 198996 via *In Re: Petition for*

Cancellation of Adverse Claim on Transfer of Certificate of Title No. 198996, Central Realty and Development Corporation v. Solar Resources, Inc. and the Register of Deeds of Manila, docketed as Civil Case No. P-14-0163. The case went to RTC-Manila, Branch 16. Central alleged:^[13]

xxx xxx xxx

4. Solar's Adverse Claim must be immediately cancelled.

4.1 Solar's Adverse Claim is already ripe for cancellation because the 30-day period has already lapsed.

4.2 Solar's Adverse Claim is procedurally defective. It is based on Molina's Adverse Claim, which has already been cancelled. Solar's Adverse Claim is in effect Molina's second adverse claim, which is prohibited under Section 70 of PD 1529. Furthermore, the annotation of an adverse claim is improper since other remedies exist.

4.3 Solar's Adverse Claim is utterly, completely and absolutely baseless. Several government agencies have already ruled that Molina's claim over the Property (the sole basis of Solar's claim) is false. Records show that Central Realty is the absolute and registered true owner of the Property. Since Solar's Adverse Claim stems only from Molina's claim, Solar's claim is equally fraudulent and baseless.

4.4 Solar cannot pretend to be an innocent purchaser for value. It has long been aware of the falsity and impropriety of Molina's claims. The circumstances of the case demonstrate that Solar and its counsel, Ponce Enrile and Manalastas Law Offices ("PECABAR"), are in fact, Molina's co-conspirators in extortion against Central Realty.

xxx xxx xxx

Solar opposed and refuted Central's allegations as follows:

1. The lapse of the 30-day period does not *ipso facto* result in the cancellation of Solar's adverse claim.
2. Solar's adverse claim is separate and distinct from Dolores Molina's adverse claim.
3. Solar has a legitimate claim over the subject property.
4. The trial court is precluded from resolving the issue of ownership of the subject property which is being litigated in a separate case pending before RTC-Manila, Branch 6.
5. Solar's adverse claim cannot be cancelled pending resolution of the separate case involving the ownership over the property.

Central, thereafter, moved to render judgment on the pleadings, *viz.*:^[14]

xxx xxx xxx

2. Solar admitted all the material allegations of Central Realty in its Petition. Solar's Opposition and Central Realty's Petition and Reply demonstrates that Solar made the following admissions:

	Central Realty's Material Allegations	Solar's Admission/s
(1)	Solar purchased the Subject Property from Molina. (See Par. 3 of the Petition)	Par. 5 of the Opposition states: xxx "The mere fact that Solar purchased the Subject Property from Molina does not render Solar's adverse claim as Molina's second adverse claim." xxx
(2)	Solar has no other basis for its claim other than its supposed purchase of the Subject Property from Molina. (See Par. 3 of the Petition)	Par. 5 of the Opposition states: xxx "On the other hand, Solar's adverse claim is based on the Deed of Absolute Sale dated December 18, 2013 executed by and between Molina and Solar." xxx
(3)	Central Realty appears as the registered owner of the Subject Property on the face of TCT No. 198996. (See Par. 10 of the Petition)	Par. 13 of the Opposition states: "Molina further presented Solar with an owner's duplicate of TCT No. 198996 and explained that Central Realty prevailed upon her to leave the title under its name." xxx
(4)	Central Realty has been in full possession of the Subject Property since its purchase from Philippine National Bank ("PNB"). (See Pars. 13.1, 44.1, and 59(2) of the Petition)	Implied admission for Solar's failure to deny or respond to this issue.
(5)	As owner and possessor, Central Realty has been paying the realty taxes over the Subject Property since 1991, has leased-out several portions thereof, has mortgaged the same, and even entered into a Joint Venture Agreement with Federal Land, Inc. ("FLI"). (See for <i>Payment of Realty Taxes</i> - Pars.	Implied admission for Solar's failure to deny or respond to this issue.

	13.2 and 45.4 of the Petition; <i>Leasing out the Subject Property</i> - Par. 13.3 of the Petition; <i>Mortgage of the Subject Property</i> - Par. 45.2 of the Petition; <i>Joint Venture Agreement with FLI</i> - Par. 13.4 of the Petition.	
(6)	Molina's documents have been declared as fake and falsified by the Office of the City Prosecutor of Manila. (See Par. 23 of the Petition)	Implied admission for Solar's failure to deny or respond to this issue.
(7)	Molina's title has been declared as falsified by the National Bureau of Investigation's Questioned Documents Division ("NBI-QDD") and the Land Registration Authority ("LRA"). (See Par. 25.1 of the Petition)	Implied admission for Solar's failure to deny or respond to this issue.
(8)	The Securities and Exchange Commission ("SEC") has issued several Certificates of Corporate Filing stating that Dolores V. Molina was never an officer or a director of Central Realty. (See Par. 20.1 of the Petition)	Implied admission for Solar's failure to deny or respond to this issue.
(9)	Solar never verified with Molina or any government agency or conducted any ocular inspection to determine whether Molina is the owner of the Subject Property. (See Pars. 44.1 and 44.2 of the Petition)	Implied admission for Solar's failure to deny or respond to this issue.
(10)	Solar's lawyers are the same lawyers of Molina during the investigation by the NBI-QDD. (See Pars. 46 and 46.1 of the Petition)	Implied admission for Solar's failure to deny or respond to this issue.
(11)	Solar has been aware that Molina's documents have already been declared fake. (See Par. 45.3, 46, 46.2 of the Petition)	Implied admission for Solar's failure to deny or respond to this issue.
(12)	The Honorable Court has already issued a Decision dated 11 April 2014 cancelling Molina's previous Adverse Claim. (See Par. 34 of the Petition)	Par. 11 of the Opposition: "As will be discussed below, this Honorable Court's pronouncement in the Molina adverse claim case that Central Realty is the rightful owner of the Subject Property was rendered outside of its limited jurisdiction." xxx