

MANILA TRADING & SUPPLY CO., PETITIONER AND APPELLANT, VS. REGISTER OF DEEDS OF MANILA, RESPONDENT AND APPELLEE.

G.R. No. L-5623. January 28, 1954

Ponente: BENGZON, J.

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BENGZON, J.:

The issue for adjudication is whether the owner of buildings erected on premises leased from another person is required to contribute to the assurance fund when the petitions for annotation of his ownership on the corresponding certificate of Torrens Title.

The facts are simple: The Manila Trading and Supply Co., a corporation, is the lessee of three parcels of land in the Port Area, Manila, belonging to the Philippine Government, such lease having been recorded on the Government's certificate of title No. 4938. The structures built by said company upon the lots were destroyed during the last war; but after liberation, it erected new buildings that cost over a million pesos. Thereafter, on April 2, 1951 it requested the Manila Court of First Instance to require the register of deeds to enter and annotate, on certificate of title No. 4938, its declaration of property ownership of such valuable improvements. The court granted the request.[1] Then the register of deeds demanded payment of P1,308 for the assurance fund pursuant to section 99 of Act No. 496. The company refused to pay, and applied to the court for relief thru a petition-consultation. The register of deeds was upheld. Hence this appeal.

Section 99 provides in part:

"Upon the original registration of land under this Act, and also upon the entry of a certificate showing title as registered owners in heirs or devisees, there shall be paid to the register of deeds one-tenth of one per centum of the assessed value of the real estate on the basis of the last assessment for municipal taxation, as an assurance fund. * * *"

The Honorable Ramon R. San Jose, Judge, approving the register's action explained:

"* * * considerando que la anotacion de la citada orden, juntamente con el expresado affidavit, en el certificado de titulo No. 4938 del Gobierno de Filipinas, crea un interes en el terreno descrito en el referido titulo sobre todo en el presente caso en que consta inscrito un contrato de arrendamiento del terreno entre el Gobierno y la dueña de los edificios, este juzgado es de opinion que la cuestion discutida cae de lleno bajo las disposiciones legates que hablan no solamente de terreno, sino tambien de 'real estate' y de 'interes' en el terreno y dan protection a los que, sin negligencia suya, pierdan irrevindicablemente su derecho, interes o participation, en el terreno y/o las mejores existencias en el mismo. Es injusto que la recurrente tenga la protection de sus edificios bajo el fondo de seguro y no haga su contribucion al mismo. * * *."

The attorney for appellant insists here that section 99 is inapplicable, because the matter is not original registration of "land", nor entry of a certificate showing title as registered owners in heirs or devisees. The Legislature knew,

he argues, that "buildings" and "improvements" are not "land".

Upon examination of the whole Land Registration Act we are satisfied that "land" as used in section 99 includes buildings. For one thing the same section uses "real estate" as synonymous with land. And buildings are "real estate" (section 334, Civil Code, article 415, New Civil Code; *Republica de Filipinas vs. Ceniza*, L-4169, Dec. 17, 1951).[2]

For another, although entitled "Land Registration", the Act (496) permits the registration of interests therein, improvements, and buildings. Of course the building may not be registered separately and independently from the parcel on which it is constructed, as aptly observed by Chief Justice Arellano in 1909.[3] But "buildings" are registerable just the same under the Land Registration System. It seems clear that having expressly permitted in its initial sections (section 2) the registration of title to "Manila Building & Loan Association, 13 Phil., 575, land or buildings or an interest therein" and declared that the proceedings shall be in rem against the land and the buildings and improvements thereon, the statute (Act 496) used in subsequent provisions the word "land" as a short term equivalent "to land or buildings or improvements" to avoid frequent repetition of "buildings and improvements".[4] Unless, of course, a different interpretation is required by the intent or the terms of the provision itself, which is not the case of section 99. On the contrary, to consider buildings as within its range would be entirely in line with its purpose because as rightly pointed out by his honor, it would be unfair for petitioner to enjoy the protection of the assurance fund[5] even as it refuses to contribute to its maintenance.

Wherefore, the appealed order will be affirmed, with costs.

Paras, C. J., Pablo, Padilla, Reyes, Jugo, Bautista Angelo and Labrador, JJ., concur.

[1] The petition is permissible under section 112 Act 496 and protects the rights of lease (*Atkins Kroll & Co. vs. Domingo*, 46 Phil., 362)

[2] In American Law the term "land" is sufficiently broad to include buildings of a permanent character (*Chicago, I. & K. R. Co. vs. Knuffke*, 13 P. 582, 583, 36 Kan., 367; *Lightfoot vs. Grove*, 52 Tenn. (5 Heisk) 473, 477; *People vs. Barker*, 47 N. E., 46, 47, 153 N. Y., 98; *Crawford vs. Hathaway*, Neb. 93 N. W., 781, 788, citing *McGee Irrigating Ditch Co. vs. Hudson*, Tex., 22 S. W., 967; *In re City of New York*, 76 N. E., 18, 19, 183 N. Y., 245; *Cincinnati College vs. Yeatman*, 30 Ohio St., 276, 282).

[3] *Manila Building & Loan Association*, 13 Phil., 575.

[4] see for instance sections 37, 38, 39, 46, etc.

[5] And the Land registration system. *Atkins Kroll vs. V. Domingo supra*.

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