

**DRA. RAFAEL V. TRIAS, MARRIED TO MANUEL SIA RAMOS,
PETITIONER AND APPELLEE, VS. GREGORIO ARANETA, INC.,
OPPOSITOR AND APPELLANT.**

G.R. No. L-20786. October 30, 1965

Ponente: BENGZON, C.J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/f88d0b349a78/>

BENGZON, C.J.:

In May 1963, Rafaela Trias, married, filed in the Rizal court of first instance, a petition to cancel from her Torrens certificate of title, the annotation appearing on its back which reads as follows:

"5. That no factories will be permitted in this section."

She alleged she was the registered owner of this lot in Quezon City; that she wanted the cancellation, not for the purpose of erecting a factory thereon, but merely to facilitate approval of a loan she had applied for; that the restriction was illegal, because it impaired the owner's dominical rights; and that it was a mere surplusage anyhow, because there are zoning ordinances prohibiting establishment of factories in that district.

Acting on the petition, the court granted it, endorsing her views, particularly the one referring to surplusage due to a zoning ordinance.

Two weeks later, Gregorio Araneta Inc. moved for reconsideration of the order, alleging: (a) that the condition had been inserted in the title pursuant to a contract of sale between it and Rafaela's predecessor-in-interest; (b) that it received no timely notice of the petition; (c) that the order disregards contractual rights and obligations; (d) that the prohibition against factories was valid, and not a surplusage; and (e) that the Court had no jurisdiction to act on the petition.

Upon denial of its motion to reconsider, Gregorio Araneta Inc. appealed to this Court.

There are no issues of fact. The parties agree: (1) that the lot was part of a subdivision and originally belonged to J. M. Tuason & Co. Inc. which corporation upon selling it (thru Araneta Inc.) to a purchaser (Garcia Mateo and Deogracias Lopez), imposed the prohibition; that such prohibition was accordingly printed on the back of the transfer certificate issued to the purchaser; (2) that after several transfers, always subject to the prohibition, Rafaela acquired the lot, again subject to the limitation which was repeated on the back of her certificate; (3) that upon receiving her certificate, she noticed the prohibition; and so, arguing that it infringes the owner's right to use her land, she asked for its cancellation; (4) as already stated, she obtained relief.

The questions at issue here are: (a) the validity of the prohibition or limitation; (b) the effect of the zoning ordinance.

Such prohibition is similar to other conditions imposed by sellers of subdivision lots upon purchasers thereof, in and around Manila. It is in reality an easement,[1] which every owner of real estate may validly impose under Art. 594 of the Civil Code or under Art. 688 of the New Civil Code, which provides that "the owner of a piece of land

may establish thereon the easements which he may deem suitable, x x x provided he does not contravene the law, public policy or public order".

No law has been cited outlawing this condition or limitation, which evidently was imposed by the owner of the subdivision to establish a residential section in that area, for the purpose of assuring purchasers of the lots therein that the peace and quiet of the place will not be disturbed by the noise or smoke of factories in the vicinity.

The limitation is essentially a contractual obligation which the seller Tuason & Co. Inc. (thru Araneta Inc.) imposed, and the purchaser agreed to accept. Of course, it restricts the free use of the parcel of land by the purchaser. However, "while the courts have manifested some disfavor of covenants restricting the use of property, they have generally sustained them where reasonable, and not contrary to public policy x x x." (14 Am. Jur. p. 616.)

"The validity of building restrictions limiting buildings to residences, x x x restrictions as to the character or location of buildings or structures to be erected on the land x x x has been sustained. (14 Am. Jur. p. 617 citing cases.)

Now, it is proper for Tuason & Co. Inc. (thru Araneta Inc.) to oppose the elimination of the condition from the certificate of title, because if it is erased, a purchaser who gets a new certificate of title without the annotation, will hold the lot free from the encumbrance, and might build a factory there.[2] As declared by Sec. 39 of Act 496 as amended, "every purchaser of registered land x x x shall hold the same free from all encumbrances except those noted in said certificate".

The existence of a zoning ordinance prohibiting factories in the area, is immaterial. The ordinance might be repealed at any time; and if so repealed, this prohibition would not be enforceable against new purchasers of the land, who may be ignorant thereof. The same remark applies to Rafaela's promise not to build a factory on the lot: new owners might not be bound.

A problem might arise if and when the ordinance is amended so as to convert the area into an industrial zone impliedly permitting factories. Probably, the limitation might still bind the lot owner (with annotation); but it is not the present issue, and we do not now decide it.

In this view of the case, it becomes unnecessary to take up the other questions discussed by appellant, regarding notice and jurisdiction. Neither do we pass on the point raised by appellee concerning appellant's personality to object to the cancellation; because anyway, the proper party in interest (J. M. Tuason & Co. Inc.) could be impleaded as substitute party on appeal. (Alonzo v. Villamor, 16 Phil. 315).

The appealed order is reversed, and the petition to cancel is denied, with costs against petitioner. So ordered.

Bautista Angelo, Concepcion, Dizon, Regala, Makalintal, Bengzon, J. P., and Zaldivar, JJ., concur.

[1] For that reason it was annotated, as it should, in all subsequent transfer certificates.

[2] And J. M. Tuason & Co. Inc. might be liable to those who bought lots in the subdivision relying on the prohibition against factories in that part of the city.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.