

**DOMESTIC SAVINGS & LOAN ASSOCIATION, INC.,
REPRESENTED BY ITS PRESIDENT & MANAGER RENATO E.
CADELINA, PETITIONER, VS. THE HON. MILAGROS
VILLAFANIA-CAGUIOA, ET AL., RESPONDENTS.**

G.R. No. 60236. July 30, 1982

Ponente: VASQUEZ, J.

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VASQUEZ, J.:

Private respondents Roberto, Rodolfo, Marina, Teodoro, Renato, Ildefonso and Gilda, all surnamed MARQUEZ, are the registered owners of a parcel of land situated in Lucena City, covered by Transfer Certificate of Title No. T-23486 of the Registry of Deeds of Lucena City.

On April 5, 1976, private respondents leased the said property to the herein petitioner by virtue of a notarial instrument, and delivered T.C.T. No. 23486 to the petitioner. Private respondent Roberto Marquez subsequently borrowed the said title and promised to return the same. When the private respondents refused to give back the Torrens title, petitioner filed a petition in the Court of First Instance of Quezon, Branch VIII, presided over by the respondent Judge, Hon. Milagros Villafania-Caguioa, docketed as LRC Cad. Rec. No. 202, Cad. Case No. 1, M.C. No. 285-81, praying therein that private respondent Roberto Marquez be ordered to return to petitioner the owner's duplicate of T.C.T. No. 23486. The avowed purpose was to enable petitioner to register the contract of lease hereinabovementioned.

Private respondents filed their answer to the said petition with a motion to dismiss on the ground that the respondent Court lacked jurisdiction, sitting as a land registration Court, to entertain said petition under Section 112 of the Land Registration Act, the issues involved therein being controversial.

In an order dated December 17, 1981, the respondent Judge denied the private respondents' motion to dismiss. However, on a motion for reconsideration, the respondent Judge sustained the opposition of the private respondents and ordered the petition "dismissed, without prejudice to petitioner's right to institute the appropriate civil action" (Order dated March 12, 1982).

Petitioner appeals said order in the instant petition for review on certiorari. The private respondents filed their Comment to the petition.

The private respondents' principal objection to the relief sought by the petitioner is that such remedy may not be availed of by means of a petition under Section 112 of the Land Registration Act, the issues involved being serious and highly controversial which may only be threshed put in an ordinary action, and may not be taken cognizance of by the respondent Judge acting as a land registration Court. More specifically, private respondents spelled out the alleged controversial issues in their Comment to the Petition as follows:

"2(a). Petitioner breached said lease contract, executed 5 April 1976, by failing to adjust the initial P625.00

monthly rentals thereunder every six (6) months on the basis of the upward difference between the U.S. dollar and RP. Peso exchange rate, as provided for in Par. 2(d) of said lease contract;

2(b). Petitioner further breached said lease contract by not complying with its Par.

2(c), that all plans and specifications of the proposed building shall be first referred to the LESSORS for due acceptance before approval by the City Engineer's Office is sought by the Lessee.' This was to safeguard Petitioner's commitment that the building it shall construct shall cover the entire area of Lot 2772-A, covered by said TCT No. T-23486;

2(c). As it turned out, Petitioner submitted to the City Engineer of Lucena City the plans and specifications for the aforesaid building, without first referring them to Private Respondents (LESSORS) for due acceptance;

2(d). The Lease Contract does not represent the true intent and agreement of the parties, because:

2(d)(1). FIRST, it was also agreed upon that after the expiration of the lease contract (Annex 'A', Petition), the portion of the building standing on Lot 2772-A shall pertain to and be owned by Private Respondents-LESSORS;

2(d)(2). SECOND, the above is not, however, reflected in the lease contract, since Par. 13 thereof only states that upon the expiration of the lease, LESSORS shall recover only legal possession of the leased premises, without mentioning that ownership of the portion of the building standing on Lot 2772-A shall pertain to said LESSORS";

It is Our view that the respondent Court erred in declaring itself without jurisdiction to entertain the petition to order private respondent Roberto Marquez to return to petitioner the owner's duplicate of Transfer Certificate of Title No. T-23486 in order to enable the petitioner to register the contract of lease.

In the first place, said petition is not based on the provisions of Section 112 of the Land Registration Act. There is nothing therein, either in its form or in its substance, to indicate that petitioner is relying on the provision just cited. In its Opposition to the private respondents' motion to dismiss, petitioner has expressly indicated that its petition is based, not on Section 112, but on Section 55 of the Land Registration Act which provides in part:

"No new certificate of title shall be entered, no memorandum shall be made upon any certificate of title by the register of deeds, in pursuance of any deed or other voluntary instrument, unless the owner's duplicate certificate is presented for such indorsement, except in cases expressly provided for in this Act, or upon the order of court for cause shown and whenever such order is made, a memorandum thereof shall be entered upon the new certificate of title and upon the owner's duplicate. . . ."

There appears to be no issue as to the registrability of the contract of lease in question; nor of the right or obligation to register the same. Paragraph 7 of the contract of lease explicitly ordains its registration in this wise:

"This Agreement shall be registered with the Register of Deeds for the City of Lucena, and all expenses in connection therewith shall be borne o, the LESSEE, the LESSORS shall at their expense provide and execute all documents and do all things which may be necessary for the registration of this Agreement."

Inasmuch as the law requires the presentation of the owner's duplicate certificate of title to authorize the register of deeds to register a deed or voluntary instrument, and private respondents having imposed upon themselves the obligation of doing "all things which may be necessary for the registration of this Agreement," it follows that the petitioner is entitled to possess the owner's duplicate of T.C.T. No. T-23486 in order to enable it to register the contract of lease.

Private respondents seek to thwart the petitioner's right to cause the registration of the contract of lease by raising issues which are totally irrelevant to the matter of surrendering the owner's duplicate certificate of title for the

purpose of registering the encumbrance constituted by them on the property covered thereby. By their refusal to do so, they not only renege on a contractual commitment, but also deprive petitioner of a right to which it is entitled by law. It goes without saying that there is a big difference, legally speaking, between a registered and an unregistered lease of a parcel of land.

The questions as to the alleged violations by the petitioner of the contract of lease and the need for a reformation of the same on the supposed ground that it does not represent the true intent and agreement of the parties have nothing to do with registering the contract of lease. The right of the private respondents to ventilate said issues in an appropriate proceeding is not proscribed by the mere fact that the lease contract had been duly recorded in the office of the register of deeds. Private respondents may not defeat the jurisdiction of the Court by raising issues which, although not within its judicial competence and authority to decide, are grossly irrelevant to the proceeding involved. Whatever is material in any given case is as good as not raised or alleged.

WHEREFORE, the Order of respondent Judge dated March 12, 1982 is hereby REVERSED AND SET ASIDE. The private respondents are hereby ordered to surrender to the petitioner liner's duplicate of Transfer Certificate of Title No. T-23486 the Registry of Deeds of Lucena City for the purpose of enabling the petitioner to register the contract of lease dated April 5, 1976. It is understood that such registration shall not in any manner preclude the private respondents from filing the appropriate proceedings to seek relief from the alleged violations of the contract of lease, or for seeking a reformation of the same. Private respondents shall pay costs.

SO ORDERED.

Teehankee (Chairman), Makasiar, Melencio-Herrera, Plana and Relova, JJ., concur.
Gutierrez, Jr., J., is on leave.

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