



Republic of the Philippines
 Supreme Court
 Manila

SUPREME COURT OF THE PHILIPPINES
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SECOND DIVISION

MOLDEX REALTY, INC. and G.R. No. 246826
REY IGNACIO DIAZ,

Petitioners, Present:

PERLAS-BERNABE, S.A.J.,
Chairperson,

- versus -

HERNANDO,
 INTING,
 GAERLAN, and
 ROSARIO,* JJ.

SPOUSES ERNESTO V. YU and Promulgated:
ELSIE ONG YU,

Respondents.

JUL 28 2021

X ----- X

DECISION

INTING, J.:

Before the Court is a Petition for Review¹ on *Certiorari* under Rule 45 of the Rules of Court assailing the Decision² dated November 6, 2018 and the Resolution³ dated March 19, 2019 rendered by the Court of Appeals (CA) in CA-G.R. CV No. 108831. The CA reversed and set aside the Decision⁴ dated July 26, 2016 of Branch 20, Regional Trial Court (RTC), Imus City, Cavite and ordered the removal of any construction made by Moldex Realty, Inc. (Moldex) on the property allegedly owned by Spouses Ernesto and Elsie Yu (Spouses Yu).

* Designated additional member per Special Order No. 2835 dated July 15, 2021.

¹ *Rollio*, Vol. I, pp. 3-40.

² *Id.* at 44-60-A; penned by Associate Justice Jhosep Y. Lopez (now a member of the Court) with Associate Justices Amy C. Lazaro-Javier (now a member of the Court) and Carmelita S. Manahan, concurring.

³ *Id.* at 62-66; penned by Associate Justice Jhosep Y. Lopez (now a member of the Court) with Associate Justices Carmelita S. Manahan and Pedro B. Corales, concurring.

⁴ *Id.* at 165-177; penned by Acting Presiding Judge Josefina E. Siscar.

The Antecedents

Spouses Yu filed a case for prohibitory injunction with temporary restraining order, removal of perimeter fence, and damages⁵ against Moldex and Rey Ignacio Diaz (Diaz), then the Executive Vice President of Moldex, with the RTC.

Spouses Yu are the owners of two adjoining parcels of land registered in their names under Transfer Certificate of Title (TCT) No. T-280169⁶ for *Lot No. 3869-N-1-A* and TCT No. T-280170⁷ for *Lot No. 3869-N-1-B* comprising of 4,061 square meters (sq.m.) and 4,062 sq.m., respectively, located in Barrio Pala-pala, Dasmariñas, Cavite (collectively, Yu property). Meanwhile, Moldex is the registered owner of the 201,246-sq.m. lot that is situated adjacent to the Yu property and denominated as *Lot No. 3870* under TCT No. T-317603 (Moldex property). Notably, both properties originally came from and were once part of the Imus Friar Estate.⁸

In their complaint, Spouses Yu alleged that Moldex had encroached on a 3,159-sq.m. portion of their property, particularly Lot 3869-N-1-A covered by TCT No. 280169, through the latter's construction of a perimeter fence. Despite demands to vacate and to cease construction of the perimeter fence, Moldex refused and failed to comply. Thus, Spouses Yu prayed that Moldex be permanently enjoined from entering and constructing the perimeter fence on their property.⁹

In its defense, Moldex denied having encroached on the Yu property and countered that the land where it constructed the concrete perimeter fence is, in fact, a portion of its own landholding.¹⁰ According to Moldex, the boundary conflict between Lots 3870 and 3869-N-1-A only arose because the location of the Yu property, based on the technical descriptions appearing on its Torrens title, is different from its actual position on the ground.¹¹

⁵ See Complaint for Prohibitory Injunction with Temporary Restraining Order, Removal of Perimeter Fence, and Damages dated October 6, 1994, *id.* at 86-91.

⁶ *Id.* at 92, 402.

⁷ *Id.* at 403.

⁸ *Id.* at 45.

⁹ *Id.* at 49-50, 88.

¹⁰ *Id.* at 7.

¹¹ *Id.* at 166.

In an attempt to avoid a long and tedious litigation and to finally settle their boundary dispute, the parties filed a Joint Motion¹² dated March 21, 1995 requesting the trial court to direct the Office of the Regional Technical Director, Land Management Bureau, Region IV-A of the Department of Environment and Natural Resources (DENR) to relocate on the ground the parcels of land described in and covered by TCT Nos. T-280169 and T-280170. In their motion, the parties also agreed to accept the results of the survey as the true and correct location of the Yu property.¹³

Finding the ground stated in the motion to be meritorious, the RTC issued an Order¹⁴ dated March 21, 1995 directing a Geodetic Engineer from the DENR to conduct a survey on the Yu property. In compliance thereto, Engr. Danilo A. Arellano (Engr. Arellano) of the DENR, together with the parties' representatives and the Branch Clerk of Court, conducted ocular inspections and relocation surveys of the Yu property.¹⁵

Thereafter, both parties moved for summary judgment; hence, the RTC rendered a Decision¹⁶ on December 27, 1999 which dismissed the complaint of Spouses Yu for lack of merit.¹⁷ The RTC ruled that there was actually no encroachment or overlapping of boundaries to speak of between the Yu property and Moldex Property based on the technical descriptions of their respective titles.¹⁸

On appeal, the CA, in the Decision¹⁹ dated October 15, 2002, reversed and set aside the RTC ruling and *remanded* the case to the trial court for further proceedings.²⁰ It noted the following discrepancies and observations:

1. The origin of the error, resulting to the difference of the distance of corner 1 of Lot [3869-N-1-A] to Mon. 152 of the Imus estate, from 578.32 meters to 178.32 meters as indicated in TCT No. 280169.

¹² *Id.* at 101-102.

¹³ *Id.* at 101.

¹⁴ *Id.* at 103; penned by Executive Judge Lucenito N. Tagle.

¹⁵ *Id.* at 167.

¹⁶ *Id.* at 130-149; penned by Executive Judge Lucenito N. Tagle.

¹⁷ *Id.* at 149.

¹⁸ *Id.* at 148.

¹⁹ *Id.* at 152-164; penned by Associate Justice Rosmari D. Carandang (now a member of the Court) with Associate Justices Marina L. Buzon and Mariflor Punzalan Castillo, concurring.

²⁰ *Id.* at 163.

2. Does this error affect also the description of a) Lot 3869-N-1-B described in TCT No. 280170 and b) Lot 3870 belonging to defendant Moldex?

3. If the error was committed when Lot 3869-N-1 was further subdivided in 1972, how did it affect the resurvey of defendant's Lot 3870 in 1991;

4. Why is it that the line of corners 10 to 11 of Lot 3870 does not lie in common with the line of corners 1 to 2 of Lot 3869-N-1-A?

x x x x²¹

Ruling of the RTC

After conducting hearings and receiving the parties' respective evidence, the RTC dismissed the complaint for lack of merit in its Decision²² dated July 26, 2016. The trial court likewise awarded ₱30,000.00 as attorney's fees in favor of Moldex since it incurred expenses to lift the issued temporary restraining order against it.²³

The RTC found that Moldex could not have encroached upon the Yu property given that the perimeter fence it had constructed was entirely within the boundaries of its own lot as provided in its title.²⁴ It also pointed out that the technical descriptions in the Torrens titles of the parties are binding and cannot be changed, altered, modified, enlarged, or diminished in a collateral proceeding.²⁵

Ruling of the CA

When the case was elevated *via* an ordinary appeal, the CA again reversed and set aside the RTC ruling. This time, the appellate court ordered Moldex to remove any constructions it had made within the Yu property and to pay Spouses Yu the amount of ₱100,000.00 as moral damages and ₱50,000.00 as attorney's fees.²⁶

²¹ *Id.*

²² *Id.* at 165-177.

²³ *Id.* at 176-177.

²⁴ *Id.* at 174-175.

²⁵ *Id.* at 175.

²⁶ *Id.* at 60.

The CA noted that the RTC simply rendered another judgment based on the supposed defective technical descriptions of the Yu property in its Torrens titles notwithstanding the guidelines that it had enumerated in the Decision dated October 15, 2002 pertaining to the application of the correct and appropriate survey principles to resolve the case.²⁷

In ruling that Moldex had encroached upon the Yu property when it constructed a perimeter fence around its landholding, the CA gave credence to the expert testimony of Engr. Arellano who explained that between the 1991 relocation survey of the Moldex property and the 1957 resurvey of the Yu property, the former should conform to the latter.²⁸

Accordingly, the CA awarded moral damages in the amount of ₱100,000.00 and ₱50,000.00 as attorney's fees in favor of Spouses Yu on account of bad faith on the part of Moldex when it forcibly entered the Yu property and commenced the construction of its concrete perimeter fence despite strong objection from Spouses Yu to the extent of requesting police assistance.²⁹

Moldex moved for reconsideration,³⁰ but the CA denied the motion in the Resolution³¹ dated March 19, 2019. The CA observed that Moldex had raised the issue as to the collateral attack on its Torrens title for the first time on appeal and thus, now barred by estoppel. Moreover, it pointed out that Moldex, too, is barred by laches from questioning the propriety of the complaint at this stage as it has been pending in court for almost two decades. Finally, the CA rejected the 1951 Friar Land Survey 796-D presented by Moldex because it was not properly offered and authenticated before the trial court.³²

Aggrieved by the CA Decision, Moldex elevated this case to the Court *via* petition for review on *certiorari*.

²⁷ *Id.* at 51.

²⁸ *Id.* at 58-59.

²⁹ *Id.* at 60.

³⁰ See Motion for Reconsideration (To: Decision dated 06 November 2018), *id.* at 67-85.

³¹ *Id.* at 62-66.

³² *Id.* at 64-65.

The Issue

The main issue in this case is whether the CA committed a reversible error in ordering Moldex to desist from encroaching on the property of Spouses Yu. It ultimately questions the entitlement of Spouses Yu to a final writ of prohibitory injunction.

Arguments of Moldex

Moldex seeks to apply the exception to the rule with respect to issues raised for the first time on appeal and argues that the issues in this case present a matter of public policy involving the promotion of the stability of registered ownership over lands.³³ It further contends that the change in its theory of the case should be allowed considering that it would not require the presentation of any further evidence by the adverse party.³⁴

Consequently, Moldex reiterates that the claim of encroachment by Spouses Yu constituted a collateral attack on its title as it essentially questions the metes and bounds of its landholding as reflected in the Torrens title itself which is proscribed by law.³⁵ Moreover, it is the view of Moldex that Spouses Yu had failed to prove their right of possession since the complaint is akin to an action for recovery of possession wherein a plaintiff must rely on the strength of his title and not on the weakness of defendant's claim.³⁶

Moldex further counters that the CA committed an error when it refused to consider the 1951 Friar Land Survey 796-D given that this document, which shows the original locations of Lot Nos. 3870 and 3869-A on the ground, was a common exhibit of the parties during the proceedings before the trial court.³⁷

Finally, Moldex also questions the award of moral damages and attorney's fees in favor of Spouses Yu and posits that it merely exercised its ownership rights over its landholding when it constructed the

³³ *Id.* at 24.

³⁴ *Id.* at 25-26.

³⁵ *Id.* at 13.

³⁶ *Id.* at 13, 17-18.

³⁷ *Id.* at 29.

perimeter fence around it.³⁸ For its part, Moldex claims that it suffered actual damages in an amount not less than ₱3,000,000.00 since the construction of the Metrogate Dasmariñas Estate Subdivision was stalled by reason of the case. In addition, it seeks moral damages in an amount not less than ₱4,000,000.00, while Diaz prays for ₱1,000,000.00 for the anxiety and sleepless nights the case caused him. Lastly, they likewise pray for the award of attorney's fees in the amount of ₱500,000.00 because they were allegedly forced to litigate to protect their rights and interests from the baseless and unfounded suit.³⁹

Arguments of Spouses Yu

In their Comment [On the Petition for Review dated 15 May 2019],⁴⁰ Spouses Yu firmly deny any error in the technical descriptions on their titles and argue that it was only the testimony of Engr. Edgar S. Barraca (Engr. Barraca), witness for Moldex, that was the sole basis for the mistaken conclusion.⁴¹ They theorize that the opinions and conclusions of Engr. Barraca, who was not qualified as an expert witness, were mere hearsay and baseless because they were based on his own interpretation of certain documents that are not even official records of the DENR.

They likewise claim that Moldex is estopped from raising the issue on collateral attack of its title as it is bound by its filing of a joint motion before the trial court wherein the parties voluntarily agreed to be bound by the result of the relocation survey.⁴² In the same vein, Spouses Yu reiterate the CA ruling that the technical descriptions of the properties as indicated in their Torrens titles should not be the only basis for the determination of the issue on encroachment is already the law of the case.⁴³

The Court's Ruling

The petition is meritorious.

³⁸ *Id.* at 33.

³⁹ *Id.* at 35-36.

⁴⁰ *Id.* at 364-398.

⁴¹ *Id.* at 384.

⁴² *Id.* at 379.

⁴³ *Id.* at 389.

The controversy involved herein is essentially a boundary dispute between Moldex and Spouses Yu which the latter sought to settle through an action for prohibitory injunction.

The nature of the remedy of injunction is defined as “a *judicial writ, process or proceeding whereby a party is directed either to do a particular act, in which case it is called a mandatory injunction or to refrain from doing a particular act, in which case it is called a prohibitory injunction.*”⁴⁴ When availed of as a main action, injunction seeks to permanently enjoin the defendant, through a final injunction issued by the court and contained in the judgment, from the commission or continuance of the complained act or acts.⁴⁵ As stated, “*it is only after the court has come up a definite pronouncement respecting an applicant’s right and of the act violative of such right, based on its appreciation of the evidence presented, that a final injunction is issued.*”⁴⁶

“*[I]n actions involving realty, preliminary injunction will lie only after the plaintiff has fully established his title or right thereto by a proper action for the purpose*” through a *prima facie* showing of a right to the final relief.⁴⁷ “*Preliminary injunction will not issue to protect a right not in esse. These principles are equally relevant to actions seeking permanent injunction.*”⁴⁸

There are two requisites that must concur for injunction to issue: *first*, there must be a right to be protected; and *second*, the acts against which the injunction is to be directed are violative of this right.⁴⁹

The Court now comes to the issue as regards Spouses Yu’s entitlement to the issuance of a writ of prohibitory injunction. To resolve this issue, it is necessary for the Court to determine whether Spouses Yu were able to establish their right over the subject portion of the disputed land with absolute certainty.

⁴⁴ *Salvador, et al. v. Patricia, Inc.*, 799 Phil. 116, 139 (2016), citing *Philippine Economic Zone Authority v. Carantes, et al.*, 635 Phil. 541, 548 (2010).

⁴⁵ *Id.*

⁴⁶ *Rep. of the Phils. v. Cortez*, 768 Phil. 575, 587 (2015).

⁴⁷ *Philippine Economic Zone Authority v. Carantes, et al.*, 635 Phil. 541, 548 (2010).

⁴⁸ *Id.* at 548-549.

⁴⁹ *Id.* at 548, citing *The City Government of Baguio City, et al. v. Atty. Masweng, et al.*, 597 Phil. 668, 678 (2009).

Spouses Yu assert that Moldex had forcibly entered their property despite their strong objection and immediately commenced the construction of a concrete perimeter fence thereon. On the other hand, Moldex counters that the premises where it constructed the subject concrete perimeter fence is actually a portion of its registered landholdings. In other words, the claim of Spouses Yu, as an applicant for prohibitory injunction, is anchored on the certificates of title issued on the Yu property which allegedly covered over the area upon which the perimeter fence was constructed.

“A Torrens title is the best evidence of ownership of registered land.”⁵⁰ In the recent case of *Spouses Yu v. Ayala Land, Inc.*,⁵¹ the Court stressed the significance of the technical description in a certificate of title:

The metes and bounds in the technical description of the title are of utmost importance. It is well settled that what defines a piece of titled property is not the numerical data indicated as the area of the land, but the boundaries or “metes and bounds” of the property specified in its technical description as enclosing it and showing its limits. Thus, if there is an erroneous designation of the metes and bounds as indicated in the survey due to a non-existent monument, then such inaccurate data shall also be reflected in the technical description of the certificate of title.⁵²

In the case at bench, both lower courts concluded that there is a disparity in the *actual location* of the Yu property as compared to the *technical descriptions* indicated in its corresponding certificates of title. For clarity and precision, the pertinent portion of the CA Decision⁵³ dated October 15, 2002 is quoted below:

The instant case, though denominated as one for prohibitory injunction with TRO, removal of perimeter fence and damages, is actually a case involving a boundary dispute, to settle which of the properties, belonging [to] plaintiffs and defendant, but adjacent to one another encroached upon the other. Indeed, after repairing to [sic] the properties and conducting a relocation survey on the ground, Engr. Arellano testified that *there is a discrepancy as to the location of Spouses Yu's land as appearing in the transfer certificate of title vis-a-vis the actual location of their land on the ground. Per its technical*

⁵⁰ *The Register of Deeds of Negros Occidental, et al. v. Anglo, Sr., et al.*, 765 Phil. 714, 730 (2015), citing *Heirs of Miguel Franco v. Court of Appeals*, 463 Phil. 417, 430 (2003).

⁵¹ G.R. Nos. 173120 & 173141, April 10, 2019.

⁵² *Id.*, citing *Republic v. Court of Appeals*, 361 Phil. 319, 335 (1999).

⁵³ *Rollo*, pp. 152-164.

descriptions, the Spouses Yu's property would even stretch up to and traverse the nearest (Aguinaldo) highway. According to Engr. Arellano, the difference in location of the properties per the technical description and their actual ground position traces its root to the numerous subdivisions of Lot 3869 in 1957 to thirteen lots x x x

x x x

Engr. Arellano thus explained that the defect in the certificates of title of plaintiffs' properties resulted from the reduction of the distance of the tie line by 400 meters from the common point which is Mon. 152 of the Imus Estate. This is indicated in Exhs. "AA" Exh. "17" (notation on lot bearing distance) thereby moving plaintiffs' property 50 meters away from defendant's property, which are supposed to be adjacent with one another as existing on the ground. So it is clear to the trial court that there has been an error in the technical description of plaintiffs' properties, which is the reason why the position of the two lots as described in the title are not adjacent to defendant's property.⁵⁴ x x x (Italics supplied.)

The RTC, too, noted this discrepancy after the conduct of another round of hearings, with reception of additional evidence, when the CA remanded the case to it for further proceedings:

In this case, plaintiff Spouses failed to overcome the burden of establishing their claim of overlapping. The technical description of the plaintiff Spouses' lots as appearing in its certificates of title do not conform with the actual position of the lots on the ground. In short, the lots being occupied by the plaintiff Spouses on the ground are located differently from the lots according to technical descriptions in the certificates of title. Following the technical descriptions to pinpoint the location, plaintiff Spouses' lots would be several meters away from the property of the defendants. x x x

x x x [T]he Court could and did find that there was no encroachment. Engr. Arellano explained that the defect in the certificates of title of plaintiff Spouses' properties resulted from the reduction of the distance of the tie line by 400 meters from a common point which is Mon. 152 of the Imus Estate thereby moving plaintiff Spouses' property 50 meters away from defendant's property which are supposed to be adjacent with one another as existing on the ground. The several subdivisions and resurveys of the properties of the plaintiff Spouses have brought the plaintiff Spouses' properties to where they are today. It has been established that plaintiff Spouses' properties form part of the original Lot 3869-N which has been subdivided according to resurvey plan Rs-362-D as Bureau of Lands on July 29, 1967. Subsequently, Lot 3869-N-1 consisting of 20,200

⁵⁴ *Id.* at 158-160.

square meters was further subdivided in 1972 into smaller lots generating among others Lot 3869-N-1-A containing an area of 4,061 square meters and Lot 3869-N-1-B containing an area of 4,062 square meters, now registered in plaintiff Spouses' names. While the first subdivision of Lot 3869 was done without error, the second subdivision was defective, which defects were carried over to the third subdivision. In the second subdivision, covered by survey plan Rs-632-D, Lot 3869-A was further subdivided into thirteen (13) lots, one of which was Lot 3869-A which was renamed as Lot 3869-N, which should not have been the case.⁵⁵

Unfortunately, the CA was unrelenting in its resolve to relocate the Yu property beyond what the technical descriptions in the certificates of title indicate:

As early as Our Decision dated October 15, 2007, We already determined that there was an error in the technical description of the titles of Appellants Spouses Yu, which is the reason why their properties, as described in their titles, appear to be not adjacent to the property of Appellee Moldex. Thus, We directed the trial court not to stop at that finding and to determine the cause of the error, xxx (Footnote omitted).⁵⁶

From the foregoing, it is clear that Spouses Yu had not been able to prove and establish their right in *esse* as required by the rules. Hence, injunction *cannot* issue as a matter of course. While it is true that Spouses Yu possessed certificates of title in their names, the issue is not one of ownership but whether their Torrens titles covered the premises that had allegedly been encroached upon by Moldex as to warrant the issuance of a writ of injunction.

To reiterate, an injunction cannot be granted to take property out of the possession or control of one party and place it into that of another whose title has not been clearly established by competent evidence.⁵⁷ “Injunctions, like other equitable remedies, will only issue at the instance of a plaintiff who has sufficient interest or title in the right or property sought to be protected.”⁵⁸ “The [plaintiff’s] right or title x x x must be clear and unquestioned, for equity, as a rule, will not lend its preventive aid by injunction where the complainant’s title or right is doubtful or disputed.”⁵⁹

⁵⁵ *Id.* at 172-173.

⁵⁶ *Id.* at 51.

⁵⁷ See *Savellano v. Court of Appeals*, 403 Phil. 488 (2001).

⁵⁸ *Id.* at 495, citing *Angela Estate, Inc., et al. v. CFI, et al.*, 133 Phil. 561 (1968).

⁵⁹ *Id.*

To hold otherwise would render ordinary actions and the enforcement of judgment in such actions inutile and practically of no legal effect.⁶⁰ It would open the floodgates to plaintiffs who would rather secure relief by injunction in every instance where there is a probability of any threat or violation of their rights and thereafter execute the judgment granting the injunction by the summary contempt proceedings, forestalling the difficulty and oftentimes fruitless labor of enforcing judgments obtained through the ordinary remedies.⁶¹

Indubitably, the CA committed a serious error when, in an action for injunction, it went to the extent of directing the trial court to apply the appropriate surveying principles in resolving the issue of encroachment after its own determination that there is an error in the technical description of the certificates of title of Spouses Yu. As the RTC correctly explained, the alleged ownership of Spouses Yu of the disputed land on which the perimeter fence had been built was anchored on their certificates of title whose technical descriptions of the lots did not match the actual location of their property:

Contrary to the asseveration of plaintiff Spouses that the location of their lots on the ground should prevail, the ownership of plaintiff Spouses over the subject lots arose from their Torrens titles which technically described said lots. The technical description of plaintiff Spouses' properties were complete by themselves setting forth the parameters, metes and bounds of their properties. The location of plaintiff Spouses' properties on the basis of their technical descriptions set forth in their respective Torrens Certificate of Title is found to be 50 meters away from the defendant's properties. It is settled that a Torrens title is evidence of indefeasible title to property in favor of the person in whose name the title appears. It is conclusive evidence with respect to the ownership of the land described therein. It is also settled that titleholder is entitled to all the attributes of ownership of the property, including possession. A Torrens certificate of title cannot be the subject of a collateral attack. Such attack must be direct and not by a collateral proceeding. It is a well-established doctrine that the title represented by the certificate cannot be changed, altered, modified, enlarged, or diminished in a collateral proceeding. In fine, defendant's perimeter fence is entirely within the boundaries of its lot and therefore not encroaching on plaintiff Spouses' landholding.⁶²

⁶⁰ *Id.*, citing *Devesa v. Arbes*, 13 Phil. 353 (1909).

⁶¹ *Id.*

⁶² *Rollo*, pp. 174-175.

To reiterate, a boundary dispute would essentially seek to alter or modify either the Torrens title of Spouses Yu or that of Moldex, but any alteration or modification either way should be initiated only by *direct proceedings* and not merely as an issue incidentally raised by the parties herein. To allow the boundary dispute to be litigated in an action for injunction would violate Section 48⁶³ of Presidential Decree No. 1529,⁶⁴ or the Property Registration Decree, which prohibits *collateral attacks* on Torrens titles.

There is a collateral attack when, in another action to obtain a different relief, the certificate of title is assailed as an incident in said action.⁶⁵ This is exactly what Spouses Yu sought to do herein – to modify the technical descriptions on their certificates of title so as to conform to the supposed actual location of their property at present.

In *Veterans Federation of the Philippines v. Court of Appeals*,⁶⁶ the Court had the occasion to rule that “*errors in the certificate of title that relate to technical description and location cannot just be disregarded as mere clerical aberrations that are harmless in character, but must be treated seriously so as not to jeopardize the integrity and efficacy of the Torrens system of registration of real rights to property.*”⁶⁷

As such, the Court holds that the technical descriptions as indicated in the subject certificates of title of Spouses Yu are the true identity of their property for purposes of this injunction proceeding. If these technical descriptions are indeed erroneous, then the proper recourse for Spouses Yu is to file an action to cause the issuance of new titles bearing the correct technical descriptions and locations of their property.⁶⁸

⁶³ Section 48 of Presidential Decree No. 1529 provides:

Section 48. *Certificate not subject to collateral attack.* — A certificate of title shall not be subject to collateral attack. It cannot be altered, modified, or cancelled except in a direct proceeding in accordance with law.

⁶⁴ Approved on June 11, 1978.

⁶⁵ *Sps. Decaleng v. Bishop of the Missionary District of the Philippine Islands of Protestant Episcopal Church in the U.S.A., et al.*, 689 Phil. 422, 444 (2012), citing *S.J. Vda. de Villanueva v. Court of Appeals*, 403 Phil. 721, 732 (2001).

⁶⁶ 399 Phil. 56 (2000).

⁶⁷ *Id.* at 65.

⁶⁸ *Id.*

Anent the application of the doctrine of estoppel and laches against Moldex's claim of indirect attack on its title, it is settled that the presence of a collateral attack against a Torrens title may be appreciated by the court even if not raised by any of the parties in the case. Its application cannot be made a subject of a waiver nor could a party be estopped from raising it as a defense nor be barred by laches.

With respect to the claim for damages, the Court agrees with the RTC's conclusion that there is no sufficient evidence to support the counterclaim of Moldex for actual damages in the form of unrealized profits.⁶⁹ In the same manner, Spouses Yu were honestly convinced of the validity of their claim to the disputed area. Thus, in the absence of malice or bad faith in the filing of the case, the award of damages, including attorney's fees, are unavailing.

WHEREFORE, the petition is **GRANTED**. The Decision dated November 6, 2018 and the Resolution dated March 19, 2019 of the Court of Appeals in CA-G.R. CV No. 108831 are **REVERSED** and **SET ASIDE**.

Accordingly, the Decision dated July 26, 2016 of Branch 20, Regional Trial Court, Imus City, Cavite, docketed as Civil Case No. 981-94, is hereby **REINSTATED**. The award of attorney's fees is **DELETED**.

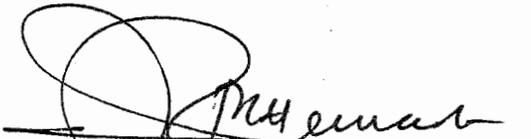
SO ORDERED.


HENRI JEAN PAUL B. INTING
Associate Justice

WE CONCUR:


ESTELA M. PERLAS-BERNABE
Senior Associate Justice
Chairperson

⁶⁹ *Rollo*, p. 175.


RAMON PAUL L. HERNANDO
Associate Justice


SAMUEL H. GAERLAN
Associate Justice


RICARDO R. ROSARIO
Associate Justice

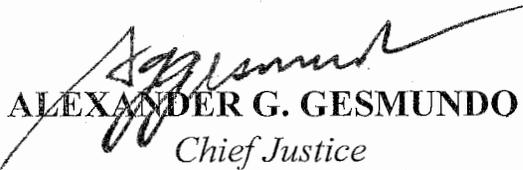
ATTESTATION

I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.


ESTELA M. PERLAS-BERNABE
Associate Justice
Chairperson

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the Division Chairperson's Attestation, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.


ALEXANDER G. GESMUNDO
Chief Justice