

****Title:****

Moldex Realty, Inc. and Rey Ignacio Diaz vs. Spouses Ernesto V. Yu and Elsie Ong Yu

****Facts:****

1. ****Background Information:****

- Spouses Ernesto and Elsie Yu (Spouses Yu) owned two parcels of land in Dasmarinas, Cavite, registered under TCT Nos. T-280169 and T-280170.
- Moldex Realty, Inc. (Moldex) owned an adjacent parcel of land, registered under TCT No. T-317603.

2. ****Filing of Complaint:****

- Spouses Yu filed a complaint for prohibitory injunction, temporary restraining order, removal of perimeter fence, and damages against Moldex and its Executive Vice President, Rey Ignacio Diaz.
- The complaint asserted that Moldex had encroached upon 3,159 sq.m of Lot 3869-N-1-A by constructing a perimeter fence on their property.

3. ****Joint Motion for Survey:****

- Both parties filed a joint motion for the RTC to direct the DENR to conduct a land survey.
- The RTC issued an order for Engr. Danilo A. Arellano to conduct the survey.

4. ****Initial RTC Decision (1999):****

- RTC dismissed the Yu's complaint for lack of merit, concluding no encroachment based on technical descriptions of titles.
- Spouses Yu appealed the dismissal.

5. ****CA Remand (2002):****

- Court of Appeals reversed RTC's decision and remanded for further hearing, citing discrepancies in boundary descriptions.

6. ****Subsequent RTC Decision (2016):****

- After additional proceedings, the RTC again dismissed the complaint, finding no boundary overlap.

7. ****Second CA Decision (2018):****

- CA reversed RTC's decision, ordering Moldex to remove constructions and pay damages, relying on expert testimony contradicting previous findings.

8. **Motion for Reconsideration:**

- Moldex's motion for reconsideration was denied by the CA.

9. **Petition for Review:**

- Moldex filed a Petition for Review on Certiorari to the Supreme Court challenging the CA's findings.

Issues:

1. **Collateral Attack on Title:**

- Whether the claim of encroachment by Spouses Yu constitutes a collateral attack on Moldex's title.

2. **Right to Prohibitory Injunction:**

- Whether Spouses Yu are entitled to a prohibitory injunction given the title's supposed technical inconsistencies.

3. **Reliance on Surveys and Expert Testimonies:**

- Whether the CA erred in relying on the testimony of Engr. Arellano over the survey and title descriptions.

4. **Award of Damages:**

- Whether the awards for moral damages and attorney's fees to Spouses Yu are justified.

Court's Decision:

1. **Collateral Attack on Title:**

- Court observed that boundary disputes leading to relief sought by Spouses Yu would alter the title, making it a prohibited collateral attack. The proper course is a direct proceeding specifically to address title modifications.

2. **Right to Prohibitory Injunction:**

- Court found that Spouses Yu failed to establish unequivocal right to the disputed land as required for injunction because of noted discrepancies in their titles' technical descriptions.
- Emphasized principle: injunctions require clarity in the complainant's title or right, which was absent here due to the incongruities in location vis-à-vis technical descriptions.

3. **Reliance on Surveys and Expert Testimonies:**

- Affirmed importance of technical descriptions in Torrens titles, assessing Engr. Arellano's testimony insufficient against documented title descriptions.

- Criticized the CA for directing the application of surveying principles contradictory to the titles' technical descriptions.

4. **Award of Damages:**

- Agreed with RTC that both parties acted in good faith without sufficient evidence supporting claims for damages and attorney's fees.

Doctrine:

- Torrens titles serve as the best evidence of land ownership, emphasizing the inviolability of technical descriptions over situational adjustments via surveying.
- Injunctions in property cases require the plaintiff's title or right to be clear and unchallenged.
- Boundary disputes potentially altering a title need to be resolved via direct proceedings, not as incidents in other actions.

Class Notes:

- **Real Property Law:**
- **Torrens System:** Emphasizes indefeasibility and conclusiveness of Torrens titles.
- **Boundary Disputes:** Require direct actions, not collateral proceedings.
- **Technical Descriptions:** Essential in defining property boundaries.
- **Civil Procedure:**
- **Collateral Attack:** Prohibited on Torrens titles to preserve integrity and stability.
- **Injunctions:**
- Require clear proof of right or title by the plaintiff.
- Equity will not intervene if the plaintiff's title is doubtful.

Historical Background:

- The case is contextualized within Friar Lands' historical subdivisions and disparities in map accuracy which often lead to modern legal disputes over property boundaries.