HEIRS OF ENRIQUE DIAZ, REPRESENTED BY AURORA T. DIAZ, PETITIONER, VS. ELINOR A. VIRATA, IN HER CAPACITY AS THE ADMINISTRATRIX OF THE ESTATE OF ANTENOR VIRATA, RESPONDENT.

G.R. NO. 162037. August 07, 2006

Ponente: CHICO-NAZARIO, J.

Read online (full-text search, related cases, audio case brief): https://batas.org/library/g-r-no-162037/

CHICO-NAZARIO, J.:

The instant case involves a protracted controversy which has seen the demise of the patriarchs of two conflicting families, and is now being pursued by their respective heirs.

In this Petition for Review on Certiorari, petitioners Heirs of Enrique Diaz, represented by Aurora T. Diaz, seek the reversal of the Decision[1] and Resolution[2] of the Court of Appeals in CA-G.R. CV No. 72907, dated 27 August 2003 and 4 February 2004, respectively, which affirmed with modification the Decision[3] of the Regional Trial Court (RTC), Branch 22, Imus, Cavite, in Civil Case No. 1399-96, dated 25 May 2001.

The Antecedents

On 13 September 1996, respondent Elinor Virata, in her capacity as Administratrix of the Estate of Antenor Virata (Antenor), filed with the RTC a Complaint[4] with Application for Temporary Restraining Order and/or Preliminary Injunction against Enrique Diaz (Enrique), John Doe, Richard Doe, and all others taking rights or title under him, praying for the declaration of the validity of Transfer Certificates of Title (TCTs) No. 4983,[5] 4984,[6] 4985,[7] 4986,[8] 5027,[9] 5028,[10] 5029,[11] 5030,[12] 5031,[13] 5032,[14] and 5033,[15] all issued in the name of Antenor S. Virata (Antenor) and registered with the Registry of Deeds of the Province of Cavite. The case was docketed as Civil Case No. 1399-96.

In her Complaint, respondent averred, inter alia, that: sometime in 1959, the deceased Antenor purchased from Miguela Crisologo, in good faith and for consideration, two parcels of land located in Palico, Imus, Cavite, covered by TCTs No. (T-3855) RT-2633 and NO. (T-11171) RT-1228, and registered with the Registry of Deeds of Cavite;[16] by virtue of the sale, the specified titles were cancelled, and in its place were issued TCTs No. 517 and No. 518, likewise, in the name of Antenor;[17] the two lots covered by the aforementioned titles were thereafter subdivided by Antenor into several lots, and titles were issued thereon in Antenor's favor, viz: TCTs No. 4983, 4984, 4985, 4986, 5027, 5028, 5029, 5030, 5031, 5032, and 5033;[18] and that sometime in March 1992, Enrique filed a claim with the Department of Environment and Natural Resources (DENR), alleging that he and his predecessors-in-interest had been in continuous possession of the same lots owned by Antenor. Respondent further proffered that the claim of Enrique over the subject properties created a cloud which may be prejudicial to the titles issued in the name of Antenor, and now managed by his Estate.

In support of her application for restraining order and/or a writ of preliminary injunction, respondent alleged, inter alia, that: Enrique had fenced the subject properties and had constructed a driveway thereon; despite respondent's

demand to desist from fencing the properties and using the same as driveway, Enrique persisted in his occupation of the subject properties; and respondent will suffer irreparable injury by the continued occupation, use, and construction of the driveway traversing the subject properties.

In sum, respondent prayed that Enrique be ordered to pay jointly and severally with the other defendants (herein petitioners), reasonable rental for the use of the subject properties from the time the suit before the DENR was filed in April 1992, moral damages, exemplary damages, attorney's fees, and cost of suit.[19]

On 23 October 1996, Enrique filed his Answer with Counter-Claim,[20] and asserted, among others, that he filed with the DENR a protest action to enforce his valid and legitimate rights over the subject properties.[21] He denied respondent's allegation that the subject properties were purchased by Antenor.[22] Moreover, he interposed that his ancestors and predecessors-in-interest had been in actual and continuous possession of the subject properties since time immemorial.[23] In opposition to respondent's application for preliminary injunction, Enrique argued that the driveway and the fence are within the boundaries of the lots exclusively owned by him and his heirs, and covered by TCTs No. T-304191 and No. T-66120, respectively.

By way of special and affirmative defense, Enrique averred that the subject properties, since time immemorial, was publicly recognized as their family's ancestral land;[24] that their actual and peaceful occupation over the subject property was uninterrupted until sometime in 1962, when Antenor claimed a portion of the same, on the ground that he purchased said portion from one Miguela Crisologo, who acquired the same from a certain Simeon Marcial;[25] and that both Miguela Crisologo and Simeon Marcial recognized and respected his ownership over the subject properties.[26]

Enrique contended further that the legal battle between the parties commenced when respondent filed an action for recovery of possession of the subject property with the then Court of First Instance (CFI) of Cavite, docketed as Civil Case No. N-501 entitled, "Antenor Virata v. Fortunata Diaz." However, in 1969, during the pendency of the said civil case, Antenor died. Following the development, the CFI ordered for the substitution of party-plaintiff, but the heirs of Antenor, including herein respondent, failed to comply therewith. By reason of their non-compliance, the CFI rendered an Order,[27] dated 6 October 1969, dismissing the case.[28]

Further, Enrique raised the argument of laches and res judicata in his favor. Anent the claim of laches, Enrique posited that for a period of almost 27 years after the dismissal of Civil Case No. N-501, the heirs of Antenor were silent, while he was in actual and continuous possession of the subject properties in the character and concept of an owner, until again, his peaceful possession is being disturbed by the present suit. It is the contention of Enrique that respondent's failure or neglect for an unreasonable and unexplained length of time to assert her right, created a presumption that she had abandoned or declined to assert said right. In raising the ground of res judicata, Enrique posited that the instant suit, while clothed to appear as an action for quieting of title, partakes the nature of an action for a recovery of possession. According to Enrique, there is res judicata as the present action and Civil Case No. N-501 involve similar parties, subject matter, and cause of action.[29]

Consequently, Enrique sought for the dismissal of the Complaint, and prayed that respondent be ordered to pay attorney's fees, including moral, exemplary and actual damages.[30]

On 15 November 1996, the RTC issued an Order[31] allowing respondent to survey the property subject matter of the case. In answer thereto, Enrique filed a Motion[32] dated 15 November 1996, praying that the survey be conducted in the presence of his representative, which was accordingly granted by the court a quo.[33]

A relocation survey was conducted on 3, 6, 7, 10, and 13 of January 1997[34] by Geodetic Engineer Severino Raymundo, who testified in open court that the driveway was outside Antenor's property line.[35] Thus,

Bar review courses, mock exams and a study planner that keeps you on pace - batas.org

respondent sought a withdrawal of their application for preliminary injunction, which was granted by the court a quo in the Order[36] dated 13 February 1997. Respondent's motion to file an appropriate pleading was similarly granted by the court without objection from Enrique.[37]

Subsequent thereto, respondent filed an Amended Complaint[38] dated 19 February 1997, deleting from the original Complaint, the allegations in support of the application for restraining order and/or writ of preliminary injunction. Further, respondent alleged anew that: she discovered that Enrique had fenced the subject properties; and constructed therein one concrete house of about 30 square meters, more or less; the unauthorized construction was done despite Enrique's full knowledge of the invalidity of his claim; and despite demand to desist from fencing the subject properties, Diaz refused to take heed of the same and continued to usurp the subject properties under a feigned claim of right.[39]

Thus, respondent sought the following additional reliefs, to wit: (1) an order directing Enrique, his representatives, or any other person claiming right, title, or interest from him, to vacate the subject properties and/or to voluntarily surrender possession thereof to respondent; and (2) the removal and demolition of the barbed wire fence, concrete fence, concrete house, and other improvements Enrique had erected thereon.[40]

Holding that the merits of the case would be served by the Amended Complaint, and finding that Enrique and his co-defendants would not be prejudiced by the allowance thereof, the court a quo admitted the same, in the Order of 22 May 1997.[41] The same Order gave Enrique, ten (10) days from receipt thereof within which to file a new Answer. However, no new Answer was filed by Enrique within the time provided for.

On 5 August 1997, respondent filed a Manifestation and Motion,[42] stating therein that for the failure of Enrique to file an Answer to the Amended Complaint within the period provided for under the 1997 Rules of Civil Procedure,[43] the previous Answer shall stand as the Amended Answer; hence, the issues having been joined, the case is ripe for pre-trial. Acting on the respondent's Motion and Manifestation, the court a quo set the case for pre-trial.[44] Following thus, respondent filed her Pre-trial Brief,[45] dated 8 September 1997. On 11 September 1997, Enrique filed a Motion for Leave to File Amended Answer with Counter-Claim,[46] alleging, inter alia, that: he had deemed convenient to adopt the Answer previously filed, as the same had already substantially confronted the issues in the Amended Complaint; however, he discovered a certification issued by the Register of Deeds of Cavite, signifying that TCT No (T-11171) RT-1228, in the name of Miguela Crisologo, appeared to have been reconstituted but there existed no record in the Primary Entry Book of said Registry, relative to such administrative reconstitution, which is a vital defect, affecting not only the validity of the reconstitution of Miguela Crisologo's title but also Antenor's title, which was derived therefrom; and said certification is being sought to be adopted as part of his defense. An Opposition[47] to the foregoing Motion was filed by respondent, contending in the main, that the allegation therein as to the absence in the records of the administrative reconstitution of TCT No. (T-11171) RT-1228, constituted a collateral attack on the validity of the title, as well as other titles emanating therefrom, which cannot be allowed in the instant proceedings.

After an exchange of pleadings between the parties, the court a quo rendered an Order,[48] dated 14 January 1998, denying Enrique's Motion for Leave to File Amended Answer, ratiocinating that Enrique's allegation of the absence of any record in the Primary Entry Book of the Register of Deeds of Cavite, relative to the reconstitution of TCT No. (T-11171) RT-1228, is a collateral attack to the decree of registration and the certificate of title which had long been issued in favor of Antenor. The validity of a certificate of title can be attacked only in an action expressly filed for the purpose.[49]

On 27 February 1998, Enrique filed his Pre-Trial Brief but failed to appear before the court a quo for the pre-trial proceedings set on 4 June 1998.[50] On 16 April 1998, the court a quo rendered an Order,[51] declaring Enrique

and his co-defendants in default for their failure to appear in the pre-trial despite notice. On further motion of respondent's counsel, the case was referred to the Branch Clerk of Court for the ex-parte reception of evidence. Enrique filed a Motion for Reconsideration[52] praying for the lifting of the order declaring him in default. Finding the same to be satisfactory, the court a quo granted reconsideration in its Order[53] dated 20 April 1998.

In the Pre-Trial Order, dated 4 June 1998, the definition of issues were determined, viz.:

> I.
>
> WHETHER OR NOT PLAINTIFF'S TITLE[S] ARE VALID AND WERE THE ONLY ONES ISSUED OVER THE SUBJECT PROPERTIES;
>
> II.
>
> WHETHER OR NOT PLAINTIFF IS ENTITLED TO RECOVER POSSESSION OF SAID PROPERTIES;
>
> III.
>
> WHETHER OR NOT PLAINTIFF IS ENTITLED TO CLAIM DAMAGES;
>
> IV.
>
> WHETHER OR NOT THE PRESENT ACTION IS BARRED BY RES JUDICATA;
>
> V.
>
> WHETHER OR NOT THE PRESENT ACTION IS BARRED BY LACHES; AND
>
> VI.
>
> WHETHER OR NOT DEFENDANT IS ENTITLED TO CLAIM DAMAGES. [54]

Trial thereafter ensued. Following respondent's offer of exhibits, and at the time when Enrique was scheduled to present evidence, he filed a Motion to Dismiss[55] dated 13 October 1998, assailing the jurisdiction of the court a quo to entertain the action. Enrique submitted that as the suit is in the nature of recovery of possession and quieting of title, the issues of ownership and possession cannot be resolved without determining the correctness of the technical description of the plans, and the bona fide occupants of the subject properties. It was further contended that as the subject properties originated from friar estate, the sole body which can determine the rights and interest of the parties is the DENR. An Opposition[56] thereto was filed by respondent, maintaining that the court a quo has the competence to hear and resolve the case. Respondent, likewise, asserted that the subject properties having been titled in the name of Antenor on 22 October 1959, the same are deemed no longer part of the public domain.

On 12 February 1999, the trial court promulgated an Order[57] denying Enrique's Motion to Dismiss, and setting the hearing dates for the presentation of his evidence. According to the court a quo, Enrique and his co-defendants were no longer in a position to challenge the jurisdiction and authority of the court, after having actively participated in the proceedings therein, and repeatedly asking reliefs therefrom. It further opined that Batas Pambansa Blg. 129 mandates that questions in the nature of ownership and possession belong exclusively to the RTC.

Aggrieved, Enrique and his co-defendants sought relief from the Order of 12 February 1999 via a Petition for Certiorari and Prohibition with the Court of Appeals, and docketed as CA-G.R. SP No. 51602.[58] They interposed therein that the court a quo lacked jurisdiction to entertain the issues raised in Civil Case No. 1399-96; hence, the denial by the trial court of their Motion to Dismiss constituted a grave abuse of discretion amounting to

lack or excess of jurisdiction. A writ of preliminary injunction was similarly sought to enjoin and restrain the court a quo from further conducting any proceeding thereon.

On 28 February 2000, the Court of Appeals rendered a Decision[59] dismissing the Petition for Certiorari, and affirming the RTC's Order of 12 February 1999. The appellate court ratiocinated that Enrique's Motion to Dismiss cannot be granted for to do so would countenance dilatory motions, such motion having been filed only after Enrique filed his Answer to the Complaint. The Court of Appeals equally took cognizance of the fact that Enrique and his co-defendants had actively participated in the proceedings a quo, and had repeatedly sought reliefs therefrom.

In the interim, or specifically, on 14 October 1999, Enrique died. On 9 March 2000, respondent filed an Omnibus Motion[60] with the RTC, praying that she be allowed to procure the appointment of an executor or administrator for the Estate of the deceased Enrique, and thereafter, that the case be set for hearing.

Thus, on 24 March 2000, the court a quo ordered petitioners (Enrique's heirs and co-defendants) to file the necessary pleading for substitution of party; otherwise, it will grant respondent's request for the appointment of an executor/administrator for Enrique's Estate.[61] Following respondent's Manifestation and Motion to submit the case for resolution, the court a quo rendered a subsequent Order[62] dated 25 September 2000, granting petitioners ten days from receipt therefrom, to file their Comment to respondent's Motion.

On 14 November 2000, for petitioners' failure to comply with the Orders of the court a quo, dated 24 March 2000 and 25 September 2000, and in consideration of the fact that the case had been pending for an unreasonable length of time, the RTC ordered the case submitted for decision based on the evidence adduced by the respondent.

The Ruling of the RTC

On 25 May 2001, the RTC promulgated a Decision in favor of respondent. Hereunder is the pertinent disquisition of the court a quo, in support of its conclusion, thus:

> Evidence for the plaintiff shows that Antenor Virata purchased from one Miguela Crisologo in 1959 two (2) parcels of land located at Palico, Imus, Cavite and covered by Transfer Certificates of Title (TCT) Nos. T-3855 (Exhibit "P") and T-11171 (Exhibit "Q"). Antenor bought these properties after Epifanio Victa, then employed by Virata as a liason officer, reported to him that the titles to the said properties were clean and that no encumbrance nor liens had been annotated on its face. Antenor made installment payments for the subject properties beginning on 5 August 1959 (Exhibit "R"); then on 20 August 1959 (Exhibit "S"); 3 September 1959 (Exhibit "T"); 3 September 1959 (Exhibit "U") and 22 September 1959 (Exhibit "V"). After having fully paid for the properties, TCT Nos. T-3855 and T-11171 in the name of Crisologo were cancelled and TCT Nos. T-517 (Exhibit "W") and T-518 (Exhibit "X") were issued to Antenor.
>
> Antenor continued to plant rice on the properties before the same were subdivided in 1963. As a result of said subdivision, TCT Nos. T-4983, T-4984, T-4985, T-4986, T-5027, T-5028, T-5029, T-5030, T-5031, T-5032 and T-5033 (Exhibits "A" to "J"), all in the name of Antenor were issued. After Antenor died in 1969, his niece Elinor Virata was appointed on 4 May 1982 by the then Court of First Instance of Cavite City as administratrix of his estate (Exhibit "Y").
>
> On 13 February 1997, Severino Raymundo testified in Court that he was the surveyor commissioned to conduct a joint relocation survey to determine the exact metes and bounds of the titles in dispute. Present during the survey were defendant Diaz' (sic) representative, his surveyor, some police officers and the lawyer of Antenor (tsn, February 13, 1997, p. 15). Making use of the certified true copies of the titles and the survey plan dated 27 September to 30 September 1960 in the name of Antenor (Exhibit "L"), as well as the title of Diaz, Raymundo attested that the relocation survey shows that a portion of an existing wall and a concrete structure are encroaching upon the property of Antenor (tsn, February 13, 1997, p. 10).

Bar review courses, mock exams and a study planner that keeps you on pace - batas.org

x x x x

During the hearing of this case on 4 March 1999, defendants, thru counsel, manifested that they shall be presenting a surveyor who will testify that upon verification, lot 4705 occupied by them is within the property they own and that they are not occupying the lot belonging to the plaintiff. Despite said manifestation, however, defendants failed to present the said surveyor.[63]

The decretal portion thereof pronounces thus:

WHEREFORE, premises considered, judgment is hereby rendered finding appropriate Antenor Virata's titles over the properties located at Palico, Imus, Cavite embraced in and covered by TCT Nos. T-4983, T-4984, T-4985, T-4986, T-5027, T-5028, T-5029, T-5030, T-5031, T-5032 and T-5033 issued in 1962 and declaring said titles as the only official titles covering the lots described therein and declaring further defendant Diaz' (sic) claim as void and his possession of portions of said properties illegal.

Accordingly, defendant's representative or any other claiming right, title or interest from defendant Enrique Diaz are hereby ordered to vacate the properties and/or to voluntarily surrender possession thereof to plaintiff.

Furthermore, defendants are ordered to pay plaintiff the following:

- P5,000.00 per month as reasonable rental for the use of the subject properties computed from the date this case was filed on 13 September 1996 until they actually vacate the same;

- P30,000.00 as attorney's fees; and

Cost of suit.

Defendant's representative and any other claiming right, title or interest from defendant Enrique Diaz are also directed to remove or demolish the barbed wire fence, concrete fence, the concrete house and other improvements that have been erected on the properties registered in the name of Antenor Virata.[64]

The Ruling of the Court of Appeals

Before the appellate court, petitioners asseverated that they were denied their defense in assailing the validity of the subject titles when the court a quo denied the allowance of their Amended Answer. Secondly, they challenged the judgment of the RTC on the ground that res judicata and laches had set in to bar the instant action. They similarly assailed the award of attorney's fees in favor of respondent.

The Court of Appeals ruled that petitioners' reliance on a certification issued by the Register of Deeds of Cavite attesting that there existed no records relative to the administrative reconstitution of the title of Miguela Crisologo, from whom Antenor bought the subject properties, constitutes an indirect attack on these titles. It underscored that if petitioners believed that respondent's titles were spurious, they should have filed appropriate proceedings therefor. Moreover, the Court of Appeals held that res judicata cannot be appreciated notwithstanding the previous action (Civil Case No. N-501) instituted by Antenor for recovery of possession of the subject properties. It emphasized that the case was dismissed on 16 October 1969 for failure of the heirs of Antenor to substitute him in said litigation. However, the judgment which dismissed the action was not an adjudication on the merits. Thus, the dismissal of Civil Case No. N-501 was a dismissal without prejudice, which did not determine the rights or liabilities of the parties thereto. Moreover, the appellate court held that res judicata cannot be interposed to bar the determination of a subsequent case if the first and second cases involve different causes of action or subject matter and seek different reliefs, which is true of Civil Case No. N-501 and the instant case.[65]

Anent the issue of laches, the appellate court ruled that laches could not apply to registered land covered by the Torrens system. According to the Court of Appeals, the properties in controversy are titled in the name of Antenor

and, as the registered owner, he had the right to demand the return of the properties at any time as the possession of petitioners was unauthorized.[66]

Finally, ruling on the propriety of the award of attorney's fees in respondent's favor, the appellate court pronounced that the same must be disallowed on appeal. It rationalized that the trial court's decision was bereft of any findings of fact and law to justify the award of attorney's fees. No circumstance was shown to warrant the grant thereof.[67]

Meanwhile, on 9 July 2002, the Court of Appeals issued a Resolution[68] denying respondent's Motion for Execution pending appeal and petitioners' Motion to Suspend Proceedings for lack of merit.

The Court of Appeals, in the assailed Decision of 27 August 2003, affirmed with modification the judgment of the RTC deleting the award of attorney's fees in favor of respondent. The dispositive portion thereof reads:

> WHEREFORE, premises considered, the instant appeal is DISMISSED for utter lack of merit and the assailed Decision dated May 25, 2001 of the Regional Trial Court of Imus[,] Cavite in Civil Case No. 1399-96 is hereby AFFIRMED with MODIFICATION. The award of attorney's fees in favor of appellee is deleted. No pronouncement as to costs.[69]

Undeterred, petitioners filed a Motion for Reconsideration[70] of the 27 August 2003 Decision of the Court of Appeals, which was denied by the same court in the Resolution of 4 February 2004.

The Issues

Forthwith, petitioners filed the instant Petition for Review on Certiorari raising the following grounds, to wit:

> I.
>
> THAT THE HONORABLE COURT OF APPEALS ERRED IN AFFIRMING THE DECISION OF THE TRIAL COURT DECLARING THE SUBJECT LAND TITLES IN THE NAME OF ANTENOR VIRATA AS VALID; [AND]
>
> II.
>
> THAT THE HONORABLE COURT OF APPEALS ERRED IN AFFIRMING THE DECISION OF THE TRIAL COURT IN NOT CONSIDERING THAT THE INSTITUTION OF THE PRESENT ACTION CONSTITUTE (sic) RES JUDICATA.[71]

In addition, petitioners raised the ground that it took respondent 27 years to institute the instant action from the time Civil Case No. N-501 was dismissed.

The Ruling of the Court

For a full adjudication of the case before us, we shall first resolve the validity of respondent's title; and, if in the affirmative, determine whether respondent's right to recover the property is barred by res judicata and laches.

- Respondent was able to satisfy the requisites of the law for the filing of an action to quiet title.

An action for quieting of title is a remedy which may be availed of only when by reason of any instrument, record, claim, encumbrance or proceeding, which appears valid but is, in fact, invalid, ineffective, voidable or unenforceable, a cloud is thereby cast on the complainant's title to real property or any interest therein.

Article 476 of the Civil Code provides:

> Article 476. Whenever there is a cloud on title to real property or any interest therein, by reason of any instrument, record, claim, encumbrance or proceeding which is apparently valid or effective but is in truth and

> in fact invalid, ineffective, voidable, or unenforceable, and may be prejudicial to said title, an action may be brought to remove such cloud or to quiet the title.
>
> An action may also be brought to prevent a cloud from being cast upon title to real property or any interest therein.

Further, Article 477[72] of the same Code mandates that in an action to quiet title, the party bringing the action must have a legal or, at least, an equitable title[73] to the real property subject of the action and that the alleged cloud[74] on his title must be shown to be in fact invalid. Verily, for an action to quiet title to prosper, two indispensable requisites must concur, namely: (1) the plaintiff or complainant has a legal or an equitable title to or interest in the real property subject of the action; and (2) the deed, claim, encumbrance or proceeding claimed to be casting cloud on his title must be shown to be in fact invalid or inoperative despite its prima facie appearance of validity or legal efficacy.[75]

First. The determination of the circumstances leading to Antenor's acquisition of the subject properties is a factual matter.

The court a quo found that in 1959, Antenor purchased from Miguela Crisologo two parcels of land located at Palico, Imus, Cavite, and covered by TCTs No. T-3855 and No. T-11171. Antenor paid for the aforesaid properties in installment, and after having fully paid for the same, TCTs No. T-3855 and No. T-11171 in the name of Miguela Crisologo were cancelled, and TCTs No. T-517 and No. T-518 were issued to Antenor. In 1963, the properties were subdivided and, therefrom, TCTs No. T-4983, T-4984, T-4985, T-4986, T-5027, T-5028, T-5029, T-5030, T-5031, T-5032 and T-5033, all in the name of Antenor were issued. On 4 May 1982, respondent was appointed administratrix of the Estate of Antenor.

On appeal, such findings of facts were not disturbed by the appellate court. Nothing is more settled than the rule that where, as in the case herein, the findings of fact of the trial court are affirmed by the Court of Appeals, the same are final and conclusive upon this Court.[76] Indeed, the Supreme Court is not a trier of facts. None of the exceptions[77] to this rule appears to be present in the case at bar, and so should we apply the rule with force.

Second. Antero's certificates of title, as found by the trial court and sustained by the appellate court, were issued as early as 22 October 1959. Time and again, we have upheld the fundamental principle in land registration that a certificate of title serves as evidence of an indefeasible and incontrovertible title to the property in favor of the person whose name appears therein. It becomes the best proof of ownership of a parcel of land.[78] The validity of Antero's titles were upheld by the court a quo and the Court of Appeals and were not found to be tainted with any defect. Even as Enrique possessed certificates of title over certain portions of the subject properties, these were issued only on 7 March 1973 and 6 March 1991. On this matter, we do not find basis to digress from the ruling articulated by the Court of Appeals, to wit:

> Well-established is the principle that the person holding a prior certificate is entitled to the land as against a person who relies on a subsequent certificate. This rule refers to the date of the certificate of title. Absent any muniment of title issued prior to 1959 in favor of appellants [Enrique, et al.] which could prove their ownership over the contested lots, this Court is left with no other alternative but to declare appellants' claim over the properties as void.[79]

- A collateral attack on respondent's title over the disputed properties cannot be allowed.

By express provision of Section 48 of Presidential Decree No. 1529, a certificate of title cannot be subject to a collateral attack, thus:

> SEC. 48. – Certificate not subject to collateral attack. – A certificate of title shall not be subject to collateral

Bar review courses, mock exams and a study planner that keeps you on pace - batas.org

> attack. It cannot be altered, modified, or cancelled except in a direct proceeding in accordance with law.

When is an action a direct attack and when is it collateral? This Court made a distinction, to wit:

> An action is deemed an attack on a title when the object of the action or proceeding is to nullify the title, and thus challenge the judgment pursuant to which the title was decreed. The attack is direct when the object of the action is to annul or set aside such judgment, or enjoin its enforcement. On the other hand, the attack is indirect or collateral when, in an action to obtain a different relief, an attack on the judgment is nevertheless made as an incident thereof.[80]

In the case at bar, petitioners sought to file an Amended Answer, attacking the validity of Antenor's title. Therein, it was alleged that Enrique discovered a certification issued by the Register of Deeds of Cavite which purports to signify that there was no valid reconstitution of Antenor's title. Otherwise stated, they sought to assert that the aforesaid certification shows that TCT No (T-11171) RT-1228, in the name of Miguela Crisologo, appeared to have been reconstituted; however, no record in the Primary Entry Book of said Registry, relative to such administrative reconstitution can be found. As submitted, petitioners maintained that the lack of record is a vital defect, not only to the validity of the reconstitution of Miguela Crisologo's title but also to Antenor's title, which was derived therefrom.

However, the propriety of the court a quo's disallowance of petitioner's Amended Answer is no longer the subject of the instant Petition, the same having reached finality. Indeed, after the denial by the court a quo of Enrique's Motion to File Amended Answer, he filed his Pre-Trial Brief on 27 February 1998. There was no attempt on the part of petitioners to assail the interlocutory Order of 14 January 1998, denying Enrique's Motion for Leave to File Amended Answer. At this stage, petitioners can no longer impugn the said Order.

- The Decision of the CFI of Cavite in Civil Case No. N-501 does not constitute res judicata.

> Res judicata exists when the following elements are present:
>
> (a) the former judgment must be final;
>
> (b) the court which rendered judgment had jurisdiction over the parties and the subject matter;
>
> (c) it must be a judgment on the merits;
>
> (d) and there must be between the first and second actions identity of parties, subject matter, and cause of action.[81] (Emphasis supplied.)

Civil Case No. N-501 was dismissed without prejudice by the CFI of Cavite on 16 October 1969. The same cannot be deemed a judgment on the merits. A judgment on the merits is one rendered after a determination of which party is right, as distinguished from a judgment rendered upon some preliminary or formal or merely technical point.[82] The dismissal of the case without prejudice indicates the absence of a decision on the merits and leaves the parties free to litigate the matter in a subsequent action as though the dismissed action had not been commenced. In other words, the discontinuance of a case not on the merits does not bar another action on the same subject matter.[83]

- Laches has not set in to bar respondent from recovering possession of the subject properties.

At first instance, petitioners asserted that it took respondent a period of 27 years to institute the instant action since the dismissal of Civil Case No. N-501. Otherwise stated, petitioners seek reliance on the equitable doctrine of laches.

Laches is defined as the failure to assert a right for an unreasonable and unexplained length of time, warranting a

presumption that the party entitled to assert it has either abandoned or declined to assert it. This equitable defense is based upon grounds of public policy, which requires the discouragement of stale claims for the peace of society.[84] Indeed, while it is true that a Torrens Title is indefeasible and imprescriptible, the registered landowner may lose his right to recover the possession of his registered property by reason of laches.[85] However, In the case at bar, laches cannot be appreciated in petitioners' favor.

The Court of Appeals said that respondent could not be faulted for having instituted the action several years after the dismissal of a case commenced by Antenor himself because it was only in 1982 that the administratrix for his Estate was appointed, and respondent allowed petitioners to peacefully vacate the premises. Moreover, the appellate court said that laches cannot lie against respondent on the ground that petitioners cannot feign ignorance of the possibility of respondent's action for quieting of title because from the time of the dismissal of the case for recovery of possession in 1969, they knew that another action would be instituted by respondent since the dismissal of the prior case was without prejudice to the filing of a subsequent action.

We agree.

For laches to apply, it must be shown that there was lack of knowledge or notice on the part of the defendant that complainant would assert the right in which he bases his suit.[86] Petitioners cannot be said to be without knowledge of respondent's claims over the subject properties as even prior to 1969, Antenor filed Civil Case N-501, an action for recovery of possession against Enrique. On 16 October 1969, the CFI of Cavite dismissed the case without prejudice to the filing of a subsequent action. The dismissal without prejudice was adequate to apprise petitioners that an action to assert respondent's rights was forthcoming.

The Fallo

WHEREFORE, the Petition is DENIED. The assailed Decision and Resolution of the Court of Appeals in CA-G.R. CV No. 72907, dated 27 August 2003 and 4 February 2004 are AFFIRMED. Costs against petitioners.
SO ORDERED.

Panganiban, C.J., (Chairperson), Ynares-Santiago, Austria-Martinez and Callejo, Sr., JJ., concur.

---

[1] Penned by Associate Justice Mercedes Gozo-Dadole with Associate Justices Delilah Vidallon-Magtolis and Rosmari D. Carandang, concurring; Rollo, pp. 35-49.

[2] Id. at 51-52.

[3] Penned by Judge Cesar A. Mangrobang; CA rollo, pp. 15-21.

[4] Records, pp. 1-6.

[5] Id. at 20-21.

[6] Id. at 22-23.

[7] Id. at 24-26.

[8] Id. at 27-29.

[9] Id. at 30-32.

[10] Id. at 33-35.

[11] Id. at 36-38.

[12] Id. at 39-40.

[13] Id. at 41-42.

[14] Id. at 43-44.

[15] Id. at 45-46.

[16] Id. at 1.

[17] Id. at 2.

[18] Id. at 20-46.

[19] Id. at 5.

[20] Id. at 105-112.

[21] Id. at 106.

[22] Id.

[23] Id.

[24] Id. at 107.

[25] Id. at 108.

[26] Id.

[27] Id. at 124.

[28] Id. at 108-109.

[29] Id. at 109-110.

[30] Id. at 111.

[31] Id. at 138-A.

[32] Id. at 144.

[33] Id. at 146.

[34] TSN, February 13, 1997, p. 7.

[35] Records, p. 163.

[36] Id.

[37] CA rollo, p. 18.

[38] Records, pp. 164-168.

[39] Id. at 165.

[40] Id. at 172.

[41] Id. at 176.

[42] Id. at 177-179.

Bar review courses, mock exams and a study planner that keeps you on pace - batas.org

[43] Section 3, Rule 11 of the 1997 Rules of Civil Procedure provides:

SEC. 3. Answer to amended complaint.- Where the plaintiff files an amended complaint as a matter of right, the defendant shall answer the same within fifteen (15) days after being served with a copy thereof.

Where its filing is not a matter of right, the defendant shall answer the amended complaint within ten (10) days from notice of the order admitting the same. An answer earlier filed may serve as the answer to the amended complaint if no new answer is filed.

This Rule shall apply to the answer to an amended counterclaim, amended cross-claim, amended third (fourth, etc.)-party complaint, and amended complaint-in-intervention.

[44] Records, p. 180.

[45] Id. at 182-187.

[46] Id. at 234-234-A.

[47] Id. at 246-250.

[48] Id. at 266.

[49] Id.

[50] Id. at 270-273.

[51] Id. at 279.

[52] Id. at 282-283.

[53] Id. at 286.

[54] Id. at 289.

[55] Id. at 356-359.

[56] Id. at 365-372.

[57] Id. at 386.

[58] Entitled, "Enrique Diaz, John Doe, (Aurora Diaz) v. Hon. Cesar A. Mangrobang, as Presiding Judge, Regional Trial Court of Bacoor Cavite Sitting at Imus, Cavite, Branch 22 and Elinor A. Virata, in her capacity as Administratrix of the Estate of Antenor Virata"; Id. at 391-408.

[59] Penned by Associate Justice Eugenio S. Labitoria with Associate Justices Bernardo P. Abesamis and Elvi John S. Asuncion, concurring; Id. at 476-479.

[60] Id. at 482-484.

[61] Id. at 485.

[62] Id. at 491.

[63] Id. at 502-504.

[64] Id. at 504-505.

[65] CA rollo, pp. 218-219.

[66] Id. at 220.

[67] Id. at 221.

[68] Penned by Associate Justice Eliezer R. De los Santos with Associate Justice Cancio C. Garcia (now Associate Justice of this Court) and Associate Justice Marina L. Buzon, concurring; Rollo, pp. 157-158.

[69] Id. p. 49.

[70] CA rollo, 226-229.

[71] Id. p. 25.

[72] Article 477 of the Civil Code reads:

Article 477. - The plaintiff must have legal or equitable title to, or interest in the real property which is the subject matter of the action. He need not be in possession of said property.

[73] This Court in PVC Investment & Management Corporation v. Borcena and Ravidas, G.R. No. 155225. 23 September 2005, 470 SCRA 685, 693; citing Ballantine's Law Dictionary, 2nd Ed., pp. 441-442, defined "equitable title" to mean:

A title derived through a valid contract or relation, and based on recognized equitable principles; the right in the party, to whom it belongs, to have the legal title transferred to him (15 Cyc. 1097; 16 Id. 90). In order that a plaintiff may draw to himself an equitable title, he must show that the one from whom he derives his right had himself a right to transfer. Harris v. Mason, 120 Tenn. 668, 25 L.R.A. (N.S.) 1011, 1020, 115 S.W. Rep. 1146.

[74] In Evangelista v. Santiago, G.R. No. 157447, 29 April 2005, 457 SCRA 744, 765-766, we said:

A cloud on title is an outstanding instrument, record, claim, encumbrance or proceeding which is actually invalid or inoperative, but which may nevertheless impair or affect injuriously the title to property. The matter complained of must have a prima facie appearance of validity or legal efficacy. The cloud on title is a semblance of title which appears in some legal form but which is in fact unfounded. The invalidity or inoperativeness of the instrument is not apparent on the face of such instrument, and it has to be proved by extrinsic evidence...

[75] Calacala v. Republic of the Philippines, G.R. No. 154415, 28 July 2005, 464 SCRA 438, 444.

[76] Springsun Management Systems Croporation v. Camerino, G.R. No. 161029, 19 January 2005, 449 SCRA 65, 85, citing cases.

[77] In Mamsar Enterprises Agro-Industrial Corporation v. Varley Trading, Inc., G.R. No. 142729, 29 November 2005, 476 SCRA 378, 384, we noted the following exceptions:

1) when the conclusion is a finding grounded entirely on speculation, surmises or conjecture; (2) when the inference made is manifestly mistaken; (3) where there is a grave abuse of discretion; (4) when judgment is based on a misapprehension of facts; (5) when the findings of facts are conflicting; (6) when the Court of Appeals, in making its findings went beyond the issues of the case and the same is contrary to the admissions of both appellant and appellee; (7) the findings of the Court of Appeals are contrary to those of the trial court; (8) when the findings of fact are conclusions without specific evidence on which they are based; (9) when the facts set forth in the petition as well in the petitioners' main and reply briefs are not disputed by the respondents and (10) the finding of fact of the Court of Appeals is premised on the supposed absence of evidence and is contradicted by the evidence on record

[78] Federated Realty Corporation v. Court of Appeals, G.R. No. 127967, 14 December 2005, 477 SCRA 707,

Turn this case into an audio lecture - facts, issues, ruling and doctrine - at batas.org

717.

[79] Rollo, p. 45.

[80] Sarmiento v. Court of Appeals, G.R. No. 152627, 16 September 2005, 470 SCRA 99, 107-108.

[81] Avisado v. Rumbaua, G.R. No. 137306, 12 March 2001, 354 SCRA 245, 255.

[82] Page-Tenorio v. Tenorio, G.R. No. 138490, 24 November 2004, 443 SCRA 560, 569.

[83] Isaac Delgado v. Court of Appeals, G.R. No. 137881, 21 December 2004, 447 SCRA 402, 415.

[84] Vda. de Rigonan v. Derecho, G.R. No. 159571, 15 July 2005, 463 SCRA 627, 648, citing cases.

[85] Isabela Colleges, Inc. v. Heirs of Nieves Tolentino-Rivera, G.R. No. 132677, 20 October 2000, 344 SCRA 95, 106-107.

[86] In Santos v. Santos, 418 Phil. 681, 692 (2001), we said that the following are the elements of laches, to wit:

1) conduct on the part of the defendant, or of one under whom he claims, giving rise to the situation of which the complaint seeks a remedy;

2) delay in asserting the complainant's rights, the complainant having had knowledge or notice of the defendant's conduct as having been afforded an opportunity to institute a suit;

3) lack of knowledge or notice on the part of the defendant that the complainant would assert the right in which he bases his suit; and

4) injury or prejudice to the defendant in the event relief is accorded to the complainant, or the suit is not held barred.

Bar review courses, mock exams and a study planner that keeps you on pace - batas.org

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.