



Republic of the Philippines
Supreme Court
 Baguio

SUPREME COURT OF THE PHILIPPINES
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FIRST DIVISION

ROSETTE Y. LERIAS,
 Petitioner,

G.R. No. 193548

Present:

- versus -

BERSAMIN, C.J.,
 ***DEL CASTILLO,**
 ****JARDELEZA,**
GESMUNDO, and
CARANDANG, JJ.

COURT OF APPEALS; and the
PROVINCIAL GOVERNMENT
OF SOUTHERN LEYTE,
 represented by **DAMIAN C.**
MERCADO,
 Respondents.

Promulgated:

APR 08 2019

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DECISION

BERSAMIN, J.:

For the writ of preliminary injunction to issue, the applicant must show a clear legal right to be protected. In the absence of a clear legal right, the issuance of the writ constitutes grave abuse of discretion.¹

The Case

By petition for *certiorari*, the petitioner seeks the nullification of the resolutions promulgated on July 8, 2009,² whereby the Court of Appeals (CA) issued the writ of preliminary injunction in C.A.-G.R. SP No. 03398 enjoining the Regional Trial Court (RTC) in Maasin, Southern Leyte and its sheriff from implementing the writ of execution issued in Civil Case No. R-

* On leave.

** On leave.

¹ *Australian Professional Realty, Inc. v. Municipality of Padre Garcia, Batangas Province*, G.R. No. 183367, March 14, 2012, 668 SCRA 253, 262.

² *Rollo*, pp. 92-106; penned by Associate Justice Rodil V. Zalameda and concurred in by Associate Justice Francisco P. Acosta and Associate Justice Amy C. Lazaro-Javier.

2896 upon the motion of the petitioner, alleging that the CA thereby gravely abused its discretion amounting to lack or excess of jurisdiction.³

Antecedents

The Spouses Nicanor E. Yñiguez and Salvacion Oppus-Yñiguez (Spouses Yñiguez) brought a complaint for quieting of title to property (with application for the issuance of a restraining order and writ of preliminary injunction) against respondent Provincial Government of Southern Leyte (Southern Leyte) and Philson Construction and Development Corporation (Philson Construction) in the RTC.

The complaint, docketed as Civil Case No. R-2896, averred that the Spouses Yñiguez were the absolute owners of a parcel of commercial land located at Barangay Abgao, Maasin, Southern Leyte and covered by Transfer Certificate of Title (TCT) No. T-1089 of the Register of Deeds of Southern Leyte; that they had paid the real property taxes assessed on the property; that Southern Leyte had annotated an adverse claim on April 30, 1991 under Entry No. 5479 following Sangguniang Panlalawigan Resolution No. 346-S. '88; that Philson Construction had started to build a multi-purpose center on the property without their consent and without having been issued the proper licenses from the concerned local government offices; and that the acts of Southern Leyte and Philson Construction resulted in a cloud of doubt on their ownership of the property. They prayed that they be declared the lawful owners of the property; and that Southern Leyte and Philson Construction be enjoined from performing acts inimical to their rights as the owners of the property.⁴

Southern Leyte denied the alleged ownership of the Spouses Yñiguez. It traced the land covered by TCT No. T-1089 to TCT No. 150 and Original Certificate of Title (OCT) No. 35. It insisted that the lot was sold to the Province of Leyte by Felix Aya-ay, as the guardian of then minors Josefina and Asuncion Oppus y Garces; that the sale was evidenced by the seller's affidavit and the buyer's affidavit, both of which were dated June 3, 1918; that the Province of Leyte paid the real property taxes starting in 1918; that upon its creation as a separate province, it (Southern Leyte) was given the lot; that it had owned the contested property since 1918 and had been in continued peaceful possession of the same; that the ownership of the Spouses Yñiguez was based on the deed of donation executed by Asuncion Oppus on May 28, 1986 of the lot purportedly covered by OCT No. 35 and TCT No. 150, but said lot was different from its lot; and that through fraud and misrepresentation, the Spouses Yñiguez had secured TCT No. T-1089 that eventually and fraudulently covered its lot.

³ Id. at 284-285.

⁴ Id. at 155-161.

Judgment of the RTC

The parties eventually entered into a compromise agreement,⁵ to wit:

COME NOW, the parties in the above-captioned case assisted by their respective counsel and unto this Honorable Court, respectfully submit the herein Compromise Agreement as basis of the decision of this Honorable Court and hereby postulates: THAT –

WHEREAS, the parties have mutually agreed to settle their controversy, and/or dispute over the land in the instant case in the interest of justice, equity and fairness;

WHEREAS, in compliance with the order of the Honorable Presiding Judge, Bethany G. Kapili dated 04 October 2000, plaintiffs spouses Yñiguez through counsel has submitted their proposal for the early settlement of this case. Copy of said letter proposal is hereto attached as Annex “A”;

WHEREAS, based on Resolution No. 070-s. 2003 of the Sangguniang Panlalawigan of Southern Leyte it was unanimously resolved by the Sangguniang Panlalawigan to ‘respectfully request and/or authorize the Honorable Governor, Rosette Y. Lerias and the Honorable Vice Governor Eva L. Tomol, representing the province of Southern Leyte, to make an appeal to former Speaker and Congressman of the Lone District of Southern Leyte, Nicanor E. Yñiguez, and former Governor of Southern Leyte, Salvacion Oppus Yñiguez, to waive and/or donate the land in front of LTO to the Province of Southern Leyte. Copy of Resolution No. 070-s.2003 is hereto attached as Annex “B”;

WHEREAS, based on Resolution No. 0710-s. 2003 of the Sangguniang Panlalawigan of Southern Leyte, the Sangguniang Panlalawigan unanimously approved ‘to enter into a compromise agreement with the Spouses Nicanor Yñiguez and Salvacion O. Yñiguez, relative to the property in litigation covered by TCT No. 1089, based on the following approved terms:

1. That based on Resolution No. 070, series of 2003, Southern Leyte province recognizes the ownership of the Spouses Yñiguez relative to the property in litigation covered by TCT No. 1089;
2. That the Sangguniang Panlalawigan shall withdraw the offensive Resolution No. 338, series of 1991;
3. That the Sangguniang Panlalawigan accepts the proposal of the spouses Yñiguez for the donation of the land and building on which the Provincial Library is erected as a usufruct; and

⁵ Id. at 213-216.

4. That the Provincial Attorney, Atty. Teopisto C. Rojas, Jr., shall be authorized to sign the compromise agreement in behalf of the province as provided in the Local Government Code.

Copy of Sangguniang Panlalawigan Res No. 0710-s 2003 is hereto attached as Annex "C".

WHEREFORE, for and in consideration of the covenants herein agreed to, the parties mutually agree to abide by the terms and conditions stipulated as follows:

1. That the Spouses Yñiguez shall donate only the land and the building over which the Provincial Library is erected as a usufruct;
2. That the donation is contingent on the continued use of the building and land as a Provincial Library or museum;
3. That in the event the Provincial Government ceases to use the property for the specified functions above, ownership of the property and the overlying structures shall automatically revert back to the Spouses Yñiguez and/or their heirs and successors-in-interest and which persons shall be allowed to immediately take possession of the property without recourse by the Provincial Government of Southern Leyte.
4. That the Provincial Government of Southern Leyte shall be responsible for the subdivision of the property subject to the concurrence of the Spouses Yñiguez or their duly assigned representative/s and all fees related thereto shall be for the account of the Provincial Government of Southern Leyte.⁶

x x x x

On April 13, 2004, the RTC rendered judgment approving the compromise agreement, and disposing thusly:

WHEREFORE, foregoing premises considered, judgment is hereby rendered in conformity with and embodying the terms and conditions mentioned in the above-stated Compromise Agreement.

The parties are hereby enjoined to comply strictly and faithfully within the same, without special pronouncement as to costs.

SO ORDERED.⁷

Eventually, Southern Leyte, claiming that the compromise agreement had been entered into without authority of the Provincial Governor, initiated its action for annulment of the judgment in the CA (C.A.-G.R. CEB S.P. No. 03398).

⁶ Id. at 213-215.

⁷ Id. at 216.

Subsequently, the Spouses Yñiguez donated the disputed property to the petitioner and Alfredo O. Yñiguez by virtue of a deed of donation.⁸ TCT No. 1089 was cancelled as a result, and TCT No. T-9542 was issued in the names of the petitioner and Alfredo O. Yñiguez by the Register of Deeds of Southern Leyte.

Also, while the action for annulment of judgment was pending in the CA, the petitioner filed a motion for the issuance of a writ of execution to execute the judgment by compromise whereby she prayed, among others, that Southern Leyte should vacate the property and deliver the same to the victors in the suit.

The RTC issued the writ of execution prayed for.⁹

Judgment of the CA

In order to thwart the implementation of the writ of execution, Southern Leyte applied for a temporary restraining order (TRO) and a writ of preliminary injunction in C.A.-G.R. CEB S.P. No. 03398 to enjoin the RTC and its sheriff from enforcing the judgment by compromise.

In the resolution promulgated on March 30, 2009, the CA issued the TRO enjoining the execution of the questioned judgment by compromise for 60 days.¹⁰

After hearing, the CA issued the writ of preliminary injunction sought to enjoin the RTC and its sheriff from executing the judgment by compromise after posting of a bond amounting to ₱200,000.00 until further orders by the court. The CA held that Southern Leyte had a clear right to be protected because it owned the property since 1918, and because it was in actual possession of the property thereby giving rise to the disputable presumption of ownership; and that the adjudication of the ownership in the petitioner's favor did not automatically mean her being entitled to the possession of the property because Southern Leyte still enjoyed a right that must be protected.

Upon denial of her motion for reconsideration on June 29, 2010,¹¹ the petitioner has brought this special civil action for *certiorari* to nullify the

⁸ Id. at 280-281.

⁹ Id. at 284-285.

¹⁰ Id. at 439-451.

¹¹ Id. at 109-111; penned by Associate Justice Agnes Reyes-Carpio and concurred in by Associate Justice Edgardo L. delos Santos and Associate Justice Eduardo B. Peralta, Jr.

CA's resolutions, insisting that the CA thereby gravely abused its discretion amounting to lack or excess of jurisdiction.

It is noted that the action for annulment of judgment brought by Southern Leyte remains unresolved by the CA.

Issue

The petitioner avers that the issuance of the writ of preliminary injunction was tainted with grave abuse of discretion and must be rectified by writ of *certiorari*; that Southern Leyte did not show its clear and unmistakable right to be protected by the injunction; that its claim of ownership had stemmed from the tax declaration made in 1918 as compared to her ownership as borne out by her Torrens title; that there was no evidence presented showing that Southern Leyte had actual possession of the property; that because her ownership of the property was beyond dispute, Southern Leyte had no right to be protected by the issuance of the writ of preliminary injunction in its favor; and that, lastly, there was no necessity to issue the writ of preliminary injunction inasmuch as Southern Leyte would not suffer any irreparable injury.

The issue is whether or not the writ of preliminary injunction was issued with grave abuse of discretion amounting to lack or excess of jurisdiction.

Ruling of the Court

The Court **GRANTS** the petition for *certiorari*.

Rule 58, Section 3 of the *Rules of Court* enumerates the instances where a writ of preliminary injunction is proper, *viz.:*

Section 3. *Grounds for issuance of preliminary injunction.* — A preliminary injunction may be granted when it is established:

(a) That the applicant is entitled to the relief demanded, and the whole or part of such relief consists in restraining the commission or continuance of the act or acts complained of, or in requiring the performance of an act or acts either for a limited period or perpetually;

(b) That the commission, continuance or non-performance of the act or acts complained of during the litigation would probably work injustice to the applicant; or

(c) That a party, court, agency or a person is doing, threatening, or is attempting to do, or is procuring or suffering to be done some act or acts probably in violation of the rights of the applicant respecting the subject of the action or proceeding, and tending to render the judgment ineffectual.

It is necessary for the applicant of the remedy of injunction to prove the following in order to obtain injunctive relief, namely: (1) there exists a clear and unmistakable right to be protected; (2) the right is directly threatened by an act sought to be enjoined; (3) the invasion of the right is material and substantial; and (4) there is an urgent and paramount necessity for the issuance of the writ to prevent serious and irreparable damage.¹²

Of utmost importance is the existence of a clear and unmistakable right to be protected on the part of the applicant. This is because injunction is not a remedy to protect or enforce contingent, abstract, or future rights. Injunction will not issue to protect a right not *in esse* and which may never arise, or to restrain an act which does not give rise to a cause of action. In short, the showing must be made of an existing actual right to be protected and of the acts against which the writ is to be directed as violative of said right.¹³

Although overwhelming evidence has not been necessary to establish the existence of the right to be protected, jurisprudence requires mere *prima facie* evidence of the right to be presented, or such evidence as, in the judgment of the law, is sufficient to establish a given fact, or the group or chain of facts constituting the party's claim or defense and which, if not rebutted or contradicted, will remain sufficient.¹⁴ According to *Spouses Nisce v. Equitable PCI Bank*,¹⁵ the evidence presented must show clearly that the applicant's right exists and that no doubt lingers as to the existence of such right, thus –

The plaintiff praying for a writ of preliminary injunction must further establish that he or she has a present and unmistakable right to be protected; that the facts against which injunction is directed violate such right; and there is a special and paramount necessity for the writ to prevent serious damages. In the absence of proof of a legal right and the injury sustained by the plaintiff, an order for the issuance of a writ of preliminary injunction will be nullified. **Thus, where the plaintiff's right is doubtful or disputed, a preliminary injunction is not proper.** The possibility of irreparable damage without proof of an actual

¹² *Australian Professional Realty, Inc. v. Municipality of Padre Garcia, Batangas Province*, supra, note 1, at 261; citing *Medina v. City Sheriff of Manila*, G.R. No. 113235, July 24, 1997, 276 SCRA 133, 139.

¹³ *Ocampo v. Sison Vda. De Fernandez*, G.R. No. 164529, June 19, 2007, 525 SCRA 79, 95; citing *Levi Strauss & Co. v. Clinton Apparelle, Inc.*, G.R. No. 138900, September 20, 2005, 470 SCRA 236, 252.

¹⁴ *Bicol Medical Center v. Botor*, G.R. No. 214073, October 4, 2017; citing *Tan v. Hosana*, G.R. No. 190846, February 3, 2016, 783 SCRA 87, 101.

¹⁵ G.R. No. 167434, February 19, 2007, 516 SCRA 231, 253; citing *Searth Commodities Corporation v. Court of Appeals*, G.R. No. 64220, March 31, 1992, 207 SCRA 622, 628.

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existing right is not a ground for a preliminary injunction. [Bold emphasis supplied]

We find and rule that conformably with the foregoing standards Southern Leyte's right to be protected by injunction was not established, or was not shown to exist.

Southern Leyte's claim to have owned the property since 1918 was supported only by the tax declaration. In contrast, the petitioner's ownership was registered under the Torrens system (TCT No. T-9542). The latter should be preferred because her Torrens certificate was evidence of her indefeasible title to property as the person whose name appeared thereon.¹⁶ Indeed, the registration of title under the Torrens system was a quieting of the title to the land in question. Her ownership was consequently neither doubtful nor disputable, but certain and settled. At any rate, the law expressly made her certificate of title, being indefeasible, not subject to collateral attack, but only to a direct attack.¹⁷

It is worthy to note that Southern Leyte itself admitted the petitioner's ownership of the property in the compromise agreement as well as in *Sanggunian Panlalawigan* Resolution No. 070, Series of 2003. The admission precluded Southern Leyte from asserting the contrary, including disputing the right of the petitioner to the enforcement of the judgment by compromise by the writ of execution. That Southern Leyte has challenged the compromise agreement in the CA did not diminish her admitted right.

The CA stated that Southern Leyte's actual possession of the property gave rise to the disputable presumption of ownership. The statement was inherently fallacious because the presumption of ownership could not arise in the face of the ownership of the petitioner being already registered under the Torrens system.

Lastly, the CA ratiocinated that Southern Leyte was entitled to the continued occupation of the property despite the ownership already adjudged in favor of the Spouses Yñiguez. The CA declared that Southern Leyte's right of occupation must be protected. Such declaration was unwarranted, however, for the occupation of the property by Southern Leyte, even if it was true, could not prejudice the petitioner's registered ownership unless Southern Leyte's possession was based on some other right that must be respected, like that of a lessee. Yet, the CA nowhere mentioned by what right Southern Leyte was entitled to remain in possession. In short, Southern

¹⁶ *Republic v. Court of Appeals*, G.R. No. 116111, January 21, 1999, 301 SCRA 366.

¹⁷ Presidential Decree No. 1529 (*Property Registration Decree*) specifically provides:

Sec. 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.

Leyte's right to remain in possession was either doubtful or non-existent; hence, the issuance of the injunctive relief was improper.¹⁸

Injunction is the strong arm of equity.¹⁹ This transcendent or extraordinary remedy should not be lightly indulged in but should be used sparingly and only in a clear and plain case.²⁰ The power of the courts to issue injunctions should be exercised sparingly, with utmost care, and with great caution and deliberation. The objective of preliminary injunction is to preserve the *status quo* until the merits of the case can be fully heard.²¹ The injunction, being a preliminary remedy, must not resolve the merits of the main case pending the trial, for it is not the function of preliminary injunction to determine the merits of a case,²² or to decide controverted facts.²³

Accordingly, the CA gravely abused its discretion amounting to lack or excess of its discretion. Grave abuse of discretion is the arbitrary or despotic exercise of power due to passion, prejudice or personal hostility; or the whimsical, arbitrary, or capricious exercise of power that amounts to an evasion or refusal to perform a positive duty enjoined by law or to act at all in contemplation of law.²⁴ Here, the issuance of a writ of preliminary injunction without a clear right to be protected amounts to an arbitrary exercise of power that a writ of *certiorari* can correct.

WHEREFORE, the Court **GRANTS** the petition for *certiorari*; **ANNULS** the Resolutions promulgated on July 8, 2009 and June 29, 2010 of the Court of Appeals in C.A.-G.R. SP No. 03398 for being issued with grave abuse of discretion; **DISSOLVES** and **LIFTS** the writ of preliminary injunction issued by the Court of Appeals; **INSTRUCTS** the Court of Appeals to act on C.A.-G.R. SP No. 03398 with dispatch; and **ORDERS** the respondents to pay the costs of suit.

SO ORDERED.

¹⁸ *The Incorporators of Mindanao Institute, Inc., v. The United Church of Christ n the Philippines*, G.R. No. 171765, March 21, 2012, 668 SCRA 637, 649.

¹⁹ 43 CJS Injunctions § 2; citing *Anderson v. Smith*, 8 Alaska 470; *Miollis v. Schneider*, 222 N. E. 2d 715, 77 Ill. App. 2d 420; *Triangle Sign Co. v. Randolph & State Property, Inc.*, 147 N. E. 2d 451, 16 Ill. App. 2d 21; *Arthur Murray Dance Studios of Cleveland v. Witter*, Com. Pl., 105 N. E. 2d 685.

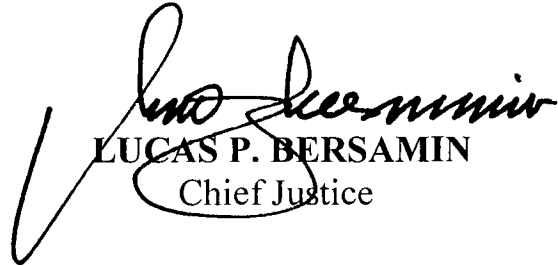
²⁰ See *The Value of Preliminary Injunction*, 95 SCRA 716, 718-719.

²¹ *The Incorporators of Mindanao Institute, Inc. v. The United Church of Christ n the Philippines*, supra, note 18, at 647.

²² 43 CJS Injunctions § 5, citing *B. W. Photo Utilities v. Republic Molding Corporation*, C. A. Cal., 280 F. 2d 806; *Duckworth v. James*, C. A. Va. 267 F. 2d 224; *Westinghouse Electric Corporation v. Free Sewing Machine Co.*, C. A. Ill, 256 F. 2d 806.

²³ *Id.*, citing *Lonergan v. Crucible Steel Co. of America*, 229 N. E. 2d 536, 37 Ill. 2d 599; *Compton v. Paul K. Harding Realty Co.*, 231 N. E. 2d 267, 87 Ill. App. 2d 219.

²⁴ *Beluso v. Commission on Elections*, G.R. No. 180711, June 22, 2010, 621 SCRA 450, 456.



LUCAS P. BERSAMIN
Chief Justice

WE CONCUR:

(On leave)
MARIANO C. DEL CASTILLO
Associate Justice

(On leave)
FRANCIS H. JARDELEZA
Associate Justice



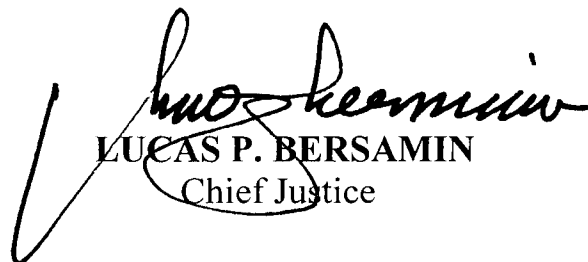
ALEXANDER G. GESMUNDO
Associate Justice



ROSMARI D. CARANDANG
Associate Justice

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, 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.



LUCAS P. BERSAMIN
Chief Justice