

SECOND DIVISION

[G.R. No. 140228, November 19, 2004]

FRANCISCO MEDINA, MARIA MEDINA, RAYMUNDO MEDINA, ENRIQUE MEDINA, EDGARDO MEDINA, EVELYN MEDINA, ERNIE MEDINA, ELPIDIO MEDINA, EDWIN MEDINA, ELEONOR MEDINA, TEOFILO MEDINA, JR., EUGENE MEDINA, ELVIRA MEDINA, ANATALIO MEDINA, MARIO MEDINA, CORNELIO MEDINA, ERNESTO MEDINA, IGNACIO CONSTANTINO, SANTOS CONSTANTINO, HERMOGENES CONSTANTINO, FLORENCIO CONSTANTINO, VIRGINIA CONSTANTINO, MARCELO GEREMILLO, ROSILA GEREMILLO, ERNESTO GEREMILLO, MERCEDES GEREMILLO, MELENCIO GEREMILLO, BALBINO MEDINA, CRISANTA MEDINA, YOLANDA MEDINA, LYDIA MEDINA, RENATO MEDINA, EUFEMIA MEDINA, VIRGILIO MEDINA, SONIA MEDINA, LUZVIMINDA MEDINA, CRISPIN MEDINA, REMIGIO M. RODOLFO, MILAGROS M. RODOLFO, NIDA M. RODOLFO, BELEN M. RODOLFO, MANUEL M. RODOLFO, ALFREDO M. RODOLFO, SALLY AREVALO, ELMER AREVALO, CELSO AREVALO, JR., VINCENT AREVALO, NENE AREVALO, THE HEIRS OF NAZARIA CRUZ AND SANTOS AREVALO, PETITIONERS, VS. GREENFIELD DEVELOPMENT CORPORATION, RESPONDENT.

D E C I S I O N

AUSTRIA-MARTINEZ, J.:

The propriety of the writ of preliminary injunction issued by the Regional Trial Court of Muntinlupa City (Branch 276) in Civil Case No. 98-233 is the sole issue in this petition for review on *certiorari*, assailing the decision of the Court of Appeals nullifying said writ.

Petitioners are the grandchildren of Pedro Medina from two marriages. In his first marriage to Isadora San Jose, Pedro sired three children: Rafael, Rita and Remegia; in his second marriage, this time to Natalia Mullet, Pedro had five: Cornelio, Brigida, Balbino, Crisanta and Rosila. Except for Balbino and Crisanta, all of Pedro's children likewise bore children, the petitioners in this case.^[1]

On June 5, 1962, Pedro, his brother Alberto Medina and his niece Nazaria Cruz (Alberto's daughter) executed a notarized Contract to Sell in favor of respondent Greenfield Development Corporation over a parcel of land located in Muntinlupa City, then in the Province of Rizal, covered by Transfer Certificate of Title (TCT) No. 100177 (Lot 90-A) and measuring 17,121 square meters.^[2] A notarized Deed of Sale covering said property was subsequently entered into on June 27, 1962, in favor of respondent, and this time signed by Pedro, Cornelio, Brigida, Balbino, Gregoria, Crisanta, Rosila, and Alberto, all surnamed Medina, and Nazaria Cruz, as vendors.^[3]

Thereafter, a notarized Deed of Absolute Sale with Mortgage was executed on September 4, 1964 in favor of respondent over Lot 90-B covered by TCT No. 100178, measuring 16,291 square meters. Signing as vendors were Pedro, Cornelio, Brigida, Balbino, Gregoria, Crisanta, Rosila, and Alberto, all surnamed Medina, and Nazaria Cruz.^[4]

By virtue of these sales, respondent was able to register in its name the title to the two parcels of land with TCT No. 100578 covering Lot 90-A and TCT No. 133444 covering Lot 90-B. These properties were consolidated with other lots and were eventually registered on July 19, 1995, in the name of respondent under TCT Nos. 202295, 202296 and 202297.^[5]

On November 6, 1998, petitioners instituted Civil Case No. 98-233, an action for annulment of titles and deeds, reconveyance, damages with preliminary injunction and restraining order, against respondent and the Register of Deeds of Makati.^[6]

Included in the complaint are the heirs of Nazaria Cruz, as unwilling co-plaintiffs.^[7]

Petitioners allege in their complaint that they are co-owners of these two parcels of land. While the titles were registered in the names of Pedro, Alberto, Cornelio, Brigida and Gregoria, all surnamed Medina, they alleged that they were recognized as co-owners thereof. In support of their case, petitioners maintain that the deeds of sale on these properties were simulated and fictitious, and the signatures of the vendors therein were fake. Despite the transfer of the title to respondent's name, they remained in possession thereof and in fact, their caretaker, a certain Santos Arevalo and his family still reside on a portion of the property. On July 13, 1998, petitioners caused an adverse claim to be annotated on the titles. After discovering the annotation, respondent constructed a fence on the property and posted security personnel, barring their ingress and egress. Thus, petitioners sought, among others, the issuance of a temporary restraining order and a writ of preliminary injunction enjoining respondent and its agents and representatives from preventing petitioners to exercise their rights over the properties.^[8]

Respondent denied the allegations, stating that petitioners have no valid claim on the properties as it is already titled in its name by virtue of the public documents executed by their predecessors. As counterclaim, respondent alleged that Santos Arevalo is not petitioners' caretaker and it was them who employed him as caretaker.^[9]

On January 18, 1999, the trial court issued its resolution granting petitioners' prayer for injunctive relief. The dispositive portion of the resolution reads:

Let therefore an injunction issue, enjoining and directing defendant GREENFIELD DEVELOPMENT CORPORATION, its security guards, agents, representatives, and all those claiming rights under it, from preventing plaintiffs and their caretaker Santos Arevalo, from entering and going out of the subject premises, and from preventing them to exercise their property rights, upon payment of a bond in the amount of P100,000.00.

It is SO ORDERED.^[10]

Respondent filed a special civil action for *certiorari* and prohibition with the Court of Appeals, docketed as CA-G.R. SP No. 52015. On July 16, 1999, the Court of Appeals^[11] rendered its decision nullifying the trial court's resolution, the dispositive portion of which provides:

IN THE (sic) LIGHT OF ALL THE FOREGOING, the petition is hereby GRANTED. The assailed Resolution of the Public Respondent Judge, dated January 18, 1999, in Civil Case No. 98-233 is hereby NULLIFIED.

SO ORDERED.^[12]

Petitioners now seek recourse with this Court, alleging the following grounds:

I

THE COURT OF APPEALS ERRED IN RELYING HEAVILY ON THE ANTECEDENT FACTS NARRATED IN THE PETITION OF THE RESPONDENT IN CA-G.R. SP NO. 52015 AND ADOPTED THE SAME AS ITS OWN WITHOUT EVIDENTIARY SUPPORT

II

THE COURT OF APPEALS COMMITTED A GRAVE ERROR IN UPHOLDING THE VALIDITY OF THE DEEDS OF SALE IN FAVOR OF THE RESPONDENT AND IN HOLDING THAT RESPONDENT'S TRANSFER CERTIFICATES OF TITLE ARE VALID DESPITE THE FACT THAT THE SAID ISSUES ARE YET TO BE TRIED

III

THE COURT OF APPEALS ERRED IN PRESUMING THAT NOTARIZED DOCUMENTS ARE VALID AND THAT RESPONDENT'S TORRENS TITLES ARE INDEFEASIBLE ON THE WRONG NOTION THAT THE RESPONDENT WAS PRESUMED INNOCENT PERSON

IV

THE COURT OF APPEALS COMMITTED A MISTAKE IN HOLDING THAT RESPONDENT WAS IN CONSTRUCTIVE POSSESSION OF THE SUBJECT PREMISES NOTWITHSTANDING THAT PETITIONERS ARE IN ACTUAL POSSESSION THEREOF

V

THE COURT OF APPEALS ERRED IN FINDING THAT PETITIONERS' RIGHT TO IMPUGN RESPONDENT'S TITLES HAVE (SIC) PRESCRIBED SINCE AN ACTION OR DEFENSE BASED ON THE INEXISTENCE OF A CONTRACT DOES NOT PRESCRIBE^[13]

As stated at the outset, the sole issue in this case is whether or not the trial court erred in granting petitioners' prayer for injunctive relief. This Court's resolution will revolve only on the propriety of the injunction. Any reference to the validity or

invalidity of the transfers and the titles is merely preliminary, as the matter should be resolved after trial on the merits.

It was the trial court's opinion that petitioners are entitled to the injunction for the following reasons:

The Court however holds suspect the acquisition by Greenfield Development Corporation of the two parcels. Lot 90-A covered by Transfer Certificate of Title No. 100177, was promised to be sold to defendant under a contract to sell but the other co-owners did not sign this Contract to Sell, who all denied knowledge of the same. No contract of Sale followed this Contract to Sell which cannot be the bases of the issuance of a new title. A Contract to Sell is only a promise to sell, and is not a deed of sale, specially as this Contract to Sell is not signed by all of the registered owners.

This Court cannot also understand how the document, denominated as DEED OF ABSOLUTE SALE WITH MORTGAGE can be the bases (sic) of a new title. The absoluteness of the sale, is contradicted by the mortgage it also provides. There is absoluteness of sale only when the buyer upon execution of the contract, pay (sic) in full the consideration and ownership passes to the Vendee. The registered owners of Lot 90-B covered by Transfer Certificate of Title No. 100178 even deny having executed this document of Deed of Absolute Sale with Mortgage.

Until these matters are threshed out at the trial on the merits, and after this is fully explained and determined, whether the properties were actually sold to Defendant Greenfield Development Corporation, irreparable injury will visit the landowner if the claim of ownership by Greenfield Development Corporation is allowed and not enjoined.^[14]

The Court of Appeals, however, disagreed with the trial court. It noted that the trial court relied mainly on petitioners' allegations in the complaint, which were not supported by substantial evidence, and ignored the presumption of validity ascribed to the duly notarized deeds of conveyances and the titles issued to respondent. The Court of Appeals also found that respondent is in constructive possession of the properties in dispute considering that it is already the registered owner thereof since 1962. Lastly, the Court of Appeals held that petitioners' right to impugn respondent's title to the property has already prescribed.^[15]

Section 3, Rule 58 of the Rules of Court provides for the grounds justifying the issuance of a preliminary injunction, to wit:

SEC. 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