



REPUBLIC OF THE PHILIPPINES
SUPREME COURT
Manila

SECOND DIVISION

NOTICE

Sirs/Mesdames:

Please take notice that the Court, Second Division, issued a Resolution dated **August 1, 2022** which reads as follows:

“G.R. No. 246025 (*Potenciano R. Malvar, Petitioner v. Ayala Land, Inc., Respondent*); and G.R. No. 246945 (*Ayala Land, Inc., Petitioner v. Potenciano R. Malvar, Honorable Acerey C. Pacheco, in his capacity as the Presiding Judge of the Regional Trial Court of Marikina, Branch 165, and the Register of Deeds of Las Piñas, Respondents*). – This Court jointly resolves:¹

(1) The Petition for Review on *Certiorari*,² docketed as G.R. No. 246025, filed by Potenciano R. Malvar (*Malvar*) assailing the Decision³ dated March 8, 2018 and Resolution⁴ dated March 18, 2019, rendered by the Court of Appeals (*CA*) in CA-G.R. SP No. 151175. The CA earlier nullified the Orders dated February 14, 2017⁵ and May 22, 2017⁶ issued by Judge Acerey C. Pacheco (*Judge Pacheco*) of the Regional Trial Court, Marikina, Branch 165 (*RTC*) in Civil Case Nos. 2608 and 4622. These Orders enabled Malvar to execute his claims over certain real properties covered by Transfer Certificate of Title (*TCT*) Nos. T-41262, T-41263, and T-106234 (*subject properties*); and

(2) The Petition for *Certiorari*,⁷ docketed as G.R. No. 246945, filed by Ayala Land, Inc. (*ALI*) asking the Court to: nullify the CA’s Resolutions dated June 25, 2018⁸ and March 18, 2019⁹ in CA-G.R. SP No. 151175, which denied ALI’s prayer for injunctive relief against Malvar’s execution of the subject properties; and restrain Judge Pacheco and the Register of Deeds (*RD*) of Las

¹ Consolidated per the Court’s Resolution dated June 26, 2019; *rollo* (G.R. No. 246945), Vol. III, p. 1382.

² *Rollo* (G.R. No. 246025), pp. 8-43.

³ Penned by Associate Justice Myra V. Garcia-Fernandez, with Associate Justice Ramon R. Garcia and Germano Francisco D. Legaspi, concurring; *rollo* (G.R. No. 246945), Vol. II, pp. 837-856.

⁴ *Rollo* (G.R. No. 246945), Vol. I, pp. 70-74.

⁵ *Id.* at 149-162.

⁶ *Id.* at 144-148.

⁷ *Id.* pp. 3-41.

⁸ Penned by Associate Justice Myra v. Garcia-Fernandez, with Associate Justice Ramon R. Garcia and Germano Francisco D. Legaspi; *id.* at 51-55.

⁹ *Id.* at 70-74.

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Piñas from taking further action that would facilitate Malvar's pursuit of the subject properties.

The Antecedents

Malvar's claim over the subject properties is based on a Deed of Assignment¹⁰ from Levy C. Raquiza (*Levy*), who, in turn, derived his claim through a Deed of Assignment¹¹ from Atty. Antonio V. Raquiza (*Atty. Raquiza*). Atty. Raquiza's interests over the subject properties, on the other hand, arose as an offshoot of Civil Case Nos. 2608 and 4622, heard by the then Court of First Instance, Rizal, Branch X (*CFI*). These cases concerned the annulment of auction sale and declaration of ownership regarding the real properties of Epifanio J. Alano and Cecilia Pading Alano (*Spouses Alano*), in which Atty. Raquiza, as counsel of the Spouses Alano, intervened in order to claim his attorney's fees. The CFI rendered a Decision¹² dated December 11, 1970, granting Atty. Raquiza 30% of the Spouses Alano's rights and interests over a corporation in which they were stockholders.¹³

Previously, the Spouses Alano had entered into a compromise agreement with their creditors, whereby various properties that the latter had levied against were reconveyed to the Alanos. The arrangement, however, was that the properties would not be reconveyed directly to the Alanos, but first through Carlos Palanca, Jr. Corporation (*CPJ*) as nominee and assignee.¹⁴ Of these reconveyed properties, TCT Nos. S-65161 and S-65162 were cancelled and replaced by TCT Nos. 190713 and 190714, respectively, and placed under the name of CPJ.

On appeal of the CFI Decision, docketed as CA-G.R. No. 52159-60-R, the CA found that, per the terms of his retainer with the Spouses Alano, Atty. Raquiza should have been entitled to 30% of the properties reconveyed to the Alanos.

In a Decision dated January 17, 1980,¹⁵ the CA modified the CFI's Decision accordingly.¹⁶ This CA Decision became final and executory on July

¹⁰ *Rollo* (G.R. No. 246025), pp. 164-166.

¹¹ *Id.* at 161-163.

¹² *Rollo* (G.R. No. 246945), Vol. I, pp. 322-358.

¹³ A portion of the dispositive reads: "Regarding the claim of Intervenor, Atty. Antonio V. Raquiza, the Court declares that said Intervenor is entitled to 30% of whatever rights and interests the Alanos may have in the Natalia Realty, Inc. as stockholder thereof considering that the Contract of Legal Retainer is obviously on a contingent basis. The Alanos are further ordered to reimburse Atty. Antonio V. Raquiza the sum of P10,000.00 representing various advances made by the latter to the former and as litigation and other expenses." *Id.* at 358.

¹⁴ *Francisco Motors Corp. v. Court of Appeals*, 535 Phil. 736 (2006).

¹⁵ *Rollo* (G.R. No. 246945), Vol. I, pp. 359-384.

¹⁶ A portion of the dispositive reads: "x x x the judgment of the lower Court in Civil Cases Nos. 2608 and 4622 is MODIFIED insofar as the claim of Atty. Raquiza for attorney's fees is concerned in the sense that he shall be entitled to 30% pro indiviso interest in all the properties reconveyed by Campos, Philamgen and Philamlife under the Compromise Agreement of December 28, 1965 x x x"; *id.* at 383-384.

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13, 1981.¹⁷ However, before the CA Decision attained finality, and pursuant to a Contract to Buy and Sell¹⁸ dated April 16, 1980, the Alanos had sold some parcels of the reconveyed properties, particularly those covered by TCT Nos. 190713 (S-65161) and 190714 (S-65162), to Trans-Resource Management & Development Corporation (*TRMDC*).

Thus, Atty. Raquiza sought enforcement of the CA Decision, eventually filing a Motion for Issuance of a Separate Transfer Certificate of Title.¹⁹ This was granted by the CFI granted in an Order²⁰ dated October 8, 1982 which implicated TRMDC.²¹ In a petition for *certiorari* docketed as CA-G.R. SP Nos. 00030-31 before the Intermediate Appellate Court (*IAC*), TRMDC sought to nullify the Order dated October 1982, but this was denied in a Decision²² dated August 27, 1985. This decision attained finality on January 28, 1986.²³

Meanwhile, Atty. Raquiza managed to annotate his claims on TCT Nos. 190713 (S-65161) and 190714 (S-65162) through a Notice of *Lis Pendens* with Entry No. 84-73390/T-No. 10334-A, and an Affidavit of Adverse Claim with Entry No. 85-37226/T-No. 18334-A.

Still, several delays²⁴ were incurred in the enforcement of the CA's Decision dated January 17, 1980. By 1997, Atty. Raquiza had already assigned his interests to Levy, who in turn assigned the same to Malvar sometime in 2003. Atty. Raquiza died in 1999.

It was only in 2015, through an Omnibus Motion dated November 27, 2015²⁵ filed with the RTC that Malvar sought his substitution as intervenor in Civil Case Nos. 2608 and 4622, and the enforcement of the then CFI's various orders, most notably the Order dated October 8, 1982 which granted the

¹⁷ *Id.* at 385.

¹⁸ *Id.* at 488.

¹⁹ *Rollo* (G.R. No. 246945), Vol. II, p. 930.

²⁰ *Id.* at 930-931.

²¹ A portion of the dispositive reads: "x x x in accordance with the decision of the Court of Appeals dated January 17, 1980 which has long become final and executory, as prayed for, a portion with an area of 162,576.60 sq. m. of the real property with Transfer Certificate of Title No. S-65161 and Transfer Certificate of Title No. S-65162 is hereby ordered segregated from the total area of the real property covered by said titles S-65161 and S-65162 and a separate transfer certificate of title be issued in the name of Antonio V. Raquiza covering said 162,576.60 sq. m.; and spouses Epifanio J. Alano Sr. and Cecilia P. Alano and Trans-Resource Management and Development Corporation are further ordered to surrender Transfer Certificate of Title 190713 (now S-65161) and Transfer Certificate of Title No. 190714 (now S-65162) x x x"; *id.* at 930-931.

²² *Rollo* (G.R. No. 246025), pp. 116-126.

²³ *Id.* at 128.

²⁴ Atty. Raquiza filed a Supplemental Motion for Execution and Urgent *Ex-Parte* Motion, seeking to include in the execution parcels of land that were transferred to Francisco Motors Corporation, thereby sparking further litigation that culminated in the Court's Decision in *Francisco Motors Corp. v. Court of Appeals*, 535 Phil. 736 (2006); *id.* at 141-142.

²⁵ *Id.* at 191-206.

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Motion for Issuance of a Transfer Certificate of Title. Judge Pacheco granted the Omnibus Motion,²⁶ and also issued an Alias Writ of Execution.²⁷

As execution could not be effected,²⁸ Malvar inquired further with the RD of Las Piñas and only then discovered that TCT Nos. 190713 (S-65161) and 190714 (S-65162) had been cancelled and new titles issued in favor of ALI, particularly: TCT No. 190713 (S-65161) was replaced by TCT Nos. T-41262 and T-41263, and TCT No. T-190714 (S-65162) was replaced by TCT No. T-106234.

Hence, through a Manifestation with Omnibus Motion dated October 18, 2016,²⁹ Malvar asked the RTC to: amend the Alias Writ of Execution to include subsequent transferees of TCT Nos. 190713 (S-65161) and 190714 (S-65162); require ALI to surrender their TCT Nos. T-41262, T-41263, and T-106234; and order the RD of Las Piñas to segregate his 30% interest over the foregoing properties. It was only at this time that ALI received notice of the pendency of Civil Case Nos. 2608 and 4622.

At this point, ALI looked into the history of the subject properties and indeed traced their titles back to TCT Nos. 190713 (S-65161) and 190714 (S-65162). The subject properties had gone through several predecessors-in-interest,³⁰ and, in the course thereof, Atty. Raquiza's annotation of the notice of *lis pendens* was cancelled through a petition executed by the Spouses Alano;³¹ and the annotation of his adverse claim was cancelled by International Corporate Bank (ICB), the immediate successor-in-interest of TRMDC.³² By the time ALI and its affiliates acquired the subject properties,³³ Atty. Raquiza's annotations no longer appeared on the preceding titles.

ALI opposed³⁴ Malvar's intended execution over the subject properties, but obtained no relief from the RTC.³⁵ ALI was ordered to surrender its titles over the subject properties in order that Malvar's 30% *pro indiviso* share could be segregated, and new separate titles issued to Malvar and ALI.

²⁶ Order dated January 27, 2016; *id.* at 207-216.

²⁷ *Id.* at 217-219.

²⁸ See Sheriff's Report; *id.* at 220-221.

²⁹ *Rollo* (G.R. No. 246945), Vol. I, pp. 262-272.

³⁰ See Deed of Assignment between TRMDC and ICB, *id.* at 488-491; Memorandum of Agreement between Camilo Sabio and International Corporate Bank, *id.* at 492-497; Memorandum of Agreement between TRMDC and ICB, *id.* at 498-505; and TCT Nos. 190713, 98647, 99243, 101972, T-6055-A (125945), T-6054-A (125944), T-5333, T-5334, 190714, 98648, 99244, 101978, T-6050s-A (125942), T-5331, T-41261, T-41262, T-41263, T-106234, and 005-2015003890, *id.* at 190-259, 273-297.

³¹ *Id.* at 198.

³² *Id.* at 197. Notably, at this time, an annotation of an adverse claim may be cancelled even without a court order. See *Sajonas v. Court of Appeals*, 327 Phil. 689 (1996).

³³ *Rollo* (G.R. No. 246025), pp. 597-606.

³⁴ Comment/Opposition dated November 14, 2016, *rollo* (G.R. No. 246945), Vol. I, pp. 164-189; Motion for Reconsideration dated March 15, 2017, *rollo* (G.R. No. 246945), Vol. II, pp. 544-575.

³⁵ Order dated February 14, 2017, *rollo* (G.R. No. 246945), Vol. I, pp. 149-162; Order dated May 22, 2017, *id.* at 144-148.

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ALI filed a Petition for *Certiorari* with application for injunctive relief³⁶ with the CA, docketed as CA-G.R. SP No. 151175, which the CA granted. In its Decision dated March 8, 2018,³⁷ the CA found that ALI was a purchaser in good faith since, at the time it purchased the subject properties, none of Atty. Raquiza's annotations were found on the titles; that Malvar's action to segregate the 30% *pro indiviso* interest was barred by laches, since he had acquired his interest thereon in 2003, but only took action in 2015; and ultimately disposed that:

WHEREFORE, the petition is **GRANTED**. The orders issued by the Regional Trial Court of Marikina City Branch 165 dated February 14, 2017 and May 22, 2017 in Civil Cases Nos. 2608 and 4622 are **ANNULLED** and **SET ASIDE**. The Manifestation with Omnibus Motion dated October 18, 2016 filed by private respondent Potenciano R. Malvar is **DENIED**.

SO ORDERED.³⁸

His motion for reconsideration having been denied,³⁹ Malvar filed the instant Petition for Review on *Certiorari*.

Through the course of, and even after, the proceedings in CA-G.R. SP No. 151175, ALI sought injunctive relief, but to no avail. Shortly after ALI's petition for *certiorari* was filed, Malvar filed with the RTC a Motion to Implement the Order dated May 22, 2017,⁴⁰ prompting ALI to concurrently file an Opposition,⁴¹ as well as an Urgent Motion to Resolve the application for injunctive relief before the CA.⁴² Thereafter, ALI filed with the CA a Supplement to Petition for *Certiorari*,⁴³ reiterating the necessity for injunction, and manifesting supervening events granting Judge Pacheco had issued an Order dated July 6, 2017,⁴⁴ which granted Malvar's Motion to Implement; and to take further action with the RD of Las Piñas to hasten the segregation and issuance of new titles.⁴⁵

Soon after, ALI further manifested⁴⁶ that Judge Pacheco had issued an Order⁴⁷ dated September 7, 2017, ordering the RD of Las Piñas to dispense with ALI's surrender of titles, and proceed with the cancellation thereof and issuance of new titles. ALI again reiterated its application for injunctive

³⁶ *Id.* at 76-136.

³⁷ Penned by Associate Justice Myra v. Garcia-Fernandez, with Associate Justice Ramon R. Garcia and Germano Francisco D. Legaspi, concurring; *rollo* (G.R. No. 246945), Vol. II, pp. 837-856.

³⁸ *Id.* at 855.

³⁹ *Rollo* (G.R. No. 246945), Vol. I, pp. 70-74.

⁴⁰ *Rollo* (G.R. No. 246945), Vol. II, pp. 657-664.

⁴¹ *Id.* at 666-681.

⁴² *Id.* at 646-656.

⁴³ *Id.* at 1020-1059.

⁴⁴ *Id.* at 1015-1018.

⁴⁵ *Rollo* (G.R. No. 246945), Vol. III, pp. 1087-1094.

⁴⁶ *Id.* at 1146-1156.

⁴⁷ *Id.* at 1157-1159.

relief⁴⁸ before the CA, this time manifesting that the sheriff of the RTC issued a Notice to Comply;⁴⁹ and that Malvar filed with the RTC an Omnibus Motion⁵⁰ stating that he prepared the consolidation and subdivision plans, as well as technical descriptions, of the subject properties, segregating his portion from ALI's portion, and moving for the RTC's approval for submission to the Land Registration Authority (*LRA*).

Finally, ALI filed with the CA a Very Urgent Application for *Status Quo Ante* Order, Temporary Restraining Order, and/or Writ of Preliminary Prohibitory and Mandatory Injunction,⁵¹ manifesting that Judge Pacheco approved Malvar's Omnibus Motion⁵² and that ALI's titles had been cancelled such that, in their place, TCT Nos. 2018001112, 2018001113, and 2018001114 were issued reflecting a *pro indiviso* sharing between ALI and Malvar.⁵³

The CA denied⁵⁴ the Very Urgent Supplemental Application, as well as the Manifestations, ruling that injunction would no longer be proper as the acts sought to be restrained had been consummated, and that recourse was more appropriately sought with the RTC. ALI sought reconsideration of this order on the ground that the CA's Decision dated March 8, 2018 had not yet attained finality, hence it was still empowered to grant injunctive relief.⁵⁵ Still, the CA denied ALI's application for injunctive relief in the Resolution dated March 18, 2019.⁵⁶

Pending these appellate proceedings, ALI also sought recourse before the RD of Las Piñas, seeking to annotate a notice of *lis pendens*⁵⁷ concerning the proceedings in CA-G.R. SP No. 151175. The RD denied this, saying that *certiorari* proceedings are not among those actions for which a notice of *lis pendens* may be annotated.⁵⁸ ALI appealed the RD decision *en consulta* with the LRA,⁵⁹ with the latter ordering the former to submit a position paper. Eventually, however, the RD of Las Piñas wrote ALI⁶⁰ regarding the cancellation of its titles and the issuance of new titles reflecting a co-ownership between ALI and Malvar, prompting ALI to file an Urgent Motion to Resolve⁶¹ the appeal *en consulta*. It appears this incident remains unresolved.

⁴⁸ *Id.* at 1181-1185.

⁴⁹ *Id.* at 1186-1190.

⁵⁰ *Id.* at 1357-1364.

⁵¹ *Id.* at 1275-1295.

⁵² Resolution dated February 19, 2019; *id.* at 1296-1301.

⁵³ *Id.* at 1302-1306.

⁵⁴ Resolution dated June 25, 2018; *rollo* (G.R. No. 246945), Vol. I, pp. 51-55.

⁵⁵ *Id.* at 56-67.

⁵⁶ Penned by Associate Justice Myra v. Garcia-Fernandez, with Associate Justice Ramon R. Garcia and Germano Francisco D. Legaspi, concurring; *rollo* (G.R. No. 246945), Vol. I, pp. 70-74.

⁵⁷ *Rollo* (G.R. No. 246945), Vol. II, pp. 683-691.

⁵⁸ *Id.* at 779-780.

⁵⁹ *Id.* at 782-800.

⁶⁰ *Rollo* (G.R. No. 246945), Vol. III, pp. 1315.

⁶¹ *Rollo* (G.R. No. 246945), Vol. II, pp. 858-868.

Hence, ALI's petition for *certiorari* before the Court.

Issues

I.

WHETHER THE CA ERRED IN NULLIFYING THE RTC'S ORDERS DATED FEBRUARY 14, 2017 AND MAY 22, 2017; and

II.

WHETHER THE CA GRAVELY ABUSED ITS DISCRETION BY DENYING ALI INJUNCTIVE RELIEF.

Our Ruling

At the outset, pursuant Section 4, Rule 45⁶² of the Rules of Court, this Court notes the error in impleading the Court of Appeals as party respondent. The only parties in an appeal by *certiorari* under Rule 45 of the Rules of Court are the appellant as petitioner and the appellee as respondent. The court which rendered the judgment appealed from is not a party in said appeal.

This Court denies Malvar's petition for review on *certiorari* and partially grants ALI's petition for *certiorari*.

Laches precludes Malvar's delayed execution from disturbing ALI's rights

As correctly held by the CA, Malvar's claim is already barred by laches. Laches has been defined as such neglect or omission to assert a right taken in conjunction with the lapse of time and other circumstances causing prejudice to an adverse party, as will operate as a bar in equity.⁶³ It is concerned primarily with whether by reason of the plaintiff's long inaction or inexcusable neglect, he should be barred from asserting this claim at all, because to allow him to do so would be inequitable and unjust to the defendant.⁶⁴

⁶² Section 4. *Contents of petition.* — The petition shall be filed in eighteen (18) copies, with the original copy intended for the court being indicated as such by the petitioner and shall (a) state the full name of the appealing party as the petitioner and the adverse party as respondent, without impleading the lower courts or judges thereof either as petitioners or respondents; x x x (Underscoring supplied)

⁶³ *Salandanan v. Court of Appeals*, 353 Phil. 114, 120 (1998).

⁶⁴ *Catholic Bishop of Balanga v. Court of Appeals*, 332 Phil. 206, 219 (1996).

Since Malvar's assumption of Atty. Raquiza's interests in 2003 until 2015, Malvar took no steps to implement the CA Decision dated January 17, 1980, which had attained finality way back on July 13, 1981. It was only after 12 years since acquiring Atty. Raquiza's interests that Malvar filed the Omnibus Motion dated November 27, 2015, seeking to intervene and continue the execution over the properties subject of Civil Case Nos. 2608 and 4622.

Malvar contends that it was only in 2015, after this Court resolved some incidents from Civil Case Nos. 2608 and 4622, that the case records were finally remanded to the RTC for implementation. This contention pertains to *Francisco Motors Corp. v. Court of Appeals*⁶⁵ (*Francisco Motors*), which, while indeed an offshoot of Civil Case Nos. 2608 and 4622, concerns TCT No. 190712, and not TCT Nos. 190713 (S-65161) and 190714 (S-65162) from which ALI derives its titles.

Indeed, the incidents subject of *Francisco Motors* had since taken a separate course from those concerning TCT Nos. 190713 (S-65161) and 190714 (S-65162). The RTC's Order⁶⁶ dated October 8, 1982 mentioned only TCT Nos. 190713 (S-65161) and 190714 (S-65162);⁶⁷ on the other hand, TCT No. 190712 was only later implicated when Atty Raquiza filed various motions⁶⁸ asking that the then CFI's previous Order for Execution⁶⁹ dated October 8, 1982 include the property acquired by Francisco Motors Corp. (*FMC*). This spurred further litigation between Atty. Raquiza and FMC, culminating in this Court's Decision dated October 23, 2006, finding that FMC acquired the property covered by TCT No. 190712 in good faith, hence the same could not be executed against to satisfy Atty. Raquiza's attorney's fees.

Thus, even while *Francisco Motors* was pending before this Court, Malvar could have taken steps to implement the CA Decision, at least insofar as TCT Nos. 190713 (S-65161) and 190714 (S-65162) were concerned. Moreover, Malvar assumed Atty. Raquiza's interests, and he was apprised of the pendency of *Francisco Motors* in 2003, which was decided in 2006. As the Court ruled that Atty. Raquiza (and, by extension, Malvar) could lay no claim over TCT No. 190712, it is unclear what exactly in the records of *Francisco Motors* needed to be remanded so Malvar could enforce his interests.

⁶⁵ 535 Phil. 736 (2006).

⁶⁶ *Rollo* (G.R. No. 246945), pp. 930-931.

⁶⁷ A portion of the dispositive reads: "x x x in accordance with the decision of the Court of Appeals dated January 17, 1980 which has long become final and executory, as prayed for, a portion with an area of 162,576.60 sq. m. of the real property with Transfer Certificate of Title No. S-65161 and Transfer Certificate of Title No. S-65162 is hereby ordered segregated from the total area of the real property covered by said titles S-65161 and S-65162 and a separate transfer certificate of title be issued in the name of Antonio V. Raquiza covering said 162,576.60 sq. m.; and spouses Epifanio J. Alano Sr. and Cecilia P. Alano and Trans-Resource Management and Development Corporation are further ordered to surrender Transfer Certificate of Title 190713 (now S-65161) and Transfer Certificate of Title No. 190714 (now S-65162) x x x"; *id.*

⁶⁸ Supplemental Motion for Execution; *rollo* (G.R. No. 246025), p. 141; and Urgent *Ex-Parte* Motion; *rollo* (G.R. No. 246025), p. 142.

⁶⁹ *Rollo* (G.R. No. 246945), Vol. II, pp. 953-954.

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Malvar's inaction, compounded by the cancellations of Atty. Raquiza's annotations of the notice of *lis pendens* and adverse claim, led to several intervening transfers of the properties covered by TCT Nos. 190713 (S-65161) and 190714 (S-65162), until their eventual transfer to ALI as covered under TCT Nos. T-41262, T-41263, and T-106234. More importantly, ALI was never a party to Civil Case Nos. 2608 and 4622, and only learned of the same when Malvar filed his Manifestation with Omnibus Motion dated October 18, 2016.

Surely, no person shall be affected by any proceeding to which he or she is a stranger, and strangers to a case are not bound by judgment rendered by the court.⁷⁰ On the cancelled annotations, in a recent case,⁷¹ the Court found the vendees to be innocent purchasers for value considering that at the time of transfer, the title bore no annotations that could have alerted them of any other claims over the property.⁷²

Thus, as the CA correctly found in its Decision dated March 8, 2018, ALI acquired the subject properties in good faith. A purchaser in good faith is one who buys property without notice that some other person has a right to or interest in such property and pays its fair price before he or she has notice of the adverse claims and interest of another person in the same property.⁷³

On these counts, the CA's Decision dated March 8, 2018 and Resolution dated March 18, 2019 must be sustained.

While injunctive relief would have protected ALI's interests, the CA's denial thereof does not amount to a grave abuse of discretion

Pending, and even after the resolution of its petition for *certiorari* in CA-G.R. SP No. 151175, ALI vigilantly alerted the CA of Malvar's and Judge Pacheco's actions to execute the CA Decision dated January 17, 1980. All these pleas went unheeded, allowing Malvar to dispense with ALI's surrender of its titles; the approval of Malvar's proposed subdivision and segregation plans; and the RD of Las Piñas' cancellation of ALI's titles and replacement thereof with TCT Nos. 2018001112, 2018001113, and 2018001114.

By then, the CA could only rule that injunction would no longer be appropriate given the foregoing supervening events, and that the proper

⁷⁰ *Matuguina Integrated Wood Products, Inc. v. Court of Appeals*, 331 Phil. 795, 810 (1996).

⁷¹ *Sebastian v. Asis*, G.R. No. 248689 (Notice), September 29, 2021.

⁷² *Id.*

⁷³ *Sigaya v. Mayuga*, 504 Phil. 600, 613 (2005).

recourse, pursuant to Rule 39, Section 5⁷⁴ of the Rules of Court, lay with the RTC.

Injunctive relief from the CA would surely have prevented the cancellation of ALI's titles. Notwithstanding Rule 39, Section 5 of the Rules of Court, Judge Pacheco provided no relief to, and consistently ruled against, ALI, emboldening Malvar's further actions and prompting the RD of Las Piñas to cancel ALI's titles.

Still the Court is unable to rule that the CA abused its discretion in denying ALI injunctive relief, such as to warrant the nullity of its assailed orders. The CA's non-intervention does not amount to a capricious and whimsical exercise of judgment in an arbitrary and despotic manner so as to be a patent and gross evasion of positive duty.⁷⁵ To begin with, the grant or denial of injunction lies within the court's sound discretion.⁷⁶ The Court extends the CA the benefit of doubt that it did not expect Malvar, the RTC, nor the RD of Las Piñas to act with such dispatch, and that ALI still had recourse before the RTC itself.

In these respects, the Court cannot nullify the CA's Resolutions dated June 25, 2018 and March 18, 2019.

The RTC's Orders that facilitated the execution against ALI's titles must be nullified

Nevertheless, the Court rules that Judge Pacheco's orders, which facilitated the execution against and eventual cancellation of ALI's titles, must be nullified. Pursuant to the doctrine of judicial courtesy, Judge Pacheco should have refrained from issuing orders executing the CA's Decision dated January 17, 1980, despite the absence of any injunctive orders pending the resolution of CA-G.R. SP No. 151175.

As a general rule, in the absence of any injunction from an appellate tribunal, the trial court may continue with the pertinent proceedings.⁷⁷

⁷⁴ Section 5. *Effect of reversal of executed judgment.* — Where the executed judgment is reversed totally or partially, or annulled, on appeal or otherwise, the trial court may, on motion, issue such orders of restitution or reparation of damages as equity and justice may warrant under the circumstances.

⁷⁵ *Lee v. Sandiganbayan, First Division*, G.R. Nos. 234664-67, January 12, 2021.

⁷⁶ *Evy Construction and Development Corp. v. Valiant Roll Forming Sales Corp.*, 820 Phil. 123, 141(2017), citing *Cortez-Estrada v. Heirs of Samut*, 491 Phil. 458 (2005).

⁷⁷ Rules of Court, Rule 65, Section 7: "Section 7. *Expediting proceedings; injunctive relief.* — The court in which the petition is filed may issue orders expediting the proceedings, and it may also grant a temporary restraining order or a writ of preliminary injunction for the preservation of the rights of the parties pending such proceedings. The petition shall not interrupt the course of the principal case unless a temporary restraining order or a writ of preliminary injunction has been issued against the public respondent from further proceeding in the case." (Underscoring supplied)

Nevertheless, in exceptional circumstances, judicial courtesy warrants that, despite the absence of injunctive orders, it would be proper for a lower court or court of origin to suspend its proceedings.⁷⁸ Such exception obtains when “there is a strong probability that the issues before the higher court would be rendered moot and moribund as a result of the continuation of the proceedings in the lower court.”⁷⁹

The Court finds such exceptional circumstances present in this case. CA-G.R. SP No. 151175 concerned the propriety of Judge Pacheco’s Orders dated February 14, 2017 and May 22, 2017, through which the trial court directed ALI to surrender its titles for segregation, cancellation, and replacement, in order to enforce Malvar’s claims. Despite the pendency thereof, Judge Pacheco still issued: an Order dated July 6, 2017, granting Malvar’s Motion to Implement; an Order dated September 7, 2017, ordering the RD of Las Piñas to dispense with ALI’s surrender of titles, and proceed with the cancellation thereof and issuance of new titles; and a Resolution dated February 19, 2019, approving Malvar’s consolidation and segregation plans, as well as technical descriptions, to reflect his *pro indiviso* share over the subject properties.

In other words, Judge Pacheco’s issuances tended to, and had in fact, mooted the CA proceedings. Most appallingly, the Judge’s Resolution dated February 19, 2019 came even after the CA, in its Decision dated March 8, 2018, had already ruled that Malvar’s enforcement of his interests was already barred by laches. While the Decision dated March 8, 2018 had yet to attain finality, and came with no injunctive relief, this should have at least alerted Judge Pacheco that his actions could contradict the eventual disposition of the case. Even if unrestrained by injunction, Judge Pacheco acted improvidently amid the CA proceedings; he should have at least exercised caution instead of adamantly refusing ALI’s pleas and enabling Malvar’s execution against the subject properties.

More consequentially, the Court has, in several instances, allowed the nullification of conflicting actions issued at a time when judicial courtesy should have been observed.

In *Sara Lee Philippines, Inc. et al. v. Macatlang*,⁸⁰ the decision of the Labor Arbiter was appealed to the National Labor Relations Commission (NLRC), which ordered the appellant to post bond. As the appellees perceived the appeal bond to be grossly inadequate, they questioned the same before the CA via a petition for *certiorari*. Despite the pendency of the CA proceedings, the NLRC proceeded to entertain the appeal and dispose of the case on the

⁷⁸ *Rep. of the Phils. v. Sandiganbayan (First Div.)*, 525 Phil. 804, 809 (2006).

⁷⁹ *Trajano v. Uniwide Sales Warehouse Club*, 736 Phil. 264, 278 (2014), citing *Go v. Abrogar*, 446 Phil. 228-229, 238 (2003) and *Rep. of the Phils. v. Sandiganbayan (First Div.)*, *supra*, at 810 (2006).

⁸⁰ 735 Phil. 71 (2014) (Decision).

merits. The Court nullified the NLRC's decision on the merits, explaining that:

Prudence however dictates that the NLRC should not have decided the case on its merits during the pendency of the instant petition. The very issue raised in the petitions determines whether or not the appeal by the Corporations has been perfected. Until its resolution, the NLRC should have held in abeyance the resolution of the case to prevent the case from being mooted. The NLRC decision was issued prematurely.⁸¹

In resolving the motion for reconsideration filed by Sara Lee, the Court further enunciated that pursuant to judicial courtesy and despite the absence of injunction from the CA, the NLRC should not have decided the case on the merits, especially since the CA proceedings concerned the propriety of the bond, a matter determinative of whether the appeal could be entertained in the first place.⁸² Thus:

x x x Judicial courtesy indeed applies if there is a strong probability that the issues before the higher court would be rendered moot as a result of the continuation of the proceedings in the lower court. This is the exception contemplated in the aforesaid ruling and it obtains in this case. The 19 December 2006 ruling of the NLRC would moot the appeal filed before the higher courts because the issue involves the appeal bond which is an indispensable requirement to the perfection of the appeal before the NLRC. Unless this issue is resolved, the NLRC should be precluded from ruling on the merits on the case. This is the essence of judicial courtesy.⁸³

Again, in *Calayag v. Sulpicio Lines, Inc.*,⁸⁴ the Court nullified a decision rendered by a judge, pending a petition for his recusal before the CA. Invoking judicial courtesy,⁸⁵ the Court ruled that "the May 11, 2016 Order of Judge Villanueva granting petitioners' motion of execution pending appeal should be annulled. To let it be is to sanction and reward disrespect of a higher tribunal."⁸⁶

⁸¹ *Id.* at 107.

⁸² *Sara Lee Philippines, Inc. et al. v. Macatlung*, 750 Phil. 646 (2015) (Resolution).

⁸³ *Id.* at 654-655.

⁸⁴ 795 Phil. 418 (2016).

⁸⁵ "On this score, it bears mentioning that although judicial courtesy is indeed not mandatory, under such circumstances, Judge Villanueva should have been more circumspect in the exercise of his discretion and recused himself from further presiding over the said civil cases to remove any doubt on his neutrality. x

x x

x x x x

Thus, while petitioners were correct in asserting that Judge Villanueva had yet to receive the CA decision ordering his inhibition when he handed down his decision on the civil cases, he should not have entertained the subsequent motion for execution pending appeal and recused himself from the case as he already received the September 21, 2015 CA Decision and December 18, 2015 Resolution ordering his inhibition. It bears to reiterate that the Executive Judge even directed him to turn over the entire records of the case to the Clerk of Court of Manila. Despite this, he acted on the motion for execution pending appeal." *Id.* at 441.

⁸⁶ *Id.* at 442.

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As with the foregoing cases, Judge Pacheco should not have issued those orders which tended to execute Malvar's claims over the subject properties, especially as CA-G.R. SP No. 151175 concerned the propriety of the enforcement of Malvar's interests. Following the above cases, these orders (specifically the Orders dated July 6, 2017 and September 7, 2017, and Resolution dated February 19, 2019) must be nullified.

Having no basis, the RD of Las Piñas' actions must consequently be nullified,⁸⁷ and ALI's titles should be reinstated. It was the RTC's orders which enabled the RD of Las Piñas to cancel ALI's titles and replace them with TCT Nos. 2018001112, 2018001113, and 2018001114, reflecting a *pro indiviso* sharing between ALI and Malvar. Again, despite the absence of injunctive relief, the RTC should not have issued such orders of execution, thereby prompting the RD of Las Piñas to act accordingly. As such, it is only just that such actions be set aside and ALI's titles reinstated.

Apart from the fact that the CA never got to pass upon these intervening matters, the foregoing reliefs are all the more sanctioned considering that, under Rule 65, Section 7 of the Rules of Court, *certiorari* proceedings justify the grant of "such incidental reliefs as law and justice may require."⁸⁸ Indeed, a general prayer for "other reliefs just and equitable" (such as was prayed for in ALI's instant petition for *certiorari*) enables the court to award reliefs supported by the complaint or other pleadings, by the facts admitted at the trial, and by the evidence adduced by the parties, even if these reliefs are not specifically prayed for in the complaint.⁸⁹ As ALI essentially demands the protection of its rights, Judge Pacheco's orders of execution, and the RD of Las Piñas' cancellation of ALI's titles, must be countermanded, and further actions tending to implement Malvar's claims enjoined.

FOR THESE REASONS, Potenciano R. Malvar's Petition for Review on *Certiorari* in G.R. No. 246025 is **DENIED**, and Ayala Land, Inc.'s Petition

⁸⁷ See *Republic v. Atlas Farms, Inc.*, 398 Phil. 1135, 1140 (2000): "Consequently, the order declaring the application for registration of title withdrawn could no longer be revoked and the decision reinstated. In fact, the decision has become stale and any action to enforce or revive it has prescribed. A stale decision can not be the source of the issuance of a decree of registration. Thus, the orders dated August 20 and 26, 1999, reinstating the decision are void and considered non-existent. A void order cannot give life to a decision that has lost its efficacy. It cannot affect, impair or create rights. A void order may be assailed or impugned at any time either directly or collaterally, by means of a petition filed in the same case or by means of a separate action, or by resisting such order in any action or proceeding where it is invoked." (Citations omitted)

⁸⁸ *Office of the Ombudsman v. Capulong*, 729 Phil. 553, 554 (2014): "x x x The aggrieved party may then seek redress from the courts through a petition for certiorari under Section 1, Rule 65 of the 1997 Rules of Court. **While it is true that the primary relief prayed for by Capulong in his petition has already been voluntarily corrected by the Ombudsman by the issuance of the order lifting his preventive suspension, we must not lose sight of the fact that Capulong likewise prayed for other remedies. There being a finding of grave abuse of discretion on the part of the Ombudsman, it was certainly imperative for the CA to grant incidental reliefs,** as sanctioned by Section 1 of Rule 65." (Citation omitted; emphasis and underscoring supplied)

⁸⁹ *Ilusorio v. Ilusorio*, 829 Phil. 492, 499 (2018), citing *Philippine Charter Insurance Corp. v. PNCC*, 617 Phil. 940, 951-952 (2009). See also *Sps. Gutierrez v. Sps. Valiente, et al.*, 579 Phil. 486, 500 (2008) and *Philippine Airlines, Inc. v. PAL Employees Savings & Loan Association, Inc.*, 780 Phil. 795, 813 (2016).

Malvar

for *Certiorari* in G.R. No. 246945 is **PARTIALLY GRANTED**. Accordingly, this Court:

1. **NULLIFIES** the Order dated July 6, 2017, Order dated September 7, 2017, and Resolution dated February 19, 2019, issued by Judge Acerey C. Pacheco, Presiding Judge, Regional Trial Court, Branch 165 of Marikina, in Civil Case Nos. 2608 and 4622;
2. **SETS ASIDE** the Register of Deeds of Las Piñas' cancellation of ALI's Transfer Certificate of Title Nos. T-41262, T-41263, and T-106234, and replacement thereof with TCT Nos. 2018001112, 2018001113, and 2018001114;
3. **DIRECTS** the Register of Deeds of Las Piñas to completely reinstate the titles under the exclusive ownership of ALI; and,
4. **ENJOINS** Potenciano R. Malvar, the Regional Trial Court of Marikina, Branch 165, the Register of Deeds of Las Piñas, and any of their agents, assigns, or persons acting under their control or command, from further enforcing Potenciano R. Malvar's claims as derived from Civil Case Nos. 2608 and 4622.

The Court of Appeals is **DROPPED** as party-respondent pursuant to Section 4, Rule 45 of the Rules of Court.

SO ORDERED." (*Kho, Jr., J.*, on leave)

By authority of the Court:

TERESITA AQUINO TUAZON
Division Clerk of Court

By:



MA. CONSOLACION GAMINDE-CRUZADA
Deputy Division Clerk of Court ^{11/25}
25 JAN 2023

- more -

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HON. PRESIDING JUDGE (reg)
Regional Trial Court, Branch 165
Marikina City
(Civil Case Nos. 2608 and 4622)

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