

THIRD DIVISION

[G.R. No. 190834, November 26, 2014]

**ARIEL T. LIM, PETITIONER, VS. PEOPLE OF THE PHILIPPINES,
RESPONDENT.**

D E C I S I O N

PERALTA, J.:

This is to resolve the petition for review on *certiorari* seeking the reversal of the Decision^[1] of the Court of Appeals (CA) promulgated on June 30, 2009, and its Resolution^[2] dated January 4, 2010. The CA affirmed the judgment of the Regional Trial Court of Manila (RTC), convicting petitioner of one (1) count of violation of Batas Pambansa (B.P.) Bilang 22 in Criminal Case No. 07-249932.

Records reveal that petitioner issued Bank of Commerce Check Nos. 0013813 and 0013814, dated June 30, 1998 and July 15, 1998, respectively, payable to CASH, in the amount of One Hundred Thousand Pesos (P100,000.00) for each check. He gave the checks to Mr. Willie Castor (*Castor*) as his campaign donation to the latter's candidacy in the elections of 1998. It was Castor who ordered the delivery of printing materials and used petitioner's checks to pay for the same. Claiming that the printing materials were delivered too late, Castor instructed petitioner to issue a "Stop Payment" order for the two checks. Thus, the checks were dishonored by the bank because of said order and during trial, when the bank officer was presented on the witness stand, he admitted that said checks were drawn against insufficient funds (DAIF). Private complainant Magna B. Badiie sent two demand letters to petitioner, dated May 20, 1998 and July 23, 1998 and, subsequently, private complainant filed a complaint against petitioner before the Office of the Prosecutor. After the lapse of more than one month from receipt of the demand letters, and after receiving the *subpoena* from the Office of the Prosecutor, petitioner issued a replacement check dated September 8, 1998 in the amount of Two Hundred Thousand Pesos (P200,000.00). Private complainant Magna B. Badiie was able to encash said replacement check.

Nevertheless, on March 19, 1999, or six (6) months after petitioner had paid the amount of the bounced checks, two Informations were filed against him before the Metropolitan Trial Court of Manila (MeTC), to wit:

CRIMINAL CASE No. 327138-CR

INFORMATION

The undersigned accuses ARIEL LIM of violation of B.P. Big. 22 committed as follows:

That sometime in the month of April, 1998 in the City of Manila, Philippines, the said accused did then and there willfully, unlawfully and feloniously make or draw and issue to MAGNA B. BADIEE to apply on account or for value BANK OF COMMERCE CHECK No. 0013814 dated July 15, 1998, payable to Cash in the amount of PI 00,000.00 said accused knowing fully well that at the time of issue he did not have sufficient funds in or credit with the drawee bank for payment of such check in full upon its presentment, which check when presented for payment within ninety (90) days from the date thereof, was subsequently dishonored by the drawee bank for the reason "PAYMENT STOPPED," but the same would have been dishonored for insufficient funds had not the accused, without any valid reason, ordered the bank to stop payment, the said accused, despite receipt of notice of such dishonor failed to pay said Magna B. Badiee the amount of the said check or to make arrangement for payment in full of the same within five (5) banking days after receiving said notice.

CONTRARY TO LAW.^[3]

CRIMINAL CASE No. 327139 - CR

INFORMATION

The undersigned accuses ARIEL LIM of violation of B.R Big. 22 committed as follows:

That sometime in the month of April, 1998 in the City of Manila, Philippines, the said accused did then and there willfully, unlawfully and feloniously make or draw and issue to MAGNA B. BADIEE to apply on account or for value BANK OF COMMERCE CHECK No. 0013813 dated June 30, 1998 payable to Cash in the amount of PI 00,000.00 said accused knowing fully well that at the time of issue he did not have sufficient funds in or credit with the drawee bank for payment of such check in full upon its presentment, which check when presented for payment within ninety (90) days from the date thereof, was subsequently dishonored by the drawee bank for the reason "PAYMENT STOPPED," but the same would have been dishonored for insufficient funds had not the accused, without any valid reason, ordered the bank to stop payment, the said accused, despite receipt of notice of such dishonor failed to pay said Magna B. Badiee the amount of the said check or to make arrangement for payment in full of the same within five (5) banking days after receiving said notice.

CONTRARY TO LAW.^[4]

On September 12, 2006, the MeTC promulgated its Decision finding petitioner guilty of two (2) counts of violation of B.P. Big. 22. Petitioner appealed to the Regional Trial Court of Manila (RTC), and on July 20, 2007, the RTC issued a Decision, the dispositive portion of which reads as follows:

WHEREFORE, this court therefore modifies the lower court decision with respect to criminal case no. 327138 (07-249931), because the lower court of Manila has no jurisdiction to try and decide cases where the essential ingredients of the crime charged happened in Quezon City. The decision of the lower court with respect to criminal case no. 327138 (07-249931) is ordered vacated and set aside for lack of jurisdiction.

The lower court findings that accused is found guilty beyond reasonable doubt for Violation of BP 22 with respect to criminal case no. 07-24992 is affirmed and is ordered to pay a fine of P100,000.00 plus costs. No findings as to civil liability because the court agrees with the lower court that the check was paid, is affirmed and there is no cogent reason to disturb the same. In case of failure to pay fine, the accused shall undergo subsidiary imprisonment of not more than six (6) months.

SO ORDERED.^[5]

A petition for review was then filed with the Court of Appeals, and on June 30, 2009, the CA promulgated its Decision affirming *in toto* the RTC judgment. Petitioner's motion for reconsideration thereof was denied *per* Resolution dated January 4, 2010.

Thus, the present petition wherein petitioner posits that jurisprudence dictates the dismissal of the criminal case against him on the ground that he has fully paid the amount of the dishonored checks even before the Informations against him were filed in court. Petitioner mainly relies on *Griffith v. Court of Appeals*.^[6] The Office of the Solicitor General (OSG) likewise recommends the acquittal of petitioner, opining that *Griffith*^[7] is applicable to the present case.

The Court finds the petition meritorious.

In *Griffith*, the Court acquitted the accused therein due to the fact that two years before the filing of the Information for violation of B.P. No. 22, the accused had, in effect, paid the complainant an amount greater than the value of the bounced checks. The CA held that the factual circumstances in *Griffith* are dissimilar from those in the present case. The Court disagrees with such conclusion.

The CA found *Griffith* inapplicable to the present case, because the checks subject of this case are personal checks, while the check involved in *Griffith* was a corporate check and, hence, some confusion or miscommunication could easily occur between the signatories of the check and the corporate treasurer. Although the factual circumstances in the present case are not exactly the same as those in *Griffith*, it should be noted that the same kind of confusion giving rise to petitioner's mistake very well existed in the present case. Here, the check was issued by petitioner merely as a campaign contribution to Castor's candidacy. As found by the trial court, it was Castor who instructed petitioner to issue a "Stop Payment" order for the two checks because the campaign materials, for which the checks were used as payment, were not delivered on time. Petitioner relied on Castor's word and complied with his instructions, as it was Castor who was supposed to take delivery of said materials. Verily, it is easy to see how petitioner made the mistake of readily

complying with the instruction to stop payment since he believed Castor's word that there is no longer any valid reason to pay complainant as delivery was not made as agreed upon. Nevertheless, two months after receiving the demand letter from private complainant and just several days after receiving the *subpoena* from the Office of the Prosecutor, accused issued a replacement check which was successfully encashed by private complainant.

The CA also took it against petitioner that he paid the amount of the checks only after receiving the *subpoena* from the Office of the Prosecutor, which supposedly shows that petitioner was motivated to pay not because he wanted to settle his obligation but because he wanted to avoid prosecution. This reasoning is tenuous, because in *Griffith*, the accused therein did not even voluntarily pay the value of the dishonored checks; rather, the complainant was paid from the proceeds of the invalid foreclosure of the accused's property. In said case, the Court did not differentiate as to whether payment was made before or after the complaint had been filed with the Office of the Prosecutor. It only mattered that the amount stated in the dishonored check had actually been paid before the Information against the accused was filed in court. In this case, petitioner even voluntarily paid value of the bounced checks. The Court, therefore, sees no justification for differentiating this case from that of *Griffith*. Records show that both in *Griffith* and in this case, petitioner had paid the amount of the dishonored checks before the filing of the Informations in court. Verily, there is no reason why the same liberality granted to the accused in *Griffith* should not likewise be extended to herein petitioner. The precept enunciated in *Griffith* is herein reiterated, to wit:

While we agree with the private respondent that the gravamen of violation of B.P. 22 is the issuance of worthless checks that are dishonored upon their presentment for payment, **we should not apply penal laws mechanically.** We must find if the application of the law is consistent with the purpose of and reason for the law. *Ratione cessat lex, ei cessat lex.* (When the reason for the law ceases, the law ceases.) **It is not the letter alone but the spirit of the law also that gives it life. This is especially so in this case where a debtor's criminalization would not serve the ends of justice but in fact subvert it.** The creditor having collected already more than a sufficient amount to cover the value of the checks for payment of rentals, *via* auction sale, we find that holding the debtor's president to answer for a criminal offense under B.P. 22 two years after said collection is no longer tenable nor justified by law or equitable considerations.

In sum, **considering that the money value of the two checks issued by petitioner has already been effectively paid two years before the informations against him were filed, we find merit in this petition. We hold that petitioner herein could not be validly and justly convicted or sentenced for violation of B.P. 22.** x x x^[8]
(Emphasis supplied)

In the more recent case of *Tan v. Philippine Commercial International Bank*,^[9] the foregoing principle articulated in *Griffith* was the precedent cited to justify the acquittal of the accused in said case. Therein, the Court enumerated the elements