

Title: Worldwide Web Corporation and Cherryll L. Yu v. People of the Philippines and Philippine Long Distance Telephone Company (PLDT)

Facts:

Worldwide Web Corporation (WWC) and Cherryll L. Yu, along with Planet Internet Corp., who are internet service providers, were accused of conducting illegal toll bypass operations, causing damage and prejudice to the Philippine Long Distance Telephone Company (PLDT). The alleged illegal toll bypass enabled customers to make international long distance calls by using PLDT's telephone lines but bypassing its International Gateway Facility (IGF), resulting in a loss of revenue for PLDT.

PLDT alleged that certain telephone numbers, including one registered to WWC, were used to offer an internet-based international call service called GlobalTalk, which appeared to bypass PLDT's IGF during a test call. Consequently, PLDT calculated that its revenue loss amounted to P764,718.09 per month due to the toll bypass operation.

The trial court issued search warrants permitting the seizure of computer equipment and other materials allegedly used in this illegal operation. Upon implementation, a number of items were confiscated by the authorities, including computers and communication equipment. Petitioners filed motions to quash the search warrants, arguing the absence of theft (as toll bypass was not a crime), the general nature of the warrants, and the seizure of items as "fruits of the poisonous tree."

The Regional Trial Court (RTC) ultimately decided in favor of the petitioners by quashing the search warrants, considering them general in nature. PLDT filed for reconsideration, but it was denied due to procedural mishaps. PLDT then appealed to the Court of Appeals (CA), arguing against the quashal. The CA reversed the trial court's decision, asserting the validity of search warrants, leading to the petitioners' escalation to the Supreme Court (SC) under Rule 45 of the Rules of Court.

Issues:

1. Did the CA err in giving due course to PLDT's appeal despite procedural concerns such as the absence of the public prosecutor's conformity and using an appeal instead of a petition for certiorari?
2. Were the assailed search warrants issued upon probable cause, and did the actions of the petitioners constitute theft?
3. Did the CA seriously err in considering that the assailed search warrants were not

general in nature?

Court's Decision:

1. The Court ruled that appealing the RTC's resolution on the search warrants did not require the public prosecutor's conformity as the circumstances of the case did not categorize it as a criminal action. The RTC's quashal was final and not interlocutory, thus appropriate for an appeal.
2. The SC upheld that international long-distance calls and the theft of telecom services and business are personal properties within the definition of the law that can be stolen. Thus, there was a substantial basis for finding probable cause for theft and violations of Presidential Decree No. 401.
3. The SC determined that the search warrants were not general in nature as they were as specific as the circumstances allowed. The items seized bore a direct relationship to the offense, making the search warrants valid.

Doctrine:

Search warrants particularly describing places to be searched and items to be seized are valid and need not be overly specific when the nature of the items in question – in this case, technical equipment used in telecommunications – makes precision challenging. The warrants in question met the constitutional requirements for the particularity of items due to their relation to the alleged offense.

Class Notes:

- Criminal actions require the direction and control of the prosecutor when started by complaint or informational; however, a search warrant application is not considered a criminal action.
- The Constitutional requirement forbids general warrants, demanding a specific description of objects and places to be searched.
- Probable cause in a search warrant application should be determined personally by a judge based on evidence leading a reasonable person to believe an offense has been committed, and the items related to the offense are located at the place to be searched.
- Theft can cover intangible assets, such as services, if the perpetrators use another's services without consent for personal gain.

Historical Background:

This case took place amidst a rapidly evolving technological and telecommunications landscape in the Philippines. The dispute revolved around the legality of innovative

telecommunications services that potentially bypassed traditional telephone networks, allegedly causing revenue loss to established telecom operators and sparking legal battles over the application of existing laws to new technology-based scenarios.