

Title: Pilipinas Shell Petroleum Corporation vs. Carlos & Teresa Duque

Facts:

This case originated from a Batas Pambansa Blg. 22 (BP 22) violation involving a dishonored check issued by Fitness Consultants Inc. (FCI), represented by respondents Carlos and Teresa Duque, to Pilipinas Shell Petroleum Corporation (PSPC) to cover rental obligations.

1. **\*\*Initiation of Case\*\***: PSPC subleased a portion of its property to The Fitness Center (TFC), which later assigned its rights and obligations to FCI. FCI issued a check that was dishonored due to "ACCOUNT CLOSED". PSPC subsequently filed a criminal complaint against the Duques for violating BP 22.
2. **\*\*Metropolitan Trial Court (MeTC) Ruling\*\***: On May 17, 2010, the MeTC found the Duques guilty, imposing a fine and ordering civil indemnity.
3. **\*\*Regional Trial Court (RTC) Appeal\*\***: The Duques appealed, leading to their acquittal by the RTC due to the prosecution's failure to prove the elements of BP 22 violation, but maintained the civil indemnity.
4. **\*\*Motion for Partial Reconsideration\*\***: The Duques argued against the civil liability aspect, leading to the RTC's overturn of the civil indemnity based on their acquittal and separation of corporate liabilities.
5. **\*\*PSPC's Reconsideration and Return to RTC\*\***: PSPC's motion for reconsideration resulted in the RTC reinstating the civil liabilities based on a non-absolute acquittal.
6. **\*\*Court of Appeals (CA) Ruling\*\***: The Duques petitioned the CA, resulting in the reversal of the RTC's decision, absolving them from civil liabilities based on their acquittal and established jurisprudence.
7. **\*\*Supreme Court (SC) Review\*\***: PSPC's petition for review on certiorari based on the CA's alleged errors, leading to the SC's analysis and final decision.

Issues:

1. Whether respondents, as corporate officers, may be held civilly liable despite their acquittal from the charge of violating BP 22.
2. Does acquittal from a criminal charge of BP 22 absolve the accused from civil liability arising from the bounced checks?
3. Impact of corporate officer status on civil liability for corporate debts represented by

dishonored checks.

**Court's Decision:**

The Supreme Court denied the PSPC's petition, affirming the CA's decision that acquitted respondents cannot be held civilly liable for the dishonored check based on BP 22 guidelines and relevant jurisprudence (*Gosiaco v. Ching*). The court emphasized that civil liability in BP 22 cases attaches only upon conviction, which did not occur here. Additionally, the court highlighted the principle of separate corporate personality, noting no personal or secondary liability should be attributed to the Duques without evidence of using the corporation for fraudulent purposes.

**Doctrine:**

The Supreme Court reiterated that in BP 22 cases, the civil liability for issuing a bounced check is extinguished along with the criminal liability upon the accused's acquittal, reinforcing the separation of corporate and individual liabilities unless proven used for fraud.

**Class Notes:**

- BP 22 cases involve both criminal and civil liabilities for issuing bouncing checks, but civil liability is contingent upon criminal conviction.
- Corporate officers are generally not personally liable for corporate obligations unless the corporate veil is used for fraud.
- Acquittal in criminal proceedings negates associated civil liabilities under BP 22, aligning with the principle of separate legal personalities in corporate law.

**Historical Context:**

The legal principles surrounding BP 22 and corporate liabilities are rooted in balancing the need to maintain the integrity of commercial transactions and honoring the separate legal entity of corporations. This case underscores the judiciary's cautious approach in piercing the corporate veil and imposing personal liabilities on corporate officers, highlighting jurisprudential safeguards against unjustly conflating corporate with personal liabilities.