

### Title: People of the Philippines vs. Fernando Cañales y Carlan

### Facts:

Four employees of First Base Industries Corp., namely Fernando Cañales, Romeo Sarmiento, Jr., Joven Lim, and Peter Doe alias “Lolong,” were charged with qualified theft for stealing a truck and 700 cartons of Frozen Prawn worth P1.8 million. All accused pleaded not guilty. During the trial, Sarmiento jumped bail. The Regional Trial Court (RTC) of Caloocan City, presided over by Judge B.A. Adefuin-dela Cruz, convicted Cañales and Sarmiento but acquitted Lim.

Cañales appealed to the Court of Appeals, which upheld the conviction and sentenced him to reclusion perpetua for forty years with accessory penalties of death under Article 40 of the Revised Penal Code. Given the penalty, the case was certified to the Supreme Court for final disposition.

The prosecution presented evidence showing that on the night of the theft, the accused, under a scheme of deception involving their roles as employees with legitimate access to the premises, facilitated the theft and attempted to sell the stolen goods. In contrast, Cañales’s defense rested on alibi and denial, claiming he was at the residence of his employer, Atty. Agapito Oquindo, during the crime.

### Issues:

1. Whether the value of the stolen goods correctly justified the raised penalty to reclusion perpetua under qualified theft.
2. Whether inconsistencies in witness testimony affected the overall credibility of the prosecution’s case.
3. The legal correctness of the penalty imposed for qualified theft under the circumstances of the case, considering the value of the stolen property.

### Court’s Decision:

The Supreme Court affirmed the decision of the Court of Appeals. The Court meticulously reviewed the testimonial and documentary evidence presented at trial, dismissing the significance of inconsistencies in witness statements as minor and not impacting the credibility of witnesses significantly. The Court also discussed the legal rationale for the imposition of reclusion perpetua for forty years with the accessory penalties of death under Article 40 of the Revised Penal Code for the crime of qualified theft, agreeing with the appellate court’s interpretation and application of relevant penal code provisions.

### Doctrine:

This case reaffirms the principle that in cases of qualified theft, the penalty is determined not only by the act but also by the value of the property stolen. Additionally, it demonstrates the application of penalties “next higher by two degrees” as prescribed by the Revised Penal Code for cases of qualified theft exceeding certain monetary thresholds. The case also touches on the principles surrounding witness credibility, especially regarding minor inconsistencies in testimonies.

### Class Notes:

- Qualified Theft: Punishable under Article 310 in relation to Articles 308 and 309 of the Revised Penal Code, considering the value of the property stolen and the abuse of trust.
- Testimonial Evidence: Minor inconsistencies in witness testimonies do not necessarily detract from their overall credibility and sufficiency to establish guilt.
- Penalty Application: For theft of property exceeding P22,000, the penalty is proportionately increased, with the maximum penalty not to exceed 20 years. However, when qualified theft is committed, the penalties are next higher by two degrees, leading, under certain conditions, to reclusion perpetua for forty years with the accessory penalties of death under Article 40.

### Historical Background:

This case provides insight into the application of Philippine laws concerning theft, particularly how the legal system approaches cases involving employee theft against their employers. The designation of higher penalties for qualified theft serves as a deterrent against the abuse of trust by employees. It also reflects the evolving understanding and interpretation of the Revised Penal Code provisions on the imposition of penalties, especially in cases involving significant property values.