

Title: Socorro F. Ongkingco & Marie Paz B. Ongkingco vs. Kazuhiro Sugiyama and People of the Philippines

Facts:

Socorro F. Ongkingco and Marie Paz B. Ongkingco were convicted by the Metropolitan Trial Court (MeTC) for issuing four dishonored checks in violation of Batas Pambansa Blg. 22 (B.P. 22). These checks were issued under a “Contract Agreement” where New Rhia Car Services, Inc., with Socorro as the President and Chairperson and Marie Paz as a Board Director, would pay monthly dividends to Kazuhiro Sugiyama for his P2,200,000.00 investment. Despite the issuance of six checks, only the first three were honored, while the remaining ones bounced due to insufficient funds. Additionally, Socorro obtained a personal loan from Sugiyama, issuing another check as a guarantee, which also bounced. A demand letter sent to Socorro remained unresponded, leading to the filing of a complaint. The MeTC found them guilty, a decision affirmed by both the Regional Trial Court (RTC) and the Court of Appeals (CA).

Issues:

1. Whether the prosecution proved beyond reasonable doubt that Socorro received the notice of dishonor.
2. Whether the prosecution proved Marie Paz is a signatory to the checks involved in the case.
3. Whether the “Addendum to Contract Agreement” executed by the parties obliterated the obligation arising from the dishonored checks.
4. Whether the four Informations filed before the MeTC, Makati City, without bearing the approval of the city prosecutor, are valid.

Court’s Decision:

The Supreme Court partly granted the petition. It affirmed the conviction of Socorro F. Ongkingco for the violation of B.P. 22 but acquitted Marie Paz B. Ongkingco due to a lack of evidence proving she received a notice of dishonor. The Court declared that the Informations’ lack of a city prosecutor’s approval was a waivable defect that the petitioners, barred by estoppel by laches, couldn’t raise at the Supreme Court level.

Doctrine:

The Court, in interpreting B.P. 22, maintained that the issuance of a worthless check is *malum prohibitum*, punishable by law without consideration of the checks’ purpose or the circumstances around their issuance. It highlighted the necessity of proving actual

knowledge of insufficiency of funds or credit and established laches as a barrier to raising procedural issues for the first time in a petition for review on certiorari.

Class Notes:

1. Essential Elements for Violation of B.P. 22: (a) Making, drawing, and issuance of any check to apply to account or for value; (b) Knowledge at the time of issuance of insufficient funds; (c) Subsequent dishonor of the check for insufficiency of funds.
2. Doctrine of Estoppel by Laches: Delay in raising an issue or defense can bar a party from asserting such at a later time if it's unjust to another party, applied in the context of waivable defects in criminal informations.
3. Liability for Bounced Checks: A corporate officer can be personally liable for issuing worthless checks in the corporation's name but is only subject to criminal penalties upon conviction under B.P. 22.

Historical Background:

This case underscores the Philippine legal system's strict stance against issuing worthless checks, as epitomized by B.P. 22. It illustrates the judiciary's effort to balance the interests of business transactions' credibility and fairness in procedural concerns, emphasizing both the responsibility of signatories in issuing checks and the critical importance of procedural diligence at all litigation stages.