

****Title:**** Victoria R. Vallarta vs. The Honorable Court of Appeals and The Honorable Judge Francisco Llamas (234 Phil. 334)

****Facts:**** This case involves Victoria Vallarta, who was convicted of estafa by the Trial Court, a decision later affirmed by the Court of Appeals. The genesis of the case was a transaction between Vallarta and Rosalinda Cruz, friends and business acquaintances. On November 20, 1968, Cruz gave Vallarta seven pieces of jewelry either for Vallarta to buy or to choose from, without a fixed agreement on the purchase at that time. In December 1968, Vallarta decided to purchase some items, exchanged one item for another, and issued a post-dated check of P5,000, which was later dishonored due to Vallarta's closed bank account. Despite promises to issue another check and requests for more time, Vallarta eventually began avoiding Cruz, leading to the criminal action for estafa.

****Procedural Posture:**** After being convicted in the Trial Court, Vallarta appealed to the Court of Appeals, which affirmed the conviction. Vallarta's initial petition for review was denied by the Supreme Court; however, upon motion for reconsideration, the Court decided to give the petition due course.

****Issues:****

1. Whether the transaction between Vallarta and Cruz constitutes a "sale or return" or a "sale on approval."
2. Whether the issuance of the bounced check was the efficient cause of defraudation.
3. Whether Republic Act No. 4885 (amending Art. 315 (2)(d) of the Revised Penal Code) is unconstitutional for establishing a prima facie presumption of deceit.
4. Whether the non-grant of Vallarta's motion for reconsideration by the trial court was erroneous.

****Court's Decision:****

1. The Court determined that the transaction was a "sale on approval," where ownership of the jewelry passed to Vallarta only upon her approval or acceptance, which coincided with the issuance of the check.
2. The issuance of the bounced check was found to be the efficient cause of defraudation since it was presumed that Cruz parted with the jewelry because of the check, a presumption Vallarta failed to rebut.
3. Republic Act No. 4885 does not violate the constitutional presumption of innocence as it establishes a rebuttable presumption of deceit, not a conclusive one.
4. The Supreme Court found no merit in Vallarta's claim that the denial of her motion for

reconsideration by the trial court was erroneous, stating that the payments she alleged were not shown to be relevant to the obligation in question.

****Doctrine:**** The Supreme Court reiterated the doctrine that a false pretense or fraudulent act, including issuing a bounced check, is an offense under Art. 315 (2)(d) of the Revised Penal Code, as amended by Republic Act No. 4885. The failure of the drawer to make good the check within three days from receipt of notice of dishonor establishes a prima facie evidence of deceit.

****Class Notes:****

- ****Estafa Under Art. 315(2)(d), RPC:**** Involves defrauding someone by postdating or issuing a bouncing check.
- ****Sale on Approval vs. Sale or Return:**** Ownership passes upon buyer's approval in the former, and immediately upon delivery in the latter, subject to return.
- ****Republic Act No. 4885:**** Establishes prima facie evidence of deceit if the issuer fails to deposit the amount needed to cover the check within three days from receiving notice of dishonor.
- ****Presumption of Innocence:**** A legal presumption (such as deceit in issuing a check without sufficient funds) is rebuttable and does not inherently violate the constitutional presumption of innocence.

****Historical Background:**** This case highlights the nuances of commercial transactions and checks as instruments of payment, set against the backdrop of Philippine law which then, as now, seeks to balance commercial convenience against fraud protection. The legislative amendment by Republic Act No. 4885 aimed to address the rising incidents of fraud involving checks, reinforcing the legal machinery against deceitful financial acts and affirming the principle that issuing a worthless check amounts to criminal deceit.