

Title: Cresencio C. Milla vs. People of the Philippines and Market Pursuits, Inc.

Facts:

Cresencio C. Milla, represented himself as a real estate developer and offered to sell a property in Makati to Market Pursuits, Inc. (MPI), presenting counterfeit documents. MPI, convinced of Milla's authority, issued a check for P1.6 million as partial payment. Milla later presented a forged Certificate of Title as proof of the sale, prompting MPI to issue another check for P400,000 for the balance. Discovering the fraud, MPI demanded a refund, which led to Milla issuing two checks that were later dishonored due to insufficient funds. After failed settlement attempts, MPI, through its Financial Officer, Carlo V. Lopez, filed a complaint, resulting in Milla's conviction by the Regional Trial Court (RTC) of Makati for two counts of estafa through falsification of public documents. The Court of Appeals upheld the RTC's decision, which Milla contested through a Petition for Certiorari in the Supreme Court, claiming violations of legal procedures and principles, including a plea to reopen the case due to alleged negligence by his previous counsel.

Issues:

1. Whether Milla was deprived of due process due to alleged negligence by his counsel.
2. Applicability of the principle of novation to absolve Milla from criminal liability.
3. Review of the factual findings by the trial court as affirmed by the appellate court.

Court's Decision:

The Supreme Court denied Milla's petition, affirming the decisions of the lower courts. It held that:

- Milla was not deprived of due process. The Court deemed the negligence of his counsel not gross enough to merit a reopening of the case, considering that Milla was given ample opportunity to present his evidence.
- The principle of novation does not apply. The issuance of checks by Milla, prior to the criminal complaint, did not convert the criminal act into a purely civil dispute or extinguish his criminal liability.
- The factual findings of the trial court, affirmed by the Court of Appeals, are conclusive and binding. The Supreme Court found no reason to review these findings, emphasizing that the elements of estafa through falsification were satisfactorily established.

Doctrine:

1. The negligence of a counsel binds the client, except in instances of gross negligence resulting in a deprivation of due process.

2. Novation is not recognized by the Penal Code as a means to extinguish criminal liability. Payment or change in the terms of obligation before the institution of a criminal complaint cannot convert a criminal action into a mere civil dispute.
3. Factual findings of the trial court, especially when affirmed by the appellate court, are binding on the Supreme Court unless there is a clear showing of arbitrary judgment.

Class Notes:

- ****Due Process and Legal Representation:**** A client is bound by the actions or inactions of their counsel. Only in cases of gross negligence that effectively deprives the client of their right to due process can a decision be potentially reevaluated.
- ****Principle of Novation in Criminal Liability:**** Novation cannot extinguish criminal liability, especially in cases involving estafa and falsification of public documents. Novation primarily applies to civil obligations.
- ****Finality of Lower Court Findings:**** The Supreme Court generally does not disturb the factual findings of lower courts unless there is compelling evidence of misapplication or misinterpretation of law leading to egregious conclusions.

Historical Background:

This case underscores the Philippine legal system's handling of fraud through falsification and its ramifications on criminal liability. It clarifies the limited role of novation in criminal law and emphasizes the principle of finality in judicial decisions, illustrating the judiciary's approach to ensuring justice in cases involving deceit and monetary damages.