

Title:

****Filadams Pharma, Inc. vs. Court of Appeals and Antonio Feria****

Facts:

Filadams Pharma, Inc. (“Filadams”) was a corporation selling medicines to wholesalers. Antonio Feria was employed as a sales representative from November 3, 1993, until his dismissal on March 9, 1994. From March 10 to 26, 1994, an audit found Feria accountable for P41,733.01, representing unsold but unreturned stocks, unremitted collections, and unliquidated cash advances. Despite repeated demands, Feria failed to settle these amounts.

Feria denied the charges, claiming he used the cash advances for promoting company products, returned overages, and made partial payments. He argued his obligation was civil, not criminal.

Filadams’ internal auditor alleged Feria admitted his shortages and argued that the P3,000 payment acknowledged his accountability.

The Assistant City Prosecutor of Quezon City dismissed the complaint for lack of specific evidence. Filadams’ motion for reconsideration was also denied.

Filadams appealed to the Department of Justice (DOJ), which also dismissed the appeal, stating that Feria’s liability appeared civil, not criminal. Filadams then filed a petition for certiorari under Rule 65 with the Court of Appeals (CA), which the CA denied on procedural grounds and for lack of grave abuse of discretion.

Filadams then petitioned the Supreme Court (SC) for review under Rule 45.

Issues:

1. Whether appeal and not certiorari is the proper remedy in assailing the resolutions of the Chief State Prosecutor finding the absence of probable cause.
2. Whether the Chief State Prosecutor and the Court of Appeals committed grave abuse of discretion in disregarding guidelines for determining probable cause to warrant the filing of an information in court.

Court’s Decision:

1. Proper Remedy: Appeal vs. Certiorari:

The SC held that since the Office of the Prosecutor is not a quasi-judicial body, Rule 43 does not apply. The proper remedy for the petitioner after the DOJ’s resolution was to file a

petition for certiorari, not an appeal. Thus, the CA erred in dismissing Filadams' petition on procedural grounds.

2. Grave Abuse of Discretion:

To determine probable cause for estafa, these elements must be established: (a) money or property received in trust, (b) misappropriation or conversion of such, (c) prejudice to another, and (d) demand made by the offended party.

The SC found that the Assistant Prosecutor's and DOJ's resolutions improperly applied the law. The evidence showed a prima facie case for estafa—Feria's failure to turn over stocks and money upon demand supported misappropriation. Feria's explanations were uncorroborated and contradicted by Filadams' documented evidence. Thus, the CA's affirmation of the DOJ's decision constituted grave abuse of discretion.

The SC granted the petition, reversing the CA's resolution, and ordered the filing of an information for estafa against Feria.

Doctrine:

1. **Alternative Remedies for Prosecutorial Decisions**: When the Office of the Prosecutor dismisses a complaint, the remedy is a petition for certiorari under Rule 65 if there is no other adequate remedy.
2. **Probable Cause in Estafa**: Probable cause for estafa includes evidence that money or property was received in trust, not returned or delivered on demand, leading to prejudice.

Class Notes:

- **Estafa Elements**:

- Received in trust.
- Misappropriation or conversion.
- Prejudice to another.
- Demand for return or delivery.

- **Rule of Circumstantial Evidence**: Failure to account for funds or property upon demand is circumstantial evidence of misappropriation.

- **Proper Remedy**: Certiorari is the proper remedy where no other adequate means exist to appeal prosecutorial decisions.

- **Doctrine of Grave Abuse of Discretion**: Applies when legal conclusions are

unsupported by substantial evidence or when procedural rules are followed against substantial rights.

Historical Background:

This case reflects the judiciary's role in overseeing the discretion exercised by prosecutors. Decision-making around probable cause for criminal charges ensures that evidentiary standards are adequately met before proceeding to trial. The judiciary upholds that prosecutorial dismissals are subject to judicial review to prevent arbitrary decisions. Legal outcomes directly impact the balance of accountability between private allegations and public prosecutorial discretion.