

Title: **BDO Unibank, Inc. vs. Antonio Choa**

Facts:

1. **Initiation of Charges:**

On February 28, 2008, an Information was filed against Antonio Choa, president, and general manager of Camden Industries, Inc., before the Regional Trial Court (RTC) of Pasig City. He was charged with violating Presidential Decree No. 115, or the Trust Receipts Law, to the prejudice of BDO Unibank, Inc. (BDO). The amount involved was approximately PHP 7,875,904.96.

2. **Trial Proceedings:**

During the trial, the prosecution presented two witnesses, Gerard Santiago and Froilan Carada, who provided testimonies regarding the trust receipts and Camden's obligations. Notably, the witnesses indicated a previous civil case (Pasig Civil Case No. 70098) where Camden was awarded PHP 90M against BDO.

3. **Demurrer to Evidence:**

On October 13, 2014, Choa filed a Motion for Leave and a Demurrer to Evidence, arguing that Camden's obligations were already offset by the PHP 90M judgment against BDO. The prosecution opposed, asserting the demurrer was filed beyond the prescribed period and noted that the civil case judgment had been reversed on appeal.

4. **Trial Court's Ruling:**

On November 26, 2014, the RTC granted Choa's Demurrer to Evidence, effectively acquitting Choa from criminal liability under the Trust Receipts Law and stating that the matter at hand was civil in nature. The prosecution's motion for reconsideration was denied on February 12, 2015.

5. **Appeal to the Court of Appeals:**

BDO filed a Petition for Certiorari with the Court of Appeals (CA), alleging that the trial court committed grave abuse of discretion. The CA denied the petition on October 24, 2017, affirming the trial court's decision. BDO's motion for reconsideration was also denied.

6. **Petition for Review on Certiorari:**

BDO then filed a Petition for Review on Certiorari with the Supreme Court on the grounds of erroneous procedural handling and a misapplication of the law regarding trust receipts.

****Issues:****

1. ****Legal Personality of BDO to File Petition:****

Whether BDO Unibank, Inc. has the legal standing to file a Petition for Certiorari questioning the trial court's orders insofar as the civil aspect of the case is concerned.

2. ****Grave Abuse of Discretion in Granting the Demurrer:****

Whether the trial court committed grave abuse of discretion in granting Choa's Demurrer to Evidence.

3. ****Timeliness of the Demurrer:****

Whether Choa's Motion for Leave and Demurrer to Evidence were filed within the prescribe period.

4. ****Merits of the Compensation Argument:****

Whether the claimed offset between BDO's and Camden's mutual obligations had any legal effect on Choa's criminal liabilities under the Trust Receipts Law.

5. ****Proof of Guilt Beyond Reasonable Doubt:****

Whether the prosecution sufficiently established Choa's criminal liability under the Trust Receipts Law, despite the alleged flaw in establishing criminal intent.

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

1. ****Legal Personality of BDO:****

The Supreme Court held that BDO has the legal standing to question the orders of the trial court insofar as the civil aspect of the case is concerned, even though the State has exclusive prerogative in prosecuting the criminal aspect.

2. ****Grave Abuse of Discretion:****

The Supreme Court determined that the trial court committed grave abuse of discretion in granting the Demurrer to Evidence. The trial court improperly integrated the unrelated Pasig civil case judgment as a compensatory action affecting the criminal obligations arising from the trust receipt transactions.

3. ****Timeliness of the Demurrer:****

The Supreme Court agreed with BDO's argument that the Demurrer to Evidence was filed out of time. The proper period for filing the motion began when the order admitting the evidence was received by Choa, which was beyond the prescribed five-day period.

4. **Compensation Argument:**

The Supreme Court ruled that matters relating to civil compensatory claims between BDO and Camden do not affect the criminal liability arising from the breach of trust receipts. The offset argument was erroneously applied by the trial court.

5. **Proof of Guilt Beyond Reasonable Doubt:**

The Supreme Court upheld that the prosecution had provided sufficient evidence to establish a prima facie case. The specifics of the Trust Receipts Law violations did not necessitate proving criminal intent as essential for convictions under the Trust Receipts Law were strict liability offenses.

Doctrine:

1. **Trust Receipts Law as Strict Liability:**

Violations under Presidential Decree No. 115 (Trust Receipts Law) do not necessitate proof of criminal intent. The mere failure to deliver the proceeds or to return the unsold goods constitutes the offense.

2. **Compensation Inapplicable to Trust Receipts Cases:**

Offsets under civil matters generally do not impair or negate the criminal liabilities arising from separate trust receipt transactions.

Class Notes:

- **Trust Receipts Law:** Key elements include the entrustment of goods with the obligation to sell and remit proceeds or return unsold goods to the entruster.
- **Malum Prohibitum:** Criminal liability under trust receipts law does not require proving intent to defraud.
- **Demurrer to Evidence:** Procedurally, a demurrer must be timely filed post-admission of evidence. Failure to meet procedural timelines invalidates subsequent favorable judgments on demurrers.

Historical Background:

The case reflects the intricacies involved in trust receipt transactions under Philippine law, showcasing how procedural missteps and erroneous judicial interpretation can intersect with the principles of criminal and civil liabilities. The case is significant for its interpretation of the synergy (or lack thereof) between criminal liability and civil debt within

the context of trust receipts, reiterating the strict liability nature of such financial instruments under PD 115.