

Title:

Ariel T. Lim vs. People of the Philippines, G.R. No. 190545

—

Facts:

1. ****Initial Transaction****: Ariel T. Lim issued two checks from the Bank of Commerce (Check Nos. 0013813 and 0013814, dated June 30, 1998, and July 15, 1998, respectively), each for PHP 100,000, payable to cash. These checks were given to Mr. Willie Castor as a campaign donation for the 1998 elections.
2. ****Stop Payment Order****: The checks were used to pay for printing materials for Castor's campaign. Castor later instructed Lim to issue a "Stop Payment" order because the printing materials were delivered late. As a result, the checks were dishonored by the bank. During the trial, a bank officer testified that the accounts lacked sufficient funds.
3. ****Demand Letters and Complaint****: Private complainant Magna B. Badiee sent demand letters to Lim on May 20, 1998, and July 23, 1998. When payment was not made, Badiee filed a complaint with the Office of the Prosecutor.
4. ****Replacement Check****: After more than a month from receiving the demand letters and a subpoena from the Office of the Prosecutor, Lim issued a replacement check for PHP 200,000 on September 8, 1998, which was encashed by Badiee.
5. ****Criminal Charges****: Despite the replacement check, two informations for violation of B.P. 22 were filed against Lim on March 19, 1999, at the Metropolitan Trial Court (MeTC) of Manila.
6. ****MeTC Decision****: On September 12, 2006, the MeTC found Lim guilty of two counts of violating B.P. 22. Lim appealed.
7. ****RTC Decision****: The Regional Trial Court (RTC) of Manila, on July 20, 2007, affirmed Lim's conviction for one count of B.P. 22 while vacating the conviction for the second count due to jurisdiction issues.
8. ****CA Decision****: Lim appealed to the Court of Appeals (CA), which affirmed the RTC's ruling on June 30, 2009. His motion for reconsideration was denied.

9. **Petition for Review**: Lim filed a petition for review on certiorari with the Supreme Court, citing prior jurisprudence for the dismissal of the case due to pre-filing payment of the check's value.

Issues:

1. **Applicability of Griffith Precedent**:

- Whether the Griffith v. Court of Appeals ruling should be applied to acquit Lim given that he paid the value of the checks before the Informations were filed.

2. **Interpretation of B.P. 22 Elements**:

- Whether the elements for a violation of B.P. 22 were still met, considering Lim paid the value of the dishonored checks before the filing of criminal charges.

Court's Decision:

1. Applicability of Griffith Precedent:

- The Supreme Court sided with Lim and extended the same liberality applied in Griffith v. Court of Appeals. Despite minor factual differences between Griffith and Lim's case, both cases involved paying the amount of the dishonored checks before criminal charges were instituted. Hence, the Court found it just to acquit Lim due to the pre-filing payment.

2. Interpretation of B.P. 22 Elements:

- The Court reiterated the essential elements of B.P. 22 violations: the making, drawing, or issuance of a check, knowledge of insufficient funds at the time of issuance, and subsequent dishonor of the check. While the prima facie presumption exists when a drawer fails to pay within five banking days after notice of dishonor, this presumption does not irrevocably lead to criminal liability if payment is made before the formal filing of charges.

Doctrine:

- **Griffith Principle**: Payment of the amount of dishonored checks before the filing of the information can negate criminal liability under B.P. 22.

- **Strict vs. Liberal Application of Penal Laws**: Penal laws must be applied consistently with their intent. Mechanical application without considering the spirit of the law may result in injustice.

—

Class Notes:

1. **Elements of B.P. 22 Violation**:

- Making, drawing, or issuing a check.
- Knowledge of insufficient funds at issuance.
- Dishonor of the check (insufficiency of funds, or stopped payment without valid reason).

2. **Prima Facie Presumption**:

- Arises when payment is not made within five banking days after dishonor notice.
- Rebutted if payment is made within the grace period.

3. **Notable Jurisprudence**:

- **Griffith v. Court of Appeals**: Precedent for exoneration if payment is made before criminal charges are filed.
- **Tan v. Philippine Commercial International Bank**: Penal laws should be construed liberally in favor of the accused and not mechanically applied.

—

Historical Background:

- **B.P. 22**: Enacted to uphold the integrity of banking and finance, deterring the issuance of unfunded checks, which disrupt economic stability.
- **Judicial Evolution**: Courts have increasingly emphasized the need for a pragmatic and equitable application of penal statutes to balance justice and the overarching aim of laws such as B.P. 22.

—