

****Title:****

Morillo v. People of the Philippines, and Richard Natividad

****Facts:****

In July 2003, Richard Natividad and his partners Milo Malong and Bing Nanquil, presenting themselves as contractors from RB Custodio Construction, entered into an agreement with Armilyn Morillo, owner of Amasea General Merchandise and Construction Supplies in Pampanga City. They agreed to purchase construction materials worth P500,054.00, paying 20% within seven days and 80% via post-dated checks within thirty-five days after the last delivery.

Upon delivery and part-payment of P20,000 in cash, Natividad issued two post-dated checks from Metrobank's Pampanga branch, amounting to P393,000 and P87,054. These were dishonored by the drawee bank when deposited in Morillo's Equitable PCI Bank account in Makati due to insufficient funds. Despite reissuing and assurances, the checks were again dishonored due to a closed account. Subsequently, Morillo demanded payment, leading to her filing a complaint with the Makati City Prosecution Office. Two informations for Violation of Batas Pambansa Blg. 22 (BP 22) were filed against Natividad and Malong.

The Metropolitan Trial Court (MeTC) of Makati City found Natividad guilty of BP 22, imposing a fine and ordering restitution. However, on appeal, the Court of Appeals (CA) ruled the Makati court lacked jurisdiction and dismissed the case without prejudice, prompting a petition to the Supreme Court.

****Issues:****

1. ****Jurisdiction:**** Whether the Makati MeTC had jurisdiction over the BP 22 violations considering the checks were deposited and dishonored there.
2. ****Proper Venue:**** Whether the essential elements of BP 22 (issuance, knowledge of dishonor, and the dishonor itself) occurred within the jurisdiction of the Makati MeTC.

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

The Supreme Court concluded that violations of BP 22 are transitory offenses. Therefore, jurisdiction can be established in any place where any essential act material to the offense occurred. The Supreme Court reinstated the conviction by the MeTC, determining:

1. ****Assertion of Jurisdiction:**** The MeTC had jurisdiction as the dishonored checks were deposited for clearance in Makati City, which is part of the transaction's continuum.
2. ****Elements of BP 22:**** Depositing the check for clearance in Makati City constituted an

essential act of the offense, validating the lower court's territorial jurisdiction.

Doctrines:

- **Transitory or Continuing Crimes:** The venue for prosecuting transitory crimes like BP 22 violations can lie within any territory where an element of the offense transpired.
- **Jurisdiction Based on Deposit Location:** The place where the checks were deposited and dishonored can confer jurisdiction in BP 22 cases even if other elements occurred elsewhere.

Class Notes:

- **Key Elements of BP 22 Violation:**

1. **Making, Drawing, and Issuance:** The act of creating the check for payment.
2. **Knowledge of Insufficiency:** Prima facie established if the issuer fails to make the amount good within five banking days upon notice of dishonor.
3. **Dishonor by Drawee Bank:** Non-payment upon presentation due to insufficient funds or a closed account.

Statutory Provision: BP 22, Section 2:

- "The dishonor of a check within ninety (90) days from its date constitutes prima facie evidence of insufficient funds or credit with the drawee bank."

Interpretation: Courts in jurisdictions where dishonor or demand for payment occurred can assume valid jurisdiction based on the transitory nature of BP 22 violations.

Historical Background:

During the early 2000s, violations involving dishonored checks became prevalent as a means of fraud, particularly in small-scale local commerce. This case underscores the judiciary's approach to strengthening enforcement against financial crimes while clarifying jurisdictional boundaries. The decision reaffirms the application of transitory crime principles, broadening the scope of courts to adjudicate offenses occurring in multiple jurisdictions.