

****Title:****

Manuel S. Isip vs. People of the Philippines (G.R. No. 552 Phil. 786)

****Facts:****

****Background**:**

Manuel S. Isip (petitioner) and his wife, Marietta M. Isip, were involved in jewelry trading. They received jewelry from Leonardo A. Jose (complainant) to sell on a commission basis.

****Initial Transactions**:**

In March 1984, petitioner received a 7-carat men's diamond ring valued at P200,000 from Leonardo A. Jose to sell on commission. The transaction took place at Jose's residence in Caridad, Cavite City.

****Failure to Deliver Payment or Return Jewelry**:**

Petitioner failed to sell the ring or return it by the agreed deadline. Despite repeated demands from Jose, Isip neither delivered the ring nor the proceeds from its sale.

****Subsequent Checks and Charges**:**

Marietta issued several checks as partial payments for various jewelry items on different dates, but all were dishonored due to insufficient funds. As a result, multiple cases of estafa and violations of Batas Pambansa Blg. 22 (Bouncing Checks Law) were filed against both spouses.

****Procedural History**:**

- ****Regional Trial Court (RTC)**:** Manuel S. Isip was convicted for estafa in Criminal Case No. 136-84. Marietta was convicted of multiple counts of estafa and violation of BP 22.
- ****Court of Appeals (CA)**:** Affirmed RTC with modifications, including the reduction of Manuel Isip's sentence, acquittal of Marietta on BP 22 charges due to jurisdictional issues, and acquittal of both on other estafa charges due to novation.
- ****Supreme Court (SC)**:** Petition for Review on Certiorari filed by Manuel S. Isip to contest his conviction.

****Issues:****

1. ****Jurisdiction**:** Did the RTC have jurisdiction over the estafa charge in Criminal Case No. 136-84 given the dispute about the location of the transaction?
2. ****Receipt of Jewelry**:** Was there sufficient evidence to prove that petitioner received the

7-carat men's ring?

3. **Novation**: Did the subsequent transactions and conveyance of properties constitute novation, thereby extinguishing any criminal liability?

Court's Decision:

Issue 1: Jurisdiction

- **Analysis**: The RTC had jurisdiction as the transactions occurred in Cavite City. Venue is essential in criminal cases and is determined by where the crime or any of its essential ingredients took place.

- **Conclusion**: Affirmed lower courts' findings that the transaction occurred within Cavite City, giving the RTC proper jurisdiction.

Issue 2: Receipt of Jewelry

- **Analysis**: Acknowledgment receipt and testimonies confirmed delivery and receipt of the ring. Petitioner's defense of signing the receipt under duress to maintain friendship was unsupported.

- **Conclusion**: Evidence sufficiently proved petitioner's receipt of the ring in Cavite City.

Issue 3: Novation

- **Analysis**: Novation did not apply because not all elements were present, specifically a new contract replacing the old one. Only the first element (previous valid obligation) was met.

- **Conclusion**: No novation occurred in Criminal Case No. 136-84 as petitioner and his wife did not issue any check or other form of new obligation for the ring.

Doctrine:

1. **Jurisdiction in Criminal Cases**: The place of the crime determines jurisdiction, irrespective of the residence of the parties.

2. **Novation**: Requires four elements—previous valid obligation, agreement to a new contract, extinguishment of the old obligation, and birth of a new one.

Class Notes:

- **Estafa**: Defined under Article 315, paragraph 1(b) of the Revised Penal Code.

1. Offender receives money, goods, etc. in trust or on commission.

2. Offender misappropriates or converts the same.

3. Such acts prejudice another.

4. There is a demand for the return of the money or property.

- **Bouncing Checks Law (BP 22)**: Criminalizes the issuance of checks that are later dishonored due to insufficient funds or lack of credit.

Historical Background:

This case reflects the legal complexities associated with business transactions in the Philippines, especially in jewelry trade. The prosecution of such financial crimes underlines the necessity for strict adherence to contractual obligations and honesty in commercial dealings. Laws like BP 22 were enacted to deter and penalize fraudulent financial behaviors to protect financial integrity.