

**\*\*Title: Subic Bay Legend Resorts and Casinos, Inc. v. Bernard C. Fernandez\*\***

**\*\*Facts:\*\***

Subic Bay Legend Resorts and Casinos, Inc. (the petitioner) operates the Legenda Hotel and Casino within the Subic Bay Freeport Zone, Zambales, Philippines. Bernard C. Fernandez (the respondent) brought a civil case against the petitioner following an incident involving his brothers, Ludwin and Deoven Fernandez, at the casino on June 13, 1997.

Derived from evidence and court findings, it is indicated that on June 6, Ludwin exchanged \$5,000 for casino chips and was closely watched due to the unusual nature of a Filipino playing with dollar-denominated chips. After winning \$200, Ludwin redeemed chips worth \$7,200. On June 13, Ludwin and Deoven, under surveillance, played baccarat at the casino and attempted to redeem chips at two separate windows, which led to a freeze in transactions due to alleged irregularity. The two were accosted, made to return the cash, and then held for interrogation by Legenda's security personnel over the source of their chips, leading to a confession implicating Michael Cabrera, an employee, under pressure. This confession was later retracted.

Bernard C. Fernandez filed Civil Case No. 237-0-97 on July 1, 1997, seeking the recovery of confiscated casino chips worth US\$5,900, alleging ownership through payment for car services rendered to a Chinese individual. The Olongapo RTC, after proceedings, ruled in favor of Fernandez, a decision which was affirmed in totality by the Court of Appeals (CA).

**\*\*Procedural Posture:\*\***

The case commenced at the Regional Trial Court (RTC) of Olongapo City, which ruled in favor of Fernandez. Subic Bay Legend Resorts and Casinos, Inc. filed an appeal with the Court of Appeals (CA-G.R. CV No. 91758), which affirmed the RTC's decision. The petitioner then brought the case to the Supreme Court through a Petition for Review on Certiorari challenging the CA's decision.

**\*\*Issues:\*\***

1. Whether the recanted statements of Deoven and Ludwin Fernandez have probative value.
2. Whether the circumstantial evidence is sufficient to rebut the legal presumption that a person in possession of personal property is the lawful owner.
3. Whether the evidence preponderates in favor of the respondent, Bernard C. Fernandez.
4. Whether the awarding of attorney's fees and costs of suit in favor of the respondent was erroneous.

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

The Supreme Court denied the petition, affirming the CA's decision. The Court emphasized the principle that it is not a trier of facts and generally does not re-examine evidence presented to lower courts. It stated that the petitioner's failure to prove that the casino chips were stolen weakened its position. Since petitioner did not convincingly demonstrate the chips were unlawfully obtained, there was no basis for confiscation.

Furthermore, the Court noted the absence of a criminal case against Cabrera or the Fernandez brothers, appreciably affecting the credibility of petitioner's claim that the chips were stolen. The Court found no ground to dispute the rightful ownership of the chips by Fernandez, accepting the lower courts' application of Article 559 of the Civil Code, which protects the possessor of movable property acquired in good faith.

**\*\*Doctrine:\*\***

The possession of movable property acquired in good faith is equivalent to title. The burden of proof rests on the one contesting ownership to establish the contrary.

**\*\*Class Notes:\*\***

- **\*\*Legal Presumption of Ownership:\*\*** Article 559 of the Civil Code stipulates that possession of movable property acquired in good faith is tantamount to ownership.
- **\*\*Evidentiary Value of Recanted Statements:\*\*** The Court took a cautious approach regarding the reliability of recanted statements, suggesting that such evidence must be scrutinized carefully.
- **\*\*Admissibility of Evidence:\*\*** The Court underscored the importance of observing constitutional rights during the acquisition of evidence, suggesting improperly obtained evidence is inadmissible.
- **\*\*Award of Attorney's Fees:\*\*** Affirmed under Article 2208 of the Civil Code, highlighting instances where attorney's fees may be awarded due to the actions of the adverse party.
- **\*\*Role and Scope of the Supreme Court:\*\*** Reiterated its position as not a trier of facts barring exceptional cases.

**\*\*Historical Background:\*\***

This case highlights the judiciary's role in protecting lawful ownership and possession rights under Philippine law, emphasizing the due process in the acquisition and disposal of evidence. It illustrates the legal challenges encountered within the operations of casinos and gaming establishments, particularly in situations involving high-value transactions and the subsequent disputes arising from ownership claims over casino chips, which, while not legal

tender, hold significant monetary value.