

GOODLAND COMPANY, INC., PETITIONER, VS. ABRAHAM CO AND CHRISTINE CHAN, RESPONDENTS.

G.R. No. 196685. December 14, 2011

Ponente: CARPIO, J.

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CARPIO, J.:

The Case

G.R. No. 196685 is an appeal[1] from the Decision[2] promulgated on 20 December 2010 as well as the Resolution[3] promulgated on 27 April 2011 by the Court of Appeals (CA) in CA-G.R. SP No. 112769. The CA affirmed the 2 September 2009 Resolution[4] of Branch 146 of the Regional Trial Court of Makati City (RTC) in Civil Case No. 09-219. In turn, the RTC denied the petition for annulment of the Orders of Branch 64 of the Metropolitan Trial Court of Makati City (MeTC) in Criminal Case No. 332313.

The 16 October 2008 Order[5] of the MeTC granted the Demurrer to Evidence filed by Abraham Co (Co) and Christine Chan (Chan) (collectively, respondents). The MeTC dismissed Criminal Case No. 332313 for failure of the prosecution to present sufficient and competent evidence to rebut the presumption of innocence in favor of respondents. The 13 January 2009 Order⁶ of the MeTC denied for utter lack of merit the Motion for Inhibition and Motion for Reconsideration of the 16 October 2008 Order.

The Facts

The appellate court narrated the facts of the case as follows:

Petitioner-appellant Goodland Company, Inc. (“Goodland”), a corporation duly organized and existing in accordance with Philippine laws, is the registered owner of a parcel of land covered by TCT No. (192674) 114645 located at Pasong Tamo, Makati City containing an area of 5,801 square meters, more or less (hereinafter “Makati property”).

Goodland and Smartnet Philippines, Inc. (“Smartnet”), likewise a duly organized and registered corporation, are part of the Guy Group of Companies, owned and controlled by the family of Mr. Gilbert Guy.

Sometime in 2000, Goodland allowed the use of its Makati property, by way of accommodation, as security to the loan facility of Smartnet with Asia United Bank (AUB). Mr. Guy, Goodland’s Vice President, was allegedly made to sign a Real Estate Mortgage (REM) document in blank. Upon signing the REM, Mr. Guy delivered the same to AUB together with the original owner’s copy of the TCT covering the the Makati property.

Mr. Rafael Galvez, the Executive Officer of Goodland, who had custody of the title to the Makati property, handed over the original of the said title to Mr. Guy, after being reassured that it would be turned over to AUB along with a blank REM, and that it would serve as mere comfort document and could be filled up only if and when AUB gets the conformity of both Smartnet and Goodland.

About two (2) years thereafter, Goodland found out that the REM signed in blank by Mr. Guy has been

allegedly filled up or completed and annotated at the back of the title of the Makati property. Goodland thus wrote a letter to the National Bureau of Investigation (NBI) requesting for an investigation of the fraud committed by private respondents. The NBI, thru a Letter-Report dated February 10, 2003, recommended the filing of criminal charges of falsification against private respondents Abraham Co and Christine Chan, and Atty. Joel Pelicano, the notary public who notarized the questioned REM.

After the requisite preliminary investigation, the Makati Prosecutor's Office filed an Information for Falsification of Public Document defined and penalized under Article 172 in relation to Article 171 (2) of the Revised Penal Code against private respondents Co and Chan and Atty. Pelicano. The Information states:

That on or about the 29[th] day of February 2000, in the City of Makati, a place within the jurisdiction of this Honorable Court, the above-named accused Abraham Co and Christine Chan who are private individuals and Joel T. Pelicano, a Notary Public, conspiring and confederating together and mutually helping and aiding with each other, did then and there willfully, unlawfully and feloniously falsify Real Estate Mortgage, a public document, causing it to appear, as it did appear, that Mr. Gilbert Guy, Vice President of Goodland Company, Inc., participated in the preparation and execution of said Real Estate Mortgage whereby complainant corporation mortgaged to Asia United Bank a real property covered by Transfer Certificate of Title No. 11645 and by then and there causing aforesaid Real Estate Mortgage to be notarized by accused Atty. Joel Pelicano, who in fact notarized said document on August 3, 2000 under Document No. 217, Page No. 44, Book No. XVII, Series of 2000 of his Notarial Register, thus making it appear, that Gilbert Guy has acknowledged the said Real Estate [Mortgage] before him, when in truth and in fact Gilbert Guy did not appear nor acknowledge said document before Notary Public Joel T. Pelicano and thereafter herein accused caused the aforesaid Real Estate [Mortgage] document to be registered with the office of the Register of Deeds of Makati City on March 8, 2001."

The case was raffled to the Metropolitan Trial Court, Branch 64, Makati City and docketed as Criminal Case No. 332313. The prosecution presented the testimonies of (1) Rafael Galvez, Executive Officer of Goodland, (2) Leo Alberto Pulido, Systems Manager of Smartnet, (3) NBI Special Agent James Calleja, (4) Atty. Joel Pelicano, and (5) Atty. Alvin Agustin Tan Ignacio, Corporate Secretary of Goodland.

After the prosecution formally offered its evidence and rested its case, herein private respondents filed a Motion for Leave of Court to File Demurrer to Evidence with attached Demurrer to Evidence claiming that the prosecution failed to substantiate its claim that they are guilty of the crime charged. Private respondents alleged that the prosecution failed to establish the second and third elements of the crime as the prosecution was unable to provide any proof that private respondents caused it to appear in a document that Mr. Gilbert Guy participated in an act and that the prosecution failed to establish that Mr. Gilbert Guy did not participate in said act. Thus, private respondents alleged that the prosecution's evidence itself showed that Mr. Gilbert Guy signed the REM, delivered the original transfer certificates of title to AUB and that Mr. Guy was duly authorized by Goodland's Board of Directors to execute the REM. They likewise claimed that the prosecution failed to prove that the REM was submitted as a comfort document as the testimonies of the witnesses (referring to Galvez, Pulido, Calleja, Pelicano and Ignacio) proving this matter were hearsay and lacked probative value. Also, the prosecution failed to present direct evidence showing the involvement of private respondents in the alleged falsification of document.

The prosecution opposed the Demurrer to Evidence contending that it was able to prove [that] Mr. Guy did not participate in the execution of the REM because Goodland did not consent to the use of its Makati property to secure a loan and it has no outstanding credit for any peso loan. The loan of Smartnet was not secured by any collateral. The REM shows signs of falsification: Mr. Guy signed the REM in blank in the presence of Atty. Ignacio and before the adoption of the board resolution authorizing the use of the subject property to secure Smartnet's credit; the REM filed in Pasig City is different from the one filed in the Makati Register of Deeds; and the CTCs appearing in the REM (particularly of Mr. Gilbert Guy) were issued in 2001 when the REM was

executed on 2000. Atty. Pelicano also denies having affixed his signature in the notarization.[7]

The Metropolitan Trial Court's Ruling

In its Order[8] dated 16 October 2008, the MeTC granted the Demurrer to Evidence of respondents. The MeTC enumerated the elements for the crime of Falsification of Public Document by making it appear that a party participated in an act or proceeding when he/she did not:

- That the offender is a private individual or a public officer or employee who did not take advantage of his official position;
- That the offender caused it to appear that a person or persons have participated in any act or proceeding;
- That such person or persons did not in fact so participate in the act or proceeding;
- The falsification was committed in a public or official document.[9]

The MeTC found that although Goodland established the first and fourth elements, it failed to prove the second and third elements of the crime. Goodland was unable to present competent evidence that the Real Estate Mortgage was indeed falsified. Hence, Goodland erred in relying on the presumption that the person in possession of the falsified document is deemed the falsifier. Assuming that the Real Estate Mortgage is indeed falsified, Goodland presented no competent evidence to show that the Real Estate Mortgage was transmitted to any of the respondents. Guy's affidavit stated that he delivered the Real Estate Mortgage to Chan; however, the affidavit is merely hearsay as Guy never testified, and the affidavit referred to properties in Laguna which are not the subject of the present case.

The MeTC declared that the record shows that other than the fact that Co and Chan are President and Vice President of Asia United Bank, no other evidence was presented by Goodland to show that Co and Chan performed acts which amounted to falsification in the execution of the questioned Real Estate Mortgage.

The MeTC found insufficient the testimonies of Mr. Pulido, Mr. Galvez, NBI Agent Calleja and Atty. Ignacio to prove that Guy merely signed the Real Estate Mortgage as a comfort document. None of the witnesses have any personal knowledge of the circumstances of the discussions between Guy and Asia United Bank. Guy's non-presentation as a witness raised the disputable presumption that his testimony would have been adverse to Goodland.

The dispositive portion of the MeTC's Order states thus:

WHEREFORE, premises considered, the Demurrer to Evidence of the accused is hereby granted. The case is dismissed for failure of the prosecution to present sufficient and competent evidence to rebut the presumption of innocence of the accused.

SO ORDERED.[10]

Goodland moved to reconsider the MeTC's 16 October 2008 Order. Goodland stated that the MeTC made an error in concluding that Guy participated in the execution of the Real Estate Mortgage, as well as in disregarding evidence of the spuriousness of the Real Estate Mortgage.

The MeTC issued another Order[11] on 13 January 2009, and resolved the Motion for Inhibition and the Motion for Reconsideration of the 16 October 2008 Order. The MeTC denied the Motion for Inhibition because Goodland failed to show evidence to prove bias or partiality on the part of Judge Ronald B. Moreno. The MeTC likewise denied the Motion for Reconsideration on the following grounds: first, the dismissal of a criminal case due to a granted demurrer to evidence amounts to an acquittal of the accused; second, no motion for reconsideration is

allowed to a granted demurrer to evidence; and third, the arguments raised by Goodland in its Motion for Reconsideration have been thoroughly passed upon by the MeTC in its 16 October 2008 Order.

Goodland filed a petition under Rule 65 of the Rules of Civil Procedure assailing the MeTC's 16 October 2008 and 13 January 2009 Orders. The petition raised the following grounds:

- Respondent Judge committed grave abuse of discretion amounting to lack or excess of jurisdiction in readily dismissing Criminal Case No. 332313 after a piecemeal and out-of-context citation of select pieces of prosecution evidence to the blind exclusion of the rest in order to favor the accused with the order granting the Demurrer to Evidence.
- Contrary to the conclusion of public respondent Judge, the prosecution presented sufficient evidence to warrant the denial of the Demurrer to Evidence by accused-respondents.
- Respondent Judge's order dismissing Criminal Case No. 332313 for alleged insufficiency of evidence was made in violation of the prosecution's right to due process, hence null and void.[12]

Co and Chan opposed[13] the Petition and stated that it is highly improper for the RTC to re-examine the evidence on record and substitute its findings of fact to those of the MeTC. They stated that there is no basis for the filing of the Petition.

The Regional Trial Court's Ruling

On 2 September 2009, the RTC issued a Resolution[14] denying the Petition. The RTC found that Judge Moreno did not gravely abuse his discretion. Errors raised by Goodland can be categorized as errors in judgment which cannot be corrected by a Petition for Certiorari under Rule 65. The issues involved affect the wisdom of a decision; hence, they are beyond the province of a special civil action for certiorari.

Goodland filed an appeal before the CA and assigned one error to the RTC's resolution: The RTC gravely erred in ruling that the grounds for appellant's petition for certiorari assailing Judge Ronald B. Moreno's Order dismissing Criminal Case No. 332313 in blind disregard of material prosecution evidence pertained to mere errors of judgment and not errors of jurisdiction correctible by certiorari.[15] Co and Chan claimed that Goodland can no longer file an appeal of RTC's 2 September 2009 Resolution as the appeal violates their right against double jeopardy. Moreover, the extraordinary remedy of certiorari is limited solely to the correction of defects of jurisdiction and does not include the review of facts and evidence.

The Ruling of the Court of Appeals

On 20 December 2010, the CA affirmed the RTC's resolution. In denying Goodland's appeal, the CA declared that the appeal is bereft of merit. The CA further stated:

Allowing Us to review the [MeTC's] decision granting the demurrer to evidence as enunciated in the case of *San Vicente vs. People*, and after a judicious examination of the records of the case, We find no grave abuse of discretion amounting to lack or excess of jurisdiction on the part of the public respondent in granting the private respondents' demurrer to evidence. Hence, there being no grave abuse of discretion committed, the decision of the MeTC granting the demurrer to evidence may not be disturbed. There is nothing whimsical or capricious in the exercise of public respondent's judgment and the granting of the demurrer was not done in an arbitrary and despotic manner, impelled by passion or personal hostility. Assuming that there are errors committed by the public respondent, this may only be error of judgment committed in the exercise of its legitimate jurisdiction. However, this is not the same as "grave abuse of discretion." For as long as the court acted within its jurisdiction, an error of judgment that it may commit in the exercise thereof is not correctible through the special civil action of certiorari.[16]

The Issue

Goodland cited one ground for its petition against the CA's decision: The CA committed grave abuse of discretion in affirming the dismissal of Criminal Case No. 332313 against respondents on demurrer to evidence in complete disregard of material prosecution evidence which clearly establishes respondents' criminal liability for falsification of public documents.[17]

The Court's Ruling

We see no reason to overturn the ruling of the CA.

As petitioner, Goodland is aware that only questions of law may be raised in a petition for review under Rule 45. However, Goodland insists that the present petition is meritorious and that it may raise questions of fact and law because there is grave abuse of discretion and the findings of fact are premised on the supposed absence of evidence and contradicted by the evidence on record.

Grave Abuse of Discretion

as a Ground for Reversal of an Acquittal

Insisting that the MeTC committed grave abuse of discretion, the prayers in the Petitions in both the RTC and CA asked for the reversal of the respondents' acquittal.

An order granting an accused's demurrer to evidence is a resolution of the case on the merits, and it amounts to an acquittal. Generally, any further prosecution of the accused after an acquittal would violate the constitutional proscription on double jeopardy.[18]

It is settled that a judgment of acquittal cannot be recalled or withdrawn by another order reconsidering the dismissal of the case,[19] nor can it be modified except to eliminate something which is civil or administrative in nature.²⁰ One exception to the rule is when the prosecution is denied due process of law.[21] Another exception is when the trial court commits grave abuse of discretion in dismissing a criminal case by granting the accused's demurrer to evidence.[22] If there is grave abuse of discretion, granting Goodland's prayer is not tantamount to putting Co and Chan in double jeopardy.

However, the present case is replete with evidence to prove that the CA was correct in denying Goodland's certiorari on appeal. We emphasize that the Orders of the MeTC were affirmed by the RTC, and affirmed yet again by the CA. We find no grave abuse of discretion in the CA's affirmation of the dismissal of Criminal Case No. 332313.

We have explained "grave abuse of discretion" to mean thus:

An act of a court or tribunal may only be considered as committed in grave abuse of discretion when the same was performed in a capricious or whimsical exercise of judgment which is equivalent to lack of jurisdiction. The abuse of discretion must be so patent and gross as to amount to an evasion of positive duty or to a virtual refusal to perform a duty enjoined by law, or to act at all in contemplation of law, as where the power is exercised in an arbitrary and despotic manner by reason of passion and personal hostility.[23]

The CA made its decision after its careful examination of the records of the case. The CA found that Guy signed the subject Real Estate Mortgage and was authorized by the Board of Directors to do so, and none of Goodland's witnesses have personal knowledge of the circumstances of the discussions between Guy and Asia United Bank. Goodland, however, failed to prove that (1) the subject Real Estate Mortgage was in blank at the time it was submitted to Asia United Bank; (2) respondents filled-in the blanks in the Real Estate Mortgage; and (3) Guy did not appear before the notary public. It was with reason, therefore, that the CA declared that the evidence for

Goodland failed miserably in meeting the quantum of proof required in criminal cases to overturn the constitutional presumption of innocence. Grave abuse of discretion may not be attributed to a court simply because of its alleged misappreciation of evidence.

WHEREFORE, we DENY the petition and AFFIRM the Decision of the Court of Appeals in CA-G.R. SP No. 112769.

SO ORDERED.

Brion, Perez, Sereno, and Reyes, JJ., concur.

[1] Under Rule 45 of the 1997 Rules of Civil Procedure.

[2] Rollo, pp. 11-34. Penned by Associate Justice Rosmari D. Carandang, with Associate Justices Ramon R. Garcia and Manuel M. Barrios, concurring.

[3] Id. at 36-37. Penned by Associate Justice Rosmari D. Carandang, with Associate Justices Ramon R. Garcia and Manuel M. Barrios, concurring.

[4] Id. at 57-60. Penned by Judge Encarnacion Jaja G. Moya.

[5] Id. at 47-53. Penned by Judge Ronald B. Moreno.

[6] Id. at 54-56. Penned by Judge Ronald B. Moreno.

[7] Id. at 11-16.

[8] Id. at 47-53.

[9] Id. at 49, citing Luis B. Reyes, *The Revised Penal Code: Book II*, 16th Edition, 2006, pp. 207 and 219.

[10] Id. at 53.

[11] Id. at 54-56.

[12] Id. at 522-523.

[13] Id. at 540-560.

[14] Id. at 57-60.

[15] Id. at 577.

[16] Id. at 25-26.

[17] Id. at 80.

[18] *People v. Laguio, Jr.*, G.R. No. 128587, 16 March 2007, 518 SCRA 393, 403.

[19] *Catilo v. Abaya*, 94 Phil. 1014 (1954).

[20] *People v. Yelo*, 83 Phil. 618 (1949); *People v. Bautista*, 96 Phil. 43 (1954).

[21] *Galman v. Sandiganbayan*, 228 Phil. 42 (1986).

[22] *People v. Uy*, 508 Phil. 637 (2005).

[23] Litton Mills, Inc. v. Galleon Trader, Inc., 246 Phil. 503, 509 (1988).

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