

PEOPLE OF THE PHILIPPINES, PETITIONER, VS. HON. COURT OF APPEALS, HON. ABELARDO DAYRIT, PRESIDING JUDGE OF MANILA, REGIONAL TRIAL COURT, BR. 39, AND RUBEN SIAO, RESPONDENTS.

G.R. No. 94396. November 27, 1992

Ponente: CRUZ, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-94396/>

CRUZ, J.:

The Court of Appeals is faulted for its refusal to reinstate a search warrant quashed by the same trial court that had earlier issued it. The principal reason for the challenged decision is that the issue had become moot and academic with the dismantling of the properties subject of the said warrant.

The properties consisted of 27 units of distribution transformers of various sizes sold to the University of the Philippines-Iloilo (UP, for short) and delivered on June 15, 1987. The agreed price, including installation cost, was \$39,516.00 and was fully paid by UP to the seller, Varona Trading, through its general manager, Danilo Varona. On June 27, 1987, these same properties were pulled out by Varona on the excuse that they had certain factory defects that had to be repaired. When Varona failed to comply with UP's demand for their return pending their replacement, UP referred the matter to the National Bureau of Investigation, which found that the properties were in the warehouse of Ruben Siao, herein private respondent. NBI applied for and secured the questioned search warrant,[1] which was issued by Judge Abelardo M. Dayrit of the Regional Trial Court of Manila on September 25, 1987. On the strength of this warrant, NBI seized the said transformers, which were later ascertained to be the same transformers sold to UP, not only by their serial numbers but also because the crates where they were contained were marked "UP-Iloilo."

On September 28, Siao filed an urgent motion to quash the search warrant on the ground that Nissen-Denki Philippine Corporation, of which he was the manager, had bought the said transformers from Varona for the sum of P702,483.00. The motion was denied on December 10, 1987, after a lengthy exchange of pleadings between the parties. However, on July 7, 1988, again after a spirited debate between the petitioner and the private respondent, Judge Dayrit granted Siao's motion for reconsideration and dissolved the search warrant. He also ordered the NBI to return the seized transformers to Siao.

Meanwhile, UP had filed a complaint for estafa against Varona and Siao and the City Prosecutor of Iloilo City had lodged the corresponding information before the Regional Trial Court of Iloilo. Upon re-investigation of the complaint, however, it was found that there was no cause to hold Siao for trial and accordingly, on motion of the prosecution, the case against him was dismissed by the trial court on October 13, 1989.

Disagreeing with the quashal of the search warrant, the petitioner went to the respondent court, which, as earlier noted, sustained the action of the trial court.

The present petition is based principally on the argument that the search warrant issued by Judge Dayrit complied with all the requirements set out in Article III, Section 2, of the Bill of Rights. There was probable cause to justify its issuance because the properties were fraudulently taken by Varona from UP, the purchaser?owner. Siao, who

claimed to have bought it also, was not a purchaser in good faith because he knew or should have known that the transformers belonged to UP as the markings in the crates clearly indicated. The Solicitor General also argues that the question of ownership cannot be litigated in search warrant proceedings and that any property is subject to seizure, regardless of its ownership, as long as it is illegally possessed. He adds that, as required by the Constitution, the probable cause was determined personally by Judge Dayrit and the warrant specifically described the properties to be seized.

In his Comment, the private respondent supports the finding of the Court of Appeals that the issue had become moot and academic. He points out that his company had bought the transformers from Varona not for use in their original condition but precisely for dismantling and conversion to other transformers according to specifications set by the end-users. The transformers had been so dismantled and converted and, at that, not immediately but only after two months following their recovery, when it appeared that the petitioner was no longer interested in pursuing the matter. Even assuming that the properties were the subject of an offense, the search warrant could not be directed against him because the estafa case against him had been dismissed and remained pending only against Varona. And while it was true that stolen property could be recovered even from an innocent purchaser, this rule would not apply in the instant case because UP allowed the withdrawal of the transformers by Danilo, who was consequently able to sell them to Nissen-Denki. Finally, he agrees with the petitioner that the issue of ownership could not be resolved in the search warrant proceedings but in a separate civil action.

In justifying his dissolution of the search warrant, Judge Dayrit said in his order dated July 7, 1988:

- (a) The warrant earlier issued omitted (perhaps by inadvertence) to indicate clearly what specific offense had been violated;
- (b) While it did mention that the subjects of the offense are "stolen or embezzled" goods or proceeds thereof, this Court recognizes that the offense possibly committed from that description may either be robbery, theft, qualified theft, or estafa;
- (c) Furthermore, Danilo Varona's deposition, on which this Court relied heavily when it first issued the warrant, stated that the transformers in question were brought to defendant Ruben Siao for repair; but during the hearing on the motion to quash and after the evidences adduced therein, this Court discovered that defendant Siao had strong evidence tending to establish his claim that he bought the transformers in good faith and in the ordinary course of business from Varona Trading which was a merchant of such products;
- (d) There was, therefore, no probable cause for the issuance of the search warrant in the first place; and
- (e) The Court would not have issued the warrant if it had been confronted with that fact.

As correctly observed by the private respondent:

The search warrant issued by the trial court left the space in the caption intended for the nature of the offense in blank, indicating the uncertainty of petitioner and the court as to the crime committed and for which the search warrant was issued. On the other hand, all that the body of the search warrant stated was that the transformers were "Stolen or Embezzled and proceeds or fruits of the offense, used or intended to be used as the means of committing the offense." But, since the particular offense was not mentioned, the reason for the issuance of the search warrant could be anything under the sun.

There is no question that the search warrant did not relate to a specific offense, in violation of the doctrine announced in *Stonehill v. Diokno*[2] and of Section 3 of Rule 126 providing as follows:

Sec. 3. Requisites for issuing search warrant. - A search warrant shall not issue but upon probable cause in connection with one specific offense to be determined personally by the judge after examination under oath or

affirmation of the complainant and the witnesses he may produce, and particularly describing the place to be searched and the things to be seized. (Underscoring supplied.)

Significantly, the petitioner has not denied this defect in the search warrant and has merely said that there was probable cause, omitting to continue that it was in connection with one specific offense. He could not, of course, for the warrant was a scatter-shot warrant that could refer, in Judge Dayrit's own words, "to robbery, theft, qualified theft or estafa." On this score alone, the search warrant was totally null and void and was correctly declared to be so by the very judge who had issued it.

Probable cause is defined as referring to "such facts and circumstances antecedent to the issuance of the warrant that in themselves are sufficient to induce a cautious person to rely on them, and to act in pursuance thereof." [3] At the time he issued the search warrant, there was in Judge Dayrit's view probable cause that a crime had been committed by Siao, who had possession of the subject properties. However, such probable cause no longer exists now because the information for estafa against Siao has already been dismissed by the Regional Trial Court of Manila on motion of the prosecution itself. Siao's guilt is no longer open for conjecture.

What is whether the search warrant could be issued against Siao, assuming he was an innocent purchaser for value, in connection with the prosecution of Varona for estafa. But this is a question we need not decide here. It is clear that, even if it were resolved affirmatively, the search warrant in question would still have to be annulled for its failure to state therein the specific offense for which it was being issued.

The Solicitor General complains that unless the search warrant is reinstated, the properties subject thereof cannot be used in the criminal action for estafa against Varona. The trouble is that the search warrant is invalid as already demonstrated, and the Constitution clearly says that any evidence taken in violation of its Article III, Section 2, cannot be used for any purpose in any proceeding. Moreover, as correctly ruled by the Court of Appeals, the subject of the warrant no longer exists, having been converted to other articles not answering to the specific description of the properties ordered to be seized under the search warrant.

Both the petitioner and the respondents agree that ownership of the transformers is a question that cannot be determined in search warrant proceedings but must be litigated in a separate civil action. They are correct. Of course, UP is not left without recourse, for it may still claim restitution of the transformers or their value in the civil action impliedly instituted with the criminal action for estafa against Varona or in a separate civil action if it has been reserved. Any statement made by the trial court resolving that question shall be considered mere obiter dictum and not conclusive in any such recovery case.

We find that the search warrant issued by Judge Dayrit on September 25, 1987, was null and void for the reasons above discussed and so was correctly dissolved in the resolution dated July 7, 1988. The Court of Appeals committed no reversible error in refusing to reinstate it.

WHEREFORE, the petition is DENIED for lack of merit. No costs.

SO ORDERED.

Padilla, Griño-Aquino, and Bellosillo, JJ., concur.

[1] Records, p. 113.

[2] 20 SCRA 383.

[3] People v. Syjuco, 64 Phil. 667.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.