



Republic of the Philippines
Supreme Court
Manila

THIRD DIVISION

ROSELLA BARLIN,

Petitioner,

G.R. No. 207418

Present:

LEONEN, J.,*
HERNANDO,
Acting Chairperson,
INTING,
DELOS SANTOS, and
LOPEZ, J. Y., JJ.

- versus -

PEOPLE OF THE
PHILIPPINES,
Respondent.

Promulgated:

June 23, 2021

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DECISION

HERNANDO, J.:

Challenged in this petition¹ are the December 6, 2012 Decision² and June 10, 2013 Amended Decision³ of the Court of Appeals (CA) in CA-G.R. CR No. 31462, which affirmed with modification the May 10, 2006 Decision⁴ of the Regional Trial Court (RTC) of Pasig City, Branch 151, in Criminal Case No. 119540 which found Rosella Barlin (petitioner) guilty beyond reasonable doubt of *Estafa* under Article 315 (1)(b) of the Revised Penal Code (RPC).

* On Wellness Leave.

¹ *Rollo*, pp. 8-32.

² *CA rollo*, pp. 111-129; penned by Associate Justice Rosalinda Asuncion-Vicente and concurred in by Associate Justices Agnes Reyes-Carpio and Zenaida T. Galapate-Laguilles.

³ *Id.* at 150-153.

⁴ *Records*, pp. 298-301; penned by Judge Franchito N. Diamante.

The Antecedents:

The Information⁵ charging petitioner with *Estafa* under Article 315 paragraph 1(b) of the RPC reads:

Sometime [o]n March 3 to May 8, 1999, in San Juan, Metro Manila, and within the jurisdiction of this Honorable Court, the accused, received in trust from Ruth S. Cagayan (sic), Triumph products covered by various trust receipts in the amount of P74,055.00, with the obligation to dispose and sell the said item and thereafter remit the same to the complainant, but the accused once in possession of the said amount and far from complying with her obligation, with unfaithfulness and abuse of confidence and in violation of the trust reposed on her, with intent to gain and to defraud said Ruth S. Cagayan (sic), did then and there willfully, unlawfully and feloniously misappropriate, misapply and convert to her own personal use and benefit the said amount of P74,055.00, without authority and knowledge of the said complainant, in the amount of P74,055.00, and despite demands from the complainant to return the said amount, said accused failed and refused to return the same to the loss, damage and prejudice of Ruth S. Cagayan. (sic)

Contrary to law.⁶

Petitioner pleaded not guilty to the crime charged. Thereafter, trial on the merits ensued.

Evidence for the Prosecution:

Private complainant Ruth S. Gacayan (Gacayan) and petitioner were both dealers of Triumph products in San Juan, Metro Manila. After petitioner's store was gutted by a fire, Gacayan agreed to place orders of Triumph products in petitioner's behalf through Gacayan's credit line. Their transactions were covered by Trust Receipt Agreements (TRAs). The parties agreed that petitioner would either pay for the items or return them if unsold after 30 days from receipt thereof.⁷

Out of the 22 TRAs presented by the prosecution, only two were signed by petitioner herself while the others were signed by her salespersons, Margie Castillo (Castillo) or Eva Vargal (Vargal).⁸

On the other hand, Gacayan admitted that she also purchased Avon items from petitioner covered likewise by TRAs. The value of the Avon merchandise as well as the returned unsold Triumph products were off-setted from the amount due from petitioner.⁹

⁵ Id. at 1-2.

⁶ Id. at 1.

⁷ CA *rollo*, pp. 112-113.

⁸ Id. at 113.

⁹ Id. at 114.

From March 6, 1999 until December 16, 1999, petitioner religiously returned the unsold items to Gacayan. However, Gacayan claimed that petitioner failed to pay on time for the other items with a total value of ₱74,955.00. Petitioner thus issued checks to pay her obligations to Gacayan but the checks bounced for having been drawn against a closed account. Hence, Gacayan filed a criminal complaint for *estafa* against petitioner. During trial, Gacayan claimed that petitioner owed her ₱78,055.00.¹⁰

Evidence for the Defense:

Petitioner was a group and franchise dealer of Avon products. She met Gacayan, a group dealer of Triumph products, when the former was still a candidate dealer. When petitioner's store was gutted by fire, she requested Gacayan to allow her to use her account so she could continue to purchase Triumph products at a discount. Gacayan agreed on the condition that petitioner pay the items within a month from receipt thereof.¹¹

Out of the 22 TRAs submitted by the prosecution, petitioner admitted to having received the items covered by TRAs 0081 and 0083 only as per her signature thereon. Petitioner also claimed that Gacayan received Avon products from her with a total value of ₱25,900.00 but this amount was not deducted from her payables to Gacayan. Neither did Gacayan sign any TRA. Petitioner insisted that she already returned all unsold products to Gacayan with a total value of ₱43,000.00. Thus, she no longer had any liability to Gacayan.¹²

Finally, petitioner admitted that a criminal case for violation of Batas Pambansa Bilang 22 (BP 22) was filed by Gacayan against her in the Metropolitan Trial Court (MeTC), Branch 57 of San Juan, Metro Manila. Petitioner presented a Compromise Agreement on the civil liability they entered into on October 16, 2002 on the BP 22 case. She claimed that she was in the process of paying off the compromise amount of ₱50,000.00.¹³

Ruling of the Regional Trial Court:

On May 10, 2006, the RTC rendered its Decision¹⁴ convicting petitioner of *Estafa* defined and penalized under Article 315, paragraph 1(b) of the RPC.

¹⁰ Id. at 113-114.

¹¹ Id. at 114.

¹² Id. at 114-115.

¹³ Id. at 115.

¹⁴ Supra note 4.

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The RTC found that petitioner received items from Gacayan as per the TRAs presented by the prosecution. Thus, petitioner could not deny having procured items from Gacayan. Her failure to remit the proceeds of the sale of the products or to return the unsold items constitutes the crime of *estafa*.¹⁵

Moreover, her partial cash payments and the offsetting with the products procured by Gacayan will not exculpate her from criminal liability for the crime of *estafa*. Neither did the alleged compromise agreement she entered into with Gacayan before the MeTC of San Juan be used as a defense for prosecution for *estafa*.¹⁶

The *fallo* of the RTC judgment reads:¹⁷

WHEREFORE, the Court finds accused Rosella Barlin GUILTY beyond reasonable doubt of the crime of Estafa defined and penalized under Art. 315 par. 1 (b) of the Revised Penal Code and imposes upon her the indeterminate sentence of from FOUR (4) YEARS and TWO (2) MONTHS of *prision correccional* as minimum to THIRTEEN (13) YEARS of *reclusion temporal* as maximum and to indemnify complainant Ruth S. Cagayan also known as Ruth S. Gacayan the sum of P74,055.00 and to pay the costs.

SO ORDERED.¹⁸

Ruling of the Court of Appeals:

In its assailed Decision,¹⁹ the CA found that petitioner guilty as charged when she disposed the goods covered thereby without delivering the proceeds to Gacayan. Section 13 of Presidential Decree No. 115 (PD 115), otherwise known as the *Trust Receipts Law*, clearly provides that when the trustee fails to turn over the proceeds of the sale of goods, documents or instruments by a trust receipt or to return the goods, documents or instrument if unsold or not disposed of shall be liable for the crime of *estafa* under Article 315 paragraph 1(b) of the RPC.²⁰

The appellate court held that petitioner personally received in her name the items which were covered by the TRAs. However, despite demand, she denied receipt of the items except those covered by two TRAs which she signed herself and failed to pay in full.²¹

¹⁵ Records, p. 300.

¹⁶ Id. at 301.

¹⁷ Id. at 11.

¹⁸ Id.

¹⁹ Supra note 2.

²⁰ CA *rollo*, pp. 120-122.

²¹ Id. at 122.

Nonetheless, the appellate court noted that the prosecution failed to sufficiently prove the exact amount of petitioner's obligation since Gacayan submitted inconsistent computations.²²

The appellate court only considered the trust receipts and the amounts reflected therein which were duly proven by the prosecution, namely, TRA No. 0081,²³ 0083²⁴ and the trust receipts identified by Gina Taberna (Taberna), Gacayan's saleslady who testified that Castillo signed TRA No. 0064,²⁵ 0065,²⁶ 0072,²⁷ 0073²⁸ and 0077²⁹ in behalf and with authority of petitioner. The total amount owed, therefore, of petitioner to Gacayan was reduced to ₱24,975.00.³⁰

Moreover, the appellate court ruled that the compromise agreement entered into by the parties before the MeTC of San Juan with respect to the criminal case filed by Gacayan against petitioner for the latter's violation of BP 22 did not novate the TRAs to a contract of loan or relieve Barlin of her criminal liability and convert it to one merely civil in nature.³¹

The dispositive portion of the appellate court's Decision reads as follows:

WHEREFORE, premises considered, the appealed Decision dated May 10, 2006 in Criminal Case No. 119540 finding accused-appellant ROSELLA BARLIN guilty beyond reasonable doubt of the crime of estafa under Article 315(1)(b) of the Revised Penal Code is hereby AFFIRMED with the MODIFICATION that accused-appellant ROSELLA BARLIN is sentenced to suffer the indeterminate penalty of four years and two months of *prision correccional* as minimum to six years, eight months and 21 days of *prision mayor* as maximum. Accused-appellant is ORDERED to indemnify private complainant Ruth Gacayan in the amount of P24,975.00 as actual damages and to pay the costs.

SO ORDERED.³²

Upon petitioner's Motion for Reconsideration, the CA rendered its June 10, 2013 Amended Decision³³ affirming the judgment of conviction but modifying the minimum penalty imposed, *viz.*:

²² Id. at 125-126.

²³ Records, p. 276

²⁴ Id. at 279.

²⁵ Id. at 260

²⁶ Id. at 261

²⁷ Id. at 267

²⁸ Id. at 268

²⁹ Id. at 272

³⁰ Id.

³¹ Id. at 126.

³² Id. at 128.

³³ *Supra* note 3.

“x x x accused-appellant ROSELLA BARLIN is sentenced to suffer the indeterminate penalty of SIX (6) MONTHS AND ONE (1) DAY OF PRISION CORRECCIONAL AS MINIMUM to six years, eight months and 21 days of prision mayor as maximum. Accused-appellant is ORDERED to indemnify private complainant Ruth Gacayan in the amount of P24,975.00 as actual damages and to pay the costs.

SO ORDERED.”³⁴

Hence, this petition.

Issues

Petitioner raises the following errors:

I

WHETHER OR NOT THE COURT OF APPEALS ERRED IN RULING THAT THE AGREEMENTS BETWEEN BARLIN AND GACAYAN ARE TRUST RECEIPT AGREEMENTS.

II

WHETHER OR NOT THE COURT OF APPEALS ERRED IN CONVICTING BARLIN OF AN OFFENSE NOT SPECIFICALLY STATED IN THE INFORMATION.

III

WHETHER OR NOT THE COURT OF APPEALS ERRED IN CONVICTING BARLIN OF ESTAFA WHICH WAS NOT PROVEN AND ESTABLISHED BEYOND REASONABLE DOUBT.³⁵

Our Ruling

All the essential elements of *Estafa* are present in this case.

The elements of estafa under Article 315 paragraph (1)(b) of the RPC are: (a) that money, goods, or other personal properties are received by the offender in trust, or on commission, or for administration, or under any other obligation involving the duty to make delivery of, or to return, the same; (b) that there is a misappropriation or conversion of such money or property by the offender or a denial of the receipt thereof; (c) that the misappropriation or conversion or denial is to the prejudice of another; and (d) that there is a demand made by the offended party on the offender.³⁶

³⁴ CA rollo, p. 152.

³⁵ Rollo, p. 16.

³⁶ *Gamaro v. People*, 806 Phil. 483, 497 (2017).

First, there is no dispute that petitioner received merchandise from Gacayan as evidenced by TRAs 0081 and 0083 signed and executed by petitioner herself. However, contrary to the ruling of the courts below, petitioner could not be held liable for the other TRAs as they were not signed by petitioner but either by Castillo or Vargal. We are not persuaded by Taberna's bare and uncorroborated testimony that petitioner authorized Castillo and Vargal to sign on her behalf.

Aside from the testimony of Taberna, no other evidence was presented by the prosecution to prove that Castillo or Vargal were authorized by petitioner to sign or to receive the goods on her behalf. The evidence presented by the prosecution as to the other TRAs fell short of the standard of moral certainty.

Hence, petitioner could not be made liable for the TRAs other than the ones she signed, namely, TRAs 0081 and 0083. Any doubt on petitioner's guilt should be considered in her favor.

As to TRAs 0081 and 0083, the documents clearly stated that petitioner received in trust the merchandise from Gacayan to: (a) hold the goods in trust; (b) dispose or sell them for cash and to receive the proceeds in trust; (c) turnover and remit the proceeds of the sale of goods on or before the due date less petitioner's commission; and (d) return the goods in the event of non-sale within period specified or upon demand. Upon default or failure of petitioner to comply with any of the terms and conditions, Gacayan may cancel the trust receipt and take possession of the goods subject of the trust or the proceeds realized therefrom.

The agreement or contract between the parties is the formal expression of the parties' rights, duties and obligations and is the best evidence of the parties' intention. Thus, when the terms of agreement have been reduced into writing, it is considered as containing all the terms agreed upon and there can be, between the parties and their successors-in-interest, no evidence of such terms other than the contents of the written agreement.³⁷

Contrary to petitioner's contention, she entered into a trust receipt agreement with Gacayan and not a barter or exchange. The terms of TRAs 0081 and 0083 were clear that she received the products listed therein in trust for Gacayan. She obligated herself to dispose the goods and receive the proceeds of sale in trust for Gacayan. In case the goods were not sold, she must return them to Gacayan.

Although, admittedly, Gacayan testified that she likewise procured Avon merchandise from petitioner through the same trust receipt agreement, the said transactions will not negate petitioner's obligation under TRAs 0081 and

³⁷ *Carganillo v. People* 743 Phil. 543, 549 (2014) citing *Gamboa, Rodriguez, Rivers & Co., Inc. v. Court of Appeals*, 497 Phil. 399 (2005).

0083. Their offsetting agreement did not modify, amend or novate petitioner's obligations under TRAs 0081 and 0083.

Second, petitioner failed to turn over the proceeds of the sale of the products she procured from Gacayan under TRAs 0081 and 0083 upon the latter's demand. Petitioner even admitted that a similar case with respect to the same transactions were the subject matter of a criminal case for violation of BP 22 before the MeTC of San Juan for an amount of ₱50,000.00. She apparently attempted to pay Gacayan post-dated checks worth ₱50,000.00 which eventually bounced for having been drawn against a closed account. This fact alone proves petitioner's culpability that she misappropriated or converted the proceeds of the sale of the items she held in trust for Gacayan.

Third, petitioner's misappropriation or conversion of the proceeds of the sale of Gacayan's products caused damage to the latter in the total amount of ₱8,275.00.³⁸ Gacayan is deemed to have suffered damage when she parted with her goods and did not receive the proceeds of the sale thereof or the unsold items were not returned despite demand.

Lastly, Gacayan demanded payment from petitioner under TRAs 0081 and 0083 which went unheeded.

Petitioner's contention that she was not informed of the cause of accusation against her in the Information fails to convince. The Information clearly and categorically charged her with *Estafa* under Article 315 paragraph (1)(b) for violating the trust receipt agreements she had entered into with Gacayan. It must be stressed that a violation of trust receipt agreements would make the accused criminally liable for *estafa* under paragraph (1)(b) of Article 315 of the RPC as expressly provided in Section 13 of the Trust Receipts Law.

The prosecution had proved petitioner's guilt beyond reasonable doubt for the crime of *estafa*. The element of damage was sufficiently established when Gacayan parted with her goods and failed to recover the proceeds of the sale thereof or the unsold items despite repeated demands. Petitioner herself admitted that she tried to turn over the proceeds of the sale under the TRAs through the issuance of post-dated checks which were however dishonored.

Petitioner even admitted before the trial court that the post-dated checks were issued with respect to the same transactions in this case. She also presented a Compromise Agreement with respect to the dishonored post-dated checks executed by the parties before the MeTC of San Juan.

As regards the proper penalty, Article 315 of the RPC, as amended by Republic Act No. 10951 (RA 10951) provides that the imposable penalty is

³⁸ Goods under TRA 0081 amounted to ₱4,745 while goods under TRA 0083 amounted to ₱3,980, or a total of ₱8,725. See records, pp. 276 and 279.

arresto mayor in its medium and maximum periods, which ranges from two (2) months and one (1) day to six (6) months when the amount of fraud does not exceed ₱40,000.00. Considering that there is no mitigating and aggravating circumstance present in this case, the proper penalty should be within the range of three (3) months and eleven (11) days to four (4) months and twenty (20) days. The Indeterminate Sentence Law is not applicable in this case since the maximum term of imprisonment does not exceed one year.

Thus, in view of RA 10951 and considering the amount involved, it is proper to impose upon the petitioner the penalty of three (3) months and eleven (11) days of *arresto mayor* in its medium and maximum periods.

In addition, petitioner is ordered to pay Gacayan the unpaid balance of ₱8,275.00 under TRAs 0081 and 0083 plus interest. In conformity with our ruling in *Nacar v. Gallery Frames*,³⁹ the sum of ₱8,275.00 shall earn interest at the rate of 12% per *annum* from the time of its judicial demand, *i.e.*, filing of the Information on October 30, 2000 until June 30, 2013 and 6% per *annum* from July 1, 2013 until full payment. The prosecution presented a Notice of Final Demand dated February 28, 2000. However, the same does not prove receipt by herein petitioner. Hence, absent any proof of the specific date of the extrajudicial demand, the computation of the legal interest shall start from the filing of judicial demand or Information. From then, the entire amount of judgment award shall earn 6% per *annum* until fully paid.


WHEREFORE, the petition is hereby **DENIED**. The December 6, 2012 Decision and June 10, 2013 Amended Decision of the Court of Appeals in CA-G.R. CR No. 31462 are hereby **AFFIRMED** with **MODIFICATION**.

Petitioner Rosella Barlin is:

- (a) **SENTENCED** to suffer imprisonment of three (3) months and eleven (11) days of *arresto mayor* in its medium and maximum periods; and
- (b) **DIRECTED** to **PAY** private complainant Ruth S. Gacayan the amount of ₱8,275.00 with interest of twelve percent (12%) per *annum* from the filing of the Information on October 30, 2000 until June 30, 2013, and six percent (6%) per *annum* from July 1, 2013 until finality of this judgment. Thereafter, the entire amount payable shall bear interest of six percent (6%) per *annum* until full satisfaction thereof.


³⁹ 716 Phil. 267 (2013).

SO ORDERED.


RAMON PAUL L. HERNANDO
Associate Justice
Acting Chairperson

WE CONCUR:

On Wellness Leave.
MARVIC M. V. F. LEONEN
Associate Justice



HENRI JEAN PAUL B. INTING
Associate Justice


EDGARDO L. DELOS SANTOS
Associate Justice


JHOSEP Y. LOPEZ
Associate Justice

ATTESTATION

I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



RAMON PAUL L. HERNANDO
Associate Justice
Acting Chairperson

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the Division Acting Chairperson's Attestation, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



ALEXANDER G. GESMUNDO
Chief Justice