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SECOND DIVISION

[G.R. No. 222798. June 19, 2019]

ALFREDO PILI, JR., *petitioner, vs.* **MARY ANN RESURRECCION,** *respondent.*

SYLLABUS

1. REMEDIAL LAW; CRIMINAL PROCEDURE; IN CRIMINAL CASES, THE PEOPLE IS THE REAL PARTY-IN-INTEREST AND THE PRIVATE OFFENDED PARTY IS BUT A WITNESS IN THE PROSECUTION OF OFFENSES, THE INTEREST OF THE PRIVATE OFFENDED PARTY IS LIMITED ONLY TO THE ASPECT OF CIVIL LIABILITY; CASE AT BAR.— It has long been settled that "in criminal cases, the People is the real party-in-interest x x x [and] the private offended party is but a witness in the prosecution of offenses, the interest of the private offended party is limited only to the aspect of civil liability." While a judgment of acquittal is immediately final and executory, "either the offended party or the accused may appeal the civil aspect of the judgment despite the acquittal of the accused. x x x The real parties-in-interest in the civil aspect of a decision are the offended party and the accused x x x." [T]here is no doubt that the People is the real party-in-interest in criminal proceedings. As the criminal complaint for violation of B.P. 22 was filed in the MTC, necessarily the criminal case before it was prosecuted "in the name of the People of the Philippines." This very basic understanding of what transpired shows ineluctably the egregious error by the CA in ruling that the Conpil should have been "included in the title of the case."

2. ID.; PLEADINGS; SHALL BE CONSTRUED LIBERALLY SO AS TO RENDER SUBSTANTIAL JUSTICE TO THE PARTIES AND TO DETERMINE SPEEDILY AND INEXPENSIVELY THE ACTUAL MERITS OF THE CONTROVERSY WITH THE LEAST REGARD TO TECHNICALITIES; CASE AT BAR.— More importantly, the CA grossly erred when it faulted petitioner for not having included Conpil in the title of the petition for review under Rule 42, given that the criminal case was correctly titled "People of the Philippines *v.* Mary Ann

Resurreccion" and that the title was changed by respondent when she filed her petition for review with the CA, to "*Mary Ann Resurreccion v. Alfredo Pili, Jr.*" The egregious error becomes more manifest if one were to consider that in Paragraph 12 of the Memorandum filed by petitioner on behalf of Conpil, it expressly stated that "Conpil authorized its President x x x to file cases for violation of BP 22 x x x" in order to enforce its right. That the CA closed its eyes to this constitutes not only gross manifest error but grave abuse of discretion. To be sure, the whole matter was exacerbated when the CA senselessly ascribed this mistitling to petitioner and punished Conpil by dismissing the appeal and setting aside the civil liability awarded by both the MTC and the RTC without carefully reviewing the records. But even if the Court were to prescind from the foregoing, the Court cannot but fault the CA for failing to follow a basic rule in the dispensation of justice: that is, "[p]leadings shall be construed liberally so as to render substantial justice to the parties and to determine speedily and inexpensively the actual merits of the controversy with the least regard to technicalities." *Vlason Enterprises Corp. v. Court of Appeals* unequivocally states: The inclusion of the names of all the parties in the title of a complaint is a formal requirement under Section 3, Rule 7. However, the rules of pleadings require courts to pierce the form and go into the substance, and not to be misled by a false or wrong name given to a pleading. The averments in the complaint, not the title, are controlling. Although the general rule requires the inclusion of the names of all the parties in the title of a complaint, the non-inclusion of one or some of them is not fatal to the cause of action of a plaintiff, provided there is a statement in the body of the petition indicating that a defendant was made a party to such action. x x x.

APPEARANCES OF COUNSEL

Benito C. Torralba for petitioner.
Ma. Carmencita C. Obmina-Muaña for respondent.

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D E C I S I O N

CAGUIOA, *J.*:

This is a Petition for Review on *Certiorari* (Petition) under Rule 45 of the Rules of Court assailing the May 22, 2015 Decision[1] (assailed Decision) and January 29, 2016 Resolution[2] (assailed Resolution) of the Court of Appeals (CA) in CA-G.R. CR No. 35178. The CA granted the appeal of respondent Mary Ann Resurreccion (respondent) regarding the civil aspect of a criminal case for Batas Pambansa Blg. (B.P.) 22 and reversed and set aside the July 25, 2011 Decision[3] and September 26, 2011 Order[4] of the Regional Trial Court of San Pedro, Laguna Branch 93 (RTC), which affirmed the February 2, 2011 Judgment[5] of the Municipal Trial Court of San Pedro, Laguna, Branch 2 (MTC). The MTC acquitted respondent but nonetheless ordered her to pay ₱500.000 by way of civil indemnity.

The Facts and Antecedent Proceedings

As narrated by the CA in the assailed Decision and as culled from the records of the instant case, the essential facts and antecedent proceedings of the case are as follows:

Respondent entered into an agreement with Conpil Realty Corporation (Conpil) for the purchase of a house and lot and issued two checks in favor of the latter.[6] When Conpil deposited the checks, the same were dishonored and stamped as "Account Closed." On February 4, 2000, a criminal complaint for violation

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[1] *Rollo*, pp. 26-34. Penned by Associate Justice Noel G. Tijam (now a retired Member of this Court), with Associate Justices Mario V. Lopez and Myra G. Garcia-Fernandez concurring.

[2] *Id*. at 35-36.

[3] *Id*. at 51-53. Penned by Judge Francisco Dizon Paño.

[4] *Id.* at 54.

[5] *Id*. at. 44-50. Penned by Judge Ralph S. Arellano.

[6] *Id*. at 26-27.

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of B.P. 22 was filed before the MTC.[7] The criminal case was titled, "People of the Philippines *v.* Mary Ann Resurreccion,"[8] and was docketed as Crim. Case No. 35066.[9] Although the checks were issued in favor of Conpil, the criminal complaint for B.P. 22 was signed by petitioner Alfredo C. Pili, Jr. (petitioner) as "Complainant."[10] Petitioner was, at that time, the President of Conpil.[11]

In support of the criminal complaint for violation of B.P. 22, the prosecution submitted, among others: 1) a Secretary's Certificate, which stated that the Board of Directors of Conpil resolved, at a special meeting on January 21, 2000, to initiate all legal action against respondent and to authorize its President to represent the Corporation in all civil and criminal cases against respondent and to sign the Complaint, Affidavit of Complaint and all necessary pleadings,[12] and 2) an Affidavit of Complaint subscribed before the Office of the Prosecutor in February 1, 2000, which stated that the complaint affidavit was filed because "Conpil Realty Corp. has extended its generosity and kind understanding to the limit and [cannot] anymore extend its patience."[13] Both the Affidavit and the Secretary's Certificate were formally offered as part of the prosecution's evidence[14] for the purpose of proving that petitioner was the authorized representative of the complainant corporation,[15] and that he was authorized to file the instant case, adduce evidence and testify on behalf of Conpil.[16]

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[7] *Id.* at 12 and 27.

[8] *Id.* at 44.

[9] *Id.*

[10] *Id.* at 43.

[11] *Id.* at 100.

[12] *Id.* at 101-102.

[13] *Id.* at 100.

[14] *Id.* at 45.

[15] *Id.* at 18.

[16] *Id.*

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After trial, the MTC rendered a Judgment acquitting respondent. However, it ordered respondent to pay the amount of ₱500,000.00 by way of civil indemnity, *viz.*:

> The evidence presented by the prosecution, however, sufficiently established the civil liability of the accused for the amount of ₱500,000.00 as indicated in the subject check. There is no dispute that the accused purchased from Conpil a house and lot with a purchase price of ₱1,011,000.00 x x x. Part of the said purchase price to be paid from the proceeds of the loan of the accused from Pag-ibig and the balance to be paid by the accused herself. Pursuant to the Reservation Agreement x x x, the amount of ₱500,000.00 shall be loaned from Pag-ibig and it is for this amount according to the accused that she drew the subject check which she issued for collateral only. While accused paid a total of ₱456,000.00, the same refers to the amount of the equity on the purchase price of the house and lot. However, the loan amount remained unpaid which the accused is bound to pay Conpil pursuant to the Memorandum of Agreement x x x. Consequently, accused is under obligation to pay complainant the sum of ₱500,000.00 which represents the amount of the face value of the subject check.[17]

Respondent appealed the MTC's ruling on her civil liability to the RTC under Rule 122 in relation to Rule 40 of the Rules of Court. The appeal that respondent filed was titled, "People of the Philippines *v*. Mary Ann Resurreccion" and was docketed as Crim. Case No. 11-7661-SPL.[18] The RTC, however, affirmed the Judgment of the MTC.[19] Respondent filed a motion for reconsideration, which was, however, likewise denied.[20]

Respondent thus filed a petition for review under Rule 122, Section 3(b) in relation to Rule 42 of the Rules of Court with the CA, which was docketed as CA-G.R. CR No. 35178.[21]

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[17] *Id*. at 49.

[18] *Id*. at 51.

[19] *Id*. at 53.

[20] *Id*. at 54.

[21] *Id*. at 26.

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While the criminal case was originally captioned, "People of the Philippines *v*. Mary Ann Resurreccion," respondent's petition for review was captioned by her as "Mary Ann Resurreccion *v*. Alfredo Pili, Jr."[22] Nevertheless, Paragraph 12 of petitioner's Memorandum filed with the CA in the petition for review alleged that "Conpil authorized its President x x x to file cases for violation of BP 22 x x x"[23] in order to enforce its right.[24]

In the CA, respondent claimed, among others, that petitioner "is not the real party in interest x x x [and] cannot file the criminal complaint in his personal capacity."[25] On the other hand, petitioner claimed that "he did not sue in his personal capacity but as a President of Conpil."[26]

The Ruling of the CA

In the assailed Decision, the CA found respondent's petition for review under Rule 42 meritorious and set aside the Decision and Order of the RTC, *viz.*:

> **WHEREFORE**, the Petition for Review is hereby **GRANTED**. The Decision dated July 25, 2011 and Order dated September 26, 2011, rendered by the Regional Trial Court of San Pedro, Laguna, Branch 93 in its appellate jurisdiction in Criminal Case No. 11-7661-[SPL] are hereby **REVERSED** and **SET ASIDE**, without prejudice to the filing of an action by the real party in interest against Petitioner-Appellant.
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> SO ORDERED.[27]

Curiously, the CA held that the criminal case was not prosecuted in the name of the real party in interest[28] as Conpil

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[22] *Id*. at 18.

[23] *Id*.

[24] *Id*.

[25] *Id*. at 30.

[26] *Id*. at 32.

[27] *Id*. at 33.

[28] *Id*. at 30-31.

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was not included in the title of the case[29] even if it was the party: 1) that signed the contract and 2) in whose favor the checks were issued.[30] On the other hand, it was petitioner who signed the complaint[31] and it was his name that appeared in the title of the case, even though he was not a party to any of the documents or checks.[32]

Petitioner now claims that the failure to include the name of the principal in the title of the case is not fatal to its cause[33] as "the averments in the complaint, not the title, are controlling."[34] He insists that the records show that: 1) the Memorandum submitted by petitioner before the CA indicates that "petitioner instituted the instant action in his capacity as president of [Conpil],"[35] 2) he was "properly equipped with the required Secretary's Certificate dated 15 May 2000, issued by [Conpil's] Corporate Secretary Vivar Abrigo authorizing the former to represent the corporation in all civil and criminal cases against Resurreccion,"[36] 3) the Secretary's Certificate was formally offered for the purpose of proving petitioner's authority to file the instant criminal complaint,[37] and 4) the title of the case was only changed by respondent (not petitioner) to "Mary Ann Resurreccion *v*. Alfredo Pili, Jr." when respondent (not petitioner) filed her petition for review with the CA.[38]

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[29] *Id*. at 32.

[30] *Id*. at 31.

[31] *Id*.

[32] *Id*.

[33] *Id*. at 17.

[34] *Id*.

[35] *Id*. at 18.

[36] *Id*.

[35] *Id*. at 18.

[38] *Id*. at 17-18.

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Issue

Whether the CA erred in granting the appeal.

The Court's Ruling

The Petition has merit.

It has long been settled that "in criminal cases, the People is the real party-in-interest x x x [and] the private offended party is but a witness in the prosecution of offenses, the interest of the private offended party is limited only to the aspect of civil liability."[39] While a judgment of acquittal is immediately final and executory, "either the offended party or the accused may appeal the civil aspect of the judgment despite the acquittal of the accused. x x x The real parties-in-interest in the civil aspect of a decision are the offended party and the accused x x x."[40]

As regards the issue at hand, *Magallanes v. Palmer Asia, Inc.*[41] (*Magallanes*) is instructive. *Magallanes* involved a complaint for violation of B.P. 22, instituted by Andrews International Product, Inc. (Andrews). In the course of the proceedings, it appeared that Andrews transferred its assets and relinquished control of its operations to Palmer Asia, Inc. (Palmer). Although Andrews stopped all operations, it was never liquidated in accordance with the Corporation Code. After trial, the MTC acquitted Gerve Magallanes (accused Magallanes) but found him civilly liable. On appeal, this finding was reversed by the RTC. Palmer (not Andrews) thus filed a Petition for Review before the CA. The CA reversed the RTC and found accused Magallanes civilly liable. The accused thus challenged Palmer's personality to file the suit before this Court. In granting the Petition, this Court categorically held:

x x x The RTC Decision absolving Magallanes from civil liability has attained finality, since no appeal was interposed by the

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[39] *Bumatay v. Bumatay,* 809 Phil. 302, 312 (2017).

[40] *Cruz v. Court of Appeals,* 436 Phil. 641, 652-653 (2002).

[41] 739 Phil. 231 (2014).

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private complainant, Andrews. While Palmer filed a petition for review before the CA, it is not the real party in interest; it was never a party to the proceedings at the trial court.

Under our procedural rules, "a case is dismissible for lack of personality to sue upon proof that the plaintiff is not the real party-in-interest, hence grounded on failure to state a cause of action." In the instant case, Magallanes filed a motion to dismiss in accordance with the Rules of Court, wherein he claimed that:

> x x x the obvious and only real party in interest in the filing and prosecution of the civil aspect impliedly instituted with x x x the filing of the foregoing Criminal Cases for B.P. 22 is Andrews International Products, Inc.
>
> The alleged bounced checks issued by x x x Magallanes were issued payable in the name of Andrews International Products, Inc. The [n]arration of [facts] in the several Informations for violation of B.P. 22 filed against Magallanes solely mentioned the name of Andrews International Products, Inc.

The real party in this case is Andrews, not Palmer. Section 2 of Rule 3 of the Rules of Court provides:

> Sec. 2. *Parties in interest*. — A real party in interest is the party who stands to be benefited or injured by the judgment in the suit, or the party entitled to the avails of the suit. Unless otherwise authorized by law or these Rules, every action must be prosecuted or defended in the name of the real party in interest.

In *Goco v. Court of Appeals*, we explained that:

> This provision has two requirements: 1) to institute an action, the plaintiff must be the real party in interest; and 2) the action must be prosecuted in the name of the real party in interest. Interest within the meaning of the Rules of Court means material interest or an interest in issue to be affected by the decree or judgment of the case, as distinguished from mere curiosity about the question involved. One having no material interest to protect cannot invoke the jurisdiction of the court as the plaintiff in an action.

Parties who are not the real parties in interest may be included in a suit in accordance with the provisions of Section 3 of Rule 3 of the Rules of Court:

> Sec. 3. *Representatives as parties.* — Where the action is allowed to be prosecuted or defended by a representative or someone acting in a fiduciary capacity, the beneficiary shall be included in the title of the case and shall be deemed to be the real party in interest A representative may be a trustee of an express trust, a guardian, an executor or administrator, or a party authorized by law or these Rules. An agent acting in his own name and for the benefit of an undisclosed principal may sue or be sued without joining the principal except when the contract involves things belonging to the principal.

The CA erred in stating that Palmer and Andrews are the same entity. These are two separate and distinct entities claiming civil liability against Magallanes. Andrews was the payee of the bum checks, and the former employer of Magallanes. It filed the complaint for B.P. 22 before MeTC Branch 62. Thus when the MeTC Branch 62 ordered Magallanes to "pay the private complainant the corresponding face value of the checks x x x", it was referring to Andrews, not Palmer.

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Given the foregoing facts, it is clear that the real party in interest here is Andrews. Following the Rules of Court, the action should be in the name of Andrews. As previously mentioned, Andrews instituted the action before the MeTC Branch 62 but it was Palmer which filed a petition for review before the CA x x x.

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x x x The corporation that initiated the complaint for B.P. 22 is different from the corporation that filed the memorandum at the RTC and the petition for review before the CA. It appears that Palmer is suing Magallanes in its own right, not as agent of Andrews, the real party in interest.

Even assuming *arguendo* that Palmer is correct in asserting that it is the agent of Andrews, the latter should have been included in the title of the case, in accordance with procedural rules.[42]

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[42] *Id.* at 238-242. Underscoring supplied.

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Based on the foregoing, there is no doubt that the People is the real party-in-interest in criminal proceedings. As the criminal complaint for violation of B.P. 22 was filed in the MTC, necessarily the criminal case before it was prosecuted "in the name of the People of the Philippines."[43] This very basic understanding of what transpired shows ineluctably the egregious error by the CA in ruling that the Conpil should have been "included in the title of the case."[44]

As discussed in *Magallanes*, the private complainant is the real party-in-interest only as regards the civil aspect arising from the crime. A review of the records of the instant case unequivocally shows that the civil aspect of the criminal case was, in fact, appealed by respondent and that it was Conpil, being the victim of the fraud, that was the private complainant therein. This is clear from the following facts: 1) a Secretary's Certificate, which stated that the Board of Directors of Conpil resolved, at a special meeting on January 21, 2000, to initiate all legal action against respondent and to authorize its President to represent the Corporation in all civil and criminal cases against Ms. Mary Ann C. Resurreccion and to sign the Complaint, Affidavit of Complaint and all necessary pleadings,[45] 2) the Affidavit of Complaint subscribed before the Office of the Prosecutor in February of 2000 concludes that the complaint affidavit was filed because "Conpil Realty Corp. has extended its generosity and kind understanding to the limit and cannot anymore extend its patience,"[46] and 3) both the Affidavit and the Secretary's Certificate were formally offered as evidence for the purpose of proving that Alfredo Pili was the authorized representative of the complainant corporation,[47] and that he was authorized to file the instant case, adduce evidence and

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[43] RULES OF COURT, Rule 110, Sec. 2.

[44] *Rollo*, p. 32.

[45] *Id.* at 101.

[46] *Id.* at 100.

[47] *Id.* at 18.

testify on behalf of Conpil.[48] This same set of undisputed and admitted facts totally belies the CA's claim that the criminal complaint was not filed or prosecuted in the name of the real party in interest.[49]

More importantly, theCA grossly erred when it faulted petitioner for not having included Conpil in the title of the petition for review under Rule 42,[50] given that the criminal case was correctly titled "People of the Philippines *v*. Mary Ann Resurreccion" and that the title was changed by respondent when she filed her petition for review with the CA, to "*Mary Ann Resurreccion v. Alfredo Pili, Jr.*"[51] The egregious error becomes more manifest if one were to consider that in Paragraph 12 of the Memorandum filed by petitioner on behalf of Conpil, it expressly stated that "Conpil authorized its President x x x to file cases for violation of BP 22 x x x"[52] in order to enforce its right.[53] That the CA closed its eyes to this constitutes not only gross manifest error but grave abuse of discretion. To be sure, the whole matter was exacerbated when the CA senselessly ascribed this mistitling to petitioner and punished Conpil by dismissing the appeal and setting aside the civil liability awarded by both the MTC and the RTC without carefully reviewing the records.

But even if the Court were to prescind from the foregoing, the Court cannot but fault the CA for failing to follow a basic rule in the dispensation of justice: that is, "[p]leadings shall be construed liberally so as to render substantial justice to the parties and to determine speedily and inexpensively the actual merits of the controversy with the least regard to

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[48] *Id*.

[49] *Id*. at 30-33.

[50] *Id*. at 32.

[51] *Id*. at 17-18.

[52] Memorandum dated October 18, 2012, p. 4.

[53] *Id*.

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technicalities."[54] *Vlason Enterprises Corp. v. Court of Appeals*[55] unequivocally states:

> The inclusion of the names of all the parties in the title of a complaint is a formal requirement under Section 3, Rule 7. However, the rules of pleadings require courts to pierce the form and go into the substance, and not to be misled by a false or wrong name given to a pleading. The averments in the complaint, not the title, are controlling. Although the general rule requires the inclusion of the names of all the parties in the title of a complaint, the non-inclusion of one or some of them is not fatal to the cause of action of a plaintiff, provided there is a statement in the body of the petition indicating that a defendant was made a party to such action.
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> x x x x x x x x x
>
> x x x In any event, we reiterate that, as a general rule, mere failure to include the name of a party in the title of a complaint is not fatal by itself.[56]

A more assiduous review of the records would have obviated the instant appeal and more speedily and inexpensively resolved the issues to the benefit of all parties.

WHEREFORE, the Petition is **GRANTED**. The Court of Appeals' Decision dated May 22, 2015 and Resolution dated January 29, 2016 in CA-G.R. CR No. 35178 are **REVERSED** and **SET ASIDE**. The CA is hereby ordered to resolve the appeal with dispatch.

SO ORDERED.

Carpio, S.A.J. (*Chairperson*), *Perlas-Bernabe, Reyes, J. Jr.*, and *Lazaro-Javier, JJ.,* concur.

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[54] *Vlason Enterprises Corp. v. Court of Appeals*, 369 Phil. 269, 304 (1999).

[55] *Id.*

[56] *Id.*