

Title: Philippine School of Business Administration, et al. vs. Court of Appeals, et al.

Facts:

On August 30, 1985, Carlitos Bautista, a third-year commerce student at the Philippine School of Business Administration (PSBA), was fatally stabbed by individuals not affiliated with the school. The victim's parents, Segunda R. Bautista and Arsenia D. Bautista, filed a complaint for damages with the Regional Trial Court (RTC) of Manila, Branch 47, presided by Judge Regina Ordoñez-Benitez. The complaint was lodged against the PSBA and its corporate officers alleging negligence and lack of adequate security measures.

The defendants were Juan D. Lim, President of PSBA; Benjamin P. Paulino, Vice-President; Antonio M. Magtalas, Treasurer/Cashier; Col. Pedro Sacro, Chief of Security; and Lt. M. Soriano, Assistant Chief of Security. During the proceedings, Lt. Soriano resigned, thus severing his relationship with the school and the case.

The defendants moved to dismiss the case, citing jurisprudence that supposedly excluded schools from liability under Article 2180 of the Civil Code, but the RTC denied the motion on December 8, 1987. The subsequent motion for reconsideration was denied on January 25, 1988.

Dissatisfied, the petitioners elevated the case to the Court of Appeals (CA), which on June 10, 1988, affirmed the trial court's orders. The CA found that modern interpretations of Article 2180 should apply to all schools, and schools could be held liable under the doctrine of in loco parentis unless they observed due diligence to prevent any damage. Petitioners' motion for reconsideration was denied by the CA on August 22, 1988, leading to the petition before the Supreme Court.

Issues:

1. Does the failure of the appellate court to consider that the assailants were not PSBA students exempt the petitioners from liability?
2. Can an academic institution be held liable for acts of violence on its premises committed by non-students?
3. Does a contract between a school and its students imply an obligation on the part of the school to provide a safe environment for learning, thus making it liable for breach of contract rather than for quasi-delict?
4. Can liability for tort coexist alongside a contractual relationship?

Court's Decision:

The Supreme Court denied the petition, affirming that the case should be tried on its merits. The SC disagreed with the CA's reliance on the application of the rules on quasi-delict, as the situation involved a contractual relationship between PSBA and the deceased student. The Court drew a distinction between obligations arising from quasi-delicts and those arising from contracts, asserting that the negligence of the school in this context is only relevant through its contract with Bautista.

Doctrine:

1. An academic institution's obligation under a contract with its students includes providing an atmosphere conducive to learning, which indirectly includes ensuring safety and security within its premises.
2. Liability arising from tort can coexist with a contractual relationship, and an act which constitutes a breach of contract may also be a tort if done in bad faith and is violative of Article 21 of the Civil Code.

Class Notes:

- In loco parentis: The doctrine that an academic institution may be held liable for the acts of its students or pupils while they are in its custody.
- The distinction between contractual and extra-contractual (quasi-delict) obligations: A tort liability may arise even where there is a contract when the act that constitutes the breach is also a tortious act that is contrary to morals, good customs, or public policy (Article 21, Civil Code of the Philippines).
- The relationship between a school and its students is governed by contract law principles imposed alongside relevant obligations under tort law.
- A finding of negligence for breaching the contract of providing safe premises for students will require evidence of the absence of due diligence as defined in Article 1173 of the Civil Code.

Historical Background:

At the time the case arose (1985), there was growing concern for the safety of students within educational institutions in the Philippines, particularly amidst an increase in violence and hooliganism. The judiciary was confronted with the need to adapt traditional legal principles to contemporary social conditions, including the responsibilities of academic institutions to provide safe learning environments. This case also illustrates the evolution of the judicial interpretation of legal doctrines such as in loco parentis and the application of tort law in conjunction with contract law.