

Title: Tiu v. Arriesgado, et al. (2002)

Facts:

On March 15, 1987, at approximately 10:00 p.m., a cargo truck loaded with firewood and bound for Cebu City from Boggo, Cebu suffered a rear tire explosion near Sitio Aggies, Compostela, Cebu. The driver, Sergio Pedrano, parked the truck to the right side of the highway for repairs, leaving it partially obstructing the roadway. Despite precautions such as turning on the tail lights and positioning a spare tire as a warning, the truck was hit by a passenger bus operated by William Tiu, driven by Virgilio Te Laspiñas, at around 4:45 a.m. the following day. The collision resulted in injuries to several passengers, including Pedro Arriesgado and the death of his wife, Felisa Pepito Arriesgado.

Pedro Arriesgado filed a complaint for breach of contract of carriage, damages, and attorney's fees against the bus operator Tiu and driver Laspiñas in the Regional Trial Court (RTC) of Cebu City. Tiu, in turn, filed a Third-Party Complaint against the truck's insurer Philippine Phoenix Surety and Insurance, Inc. (PPSII), truck owner Benjamin Condor, and driver Pedrano, asserting that the truck's improper parking without warning devices was the accident's proximate cause.

The RTC ruled in favor of Arriesgado, finding Tiu and Laspiñas negligent and responsible for damages. Tiu's claims against the third-party defendants were dismissed. The Court of Appeals affirmed the RTC's decision with modifications on the awards for moral and exemplary damages.

Issues:

1. Whether the truck's absence of an early warning device and oblique parking constituted negligence on the part of Pedrano and Condor.
2. Whether Tiu and Laspiñas were negligent and therefore liable to Arriesgado.
3. The applicability of the doctrine of last clear chance.
4. The extent of liability of Philippine Phoenix Surety and Insurance, Inc. as the insurer.

Court's Decision:

The Supreme Court partially granted the petition, affirming the negligence of both the bus and truck parties but also recognized the insurer's liability to a certain extent. It ruled that the Court of Appeals correctly found the bus driver Laspiñas negligent for driving at a fast pace resulting in the inability to avoid the collision. However, the truck driver Pedrano and owner Condor were also found negligent for failing to provide adequate warning to

oncoming traffic. The doctrine of last clear chance was deemed inapplicable, as the case involved a breach of contract of carriage. The Court also held that PPSII was liable to Arriego for indemnity within the limits stated in the insurance contract but not for solidary liability beyond those limits.

Doctrine:

1. A common carrier is presumed negligent upon the occurrence of an accident and has the burden to prove it exercised extraordinary diligence.
2. The doctrine of last clear chance does not apply in cases involving a breach of contract of carriage where the carrier is presumed negligent.
3. In negligence cases involving multiple parties, each may be held jointly and severally liable for damages.

Class Notes:

- A common carrier has an obligation to exercise extraordinary diligence for the safety of its passengers.
- The presumption of negligence against a common carrier upon an accident can be rebutted by proving the exertion of extraordinary diligence or a fortuitous event.
- The doctrine of last clear chance allows a negligent plaintiff to recover damages if the defendant had the last opportunity to avoid the accident but failed to do so; however, it is not applicable in breach of contract by common carriers.
- In cases of negligence, third-party insurers are liable up to the limits set forth in the insurance contract.

Historical Background:

This case underscores the rigorous standards to which common carriers are held regarding passenger safety in the Philippines, highlighting the balance between contract and tort principles in determining liabilities following vehicular accidents. It illustrates the evolving jurisprudence on the doctrine of last clear chance and the role of insurance in compensating victims of road accidents.