

### Title:

Harbour Centre Port Terminal, Inc. & Michael L. Romero vs. La Filipina Uygongco Corp. and Philippine Foremost Milling Corp.

### Facts:

This case revolves around a conflict over priority berthing rights stipulated in a Memorandum of Agreement (MOA) dated November 19, 2004, between Harbour Centre Port Terminal, Inc. (HCPTI) and La Filipina Uygongco Corp. (LFUC) along with Philippine Foremost Milling Corp. (PFMC). The relationship soured in 2008 leading to numerous legal actions.

LFUC and PFMC accused HCPTI of failing to provide priority berthing and of maintenance issues, prompting them to file a complaint against HCPTI. Subsequently, a Writ of Preliminary Injunction (WPI) was issued by the RTC of Manila, Branch 24, prohibiting HCPTI from denying LFUC and PFMC access to its facilities.

Despite the WPI, from March to June 2009, LFUC and PFMC experienced delays and denials of berthing, leading them to file a Petition for Indirect Contempt against HCPTI and its officers, alleging violation of the WPI and the MOA.

HCPTI, in its defense, claimed non-receipt of necessary berthing applications from LFUC and PFMC, and argued the indirect contempt charge was criminal, thereby not warranting an appeal upon dismissal by the RTC.

### Issues:

1. Whether the CA erred in holding petitioners liable for indirect contempt.
2. Whether the CA correctly classified the petition for indirect contempt as civil in nature.

### Court's Decision:

The Supreme Court reversed the Court of Appeals' decision, reinstating the RTC's dismissal of the indirect contempt charge against HCPTI and its officers. The Supreme Court clarified the distinction between civil and criminal contempt, concluding that the petition for indirect contempt filed by LFUC and PFMC was civil in nature, aiming to enforce compliance with the WPI for their benefit.

The Court found that LFUC and PFMC's priority berthing rights were conditional and that their failure to comply with the MOA provisions, such as submitting a written Final Advice of Arrival, contributed to the berthing issues. Hence, HCPTI and its officers did not act in

contempt of court.

### ### Doctrine:

The Supreme Court reiterated the distinction between civil and criminal contempt, emphasizing that the primary objective determines the nature of the contempt — punitive for criminal contempt and compensatory or remedial for civil contempt. Furthermore, it underscored that failure to comply with the conditions set forth in an agreement cannot be construed as contempt if such failure does not demonstrate a clear and willful disregard for the court's authority.

### ### Class Notes:

- **Contempt of Court**: Distinguished into criminal (punitive, to preserve court's authority) and civil (remedial, to enforce compliance with orders for the benefit of a party).
- **Prior Agreements and Court Orders**: Compliance with stipulated conditions in agreements is crucial when related court orders (e.g., Writs of Preliminary Injunction) are issued for enforcement.
- **Burden of Proof**: In civil contempt cases, proof beyond reasonable doubt is not necessary; however, the allegations must be supported by evidence stronger than mere preponderance.

### ### Historical Background:

This case illuminates the complexities arising from contractual agreements between private parties and the enforcement of such agreements through judicial mechanisms. It provides insight into how the judiciary navigates between civil and criminal contempt in disputes involving compliance with court orders that are rooted in private agreements.