

**\*\*Title: Transimex Co. vs. Mafre Asian Insurance Corp.\*\***

**\*\*Facts:\*\***

The dispute between Transimex Co. (petitioner) and Mafre Asian Insurance Corp. (respondent) originated from a claim of shortage in a shipment of Prilled Urea Fertilizer delivered to Fertiphil Corporation. The fertilizer was transported by M/V Meryem Ana, for which Transimex acted as the local ship agent. The vessel loaded 21,857 metric tons of fertilizer in Odessa, Ukraine on May 21, 1996, destined for delivery in Poro Point, La Union, and Tabaco, Albay. A shortage was discovered in the delivery to Tabaco, with a recorded outturn of 7,350.35 metric tons out of the expected 7,700 metric tons. The respondent, as subrogee of Fertiphil, paid the claim for the shortage and sought reimbursement from Transimex.

Transimex denied responsibility for the shortage, invoking extraordinary diligence in cargo handling and attributing the loss to bad weather, considered either as a storm under Article 1734 of the Civil Code or as a peril of the sea under the Carriage of Goods by Sea Act (COGSA). Both the Regional Trial Court (RTC) and the Court of Appeals (CA) ruled against Transimex, holding it liable for the shortage and dismissing its defenses. Transimex elevated the case to the Supreme Court via a Petition for Review on Certiorari, asserting that the lower courts erred in their judgment.

**\*\*Issues:\*\***

1. Whether the CA Decision has become final and executory.
2. Applicability of the Civil Code provisions on common carriers vs. COGSA provisions in governing the transaction.
3. Liability of Transimex for the loss/damage sustained by the cargo due to bad weather.

**\*\*Court's Decision:\*\***

1. The Supreme Court found the CA Decision to be final and executory due to Transimex's failure to timely file a motion for reconsideration.
2. The Civil Code provisions on common carriers are deemed applicable as the law of the country to which the goods were transported governs the liability of the common carrier for loss, destruction, or deterioration of the goods.
3. The Court denied the petition, affirming the CA's ruling. It held Transimex liable for the shortage, as there was insufficient evidence to prove the loss or damage was caused by a "storm" or "peril of the sea," nor did Transimex prove extraordinary diligence to prevent the loss or damage.

**\*\*Doctrine:\*\***

This case reiterates the doctrine that the law of the country to which the goods are to be transported governs the liability of the common carrier for their loss, destruction, or deterioration as per Article 1753 of the Civil Code. Furthermore, it highlights that common carriers are presumed to have been at fault or to have acted negligently if the goods are lost, destroyed, or damaged while in their custody, a presumption which can only be rebutted by proof of extraordinary diligence on their part.

**\*\*Class Notes:\*\***

- Liability of Common Carriers: Common carriers are presumed liable for the loss, destruction, or deterioration of goods in their custody unless they can prove exercising extraordinary diligence.
- Relevance of Bad Weather Conditions: Bad weather conditions could exempt the carrier from liability only if they amount to a “storm” or “peril of the sea” and are proven to be the sole and proximate cause of the loss or damage. Furthermore, the carrier must demonstrate the exercise of due diligence to prevent or minimize the loss or damage.
- Finality of Decisions: A court decision becomes final and executory if a motion for reconsideration is not filed within the reglementary period, making the decision unappealable.

**\*\*Historical Background:\*\***

The case underscores the navigation of legal challenges in maritime transport, specifically the handling of cargo loss/damage claims. It illustrates the complexity of attributing liability and the reliance on national laws (Civil Code) supplemented by international conventions (COGSA) in resolving such disputes.