

Title:

Unitrans International Forwarders, Inc. v. Insurance Company of North America et al.

Facts:

On April 22, 2002, two musical instruments were shipped from Melbourne, Australia, and were entrusted to South East Asia Container Line (SEACOL) for transport to Manila, Philippines. The shipment was insured by the Insurance Company of North America (ICNA) under Policy No. MOPA-06310. The cargo initially aboard M/S Buxcrown was transferred to M/S Doris Wullf in Singapore for the final leg to Manila. Upon arrival on May 12, 2002, the cargo was found damaged. ICNA, as subrogee, filed a Amended Complaint for sum of money against SEACOL and others for failing to deliver the cargo in good condition. Unitrans International Forwarders, Inc. (Unitrans) was implicated as the local agent responsible for the delivery of the cargo to the consignee, San Miguel Foundation for the Performing Arts.

Unitrans, denying liability, contended its role was merely as a receiving agent for the cargo and as a customs broker for San Miguel. Conversely, TMS Ship Agencies (TSA) and the unknown charterer of the M/S Doris Wullf denied any wrongful action, stating the cargo was in good condition upon discharge.

The Regional Trial Court (RTC) of Makati City found Unitrans liable to ICNA, a decision both appealed by Unitrans to the Court of Appeals (CA), and upheld by the CA. Unitrans subsequently petitioned the Supreme Court for review on certiorari.

Issues:

1. Whether the CA erred in affirming the RTC's decision holding Unitrans solely liable for the damages to the musical instruments, despite Unitrans' contention of procedural and factual misapprehensions.
2. The determination of whether Unitrans can be considered a common carrier and held liable for the shipment's damage under the law governing common carriers.

Court's Decision:

The Supreme Court denied Unitrans' petition, affirming the CA's decision. It first addressed the procedural issue, stipulating that questions of fact are not reviewable in a petition for certiorari. The Court found substantial evidence supporting the decisions of the lower courts that Unitrans, acting as a non-vessel operating common carrier and a freight forwarder, was indeed responsible for the cargo and thus liable for its safe delivery to San Miguel.

The Court emphasized the application of Articles 1733 and 1735 of the Civil Code, underscoring the presumption of negligence on part of the carrier (Unitrans) when the goods it transported were damaged. Despite Unitrans' contention, the Court found it failed to prove it exercised extraordinary diligence in the transportation and handling of the instruments, thereby not overcoming the presumption of negligence.

Doctrine:

The case reiterated the doctrine regarding the liability of common carriers under Articles 1733 and 1735 of the Civil Code, particularly emphasizing that common carriers are presumed negligent when goods are lost, destroyed, or deteriorated while in their custody unless they prove that they observed extraordinary diligence.

Class Notes:

- **Articles 1733 and 1735 of the Civil Code**: Centers on the obligations of common carriers regarding the safekeeping of goods. A common carrier must observe extraordinary diligence in the vigilance over the goods it transports. In case of loss, destruction, or damage, the common carrier is presumed negligent and must prove otherwise.
- **Procedural Aspect**: The Supreme Court does not typically review questions of fact in a petition for certiorari, focusing instead on questions of law.
- **Subrogation**: A legal principle allowing an insurer to assume the legal rights of its insured to recover costs from the parties liable for the loss.

Historical Background:

This case highlights the responsibility of common carriers in the Philippines concerning the transport and safekeeping of goods. It underscores the judiciary's stance on holding carriers to a high standard of care, reflecting broader principles of commerce and transportation law. The case also illustrates the procedural pathways and the standards of review in Philippine appellate practice.