

### Title: Delgado Brothers, Inc. vs. The Court of Appeals, et al.

#### Facts:

Richard A. Klepper filed a lawsuit to recover damages amounting to P6,729.50 for his goods damaged in Manila, which were being unloaded from the S.S. President Cleveland, owned by American President Lines, Ltd. The goods were damaged when a lift van fell from a gantry crane operated by Delgado Brothers, Inc. on February 22, 1955. A survey assessed the damages, leading to the legal action. The Manila Court of First Instance ruled in favor of Klepper, ordering the shipping company and, by reimbursement, Delgado Brothers, Inc., to cover the damages and fees. Upon appeal, the Court of Appeals affirmed the lower court's decision. Delgado Brothers, Inc., seeking relief from liability as stipulated in a contract with the shipping company, brought the case to the Supreme Court.

#### Issues:

1. Whether Delgado Brothers, Inc. can disclaim liability for the damage by invoking the contract with the shipping company which assumed responsibility for damages arising from the use of the crane.
2. The interpretation and enforceability of the contract stipulation regarding the exemption of Delgado Brothers, Inc. from liability for the negligence of its employee.

#### Court's Decision:

The Supreme Court ruled in favor of Delgado Brothers, Inc., reversing the decision of the Court of Appeals. The Court found that the contract unambiguously exempted Delgado Brothers from liability for any damage arising, which included damage from its employee's negligence during the crane operation. The Court highlighted the necessity for contracts exempting a party from negligence to be explicitly clear and found that the contract in question met this criterion, effectively shifting complete responsibility to the American President Lines, Ltd.

#### Doctrine:

1. A contract that aims to exempt a party from liability for its own or its employees' negligence must articulate this exemption in unequivocal terms.
2. The doctrine of *\*Renuntiatio non praesumitur\** underlines that exemptions from liability are strictly construed against the party claiming such exemption.

#### Class Notes:

- **\*\*Legal Principle\*\***: Explicit contractual exemptions from liability need to be clearly stated

and unambiguous to override standard principles of liability.

- **Renuntiatio non praesumitur**: Exemptions or waivers of liability are not presumed and must be clearly established.
- **Application**: In contracts involving service provision and potential liability for negligence, detailing the scope of responsibility and any exemptions from liability precisely is crucial to avoid unintended liability.
- **Relevant Legal Statute**: *Article 1753 of the New Civil Code* of the Philippines - Stipulates that international carriage contracts are governed by the law of the destination country regarding the carrier's liability for loss or damage.

#### #### Historical Background:

This case reflects the interplay between international shipping laws, contractual obligations, and liability exemptions within the Philippine legal framework. Occurring in the 1950s, it underscores the evolving nature of transportation law, particularly with regards to how liability is shared among parties involved in international shipping operations.