

****Title:****

Philippine Bar Association vs. United Construction Co., Inc., Juan F. Nakpil & Sons, Juan J. Carlos, and the Court of Appeals

****Facts:****

The Philippine Bar Association (PBA), decided to construct an office building on its lot in Intramuros, Manila. United Construction Co., Inc. (UCCI) undertook the construction on an “administration” basis, recommended by its President and General Manager, Juan J. Carlos. The building’s plans and specifications were crafted by third-party defendants Juan F. Nakpil & Sons. Completed in June 1966, the building suffered major damage from an earthquake on August 2, 1968.

PBA filed a case against UCCI and Carlos, alleging construction defects and contract violations. UCCI counterclaimed and filed a third-party complaint against Juan F. Nakpil & Sons and Juan F. Nakpil, blaming the partial collapse on the architects’ defective plans and specifications. A written stipulation allowed for judgment against the Nakpils if found liable. Technical and non-technical issues were divided, with technical issues referred to Commissioner Andres O. Hizon.

Further earthquakes in 1970 exacerbated the building’s condition, leading to its demolition authorized by the trial court. The Commissioner found that the building’s damage was due to defects in the construction, the plans, and specifications, substantial deviations from these plans by UCCI, and a lack of proper workmanship and supervision.

****Issues:****

1. Whether an act of God (earthquake) exempts the defendants and third-party defendants from liability for the building’s collapse.
2. The extent of negligence on the part of UCCI and the Nakpils contributing to the damage.
3. The appropriate amount of damages to be awarded to the PBA.

****Court’s Decision:****

The Supreme Court held that the act of God did not exempt UCCI and the Nakpils from liability because their negligence was a proximate cause of the building’s inability to withstand the earthquake. The Court found both UCCI and the Nakpils were negligent; UCCI in its substantial deviations from the plans and lack of proper workmanship, and the Nakpils in the defects of their plans and specifications. The Court modified the appellate court’s decision, holding UCCI and the Nakpils solidarily liable, and increased the damages

awarded to the PBA to P5,000,000.00 plus P100,000.00 as attorney's fees.

****Doctrine:****

- Parties cannot be exempted from liability arising from their acts of negligence, even if an act of God (e.g., a natural disaster like an earthquake) contributes to the resultant damage.
- Article 1723 of the Civil Code emphasizes the accountability of architects, engineers, and contractors for damages due to defects in construction or the plans and specifications they provided or implemented.

****Class Notes:****

- Key Elements: Negligence, Act of God, Proximate Cause.
- Relevant Statute: Article 1723, New Civil Code of the Philippines: Architects, engineers, and contractors are liable for damages within fifteen years from the completion of a structure if it collapses due to defects in plans, specifications, or construction.
- The principle in this case emphasizes the importance of a professional's liability for negligence notwithstanding intervening natural disasters. An architect, engineer, or contractor's prior act(s) of negligence can lead to liability even if an event such as an earthquake (an act of God) occurs, which, combined with the negligence, causes damage or loss.

****Historical Background:****

This case underscores the pressing need for rigorous adherence to building codes and standards, especially in earthquake-prone areas. It reflects the legal principles governing the accountability of professionals in the construction industry, highlighting the balance between unforeseeable natural disasters and the expectation of structural resilience through competent design and construction practices.