

Title: Far Eastern Shipping Company vs. Court of Appeals and Philippine Ports

Authority: Consolidated Cases on Solidary Liability and Pilotage

Facts:

The case originated from an incident on June 20, 1980, where the M/V PAVLODAR, owned by Far Eastern Shipping Company (FESC) and flying under the USSR flag, was being maneuvered for docking at the Port of Manila's Berth 4. The vessel, under compulsory pilotage, was piloted by Senen Gavino of the Manila Pilots Association (MPA). Despite calm sea conditions, the vessel failed to properly anchor and collided with the pier's apron, causing significant damage to both the vessel and the pier.

The Philippine Ports Authority (PPA) filed a complaint for damages against FESC, Capt. Gavino, and MPA, claiming joint and several liabilities. The Regional Trial Court ruled in favor of PPA, ordering the defendants to pay solidarily. The Court of Appeals affirmed this decision with modifications concerning MPA's liability basis, not on the employer-employee relationship but on Customs Administrative Order No. 15-65 provisions. Both FESC and MPA sought review from the Supreme Court, contesting the decisions and their liabilities.

Issues:

1. Whether the pilot or the shipmaster is solely liable for damages caused during compulsory pilotage.
2. Whether both the pilot and the shipmaster can be held concurrently negligent and thus solidarily liable for damages.
3. The basis and extent of liability of Manila Pilots' Association for the negligence of its member.

Court's Decision:

The Supreme Court denied the consolidated petitions for review and affirmed the Court of Appeals' decision in toto. It held that both the pilot and the shipmaster were concurrently negligent, each failing to exercise the proper degree of care required under the circumstances. The pilot was found negligent for failing to conduct proper docking maneuvers, while the shipmaster was negligent for not intervening despite the impending danger, thus not absolving the shipowner from liability.

Regarding MPA's liability, the Court upheld the appellate court's application of Customs Administrative Order No. 15-65, emphasizing that MPA's liability is solidary up to 75% of its prescribed reserve fund for the damages caused by its member, without an employer-

employee relationship being necessary.

Doctrine:

This case reiterates that both the pilot under compulsory pilotage services and the shipmaster have distinct responsibilities, and their concurrent negligence can lead to their solidary liability for damages caused during such pilotage. Also, a pilots' association can be held solidarily liable for its member's negligence based on specific statutory provisions, without needing an employer-employee relationship.

Class Notes:

- Compulsory pilotage does not completely relieve the shipmaster from the duty to ensure the safe navigation of the vessel.
- Concurrent negligence of the pilot and shipmaster can result in their solidary liability for damages.
- Pilots' associations have solidary liability for damages caused by their members' negligence, based on statutory provisions, up to a specified limit of their reserve fund.
- Key statutes and regulations: Customs Administrative Order No. 15-65 and PPA Administrative Order No. 03-85.

Historical Background:

This case delves into the intricate relationships and responsibilities within maritime law, particularly focusing on the liability issues concerning pilotage — compulsory or otherwise. The evolving jurisprudence underscores the necessity for shipmasters to remain vigilant during pilotage and clarifies the legal standing and obligations of pilots' associations in the Philippines.