

Title

****Pedro De Guzman vs. Court of Appeals and Ernesto Cendaña: A Case of Common Carrier Liability in Fortuitous Events****

Facts

In November 1970, Pedro de Guzman, a merchant dealing with General Milk Company in Urdaneta, Pangasinan, engaged Ernesto Cendaña, a junk dealer who occasionally transported goods for others, to deliver 750 cartons of milk from Makati to Urdaneta. On December 1, 1970, Cendaña loaded the goods onto two trucks. One truck, which carried 600 cartons and driven by Cendaña's employee, was hijacked in Tarlac, leading to the loss of the cargo.

Guzman sued Cendaña for the value of the lost cargo (P22,150.00), claiming Cendaña, as a common carrier, failed to exercise the required extraordinary diligence. Cendaña argued that he was not a common carrier and was exempt from liability due to the hijacking being an event of force majeure.

The trial court in Pangasinan found Cendaña to be a common carrier and liable for the losses. However, upon appeal, the Court of Appeals reversed this decision, stating Cendaña's service was a sideline to his main business and that the hijacking constituted force majeure. De Guzman then appealed to the Supreme Court.

Issues

1. Whether Ernesto Cendaña can be considered a common carrier despite his transportation services being occasional and a sideline to his junk dealer business.
2. Whether the hijacking of the truck constitutes a force majeure absolving the common carrier of liability for the loss of cargo.
3. The extent of liability of a common carrier for the loss resulting from acts of thieves or violence.

Court's Decision

The Supreme Court held Cendaña as a common carrier under the Civil Code's definition, emphasizing that the law does not distinguish between carriers who offer services as their main business and those who do so as an ancillary activity. The court underscored that offering transportation services for compensation to the public categorizes a person or firm as a common carrier, irrespective of the frequency or regularity of service.

On the issue of force majeure, the court found that the hijacking, executed with grave and

irresistible force, exempted Cendaña from liability for the lost cargo. The Court differentiated this situation from ordinary theft or robbery, highlighting that common carriers must observe extraordinary diligence but are not liable for losses brought about by force majeure.

Doctrine

The case reiterates the doctrine that common carriers are bound to observe extraordinary diligence in the vigilance over the goods transported, and are presumed liable for the loss unless due to causes enumerated in the Civil Code, including force majeure.

Class Notes

- Common carriers are liable for loss, destruction, or deterioration of goods unless the loss results from defined exempting causes including force majeure.
- Extraordinary diligence in care of goods by common carriers involves doing everything reasonably possible to prevent loss or damage.
- A certificate of public convenience is not required for liability as a common carrier to attach.
- Acts of theft or violence against a common carrier where the perpetrator employs “grave or irresistible threat, violence or force” can constitute force majeure, exonerating the carrier from liability for the loss.

Historical Background

This case highlights the balance between holding common carriers to a high standard of care for goods transported, and recognizing the limits of their responsibility in the face of acts beyond their control, such as armed robbery. It underscores the importance of the legal doctrine in adapting to situations where strict adherence to liability could lead to unjust outcomes, reflecting the dynamic interaction between law, commerce, and societal realities.