

Title:

Asian Terminals, Inc. vs. Daehan Fire and Marine Insurance Co., Ltd.

Facts:

This case involves a shipment of twenty-six (26) boxes of printed aluminum sheets shipped by Doosan Corporation on July 8, 2000, on board the vessel Heung-A Dragon, owned by Dongnama Shipping Co., Ltd., and consigned to Access International in Manila. The shipment was insured by Daehan Fire and Marine Insurance Co., Ltd. under an all-risk marine cargo insurance policy. Upon arrival in Manila on July 12, no damages were noted. However, after the cargo was delivered to Access International's warehouse, an inspection revealed 14 boxes missing, prompting a clam against Asian Terminals, Inc. (ATI) and the customs broker. Daehan, as the insurer, compensated Access International and subsequently filed a case against Dongnama, Uni-ship, Inc., ATI, and the customs broker for recovery of the amount paid.

The Regional Trial Court (RTC) originally dismissed the complaint due to insufficient evidence and questioned the authority of the complainant's representative. On appeal, the Court of Appeals (CA) reversed the RTC decision, ordering ATI and the customs broker to pay Daehan jointly and severally. ATI's petition for review on certiorari brings this case before the Supreme Court.

Issues:

1. Whether ATI is liable for the loss of the shipment despite receipt being acknowledged in good order without exception by the consignee's broker/representative.
2. The extent of ATI's liability if found responsible.

Court's Decision:

The Supreme Court affirmed the CA's decision, holding ATI liable for the loss of the cargo. It highlighted the failure of ATI to conduct a joint survey upon request and to secure the goods in its custody. The Court determined that ATI, as the arrastre operator, is responsible for the loss, rejecting the limitation to liability based on ATI's Management Contract with the Philippine Ports Authority. The Court emphasized that the knowledge of the actual invoice value of the goods, which had been communicated to ATI and for which ATI had charged corresponding arrastre fees, overcomes the contractual limitation of liability.

Doctrine:

This case reiterates the principle that arrastre operators must exercise due diligence akin to

that of a common carrier and warehouseman in safeguarding the goods in their custody. The liability of an arrastre operator for loss cannot be limited by stipulation if the value of the goods has been declared beforehand and fees have been accordingly paid based on such declared value.

Class Notes:

- **Arrastre Operator's Duty of Care**: Arrastre operators are responsible for handling and safekeeping cargoes from the vessel to the consignee, observing the diligence required of a good father of a family.
- **Limitation of Liability**: The standard limitation of liability clause in contracts does not apply if the arrastre operator was made aware of the cargo's actual value through proper declaration and received payments based on such value.
- **Subrogation Rights**: When an insurer pays for the loss covered by the policy, it is subrogated to the rights of the insured against third parties responsible for the loss.

Historical Background:

The backdrop of this legal discourse pertains to the responsibilities of arrastre operators in the Philippines, highlighting the legal expectations from entities involved in the handling of cargoes within Philippine ports. This case elucidates the standards of care and accountability expected from logistics providers, especially in situations where the loss occurs while the cargo is under their supervision, reinforcing the legal protections afforded to cargo owners and their subrogees.