

Title: Sulpicio Lines, Inc. v. Sesante

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Facts

On September 18, 1998, at 12:55 p.m., M/V Princess of the Orient, a passenger vessel owned by Sulpicio Lines, Inc., sank near Fortune Island in Batangas amidst stormy conditions, leading to the loss of 150 out of 388 passengers. Napoleon Sesante, a surviving passenger and a lawyer/policeman, filed a complaint for breach of contract and damages against the petitioner.

- **Initial Incident**: On the day of the incident, Sesante noticed the vessel listing starboard and eventually sinking after battling strong winds and high waves. Despite efforts to survive, he suffered severe injuries, mental anguish, and loss of personal possessions.
- **Complaint Filed**: Sesante sued Sulpicio Lines for actual damages of PHP 500,000.00 and moral damages of PHP 1,000,000.00, alleging bad faith and negligence.
- **Defense by Sulpicio Lines**: The petitioner claimed the vessel was seaworthy and that force majeure (the storm) caused the sinking, absolving them of negligence.

Procedural History

1. **Trial Court (RTC)**: The RTC of Quezon City, Branch 91, found Sulpicio Lines liable, awarding PHP 400,000 in temperate damages and PHP 1,000,000 in moral damages. After a motion for reconsideration, the temperate damages were reduced to PHP 300,000.
2. **Court of Appeals (CA)**: On appeal, the CA further reduced the temperate damages to PHP 120,000 while maintaining moral damages, holding the petitioner liable despite the vessel's seaworthiness.
3. **Supreme Court**: Dissatisfied with the CA ruling, Sulpicio Lines filed for review claiming errors in sustaining moral and temperate damages and substituting Sesante's heirs.

Issues

1. **Whether the action for breach of contract of carriage survives the death of the plaintiff**.
2. **Whether the petitioner is liable for damages under Article 1759 of the Civil Code**.
3. **Whether there is a sufficient basis for awarding moral and temperate damages**.

Court's Decision

I. Action for Breach of Contract of Carriage Survives the Death of the Plaintiff:

- The Supreme Court held that actions for breach of contract of carriage and damages survive the death of the plaintiff and can be continued by his heirs under Section 16, Rule 3 and Section 1, Rule 87 of the Rules of Court.

II. Petitioner Is Liable for Breach of Contract of Carriage:

- Under Article 1759, common carriers are liable for injuries to passengers due to the negligence or willful acts of its employees, and this applies even if they observe due diligence in hiring and supervising their staff. The Court found Sulpicio Lines liable based on the findings of the Board of Marine Inquiry (BMI) attributing the sinking to the captain's erroneous maneuvering during adverse weather conditions.

- The conditions cited by the petitioner (storm) were not solely a result of force majeure because the occurrence involved human error.

III. Award of Moral and Temperate Damages:

- The Court maintained the award of PHP 1,000,000 in moral damages due to the mental anguish, fear, and suffering experienced by Sesante.

- PHP 120,000 in temperate damages was appropriate to cover the lost personal belongings even though exact calculations were not provided.

- The Supreme Court awarded additional exemplary damages of PHP 1,000,000 due to the wanton, reckless actions of the petitioner's captain during the incident.

Doctrine

- **Article 1759 (Civil Code)**: Common carriers are liable for passenger injuries due to employee negligence or willful acts.

- **Extraordinary Diligence**: Common carriers must exercise extraordinary diligence to ensure passenger safety, not merely ordinary diligence.

- **Survivorship of Actions**: Actions for breach of contract of carriage and personal injury survive the plaintiff's death and can be pursued by heirs.

Class Notes

- **Key Elements of Breach of Contract of Carriage**:

1. Contract between carrier and passenger.
2. Death or injury occurred during the contract.

3. Presumption of negligence unless extraordinary diligence is proven.

4. Liability and damages (moral, temperate, exemplary).

- **Relevant Articles**:

- **Article 1759**: Liability for negligence or willful acts of employees.

- **Article 1756**: Presumption of carrier fault.

- **Article 2000**: Hotel-keeper liability principles extended to carriers.

Historical Background

The case arose in the context of recurring maritime disasters in the Philippines, which highlighted the need for stricter enforcement of maritime safety standards and liabilities. The judgment emphasized the standard of extraordinary diligence required of common carriers in ensuring the safety of their passengers, a doctrine critical to Philippine maritime law. The heavy consequences imposed, including moral and exemplary damages, send a strong message to carriers regarding their obligations and the severe repercussions of neglecting them.