

****Title: Compania Maritima v. Concepcion, G.R. No. 247-A****

****Facts:****

In 1964, Vicente E. Concepcion, a Manila-based contractor, was awarded a contract by the Civil Aeronautics Administration (CAA) to construct an airport in Cagayan de Oro City. To fulfill this contract, he needed to ship construction equipment to Cagayan de Oro City. Concepcion negotiated with Compañia Maritima through its collector, Pacifico Fernandez, and shipped several heavy equipment items including a payloader, Reo trucks, and water tanks aboard the MV Cebu.

Upon arrival at Cagayan de Oro City on September 1, 1964, during the unloading process, the heel block of the port block of Hatch No. 2 of MV Cebu failed, causing the payloader to fall and sustain damage. The payloader was subsequently declared a total loss and taken to Compañia Maritima's compound in Cagayan de Oro City.

Concepcion demanded replacement or compensation from Compañia Maritima, alleging total loss due to the extent of the damage, in letters dated September 7, 1964, and October 2, 1964. Compañia Maritima, upon discovering that the payloader's declared weight on the bill of lading was 2.5 tons instead of the actual 7.5 tons, denied the claim for damages, contending that the misrepresentation of the weight was the cause of the damage.

Concepcion then purchased a new payloader and claimed for damages in the Court of First Instance of Manila. The trial court dismissed the complaint, attributing the proximate cause of the accident to Concepcion's misrepresentation of the payloader's weight.

On appeal, the Court of Appeals reversed the trial court's decision and awarded Concepcion P24,652.97, with legal interest, holding Compañia Maritima responsible for failing to exercise extraordinary diligence in handling the cargo.

****Issues:****

1. Whether the misrepresentation of the payloader's weight by Vicente E. Concepcion was the proximate and only cause of the damage, thereby exempting Compañia Maritima from liability.
2. Whether Compañia Maritima failed to exercise extraordinary diligence required of a common carrier in handling the cargo.

****Court's Decision:****

1. ****Proximate Cause and Exemption from Liability:****

The Supreme Court held that the misrepresentation by Concepcion was not the sole proximal cause of the damage. The Court emphasized that under Articles 1735 and 1752 of the Civil Code, there is a presumption of fault or negligence on the part of the common carrier for the loss or deterioration of goods. Compañía Marítima's failure to use the appropriate equipment to unload a visibly heavy cargo like the payloader exemplified a lack of exercising extraordinary diligence. The alleged misrepresentation did not absolve Compañía Marítima of liability but was considered a contributory factor that mitigated damages.

2. **Extraordinary Diligence Required of Common Carriers:**

The Court reiterated the necessity for common carriers to observe extraordinary diligence per Article 1733 of the Civil Code. The failure to check the actual weight of the payloader and the decision not to use the "jumbo" lifting apparatus (which could lift heavier weights) illustrated a breach of this duty. Testimonies showed negligence by the carrier's crew, establishing that the damage could have been prevented through proper handling.

Doctrine:

- **Extraordinary Diligence Standard:** Common carriers must observe extraordinary diligence for the safety of the goods they transport. If a common carrier fails to exercise this level of care, they are liable for damages, even if the shipper's actions contributed to the damage (Article 1733 and Article 1741 of the Civil Code).
- **Presumption of Carrier's Negligence:** The loss or deterioration of goods while in the custody of a common carrier is prima facie evidence of the carrier's negligence. The carrier must show that such loss is attributable to causes that exempt them from liability (Articles 1735 and 1752 of the Civil Code).

Class Notes:

- **Key Elements/Concepts:**
- **Common Carrier's Liability (Article 1733, 1735, and 1752):** A common carrier is presumed negligent when goods deteriorate. Liability can be lifted if extraordinary diligence is proven.
- **Mitigation of Damages (Article 1741):** When the shipper's actions contribute to the loss, the carrier's liability can be reduced proportionally.
- **Bill of Lading as Prima Facie Evidence:** The weights in a bill of lading are prima facie evidence, and the carrier cannot rely solely on the shipper's declaration without due diligence.

****Historical Background:****

This case arose during a period when the Philippine judiciary was emphasizing strict adherence to the Civil Code's provisions concerning common carriers and their duties. The decision underscored the obligations of carriers to prevent damage to goods by employing all necessary preventive measures, reinforcing the principle that undertaking the carriage of goods carries substantial responsibilities requiring heightened levels of diligence. This case highlights the balance between shipper's representations and the carrier's duty to ensure safe delivery, crucial for maritime and logistics law at the time.