

****Title:**** Olegario Brito Sy vs. Malate Taxicab & Garage, Inc.

****Facts:****

On June 26, 1952, Olegario Brito Sy engaged the services of a taxicab bearing plate No. Taxi-1130, which was owned and operated by Malate Taxicab & Garage, Inc., and driven by Catalino Ermino. Sy instructed the driver to turn right towards his place of business at Dencia's Restaurant on Escolta. However, the driver insisted on taking a different route along Katigbak Drive. Consequently, at the intersection of Dewey Boulevard and Katigbak Drive, the taxicab collided with an army wagon driven by Sgt. Jesus Dequito, resulting in Sy suffering from serious injuries, including a fractured right leg. He incurred P2,266.45 in medical expenses.

On September 30, 1952, Sy filed an action against Malate Taxicab & Garage, Inc., seeking P7,200 for actual damages, P20,000 for moral damages, P15,000 for nominal and exemplary damages, and P3,000 for attorney's fees. Malate Taxicab filed its answer on October 20, 1952—out of the mandated time period—claiming the collision was caused by Sgt. Dequito's negligence and counterclaiming P1,000 for damages due to the alleged malicious lawsuit. Consequently, the lower court declared Malate Taxicab in default, and Sy presented his evidence, resulting in a judgment for Sy, awarding a total of P14,000 in damages and attorney's fees.

Malate Taxicab filed a motion for relief from the default order and for a new trial, which was granted. Malate Taxicab subsequently filed a third-party complaint against Sgt. Dequito, alleging his negligence caused the collision and sought to recover any amount assessed against Malate Taxicab, including P1,000 for attorney's fees. The summons and third-party complaint were not served to Dequito owing to his military duties, and the main case proceeded to trial, culminating in a judgment awarding Sy P4,200 in damages.

Malate Taxicab appealed to the Court of Appeals, claiming the trial court erred by not resolving the third-party complaint first and not expressly finding whether Malate Taxicab was responsible. The Court of Appeals certified the case to the Supreme Court for adjudication.

****Issues:****

1. Whether the trial court erred in not recognizing the third-party complaint as a prejudicial question requiring resolution before the main complaint.
2. Whether the trial court erred by not making an express finding on the responsibility of

Malate Taxicab for the collision.

Court's Decision:

The Supreme Court ruled as follows:

1. **Prejudicial Question:**

The court clarified that a prejudicial question must be resolved before adjudicating the main case because its resolution is essential to the primary action. However, the third-party complaint did not constitute a prejudicial question as it was independent of and subsequent to the main action regarding the contractual obligations of Malate Taxicab. The main issue, which pertained to the common carrier's duty, was separate and could proceed independently. The ruling emphasized that the main case based on a breach of a contract of carriage required immediate resolution. Thus, the trial court correctly proceeded with the main complaint without awaiting the third-party complaint's resolution.

2. **Express Finding of Responsibility:**

Applying the governing principles under Articles 1755 and 1756 of the New Civil Code, common carriers are obligated to observe extraordinary diligence. In cases of injury to passengers, the carrier is presumed at fault unless proof of extraordinary diligence is provided. The trial did not require an explicit finding of negligence by Malate Taxicab's driver because the carrier failed to present any contrary evidence to rebut the presumption of fault. The liability determination flowed naturally from this statutory presumption.

Therefore, the Supreme Court affirmed the lower court's decision awarding Sy P4,200 in damages.

Doctrine:

1. **Prejudicial Questions:** A pre-judicial question must precede and impact the resolution of the principal action; however, non-prejudicial questions do not delay the main case's resolution.
2. **Common Carrier Liability:** Under Articles 1755 and 1756 of the New Civil Code, common carriers must exercise extraordinary diligence, and in the event of passenger injury, negligence is presumed unless the carrier provides evidence of such diligence. The plaintiff is not required to prove negligence explicitly in such cases.

Class Notes:

- **Prejudicial Question:** Not all prior actions qualify as prejudicial and must significantly impact the principal action.

- **Responsibility of Common Carriers:**
- **Article 1755:** Obligates utmost diligence with a focus on passenger safety.
- **Article 1756:** Presumes carrier's fault in injury cases unless extraordinary diligence is proven.

Historical Background:

The case occurred during a post-war era when the Philippine legal system was undergoing substantial reforms, notably integrating principles from the newly enacted Civil Code of the Philippines (1950). The rationale emphasized public policy focusing on common carriers' enhanced responsibilities for passenger safety, reflecting the country's evolving transportation norms and industrial growth.