

Title:

Philippine Long Distance Telephone Co., Inc. vs. Court of Appeals and Spouses Esteban

Facts:

On the evening of July 30, 1968, Antonio and Gloria Esteban were driving their jeep along Lacson Street, Bacolod City, when they encountered an open trench, resulting in their jeep running over a mound of earth left in the middle of the road. This excavation was supposedly done by PLDT for the installation of its underground conduit system. There were no warning signs or lights to indicate the hazard, as the darkness crept in.

The accident caused injuries to both Antonio and Gloria Esteban, with the latter suffering permanent scars on her cheek and injuries to her arms and legs, while Antonio sustained cuts on his lips and the jeep's windshield shattered.

As a result, the Esteban spouses filed a complaint for damages against PLDT in the former Court of First Instance (CFI) of Negros Occidental, alleging negligence on PLDT's part due to the hazard caused by the unmarked excavation site. PLDT denied liability, shifting the blame to L.R. Barte and Company, an independent contractor employed to carry out the excavation, argued that if any negligence occurred, it was Barte's responsibility.

PLDT filed a third-party complaint against Barte, arguing Barte should indemnify them for any damages paid. Barte, in its defense, asserted they had positioned the necessary signs and lights to warn the public of the excavation.

The trial court ruled in favor of the Esteban spouses, holding PLDT liable and awarding actual, moral, and exemplary damages. The court also ordered Barte to reimburse PLDT for any amount paid to the Esteban spouses.

Both PLDT and the Esteban spouses appealed, the latter seeking higher damages. On appeal, the Court of Appeals initially reversed the trial court's decision, finding Antonio Esteban negligent and absolving PLDT. The Estebans filed a motion for reconsideration, which was denied, followed by a sought leave for a second motion for reconsideration, which was granted.

Eventually, the appellate court, after rehearing, annulled its previous decisions and reinstated the trial court's judgment. PLDT escalated the matter to the Supreme Court, challenging both the procedural validity of the second reconsideration filing and the application of the independent contractor rule exonerating them from liability.

Issues:

1. Whether the Second Motion for Reconsideration filed by the Esteban spouses was timely and hence valid.
2. Whether PLDT was liable for the damages sustained by the Esteban spouses despite the independent contractor rule.

Court's Decision:

1. Timeliness and Validity of the Second Motion for Reconsideration:

- The Supreme Court ruled the second motion for reconsideration filed by the Estebans was out of time. Under Rule 52 of the then applicable Rules of Court, a second motion for reconsideration had to be filed within the remaining period of the original 15-day period after the first motion for reconsideration was denied.
- The Estebans filed the required motions after the expiration of the allowed period, rendering the subsequent resolution by the Court of Appeals allowing the second motion for reconsideration null and void. Thus, the Court of Appeals' decision dated September 25, 1979, should have been final and executory on March 9, 1980.

2. PLDT's Liability Despite the Independent Contractor Rule:

- The Supreme Court reiterated the principle that a party claiming damages due to another's negligence holds the burden of proving such negligence.
- The Court agreed with the appellate court's original decision, concluding that the accident was due to the failure of Antonio Esteban to exercise due diligence. Esteban knew or should have known about the excavation, considering he resided nearby, and could have avoided the accident with proper care.
- The Estebans failed to provide compelling evidence against PLDT, specifically on the alleged absence of warning signs, and other necessary preventive measures suggested by Barte. Hence, PLDT should not be held liable under the independent contractor rule.

Doctrine:

1. **Finality of Judgments:** Once a judgment becomes final, the court loses jurisdiction over the case and cannot alter the decision. Procedural rules mandate strict adherence to reglementary periods for the filing of second motions for reconsideration.
2. **Independent Contractor Rule:** Generally, a principal is not liable for the negligent acts of an independent contractor. Liability may only attach if negligence on the part of the principal is clearly proven.

Class Notes:

- **Reglementary Periods:** Courts strictly interpret the timelines for filing motions and subsequent pleadings.
- **Negligence:** The plaintiff carries the burden to prove the defendant's negligence. Absence of concrete and convincing evidence can lead to the dismissal of the claim.
- **Independent Contractor Rule:** The liability does not traditionally extend from an independent contractor to the principal unless control or inherent business operations are affected.

Historical Background:

This case was adjudicated during a period where judicial procedures and interpretations regarding negligence and independent contractors were stringent. The case reflects the judicial system's insistence on procedural exactness and the evidentiary burden required in civil claims for damages. It underscores the significance of the independent contractor rule, distinguishing the principal's liability from that of the contractor who directly engages in the activity causing damage.