

**\*\*Title\*\*:** Dole Philippines, Inc. vs. Maritime Company of the Philippines

**\*\*Facts\*\*:**

- On December 18, 1971, Dole Philippines, Inc. (Dole) received a shipment of machine parts that sustained damages during transit.
- On May 4, 1972, Dole filed a damage claim with Maritime Company of the Philippines (Maritime), the carrier of the cargo.
- On June 11, 1973, Dole filed a complaint in the Court of First Instance of Manila (Civil Case No. 91043), presenting three causes of action for three separate shipments. The third cause of action involved the damaged cargo in question.
- On December 11, 1974, Judge Serafin Cuevas issued an Order dismissing the first two causes of action with prejudice due to settlement, and the third cause of action without prejudice as it was not included in the settlement.
- On January 6, 1975, Dole filed a new complaint pertaining to the third cause of action.
- Maritime answered the complaint, raising prescription under the Carriage of Goods by Sea Act (COGSA) as a defense.
- Pre-trial motions on the issue of prescription were held, and on May 6, 1977, Maritime filed a formal motion to dismiss based on prescription.
- The Trial Court dismissed Dole's complaint for being barred by COGSA's one-year prescription period.
- Dole's motion for reconsideration was denied, leading Dole to appeal to the Philippine Supreme Court.

**\*\*Issues\*\*:**

1. Whether Article 1155 of the Civil Code, which tolls prescription upon an extrajudicial written demand by the creditor, applies to COGSA's one-year prescriptive period.
2. Whether Dole's damage claim made on May 4, 1972, tolled the one-year prescriptive period under COGSA.

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

- The Philippine Supreme Court affirmed the Trial Court's dismissal of Dole's claim based on the following considerations:

1. **\*\*Application of Article 1155 of the Civil Code to COGSA\*\*:**

- The Court held that Article 1155's provision for tolling prescription upon an extrajudicial demand does not apply to COGSA.
- Referencing *The Yek Tong Lin Fire & Marine Insurance Co., Ltd. v. American President*

Lines, Inc., the Court affirmed that the Civil Code's general provisions on prescription should not extend or alter the specific one-year period set by COGSA.

- The rationale is to avoid unnecessary delay in resolving maritime cargo claims and to maintain the intention of COGSA to provide prompt resolution.

2. **Effect of Dole's Demand on May 4, 1972**:

- Even if Dole's theory that the May 4, 1972 claim interrupted the prescriptive period was accepted, Dole failed to file a suit within the renewed one-year period starting from that date.

- Civil Case No. 91043 was filed on June 11, 1973, over a month after the new prescriptive period had expired. Thus, Dole's right to file an action had already prescribed.

- The Court dismissed the argument that the prescriptive period was indefinitely tolled from the date of the extrajudicial demand.

**Doctrine**:

- Article 1155 of the Civil Code does not apply to the one-year prescriptive period under COGSA. The specific prescription provision in COGSA overrides general Civil Code provisions in maritime cargo damage claims.

- An extrajudicial written demand does not toll the one-year prescriptive period under COGSA; even if considered, the subsequent prescriptive period must be observed precisely.

**Class Notes**:

1. **Key Elements of the Case**:

- Application of specific vs. general laws (COGSA vs. Civil Code).

- Prescriptive periods and tolling mechanisms in maritime law.

- Jurisprudence: *Yek Tong Lin Fire & Marine Insurance Co., Ltd. v. American President Lines, Inc.*

2. **Statutory Provisions**:

- **COGSA, Sec. 3(6)**: "The carrier and the ship shall be discharged from all liability in respect of loss or damage unless suit is brought within one year after delivery of the goods or the date when the goods should have been delivered..."

- **Civil Code, Art. 1155**: "The prescription of actions is interrupted when they are filed before the court, when there is a written extrajudicial demand by the creditors, and when there is any written acknowledgment of the debt by the debtor."

3. **Application in Context**:

- COGSA governs maritime cargo claims, with a strict one-year prescriptive period.
- The Civil Code's general tolling provisions do not apply, emphasizing the need for prompt litigation in maritime contexts to ensure speedy resolution and legal certainty.

**\*\*Historical Background\*\*:**

- The Carriage of Goods by Sea Act (COGSA) was imported into Philippine law through Commonwealth Act No. 65, reflecting an international standard for maritime commerce.
- Enacted to provide uniformity in maritime cargo claims, COGSA aims to encourage prompt adjudication and finality in maritime disputes, essential for international trade efficiency.
- The case underscores the Philippine judiciary's adherence to these international norms and the precedence of specific maritime regulations over general civil provisions.