

### Title:

**Coca-Cola Bottlers Philippines, Inc. vs. Court of Appeals and Lydia Geronimo, G.R. No. 105813, November 23, 1995**

### Facts:

1. **Background:**

- Lydia L. Geronimo, owner of Kindergarten Wonderland Canteen in Dagupan City, sold Coca-Cola products including Coke and Sprite.
- On August 12, 1989, parents of students complained about fiber-like substances in soft drinks sold by Geronimo.
- Geronimo examined her stock and found foreign substances in unopened bottles of Coke and Sprite.
- She reported and submitted samples to the Department of Health, which confirmed the adulteration.

2. **Decline in Business and Filing of Complaint:**

- Sales dropped drastically from 10 cases per day to 2-3 cases per day.
- Geronimo closed her canteen on December 12, 1989, resulting in joblessness and destitution.
- Geronimo demanded damages from Coca-Cola but was ignored.
- On May 7, 1990, she filed a complaint for damages with the Regional Trial Court (RTC) of Dagupan City (Civil Case No. D-9629) claiming actual, compensatory, moral, and exemplary damages and attorney's fees.

3. **Procedural Posture:**

- **Trial Court:**

- Coca-Cola moved to dismiss, citing failure to exhaust administrative remedies and the complaint's prescription under the six-month period stipulated for breach of implied warranty of merchantability (Article 1571 of the Civil Code).
- The RTC granted the motion, ruling the case as contractual with a six-month prescriptive period, not as a quasi-delict which prescribes in four years.
- Geronimo's motion for reconsideration was denied.

- **Court of Appeals:**

- Geronimo petitioned the Court of Appeals (CA-G.R. SP No. 25391), which annulled the RTC's orders and directed further proceedings.
- The CA determined the case as one for quasi-delict, prescribing in four years (Article

1146).

### ### Issues:

1. **Nature of the Action:**

- Whether the action is for breach of implied warranty against hidden defects/merchantability (contractual) or for quasi-delict (tortious).

2. **Prescription:**

- Whether the complaint should be dismissed for being filed beyond the prescriptive period of six months under Article 1571 for breach of implied warranty or within four years under Article 1146 for quasi-delict.

### ### Court's Decision:

The Supreme Court affirmed the decision of the Court of Appeals, ruling the action as quasi-delict and not proprietary under breach of implied warranty.

1. **Nature of the Action:**

- The Court emphasized the allegations in the complaint indicating reckless and negligent manufacture of adulterated food items.

- Citing cases like *Singsong vs. Court of Appeals* and *Air France vs. Carrasco*, the Court ruled that liability for quasi-delict can arise despite contractual relations if the act itself is tortious.

2. **Prescription:**

- The Court held that actions based on quasi-delict have a prescriptive period of four years as provided by Article 1146 of the Civil Code.

- Hence, Geronimo's complaint, filed within this timeframe, was timely.

### ### Doctrine:

- Quasi-delict liability can exist notwithstanding the presence of a contractual relationship.

- Article 1571 applies to breaches of warranty within sales law, but does not preclude simultaneous liability under quasi-delict principles if negligence or fault is involved.

- An alleged act of reckless and negligent production can invoke quasi-delict principles, providing a four-year prescription period for filing claims.

### ### Class Notes:

- **Key Elements/Principles:**

- **Article 2176, Civil Code:** Definition and scope of quasi-delicts, including negligence-

induced damages.

- **Article 1146, Civil Code:** Four-year prescriptive period for quasi-delict actions.
- **Article 1571, Civil Code:** Six-month prescriptive period for breaches of warranty against hidden defects in sales.
- **Case Relevance:** Differentiates contractual breaches from quasi-delict, impacting the timeframe within which affected parties must file claims.

### ### Historical Background:

- Set against the backdrop of strict liability and consumer protection advancements, this case underscores significant progress in adjudicating product liability, emphasizing tortious accountability amidst contractual relationships.
- The decision marks a pivotal judicial clarification, influencing how Philippine jurisprudence interprets and enforces warranties, and offering extensive protection to consumers against negligent manufacturing practices.