

Radio Communications of the Philippines, Inc. (RCPI) vs. Alfonso Verchez and Others

Title

516 Phil. 725 - RADIO COMMUNICATIONS OF THE PHILIPPINES, INC. (RCPI), PETITIONER, VS. ALFONSO VERCHEZ, GRACE VERCHEZ-INFANTE, MARDONIO INFANTE, ZENAIDA VERCHEZ-CATIBOG, AND FORTUNATO CATIBOG, RESPONDENTS

Facts

Series of Events:

1. **January 21, 1991**: Editha Hebron Verchez falls ill and is confined at Sorsogon Provincial Hospital.
2. Grace Verchez-Infante, Editha's daughter, immediately visits RCPI in Sorsogon to send a telegram to her sister, Zenaida Verchez-Catibog in Quezon City: "Send check money Mommy hospital." Grace pays P10.50 for the service.
3. **January 24, 1991**: No response from Zenaida. Grace sends a letter via JRS Delivery Service reprimanding Zenaida.
4. **January 26, 1991**: Zenaida and her husband Fortunato travel to Sorsogon and disclaim having received the telegram.
5. **January 28, 1991**: Editha is moved to Veterans Memorial Hospital in Quezon City; confined until March 21, 1991.
6. **February 15, 1991 (25 days later)**: Telegram is finally delivered to Zenaida.
7. **Inquiry**: RCPI responds that delays were due to "radio noise and interferences" and issues with finding the address.

Procedural Posture:

1. **March 5, 1991**: Alfonso Verchez (Editha's husband) writes to RCPI demanding explanation.
2. **March 13, 1991**: RCPI responds, claiming no fault due to force majeure during transmission and reassignment of delivery.
3. **July 23, 1991**: Verchez's lawyer requests a conference with RCPI, but RCPI does not attend.
4. **April 17, 1992**: Editha dies.
5. **September 8, 1993**: Verchez family files a complaint for damages due to the delayed telegram delivery.
6. **Trial Court Proceedings**: RCPI moves to dismiss for improper venue, denied, then answers alleging no liability due to force majeure, privity of contract, and negligible due diligence.

7. **Trial Court Decision**: Finds RCPI negligent but rules the delay wasn't the proximate cause of Editha's death. Awards P100,000 in moral damages and P20,000 in attorney's fees.
8. **Court of Appeals**: Affirms Trial Court's decision on February 27, 2004.
9. **Petition for Review**: RCPI files for certiorari to the Supreme Court.

Issues

1. **Properness of Awarding Moral Damages**: Should moral damages be awarded given no direct causation between RCPI's delay and Editha's death?
2. **Nature of the Contract**: Whether the stipulations in the "Telegram Transmission Form" constitute a contract of adhesion.

Court's Decision

Issue 1: Moral Damages

- **Causal Connection**: The basis is the breach of contract concerning Grace and quasi-delict concerning others.
- **Negligence and Fault**: RCPI's failure to deliver the telegram within 25 days, invoking non-feasibility of force majeure.
- **Bad Faith and Gross Negligence**: RCPI's repeated inaction after initial delivery failures exhibit negligence amounting to bad faith.
- **Award Justification**: Under Article 2220 of the Civil Code, gross negligence that amounts to bad faith in fulfilling a contract, especially when it disrupts human relations.

Issue 2: Contract of Adhesion

- **Nature of Stipulations**: The "Telegram Transmission Form" is deemed a contract of adhesion because it is pre-drafted and offered on a take-it-or-leave-it basis, without room for negotiation.
- **Court's Stance**: Contract of adhesion is not necessarily void but is construed against the drafter. It is void if it imposes upon the weaker party, depriving them of equal bargaining opportunity.

Doctrines Established

1. **Moral Damages in Breach of Contract**: Established when the breaching party exhibits gross negligence or bad faith.
2. **Contract of Adhesion**: Recognized but construed strictly against the drafter and can be void if imposed unfairly on the weaker party.
3. **Employer's Liability (Article 2180)**: Requires employers to show due diligence or be liable for employees' actions within their employment scope.

Doctrine

- **Article 1170 (Culpa Contractual)**: Liability for fraud, negligence, or delay in contract performance implies a failure to comply with obligations.
- **Article 2176 (Quasi-Delict)**: Fault or negligence causing damage obligates compensating the injured party.
- **Article 2219 and 2220 (Moral Damages)**: Prescribes instances for awarding moral damages in tort and breach of contract.

Class Notes

- **Culpa Contractual (Article 1170)**
- **Elements**: Existence of a contract; Breach; Presumption of fault till rebutted.
- **Application**: RCPI's delay and its refusal to inform constituted negligence.
- **Quasi-Delict (Article 2176)**
- **Elements**: Fault/Negligence; Damage; No pre-existing contractual relation.
- **Application**: Applicable to Verchez's co-plaintiffs.
- **Employer Responsibility (Article 2180)**
- **Elements**: Employees' Acts; Scope of Duties; Presumption of Employers' Negligence.
- **Application**: RCPI failed to show diligence.
- **Moral Damages Conditions (Article 2219 and 2220)**
- **Elements**: Reputation Injured; Culpable Act; Proximate Causation; Specific Instances.
- **Application**: RCPI's gross negligence justified moral damages.

Historical Background

- **Communications Reliability in 1991**: Reflects the significance of timely message delivery before modern instant communication.
- **Role of Telegrams**: Before mobile phones and internet, telegrams were critical for urgent communication, particularly in emergencies.