

Title:

Pleyto and Philippine Rabbit Bus Lines Inc. v. Lomboy and Lomboy, G.R. No. 139767

Facts:

On May 16, 1995, at around 11:30 a.m., petitioner Ernesto Pleyto, driving a Philippine Rabbit Bus Lines, Inc. (PRBL) bus along MacArthur Highway in Gerona, Tarlac, attempted to overtake a tricycle driven by Rodolfo Esguerra. However, the road was wet and slippery due to drizzling weather. Pleyto collided with the tricycle, lost control, swerved into the opposite lane, and crashed head-on into a Mitsubishi Lancer driven by Arnulfo Asuncion. Ricardo Lomboy, a passenger in the Lancer, was killed instantly along with Arnulfo, while Ricardo's daughter Carmela Lomboy and another passenger were injured, Carmela seriously.

The respondents, Maria D. Lomboy (Ricardo's wife) and Carmela Lomboy, filed an action for damages against PRBL and Pleyto in the RTC of Dagupan City. They sought indemnification for Ricardo's death and Carmela's injuries.

Procedural Posture:

1. **Trial Court Decision (RTC of Dagupan City)**: The RTC found Pleyto negligent and PRBL solidarily liable under Article 2180 of the Civil Code. The court awarded various damages totaling over P2 million pesos to the respondents.
2. **Court of Appeals (CA)**: Modified the RTC's decision, reducing actual damages but affirming awards for other damages, finding Pleyto and PRBL liable.
3. **Supreme Court**: PRBL and Pleyto brought a petition for review on certiorari before the Supreme Court, challenging the findings on liability and the computation of damages.

Issues:

1. **Negligence**: Was petitioner Pleyto negligent in the operation of the bus?
2. **Employer's Liability**: Is PRBL liable for the actions of Pleyto under Article 2180 of the Civil Code?
3. **Loss of Earning Capacity**: Was the computation of the loss of earning capacity correct?
4. **Moral Damages**: Were the moral damages awarded excessive?

Court's Decision:

1. **Negligence of Pleyto**: The Supreme Court upheld the lower court's finding that Pleyto was negligent. Despite violating traffic rules by overtaking in unsafe conditions, Pleyto

consigned his bus to a dangerous maneuver leading to the fatal collision.

2. **Employer's Liability (PRBL)**: The Supreme Court affirmed PRBL's liability under Article 2180, noting their failure to adequately supervise Pleyto. They held PRBL accountable for not just proper hiring practices, but also continuous and effective supervision of its employees.

3. **Loss of Earning Capacity**: The Court endorsed the calculation provided by the Court of Appeals. The net earning capacity loss of P1,152,000 was thus upheld, properly following the formulation for deducting necessary living expenses from the deceased's gross earnings.

4. **Moral Damages**: The Court found the award of P500,000 moral damages for the heirs of Ricardo Lomboy excessive and reduced it to P100,000 while affirming the P50,000 award to Carmela Lomboy.

Doctrine:

- **Negligence and Presumption**: Article 2185 of the Civil Code holds drivers negligent if they violate traffic regulations at the time of an incident unless rebutted with proof.
- **Employer's Liability for Employees**: Under Article 2180, employers are presumed negligent in the actions of their employees unless they can prove diligent supervision and proper selection processes.
- **Net Earning Capacity**: The calculation of lost earnings for damages should account for necessary living expenses, reducing gross income to net values as guided by jurisprudence.

Class Notes:

- **Negligence (Art. 2185)**: Presumption of negligence upon violation of traffic rules.
- **Employer Liability (Art. 2180)**: Highlights that employer's responsibility extends beyond hiring to effective supervision.
- **Loss of Earning Capacity**: Uses formula derived from American Expectancy Table of Mortality; 50% deduction for living expenses standard.

Historical Background:

This case shapes the responsibilities of public carriers and their obligations in supervising employees. PRBL failed in demonstrating concrete supervisory measures over their drivers, reflecting broader transportation safety oversight expectations in the Philippines. It also underscores the judiciary's stance on awarding damages aligned with evidence and equitable standards.