

****Title:**** PNOC Shipping and Transport Corporation vs. Honorable Court of Appeals and Maria Efigenia Fishing Corporation

****Facts:**** On September 21, 1977, M/V Maria Efigenia XV, owned by Maria Efigenia Fishing Corporation, collided with Petroparcel, owned by Luzon Stevedoring Corporation (LSC), near Fortune Island, Batangas. The collision was investigated by the Board of Marine Inquiry, resulting in a decision that found Petroparcel at fault. Despite demands, the issues remained unresolved, leading Maria Efigenia Fishing Corporation to sue LSC and the captain of Petroparcel, Edgardo Doruelo, for damages amounting to P692,680.00 in the Court of First Instance of Caloocan City. During litigation, PNOC Shipping and Transport Corporation sought substitution for LSC, having acquired Petroparcel. An amended complaint was later filed by the plaintiff for additional claims, including the lost value of the hull of M/V Maria Efigenia XV pegged at P800,000.00 after deducting insurance payments, totaling P600,000.00. The trial proceeded with the lower court accepting stipulated facts and ultimately awarding P6,438,048.00 to the plaintiff for actual damages based on the total replacement value of the fishing boat and equipment, as substantiated by various documents presented by the plaintiff. The petitioner's motion for reconsideration was denied, prompting an appeal to the Court of Appeals, which upheld the lower court's decision.

****Issues:****

1. Whether the lower court correctly awarded actual damages based on the evidence presented.
2. The admissibility and probative value of the documentary evidence (price quotations) used to determine the award for actual damages.
3. The jurisdiction of the lower court concerning the amount of docket fees paid relative to the damages claimed.

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

The Supreme Court modified the decision of the lower court and the Court of Appeals. It found that the award of actual damages of P6,438,048.00 lacked sufficient evidentiary basis, mainly because the documentary evidence provided (price quotations) were considered hearsay and not admissible under the exceptions to the hearsay rule. However, acknowledging that private respondent suffered a technical injury, the Supreme Court awarded nominal damages of P2,000,000.00 in favor of private respondent, considering the lengthy duration of the litigation. Additionally, the Court ruled that the issue of insufficient docket fees did not affect the lower court's jurisdiction, referencing the policy on liberal

treatment of docket fees as outlined in *Sun Insurance Office, Ltd. v. Asuncion*.

****Doctrine:****

Hearsay evidence, even if not objected to, has no probative value and cannot be the basis for granting actual damages. However, nominal damages may be awarded to recognize a technical injury when actual damages are not satisfactorily proven. Additionally, insufficient docket fees based on the amounts claimed in amended complaints do not oust the trial court's jurisdiction, especially when jurisdictional challenges are raised belatedly.

****Class Notes:****

- ****Hearsay Rule and Exceptions:**** Hearsay evidence is inadmissible unless it falls under the specified exceptions within Sections 37 to 47, Rule 130 of the Revised Rules of Court.
- ****Documentary Evidence & Witnesses:**** The authenticity and content of a document must be attested to by the document's author or an expert witness for it to have probative value.
- ****Nominal Damages:**** Awarded to vindicate or recognize a violated right when no actual damage occurred or was proven, as per Article 2221 of the Civil Code.
- ****Jurisdiction and Docket Fees:**** The Supreme Court emphasizes a more forgiving approach towards the calculation and deficiency of docket fees, especially in pursuit of justice. The unpaid docket fee can be considered as a lien on the judgment.

****Historical Background:****

This case emphasizes the Philippine judiciary's stance on the importance of concrete and competent evidence in awarding damages, specifically actual and nominal damages. It illustrates the procedural journey of civil claims for damages resulting from maritime accidents, highlighting the complexities involved in proving claims and the evidential standards required by Philippine courts, reinforcing the principle that rights must be substantiated with concrete evidence to warrant relief. This decision also sheds light on the evolving judicial approach towards administrative requirements such as docket fees, prioritizing substantive justice over procedural lapses.