

RIZAL SURETY & INSURANCE COMPANY, PLAINTIFF AND APPELLANT, VS. MANILA RAILROAD COMPANY, ET AL., DEFENDANTS AND APPELLEES.

G.R. No. L-20875. April 30, 1966

Ponente: BENGZON, J.P., J.

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BENGZON, J.P., J.:

On May 19, 1960, "Sociedad Anonima Frigorifico Anglo" shipped on board the steamship "Cap Falmas/Havelstein" at Buenos Aires, Argentina 464 cases of corned beef consigned to Felimon Lim & Co., Inc., Manila. The shipment was insured with the Rizal Surety and Insurance Company, a domestic corporation.

SS "Cap Palmas Halvelstein" arrived in Manila on August 18, 1960 and discharged its cargo to the Manila Port Service, a subsidiary of the Manila Railroad Company handling arrastre operations in the Port of Manila. The last package of the shipment in question was discharged from said carrying vessel on August 19, 1960.

The Manila Port Service delivered to the consignee only 440 cases of the total shipment of 464 cases. Thereupon, on August 24, 1960, the consignee filed a provisional claim with the Manila Port Service for the undelivered goods. It also claimed for compensation for the missing cargo from the Rizal Surety and Insurance Company.

The Rizal Surety and Insurance Company paid the claim of Filemon Lim & Co., Inc. and, as assignee of the latter, filed on October 12, 1960 a formal claim with the Manila Port Service for the value of the undelivered 24 cases of corned beef. This claim was denied by the Manila Port Service on the ground that the same was interposed beyond the 15-day period provided for in Section 15 of its arrastre management contract with the Bureau of Customs. Subsequently, on August 18, 1961 the Rizal Surety and Insurance Company filed a complaint in the Court of First Instance of Manila against C.F. Sharp & Co., Inc. (shipping agent of SS "Cap Palmas/Havelstein") as well as Manila Port Service and Manila Railroad Company, as alternative defendants, for the recovery of the sum of P690.18 representing the value of the undelivered 24 cases of corned beef.

While the case was pending in the said court and before trial, C. F. Sharp & Co., Inc. paid Rizal Surety and Insurance Company the amount of P150.00 in full and complete settlement of any and all claims which the latter may have against the former. Thereupon, C.F. Sharp & Co., Inc. was dropped from the case as party defendant.

During the hearing the evidence adduced showed that the carrying vessel discharged to the Manila Port Service 457 cases of corned beef, short by 7 cases, and the Manila Port Service in turn delivered to the consignee 440 cases. Accordingly, on October 18, 1962, the court a quo found the Manila Port Service liable to pay Rizal Surety and Insurance Company the sum of P488.87 which is the value of 17 cases undelivered. However, it dismissed the action for lack of jurisdiction, holding that the same comes within the exclusive original jurisdiction of the municipal court. The plaintiff thereupon appealed directly to this Court.

The sole issue is one purely of law, whether or not the court below had jurisdiction over the case.

The complaint in this case named as alternative defendants under alternative causes of action (1) C. F. Sharp &

Co., Inc., for breach of contract of carriage by sea, and (2) Manila Port Service and Manila Railroad Company, for violation of arrastre contract. The cause of action against C. F. Sharp & Co., Inc., being in admiralty, comes within the jurisdiction of the Court of First Instance;^[1] whereas, the cause of action against the Manila Port Service and Manila Railroad Company comes within the exclusive original jurisdiction of the municipal court inasmuch as the amount of the demand is less than P5,000.00.^[2]

At the time the complaint was filed, plaintiff did not know at what precise stage of the series of transactions the loss complained of occurred. If the loss took place in transit, C. F. Sharp & Co., Inc. would be liable therefor; but if the loss occurred after the goods were landed and discharged from the carrying vessel, the Manila Port Service would bear such loss. Hence, the joinder of causes of action and parties defendants in the alternative which is permitted by Section 5 of Rule 2 of the Rules of Court, quoted hereunder:

"SEC. 5. Joinder of causes of action.—Subject to rules regarding jurisdiction, venue and joinder of parties, a party may in one pleading state, in the alternative or otherwise, as many causes of action as he may have against an opposing party (a) if the said causes of action arise out of the same contract, transaction or relation between the parties, or (b) if the causes of action are for demands for money, or are of the same nature and character.

"In the cases falling under clause (a) of the preceding paragraph, the action shall be filed in the inferior court unless any of the causes joined falls within the jurisdiction of the Court of First Instance, in which case it shall be filed in the latter court.

"In the cases falling under clause (b) the jurisdiction shall be determined by the aggregate amount of the demands, if for money, or by their nature and character, if otherwise."

And, since one of the causes of action is cognizable by the Court of First Instance the suit should be filed, as was correctly done by the plaintiff, in said court, notwithstanding that the other cause of action—if standing alone—would fall within the jurisdiction of the municipal court, by reason of the amount of the demand.^[3] In *International Harvester Co. of the Philippines vs. Judge Aragon*,^[4] where a similar action was filed with the municipal court, we held that the municipal court lacked jurisdiction over the case inasmuch as one of the alternative causes of action, against the shipping firm, was an action in admiralty, cognizable by the Court of First Instance.

The subsequent dismissal of the case as against C. F. Sharp & Co., Inc. did not bring the case within the exclusive original jurisdiction of the municipal court nor deprive the Court of First Instance of Manila of the jurisdiction it had already acquired over the case when the complaint was filed. It is well settled that jurisdiction once acquired is not lost but continues until the case is finally terminated.^[5]

Wherefore, the decision appealed from is hereby reversed and defendants-appellees Manila Railroad Company and Manila Port Service are ordered to pay plaintiff-appellant the sum of P488.87 plus interest thereon at the legal rate from the filing of the complaint until full payment of said amount. So ordered.

Bengzon, C.J., Bautista Angelo, Concepcion, Reyes, J.B.L., Barrera, Dizon, Regala, Makalintal, Zaldivar, and Sanchez, JJ., concur.

[1] Section 44(d), R.A. 296, as amended; *International Harvester Co. of the Philippines, vs. Judge Aragon*, 84 Phil. 363.

[2] Section 88, R.A. 296, as amended by R.A. 2613; *Delgado Brothers Inc. vs. Home Insurance Company*, 111 Phil. 452.

[3] Sapilo vs. Manila Oceanic Lines, 119 Phil. 299,

[4] Supra, Note 1.

[5] Pamintuan vs. Tiglao, 53 Phil. 1; Philippine Land, Air, Sea Labor Union (PLASLU), Inc. vs. Court of Industrial Relations, 93 Phil. 747.

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