

PHILIPPINE RACING CLUB, INC., ET AL., PETITIONERS, VS. ARSENIO BONIFACIO, ET AL., RESPONDENTS.

G.R. No. L-11944. August 31, 1960

Ponente: BAUTISTA ANGELO, J.

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BAUTISTA ANGELO, J.:

This is a petition for review of a decision of the Court of Appeals relieving respondents from the civil liability ascribed to them by the trial court.

In a race held at the Santa Ana Hippodrome belonging to the Philippine Racing Club, Inc. on July 23, 1950, the competing horses went off to a faulty start. When the barrier was lifted one of the horses turned, around and blocked the three horses at its left thus enabling the three horses from the right side to run ahead and gain a good lead. The official starter signalled the stewards of the races who were then on the judges' stand indicating that the race should be cancelled. The two stewards on duty who were also acting as judges were Carlos Coscolluela and Melquiades Parungao. As his signal went unheeded, the official starter proceeded, to the, stand where the stewards were seated to inform them that the start was bad and in his opinion the race should be cancelled. Coscolluela, however, told him to "shut up" and allowed the race to go on until its termination.

When the winning horses as well as the corresponding dividends were announced, the betting public showed its disapproval of the result. A commotion resulted which reached the knowledge of the members of the Commission on Races who were then seated in the dining room of the club. The commission was composed of Arsenio Bonifacio, Jesus Cacho, Tomas Sunico and Victor Buencamino, all of whom, except the last, were present at the time. When they noticed the uproar and were informed of its cause, they sent for the stewards and made an on the spot investigation. Convinced that the start of the race was faulty, they decided to cancel it and had their decision announced to the public. In the meantime, while the investigation was going on, the holders of the winning tickets were able to cash the same at the ticket windows. The result was that while the club paid the dividends on the winning tickets it had to refund to the holders of the losing ones the sum of P5,032.00.

Because of this incident, plaintiffs commenced the present action before the Court of First Instance of Manila seeking to recover from defendants said sum of P5,032.00; plus P10,000.00 as moral damages, alleging that defendants acted without or in excess of their authority when they ordered the cancellation of the race and the return of the bets to the holders of the losing tickets, said acts having caused plaintiffs moral damages for having placed their character and reputation under public suspicion.

Defendants disclaimed responsibility alleging that if on the date alleged in the complaint they annulled the race they did so merely pursuant to their official duties as members of the Commission on Races and after conducting an on the spot investigation at which plaintiffs and its employees were heard, and hence they cannot be held liable for damages. They put up a counterclaim in the amount of P40,000.00.

The trial court, after rejecting defendants' plea that the cancellation of the race was justified, found for plaintiffs', ordering defendants to pay jointly and severally the sum of P5,032.00 as actual damages, with legal interest from

the filing of the complaint. The court disallowed the counterclaim set up by defendants.

After the Court of Appeals, to which the case was taken, had reversed this decision, appellants interposed. the present petition for review.

One of the errors they assign is the finding of the Court of Appeals that the race started in a very faulty manner and for that reason the Board of Stewards which had the authority to suspend or cancel the race under the rules and regulations on the matter should have decreed its cancellation as was so insistently recommended by the official starter and, therefore, the trial court erred in ruling otherwise. Petitioners contend that such finding is not borne out by the evidence and so its conclusion that the race should have been cancelled because of such poor start is erroneous. We notice, however, that the Court of Appeals made a painstaking evaluation of the evidence submitted by both parties quoting extensively from the testimony of official starter Villa who undoubtedly is the best man who can explain how the race started having reached the above conclusion after taking into account said testimony. Hence, under the law and precedents on the matter, this is a question of fact which we cannot now look into in the present appeal.

The remaining question, therefore, that needs to be determined is whether the action of the Board of Stewards in not cancelling the race notwithstanding the bad start which raised a howl of protest from the public was final and irrevocable in the sense that it could no longer be revised by the Commission on Races in the exercise of the power of supervision it has over all horse races in the Philippines.

The law governing the operation of horse races in the Philippines is Republic Act No. 309. This Act creates a Commission on Races which is charged with the supervision and regulation of horse races in the Philippines. Under said Act, the Commission is charged with the duty to enforce the laws, rules and regulations relating to horse races, to require that race tracks be properly constructed and maintained, and in general, "it shall have supervision over all race track or racing club officials or employees authorized or required to be appointed under this Act and over all horse races" (Section 2). The Commission may also exercise such other powers as may be prescribed by law or regulation (Section 2).

On the other hand, the pertinent provisions of the rules and regulations governing horse races adopted by the same Commission is Article 1, Chapter, I, in relation to Articles 28 and 29, Chapter V, which for ready reference are quoted hereunder:

"Art. 1. La Junta de Carreras tendra poder de supervision sobre todo cuando se refiera a las carreras que se celebran en Filipinas, y en virtud de este poder de supervision, ejercera facultades administrativas y quasi-judiciales."

"Art. 28. Habra por lo menos tres (3) Comisarios para cada carrera que tambien podran actuar como Jueces. Podran ser Comisarios aquellos Filipinos o ciudadanos de los Estados Unidos que son mayores de edad, no estan interesados directa o indirectamente en algun caballo de carrera gozan de buena reputacion, tienen suficientes conocimientos sobre carreras de caballos y han obtenido de la Junta de Carreras la licencia correspondiente. "Los Comisarios no podran ser Emparejadores.

"Las facultades y deberes de los comisarios son como sigue:

* * * * *

"(e) Anular cualquiera carrera antes de que los caballos lleguen a la meta, si a su juicio, debido a la mala soltada y otros incidentes, dicha accion es necesaria;"

"Art. 29. En cada dia de carreras habra por lo menos tres (3) Jueces en caso de que los Comisarios no actuen como tales, y sus decisiones seran finales e inapelables."

It would, therefore, appear that in every horse race the rule requires that there be a board of judges who should determine the result of the race and whose decisions are final and unappealable. In addition, the rule requires that there be a board of stewards which among others, is given the power to "annul any race before the horses reach their destination if in their opinion there is a bad start or any other incident takes place that makes such action necessary" (as translated). Hence, there are two groups of officials who act in every race whose functions are different one from the other": the board of judges and the board of stewards. The judges determine who the winners are, their decision being final and irrevocable; the stewards, on the other hand, are given the power to annul any race if in their opinion there is a bad start or some good reasons exist justifying it. And over these officials we have the Commission on Races which is charged with the duty to supervise their action and the performance of their duties in connection with the races.

The question that now arises is: If a horse race takes place and the winners are determined by the judges but there is a faulty start and the official starter recommends that the race be cancelled but the board of stewards turns a deaf ear to the recommendation, what action can the Commission on Races take on the matter? Can it annul or declare ineffective the race as decided by the board of judges? Is the power to cancel or annul a horse race the sole function of the board of stewards?

The functions of these groups of officials should not be confused. They are clearly delimited in the rules and regulations adopted for the purpose. As we have seen, the board of judges was created to decide the race and its decision is final and unappealable. This means that the public has no other recourse than to abide by it even if it believes it to be erroneous. No other authority can change or reverse its decision. But the functions of the board of stewards are somewhat different. They have nothing to do with the decision of the race. That function exclusively devolves upon the judges. Its functions are merely to see that the race be regular, or that the horses start properly, otherwise it may declare the race annulled or ineffective. But this is addressed to its discretion. Once such discretion is exercised, no other authority can interfere. Its decision is also final.

We are, therefore, of the opinion that the action taken by the Commission on Races cancelling or annulling the race held on July 23, 1950 for the reason that there was a faulty start on the part of some horses was in excess of the authority granted to it by law. It is true, as already stated, that the Commission on Races has the supervision over all horse races and over all race officials and employees having connection with their operations, but such power of supervision cannot be extended to functions which belong to other officials as delimited by law. As denned by this Court, supervision only means overseeing or the power or authority to see that subordinate officers perform their duties. It is different from control which includes the power to alter, nullify or set aside what a subordinate officer may do in the performance of his duties, as well as to substitute the judgment of the superior for that of his subordinate (*Mondano vs. Silvosa*, 97 Phil., 143; 51 Off. Gaz., [6] 2884). This power of control has been withheld from the Commission.

However, considering that respondents have acted in their official capacity in the honest belief that they had such power as in fact they acted on the matter only after an on the spot investigation, we hold that they cannot be held liable for damages. In this sense, the decision of the Court of Appeals should be affirmed.

"Acts in Line of Duty or under Color of Authority.—As a rule, a public officer, whether judicial, quasi-judicial, or executive, is not personally liable to one injured in consequence of an act performed within the scope of his official authority, and in the line of his official duty. In order that acts may be done within the scope of official authority, it is not necessary that they be prescribed by statute, or even that they be specifically directed or requested by a superior officer, but it is sufficient if they are done by an officer in relation to matters committed by law to his control or supervision, or that they have more or less connection with such matters, or that they are governed by a lawful requirement of the department under whose authority the officer is acting. Under this principle, state building commissioners who, in obedience to a statute, discharge one who has been

employed to construct a state building, take possession of the work, and place it in the hands of another contractor, are not liable to the former contractor in damages, since in so doing they are merely acting in the line of their duty. An officer is not personally responsible for the necessary and unavoidable destruction of goods stored in buildings, when such buildings were destroyed by him in the lawful performance of a public duty imposed) on him by a valid and constitutional statute."

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"Error or Mistake in Exercise of Authority.—Where an officer is invested with discretion and is empowered to exercise his judgment in matters brought before him, he is sometimes called a quasi-judicial officer, and when so acting he is usually given immunity from liability to persons who may be injured as the result of an erroneous or mistaken decision, however erroneous judgment may be, provided the acts complained of are done within the scope of the officer's authority, and without wilfulness, malice, or corruption." (43 Am. Jur., pp. 85-86.)

Wherefore, the decision appealed from is affirmed, without costs.

Paras, C. J., Bengzon, Padilla, Labrador, Concepcion, Reyes, J. B. L., Barrera, and Gutierrez David, JJ., concur.

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