

**TABACALERA INSURANCE COMPANY, PLAINTIFF-APPELLEE, VS.
MANILA RAILROAD COMPANY AND/OR MANILA PORT SERVICE, ET
AL., DEFENDANTS, MANILA RAILROAD COM-PANY AND/OR MANILA
PORT SERVICE...**

G.R. No. L-23636. October 31, 1967

Ponente: ANGELES, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/46594d5b0309/>

ANGELES, J.:

An appeal from a decision of the Court of First Instance of Manila, in Civil Case No. 50906, dated May 10, 1964, ordering the defendants Manila Railroad Company and Manila Port Service to pay to the plaintiff Tabacalera Insurance Company the amount of P1,117.64 representing the CIF value of the latter's lost shipment, P300.00 as attorney's fees and costs.

So much of the facts that gave rise to the con-troversy will be stated to disclose the law questions involved, to wit:

1. Whether or not the Court of First Instance of Manila had jurisdiction over the subject matter of the action - plaintiff having sued in the alternative Humburg-Amerika Line or its local agents C. F. Sharp & Company, Inc. under a contract of carriage by sea, and the Manila Railroad Company and Manila Port-Service as arrastre operators - for recovery of the amount of P1,067.85 representing the value of certain short-landed or short-delivered shipment of goods consigned to plaintiff's predecessor-in-interest;
2. Whether or not the filing of a "provisional claim" within 15 days from the discharge of the goods from the carrying vessel without stating the value of the loss, complied with a requirement in a contract that the "claim for value of the loss "should be represented within said period; and
3. Whether or not under a clause in the said contract limiting the liability of the arrastre ope-rators to the "invoice value" of the lost goods but in no case exceeding P500.00 per package, an amount admittedly bigger than said invoice value but less than the value of the lost goods when computed on the basis of P500.00 per package, may be awarded.

On or about 6 of June, 1961, the vessel SS "Le-verkusen" took on board at Antwerp, Belgium for shipment to Manila consignment cargoes, including 2,825 jute bags of glue and glue hardener consigned to the Sta. Clara Lumber Company, Inc. The consignee took from the plaintiff Tabacalera Insurance Company an insurance policy for P99,892.00 covering the said shipment against all risks. The vessel arrived at the port of Manila on July 11, 1961, and the ship-ment was discharged unto the custody of the Manila Port Service on July 13, 1961. On the following day, July 14, 1961, the G. R. Walse & Co. (Broker) filed with the defendant Manila Port Service a "provisional claim" worded as follows:

"On the basis of our clients, Sta. Clara Lumber Co. Inc., provisional claim is hereby filed against you for damage and shortages sustained on the cargo listed below which arrived per above-mentioned vessel, namely:

MARKS BAD ORDER CARGO

875 Bags Glue and Hardener

x x x x

Non-delivered and/or Shortlanded Cargo

x x x x 386 Bags Glue and Hardener

x x x x

"Final claim for the foregoing will be presented by the aforementioned client on their loses, if any."

The goods were thereafter delivered by the Manila Port Service to the Sta. Clara Lumber Co., Inc., the last delivery of which took place on July 20, 1961. Claiming to have sustained loss or damage by reason of non-delivery of 33 bags covered by the shipment in question, the Sta. Clara Lumber Co., Inc. and/or the Tabacalera Insurance Company, the latter having been subrogated to the rights of the former, filed a formal claim with the defendants on September 25, 1961, for payment of P1,117.64 representing the CIF value of the lost goods, which defendants failed or refused to pay.

On July 10, 1962, the Tabacalera Insurance Com-pany filed a complaint in the Court of First Instance of Manila for recovery of the value of the lost goods. It sued the defendant alternatively, claiming that it suffered damage due either to the negligence of the Humburg-Amerika Line while the shipment was on board the SS "LeverKusen", or the negligence of the Manila Railroad Company and the Manila Port Service after said shipment was discharged unto their custody by their co-defendant shipping company. Defendants filed separate answers.

The parties submitted the case upon a stipulation of facts where they agreed, inter alia, that the SS "Leverkusen" discharged the entire shipment of 2,825 bags unto the custody of the Manila Port Service on July 13, 1961, complete and in good order; that said arrastre operator received the "provisional claim" on July 14, 1961; that of the 2,825 bags of glue and hardener consigned to the Sta. Clara Lumber Co., only 2,792 bags were delivered to said company by the Manila Port Service on July 20, 1961; that plaintiff as insurer paid to the consignee the amount of P1,165.89 representing its liability under the insurance covering the said goods; that on September 25, 1961, the insurer or consignee filed a "formal claim" of P1,117.64 representing the CIF value of the lost shipment; that the invoice value of the lost 33 bags of glue and hardener is P1,051.28, while its CIF value is P1,117.64; and, that the liability of the Manila Port Service, if any, shall be limited to the invoice value of the goods which in no case shall be more than P500.00 per package as provided in Section 15 of the Management Contract.

Upon the stipulation of facts, the Court of First Instance of Manila, as stated in the opening paragraph of this opinion, condemned the defendant Manila Railroad Company and the Manila Port Service to pay the plaintiff the amount of P1,117.64, attorney's fees and costs. Hence, this appeal.

Appellants contend that insofar as they are concerned, the Court of First Instance of Manila had no jurisdiction over the subject matter of the action because the amount involved is less than P5,000.00 and falls within the exclusive jurisdiction of the Municipal Court of Manila. They argue that as against the carrier, the cause of action is based on the contract of carriage, while as against them as arrastre operators, the cause of action is based on a contract of deposit, which causes of action may be brought separately. They insist that there was an improper joinder of causes of action, alleging that the right to plead alternative causes of action in a case should be subject to the fundamental limitation that each and every cause of action must be within the original jurisdiction of the court in which the complaint is filed.

We find the contention to be untenable. The joinder of alternative parties and causes of action complained of, is

clearly justified under the allegations in the complaint and expressly sanctioned by the following provisions of the Rules of Court:

"Joinder of causes of action. - Subject to the rules regarding jurisdiction 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 of the same nature or character.

"In the cases falling under clause (a) of the preceeding 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." (Sec. 5, Rule 2, Rules of Court)

"Alternative Defendants. - Where the plaintiff is uncertain against which of several persons he is entitled to relief, he may join any or all of them as defendants in the alternative, although a right to relief against one may be inconsistent with a right of relief against the other." (Sec. 13, Rule 3, Rules of Court)

Applying these rules, this Court in the case of *The American Insurance Company v. Macondray & Co., Inc., et al.*, L-24031, August 19, 1967, quoted with approval a previous ruling in *Switzerland General Insurance Co., Ltd. v. Java Pacific and Hoegh Lines and the Manila Railroad*, L-21760 April 30, 1966 where We said:

"As may be seen, the instant case comes within the purview of the rule above-quoted for therein it is postulated that a party may in one pleading state in the alternative as many causes of action as he may have against an opposing party if they arise from the same transaction with the particularity that the case may be filed in the Court of First Instance if any of said cause of action falls within its jurisdiction. This is precisely what was done in this particular case. Because of the uncertainty of the place where the disappearance of the shipment occurred, plaintiff brought the case in the alternative before the Court of First Instance upon the theory that it may have occurred while the shipment was in transit or while in the custody of the arrastre operator."

And so with the case of *Firemen's Insurance Company v. Manila Port Service, et al.*, L-22810, August 31, 1967 where, in meeting the same objection now raised in the case at bar, We disposed of the argument as follows:

"They question the trial court's jurisdiction to hear and decide this case, because the relief sought in the complaint, insofar as appellants are concerned, is the recovery of P854.14, plus attorney's fees, in the sum of P200.00, and costs, which is within the original exclusive jurisdiction of municipal courts." It should be noted, however, that in addition to the appellants herein, who were sued as custodians or depositaries of the goods consigned to E. J. Nell Co., the latter's subrogee, plaintiffs herein had, also, impleaded, in the alternative, Klavenese Line and/or Smith, Bell & Co. under the contract of carriage between them and the shipper, James S. Baker. Admittedly, such contract of carriage calls for the exercise of admiralty jurisdiction, which municipal courts do not have, and is within the original exclusive competence of courts of first instance. And since Section 5 of Rule 2 of the Rules of Court permits the joinder of the two (2) causes of action, in the alternative, it follows that the Court of First Instance of Manila had jurisdiction over both, even if one of said causes of action were within the exclusive jurisdiction of a lower court."

Be that as it may, however, appellants maintain that the Tabacalera Insurance Company has no cause of action against them, insisting that the filing of a "provisional claim", virtually couched in general and sweeping language, without stating the nature and extent of the damage to the cargo and the number of packages lost, is now a compliance of the requirement in the Management Contract that the "claim for value" of lost or damaged goods should be filed within fifteen (15) days from the discharge of the last package from the carrying vessel. They argue that since the "formal claim" was filed only on September 25, 1961 which is clearly outside the said period, they should be relieved of any and all liability as expressly provided in the same Management Contract aforementioned.

The contention is without merit.

The rule is now well settled that the filing of a provisional claim within 15 days from the discharge of the goods from the carrying vessel is a sufficient compliance of the requirement of Sec. 15 of the Management Contract heavily relied upon by herein appellants. (*United Insurance Company, Inc. v. Royal Inter-ocean Lines, et al.*, L-22688, April 27, 1967; *Domestic Insurance Co. of the Phil. v. Manila Railroad, et al.*, L-24066, August 30, 1967; *Atlantic Mutual Insurance Co. et al. v. Manila Port Service*, L-21907, April 29, 1966; *State Bonding & Insurance Co., Inc. v. Manila Port Service*, L-21833, February 28, 1966; *Yu Kimteng Construction Corp. v. Manila Railroad*, L-17027, November 29, 1965; *G.S.I.S. v. MRR*, L-20342, November 29, 1965). The circumstances that the said provisional claim did not specify the value of the loss, still substantially complies with the requirement of the contract aforesaid, and is not a defense against the claim of the consignee after it shall have ascertained later the value of its actual loss or damage (*State Bonding & Insurance Co. v. Manila Port Service*; *Domestic Insurance Co. of the Phil. v. Manila Port Service*, *supra*). And the rule is not without reason. While claims should be filed within the period provided to afford the carrier or depositary reasonable opportunity and facilities to check the validity of the claims while facts are still fresh in the minds of the persons who took part in the transaction and the documents are still available (*David Consunji, et al. v. Manila Port Service*, 110 Phil. 231; *Phil. Education Co., Inc. v. Manila Port Service, et al.*, L-24091, September 20, 1967), the consignee should likewise be given reasonable opportunity to examine and determine with certainty the extent of the loss or damage to its goods after the same shall have been delivered by the arrastre operators which may or may not be within the 15-day period stipulated. Meanwhile therefore, that a consignee has not actually received the goods consigned to it, the filing of a provisional claim should be allowed to beat the short period granted under the contract, provided that at the time the provisional claim is submitted the consignee has acquired some general knowledge or information that its shipment has been damaged or lost.

Finally, the clause in the Management Contract limiting the liability of the appellant herein to the invoice value of the goods which in no case shall be more than P500.00 per package is too plain to be susceptible to a meaning other than its clear literal import. It simply means that the liability of the arrastre operators should be equal to the invoice value of the goods if said invoice value does not exceed P500.00 per package; if the invoice value of one package exceeds P500.00, however, then the basis of the liability is P500.00 multiplied by the number of packages lost which then, in the absence of any other stipulation in the contract, shall be less than the invoice value of the goods. But the stipulation, by no means, should preclude the award of attorney's fees and expenses of litigation which is just and equitable under the circumstances of this case. While We have to declare that the lower court fell into error in ordering the appellants to pay the appellee the amount of P1,117.64 representing the CIF value of the lost goods instead of the invoice value which is P1,051.28, We find no abuse of discretion on its part in awarding P300.00 to the appellee as attorney's fees.

WHEREFORE, and conformably herewith, the award of P1,117.64 to the appellee in the decision appealed from is reduced to P1,051.28, the invoice value of the lost goods. Judgment affirmed in all other respects. No pronouncement as to costs.

Concepcion, C.J., Reyes, J.B.L., Makalintal, Bengzon, J.P., Zaldivar, Sanchez, Castro, and Fernando, JJ., concur.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.