

ATLANTIC MUTUAL INSURANCE CO., PLAINTIFF AND APPELLANT VS. MANILA PORT SERVICE, ET AL., DEFENDANTS AND APPELLEES.

G.R. Nos. L-15618, L-16000, and L-16116. November 29, 1960

Ponente: BENGZON, J.

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BENGZON, J.:

These three cases involve one issue and subject: admiralty jurisdiction of the courts of first instance. Besides identity of attorneys in all three, there is identity of parties in the first two. In the third, the very defendants in the first two cases raised the same issue.

L-15618.—Typical is the first. The ruling therein announced applies with equal force to the others.

In the Manila court of first instance, to recover P1,078.33 as the value of undelivered goods, Atlantic Mutual Insurance Co. sued Manila Port Service and/or Manila Railroad alleging; (a) it had insured 180 cartons of cotton piece goods shipped aboard the SS Pioneer Main from New York to Manila; (b) said goods arrived at the Port of Manila on July 10, 1958, and were unloaded into the custody of Manila Port Service; (c) those were in turn delivered to the consignee with short delivery and/or damages to said shipment in the amount of approximately P1,078.33; (d) the shipper claimed, and thereafter received, from plaintiff as insurer, the value of the loss; (e) "upon such payment, plaintiff became subrogated to the shipper's and/or consignee's rights and interests; and (f) defendants refused to pay plaintiff notwithstanding repeated demands.

Counsel for defendants moved to dismiss, for lack of jurisdiction, because the amount demanded being much less than P2,000.00, the case belonged to the Municipal Court under Sec 88 of Republic Act 296. Opposing the motion, plaintiff took the stand "that the subject matter of the complaint, per allegations contained therein, arose from admiralty and maritime commerce, and consequently" pertained to the admiralty jurisdiction of the court of first instance, irrespective of the value in controversy.

Granting the motion, the court dismissed the suit, declaring itself without jurisdiction.

Plaintiff appealed. In support of its side, it invokes the decision in *International Harvester Co. vs. Aragon and Yaras & Co.*, 84 Phil. 364, wherein this Court held that the suit of the consignee against the sea carrier for damages to goods transported over the seas aboard a vessel involved maritime commerce and jurisdiction. But such doctrine is not applicable, because the suit here is directed against the arrastre service for damages presumably suffered after the carriage by sea had ended at the Manila pier upon delivery of the goods to the Manila Port Service. The rule applicable to the case may be found in *Macondray & Co., Inc. vs. Delgado Brothers, Inc.*, (107 Phil., 779; 58 Off. Gaz. [5] 899) i.e., after the briefs in these three cases had been duly submitted. That was a suit against the former operator of the arrastre service of the Manila Port, for short delivery of cargo it had previously received from abroad ex. MS Pleasantville. The question of admiralty jurisdiction having been raised—value of monetary demand being less than P2,000.00—this Court held the matter did not refer to admiralty jurisdiction. Through Mr. Justice Concepcion it explained,

"The case at bar does not deal with any maritime matter or with the administration and application of any maritime law. As custodian of the sixty-eight (68) cartons of paints it had received from the MS Pleasantville, it was defendant's duty, like that of any ordinary depository, to take good care of said goods and to turn the same over to the party entitled to its possession, subject to such qualifications as may have validly been imposed in the contract between the parties concerned. Such duty on the part of the defendant would be the same if the final destination of the goods were Manila, Iloilo, and the goods had not been imported from another state. The only issues raised in the pleadings are (1) whether or not defendant had fully discharged its obligation to deliver the aforementioned sixty eight (63) cartons of paint; and (2) in the negative case, the amount of indemnity due the plaintiff therefor. The determination of these questions does not require the application of any maritime law and cannot affect either navigation or maritime commerce. The foreign origin of the goods is—under the attending circumstances—immaterial to the law applicable to this case or the rights of the parties herein,, or the procedure for the settlement of their dispute."

Note specially that this is not a suit against the carrier that transported the goods by sea.[1] It is rather a proceeding against the operator of the arrastre service that received the goods from said carrier and failed to discharge its obligation to deliver them to the consignee.[2] There is nothing pertaining to admiralty in the discharge of such obligation of the arrastre operator.

Such being the case, the court below took the correct view in dismissing the suit.

L-16000; L-16116.—These other two cases for amounts less than ₱2,000.00 were also filed in the Manila court of first instance. Involving similar claims, they were likewise ordered dismissed for lack of jurisdiction. Plaintiff, to repeat, asserted admiralty.

In view of the foregoing, the dismissal orders in the three cases are hereby affirmed, with costs.

Paras, C.J., Padilla, Bautista Angela, Labrador, Concepcion, Reyes, J. B. L., Barrera, Gutierrez David, Paredes, and Dizon, JJ., concur.

Orders affirmed.

[1] Insurance Co. vs. Phil. Ports Terminal, 97 Phil., 288.

[2] The liability of the Manila Port Service is governed by the Management Contract it entered into with the Bureau of Customs, pursuant to Act 3003 as amended by Republic Act 140, the pertinent portion of which reads as follows:

"Sec. 13. Said Bureau of Customs is hereby authorized, whenever in its judgment the receiving, handling, custody, and delivery of merchandise intended for importation or exportation in the port of Manila and other ports of entry can be carried on with greater efficiency. * * * to make contracts with such persons, associations, or corporations for the receiving, handling, custody, and delivery of merchandise in the port of Manila and other ports of entry, which contracts shall contain conditions regarding access to the customs Premises, subject to the control of the customs authorities, charges for the services rendered by the contractor, security to be given for the efficient handling, custody, and delivery of the merchandise and the prompt payment of all losses thereof, as may be agreed upon between the Bureau of Customs and the contractor, subject to the approval of the Secretary of Finance." (Italics ours.)

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