

NEW ZEALAND INSURANCE CO., LTD., PLAINTIFF-APPELLEE, VS. MANILA PORT SERVICE, ET AL., DEFENDANTS-APPELLANTS.

G.R. No. L-22500. April 24, 1967

Ponente: REGALA, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/63ac934eb757/>

REGALA, J.:

In the Municipal Court (now City Court) of Manila, the New Zealand Insurance Co., Ltd. sued the Manila Port Service and the Manila Railroad Company for the recovery of a sum of money. The defendants were adjudged liable to the plaintiff. Upon elevation of the case to the Court of First Instance, the said defendants were also held liable to the plaintiff for the amount of P500, with interest thereon at the legal rate from June 15, 1962, until fully paid, and costs. Not satisfied, the defendants have brought the case to Us on questions of law.

The facts that gave rise to the suit appear in the Stipulation of Facts entered into by the parties before the Court of First Instance, substantial portions of which are as follows:

“6. That on or about June 4, 1961, the vessel S/S 'TENSEI MARU' took on board at Osaka, Japan, for shipment to Manila consignment cargoes including eight (8) cases of plain irons Stanley Patt and slim taper in the name of J. R. De Santos and Company, Inc. of Manila, x x x;

“7. That the consignee, J. R. De Santos and Company, Inc. took from Plaintiff an insurance policy for ONE THOUSAND FIVE HUNDRED THIRTY (\$1,530.00) DOLLARS, covering the said shipment against all risks;

“8. That vessel S/S 'TENSEI MARU' arrived at the Port of Manila on June 16, 1961 and subsequently discharged its cargoes including the eight (8) cases of plain irons Stanley Patt and slim taper into the custody of the Defendant, Manila Port Service, the last package of which was discharged on June 16, 1961;

“9. That the shipping documents covering said shipment were endorsed and transmitted to J. R. De Santos & Company, Inc. thru its custom's broker, F. N. Sagmaquen, paid for the same, and being the owner thereof, cleared the documents through the Defendant, Manila Port Service and Bureau of Customs;

“10. That of the aforementioned shipment of eight (8) cases due for delivery to J. R. De Santos & Company, Inc. only seven (7) cases were actually and in fact delivered to J. R. De Santos & Company, Inc. thru its customs broker on July 7, 1961 under Gate Pass No. 5508, x x x;

“11. That the shipment of eight (8) cases was discharged complete and in good order and condition by Eastern Shipping Lines, Inc. into the custody of the Defendant, Manila Port Service, and that loss of one (1) case occasioned while the same was in the possession and custody of defendant, Manila Port Service.

“12. That the arrastre fees of the ship-ment in question were paid on the basis of weight or measurement and not on the value thereof since its value was not manifested nor indicated in the Bill of Lading (Exh. A) or otherwise specified;

“13. That by reason of said loss, Plain-tiff as insurer, paid to the consignee J. R. De Santos & Company, Inc.,

the amount of ONE THOUSAND AND EIGHT-TWO PESOS & 44/100 (P1,082.44), representing its liability under the insurance contract, x x x;

"14. That Plaintiff and/or J. R. De Santos & Company, Inc. the former having been subrogated to the rights of the latter by virtue of the pay-ment mentioned in the preceding paragraph immediately filed a formal claim in the amount of FIVE HUNDRED FORTY-FOUR & 86/100 (P544.86) Pesos, representing the value of the lost shipment, x x x;

"15. That the broker F. N. Sagmaquen, for and in behalf of consignee J. R. De Santos, filed a provisional written claim with the Manila Port Service on July 12, 1961, x x x;

"16. That the parties agree that the only issues to be resolved by this Honorable Court are:

a) Whether Section 15 of the Management Contract before-mentioned is applicable to the instant case and if so, whether consignees or its representative filed the claim as required under Sec. 15 of the before-mentioned Management Contract (Exh. "3");

b) In the event defendants are liable, what is the extent of their liability excluding attorney's fees, if any, that may be granted by this Honorable Court;

c) Whether or not attorney's fees as claimed by plaintiff in the complaint should be granted."

In this appeal, the defendants claim that it was a mistake for the lower court not to have declared them relieved and released of any responsibility for the loss of the goods in question due to the failure of the plaintiffs to file their claim therefor within fifteen (15) days from June 16, 1961, the date of the discharge of the last package from the carrying vessel, pursuant to Section 15 of the Management Contract.

The general rule, really, is that the claim of the consignee or its subrogee for loss, damage, misdelivery and/or nondelivery of goods, must be presented to the contractor within fifteen days from the date of discharge of the last package from the carrying vessel. This applies where, ordinarily, the consignee or claimant has knowledge of the loss, damage, misdelivery and/or nondelivery before the expiration of said fifteen-day period.

The rule, however, is different in instances where the claimant comes to learn of the loss, damage, misdelivery and/or nondelivery only after the fifteen-day period. In such cases, the rule to follow, as stated in *Insurance Company of North America v. Maritime Company of the Philippines, et al.*, etc., G. R. No. L-22534, August 9, 1966, is that applied in *Yu Kimteng Construction Corp. v. Manila Port Service*,^[1] G. R. No. L-17027, November 29, 1965, that is, the period of fifteen days within which a claim should be filed should commence, not from the date of discharge of the goods from the carrying vessel, but from the date the consignee or claimant learns of the loss, damage, misdelivery and/or nondelivery for which the claim is made. This is because the consignee is in no position to allege such loss, etc. before he comes to know about it. Before delivery, the goods are in the care and custody of the arrastre contractor.

In the case at bar, while the last package was discharged from the carrying vessel on June 16, 1960, the consignee took delivery of the cargo on July 7, 1960 and it was only then that it learned that one case of its goods was missing. It filed its claim only five (5) days thereafter. A literal application of the provision of paragraph 15 of the Management Contract, therefore, would not serve its purpose in this case. We thus agree with the trial judge that the claim was not filed out of time.

As stated in *Yu Kimteng Construction Corporation v. Manila Port Service*, *supra*, with a strict adherence to the provision of Paragraph 15 of the Management Contract, all the arrastre contractor would have to do in order to escape liability is to withhold knowledge of the loss from the consignee until after the expiration of fifteen days - a situation unfair to the consignee.

We are not reviewing the finding of the lower court as to the amount to be recovered as this has not been questioned before Us.

WHEREFORE, the judgment appealed from is hereby affirmed in toto. Costs against the defendants-appellants.

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

[1] Citing *Chiok v. Compania Maritima, et al.*, L-20553, April 30, 1965; *Republic v. Manila Port Service*, L-19115, March 31, 1964.

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.