

INSURANCE COMPANY OF NORTH AMERICA, PLAINTIFF AND APPELLANT VS. UNITED STATES LINES CO., MANILA PORT SERVICE AND MANILA RAILROAD COMPANY, DEFENDANTS AND APPELLEES.

G.R. No. L-21021. May 27, 1966

Ponente: BARRERA, J.

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BARRERA, J.:

The facts and the nature of this case as set forth in the brief of the appellant and accepted as substantially correct by the appellee,[1] are as follows:

"Gonzalo Puyat & Sons, Inc., Manila, was the consignee of 200 pieces of Vibrator Motors contained in seventeen (17) cartons loaded on board the vessel SS 'Pioneer Moor' on or about July 28, 1960 under Bill of Lading No. 42 issued at New York, with an invoice value of \$1,320.00 C & F Manila. The carrying vessel arrived at Manila and purportedly discharged its cargo into the custody of the Manila Port Service, arrastre operator for the Port of Manila. The Manila Port Service, on the other hand, alleges that three (3) cartons were not discharged by the vessel. When delivery was taken of the cargo by consignee's broker, five (5) cartons of 12 Vibrator Motors each and one (1) carton of 8 Vibrator Motors, or a total of 68 motors, were missing and remained undelivered, while one (1) Vibrator Motor was also found missing among the delivered cartons, thus making an aggregate shortage of 69 Vibrator Motors with an invoice value of \$465.88.

"Cargo was insured with plaintiff for the sum of \$1,500.00 against the risk of loss and damage. By virtue of the loss, claims were filed against the carrying vessel, the arrastre operator and the plaintiff for the insured value of the lost merchandise. Upon demand, plaintiff in due course paid the claim in the sum of P1,042.76, thereby becoming surrogated unto the assured's rights of recovery for the loss.

"Claims filed with defendants having been refused, plaintiff brought the instant suit against the carrying vessel and the arrastre operator and its mother corporation, the Manilla Railroad Company, alleging that loss occurred either while the cargo was still in the custody and possession of the carrying vessel prior to delivery to the arrastre operator or after the cargo was already received by the arrastre operator, alternatively. While suit was brought in the alternative (in view of the uncertainty where exactly the loss was sustained), the prayer of the complaint however seeks for judgment to be rendered against both defendants United States Lines Company and Manila Port Service and Manila Railroad Company, 'jointly and severally' for the loss.

"Pending adjudication of the case on the merits, plaintiff, having previously obtained settlement with the carrying vessel, moved to dismiss the complaint as against defendant United States Lines Company on the ground of amicable settlement between the parties. Acting upon the motion, the Lower Court dismissed the case against defendant United States Lines Company in its Order dated December 2, 1961 (Record on Appeal, pp. 12-15). In the wake of the dismissal of defendant United States Lines Company from the complaint, defendants Manila Port Service and Manila Railroad Company then raised the issue of jurisdiction of the Lower Court to further entertain the case as against the arrastre operator in view of the removal of the admiralty 'aspect' from the case, and considering that the demand is much less than the jurisdictional amount of P5,000.00.

"After the memoranda of the parties were submitted, the Lower Court, in its Order dated October 31, 1962, dismissed the instant case for lack of jurisdiction over the subject-matter of the case."

Hence, this appeal.

The issue herein presented is not a novel one. In a case recently decided,[2] this Court, passing upon the same question arising out of identical set of facts, ruled that the subsequent dismissal of the admiralty aspect of the case against the carrying vessel or its operator (leaving, as the only justiciable issue, the liability of the arrastre operator for the value of the missing goods worth less than P5,000.00) did not bring the case within the exclusive jurisdiction of the municipal court, nor deprive the court of first instance of the jurisdiction it had acquired over the case. This is based on the established doctrine that jurisdiction (of the court) once acquired, continues until the termination of the case,[3] and is not affected by the subsequent alteration of the facts[4] or of the applicable law on the matter.[5]

Wherefore, the order of dismissal of the lower court is hereby set aside and the case is remanded to it for further proceedings. Without costs. So ordered.

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

Order set aside, case remanded for further proceedings.

[1] See page 1, Appellee's brief.

[2] Rizal Surety & Insurance Co. vs. Manila Railroad Company, et al., G.R. No. L-20875, April 30, 1966.

[3] Tuvera vs. De Guzman, G. R. No. L-20547, April 30, 1965; States Marine Corp. vs. Cebu Seamen's Association, G. R. No. L-12444, Feb. 28, 1963; Manila Hotel Employees Association, G. R. No. L-12444, Feb. 28, 1963; Manila Hotel Employees Association vs. Manila Hotel Company, 40 Off. Gaz., No. 6, 3027.

[4] Rizal Surety & Insurance Co., vs. Manila Railroad Co., supra.

[5] Sayoc vs. Roxas, G.R. No. L-8502, November 29, 1956.

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