

**STA. ANA HARDWARE & CO., PLAINTIFF AND APPELLEE, VS.
“Y” SHIPPING CORPORATION, DEFENDANT AND
APPELLANT.**

G.R. No. L-29837. June 30, 1975

Ponente: FERNANDO, J.

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FERNANDO, J.:

The issue of jurisdiction being the principal question raised in the Court of Appeals with the facts stipulated, that Tribunal certified this case to us as only matters of law are involved. What was challenged in this appeal, for the first time it might be added, was the competence of a court of first instance to determine conflicting claims between plaintiff, now appellee, Sta. Ana Hardware and Co., the consignee of several pieces of equipment loaded on a steamer and defendant, now appellant, "Y" Shipping Corporation, which was the domestic agent, arising from a deposit to cover the expenses for lighterage charges on such cargo for shipside delivery. The recovery of such amount in the sum of P4,124.25 with interest was sought as the cargo was unloaded not shipside but at Pier 5 of the Port of Manila, with plaintiff paying the corresponding charges for arrastre service. The facts were stipulated. The judgment was for the plaintiff. Hence this appeal, which as noted earlier, involves questions of law and thus was certified to this Court.

What appears to be rather obvious is that the attempt to impugn the jurisdiction of the lower court is marked by futility. The decisions of this Tribunal clearly speak to the contrary. As to the effort to detect any infirmity in the decision rendered on the merits, it is likewise characterized by the absence of any persuasive force. We affirm.

1. It is the contention of defendant-appellant that as the amount involved is less than P10,000.00, a court of first instance lacks jurisdiction to entertain the complaint. It would ignore its admiralty aspect and would stress solely the amount in controversy. That is the weakness of its first assigned error. Not too long ago, in *Elite Shirt Factory, Inc. vs. Cornejo*,^[1] it was categorically held that the admiralty jurisdiction of a court of first instance "extends over all maritime contracts in whatever form entered into, whether executed or still to be performed. As long as the subject matter thereof is maritime service or a maritime transaction, then it is embraced within such a concept."^[2] Reliance was placed on the leading case of *International Harvester Co. vs. Aragon*,^[3] a 1949 decision. As was categorically therein affirmed by the then Justice, later Chief Justice, Paras, as ponente: "Specifically, admiralty has jurisdiction of a proceeding in rem or in personam for the breach of a contract of affreightment, whether evidenced by a bill of lading or a charter party."^[4] In both decisions then, it was the ruling that a city court or a municipal court judge, respondent W.L. Cornejo in the former, and respondent Crisanto Aragon in the latter, was devoid of jurisdiction. Thus it is to be noted that where the action is connected with or arises from a bill of lading, the competence of a court of first instance to pass on the matter is beyond dispute as shown by a long line of decisions from this Court.^[5]

2. Then came the other two errors assigned discussed jointly, concerned as they were with the plea that on the facts as stipulated, defendant should be absolved from any pecuniary liability. The best argument for the

correctness of the decision reached is this portion thereof: "The first question to be determined is whether the defendant has the duty to pay the freight charges of the shipment in question. The defendant contends that the plaintiff had bound itself to pay charges, freight and other expenses which may be due and chargeable on the subject shipment under the letters-undertaking . . . But as appears in par. 3 of the stipulation of facts and from the very provisions of Annexes B, B-1, C, C-1, D and D-1, these letters-undertaking were executed by the plaintiff merely in consideration of the releases by the defendant of the shipment without the prior surrender of the original bills of lading as without the said originals, it could not yet be determined if the freight charges were already prepaid. Hence, when the originals of the bills of lading were produced and surrendered to the defendant showing on their face that the charges were prepaid, consequently, the obligation of the plaintiff to pay for these freight charges under the letters-undertaking was already discharged. In fact, this is the reason why the original of the letters-undertaking . . . were stamped 'Accomplished' by the defendant when they were returned to the plaintiff. These letters-undertaking could not have been returned to plaintiff by the defendant if the purpose for which they were executed was not already accomplished. The plaintiff therefore did not bind itself to pay for the shortfreightage, if there was any, under the letters-undertaking . . . The defendant argues that the fact that the plaintiff delivered to the defendant PBC check 340448 in the amount of P2,017.00 after the defendant had sent the plaintiff the bills Nos. 036 and 037 shows that the plaintiff had bound itself to pay for the shortfreightage. But the letter Annex G dated November 8, 1963, addressed by the plaintiff to the defendant shows that the amount of P2,017.00 represented by the check PBC No. 340448 was merely deposit for lighterage charges. Moreover, the defendant in its letter dated November 21, 1963 addressed to the plaintiff which is Annex H of the stipulation of the parties admits that the amount delivered by the plaintiff to the defendant were intended for lighterage fee as the S/S Zafiro will unload at shipside. Since the defendant did not perform any lighterage and arrastre service for the cargo in question and the plaintiff is not liable for the payment of any shortfreightage, the defendant must return to the plaintiff the amount of P4,124.25 which the plaintiff had deposited with the defendant for lighterage and arrastre service of the cargo in question. If there was any shortfreightage, this is the liability of the shipper because the freight was supposed to be prepaid. The plaintiffs claim for attorney's fees must be denied because there is no evidence showing that the defendant acted in bad faith in denying to pay plaintiff's claim." [6]

The decision of the then Judge, later Associate Justice, Jesus Y. Perez of the Court of Appeals, now retired, speaks for itself. There is manifest the care and circumspection with which the matter in all its implications was considered. On the undeniable facts, agreed to by the parties, the law was correctly applied. Appellant's five-page discussion of the two errors assigned could not make the slightest dent on its conformity with the authoritative jural norms. There was even no effort on its part to cite any ruling that would support its claim. It could be a realization of the weakness of its stand.

WHEREFORE, the appealed decision of December 29, 1964 by the Court of First Instance of Manila is affirmed. Costs against "Y" Shipping Corporation.

Barredo, Antonio, Aquino and Concepcion, Jr., JJ., concur.

[1] L-26718, October 31, 1969, 30 SCRA 197.

[2] Ibid, 201-202.

[3] 84 Phil. 363.

[4] Ibid, 366.

[5] Cf. Government vs. Ynchausti and Co., 40 Phil. 219 (1919); Freixas and Co. vs. Pacific Mail Steamship Co.,

42 Phil. 198 (1921); H.E. Heachock and Co. vs. Macondray and Co., 42 Phil. 205 (1921); International Harvester Co. vs. Hamburg-American Line, 42 Phil. 845 (1918); Tagawa vs. Aldanese and Union Guarantee Co., 43 Phil. 852 (1922); Wise and Co. vs. Collector of Customs, 49 Phil. 966 (1924); Government vs. Chua Cho Pack and Co., 50 Phil. 529 (1927); Tan Pho vs. Dalamal, 67 Phil. 555 (1939); Litton vs. Banco Nacional, 70 Phil. 108 (1940) E.E. Elser vs. Court of Appeals; 96 Phil. 264 (1954); Sveriges Angfartygs Assurans vs. Qua Chee Gan, 105 Phil. 473 (1959); American President Lines vs. Klepper, 110 Phil. 243 (1960); Compania Maritima vs. Insurance Company of North America, L-18965, Oct. 30, 1964, 12 SCRA 213; Phoenix Assurance Co. vs. United States Lines, L-24033, Feb. 22, 1968, 22 SCRA 674; Home Insurance Co. vs. American Steamship Agencies, L-25599, April 4, 1968, 23 SCRA 24.

[6] Record on Appeal, Decision of the lower court dated December 29, 1964, 75-78.

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