

INSURANCE COMPANY OF NORTH AMERICA, PLAINTIFF AND APPELLEE, VS. MARITIME COMPANY OF THE PHILIPPINES, ET AL., DEFENDANTS, MANILA PORT SERVICE AND/OR MANILA RAILROAD COMPANY, DEFE...

G.R. No. L-22534. August 09, 1966

Ponente: BENGZON, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/b984613d44a0/>

BENGZON, J.:

This is an appeal, from a decision of the Court of First Instance of Manila, raising a question purely of law.

Standard T Chemical Co., Inc., on March 16, 1962, shipped from New York aboard SS "Philippine Bataan" 1,300 packages of raw materials for paint manufacture, consigned to Ed. A. Keller & Co., Ltd., in Manila. SS "Philippine Bataan" arrived in Manila on May 10, 1962 and immediately began to discharge the afore-stated shipment to the custody of the Manila Port Service as arrastre operator. Alleging that the cargo sustained loss and/or damage, the consignee, through its broker, thereafter filed on the same day, May 10, 1962, a provisional claim with the arrastre operator. Three days later, on May 13, 1962, the last package of the abovementioned cargo was discharged from the carrying vessel.

A bad order examination was made on August 14, 1962 at Ed. A. Keller & Co., Ltd.'s request. It showed that two drums and 13 bags of raw materials for the manufacture of paint had been damaged. A formal claim was thereupon filed by said consignee on August 23, 1962 with the arrastre operator in a total amount of P3,171.82 (Exh. D).

As the Manila Port Service did not pay, Ed. A. Keller & Co., Ltd., on November 8, 1962, received payment, in the sum of P4,473.44, from the Insurance Company of North America, its insurer on the cargo.

Suing as subrogee of the consignee, Insurance Company of North America, on May 6, 1963, filed the complaint in this case against the Maritime Company of the Philippines (operator of SS "Philippine Bataan"), the Manila Port Service and/or the Manila Railroad Company (the Port Service being the latter's subsidiary).

The defendants Manila Port Service and Manila Railroad Company, in their answer filed on June 15, 1962, interposed the defense of non-compliance of the 15-day period for the filing of a claim mentioned by Section 15 of the Arrastre-Management Contract.

Rendering judgment on January 8, 1964, the trial court absolved the Maritime Company of the Philippines from liability for want of positive proof against it of the extent of damage suffered by the cargo. It however ordered the Manila Port Service to pay its maximum liability of P500 under its contract, plus interest and costs, rejecting its contention that the provisional claim filed on May 10, 1962 was premature. From this decision only the defendants Manila Port Service and Manila Railroad Company appealed; plaintiff did not appeal.

Appellants contend that the provisional claim did not comply with the proviso of Section 15 of the

Arrastre-Management Contract requiring that it be filed "within fifteen (15) days from the date of discharge of the last package from the carrying vessel." The same was filed, as stated earlier, during the discharge, but three days before the date of discharge of the last package from the carrying vessel. And so, in appellants' view, the provisional claim was filed before the 15-day period period for filing it started to run, thereby making it premature.

Appellants' contention is not tenable.

The purpose of the 15-day period is to give the arrastre operator reasonable opportunity to check the validity of the claim while the facts are still fresh in the minds of the persons who took part in the transaction and while the pertinent documents are still available (*Consunji v. Manila Port Service*, L-15551, November 29, 1960).

In the present case, said purpose had been served. The provisional claim was filed after some of the goods had been discharged into the custody of the arrastre operator. The consignee, upon learning that the goods already discharged sustained loss or damage, immediately filed the provisional claim without waiting for the rest of the goods to be discharged. Such a claim is timely, not premature, [1] in contrast to a provisional claim filed before the arrival of the vessel [2] or during the discharge of the goods but before the consignee or his broker had discovered or been informed of an actual shortage or damage to the goods. [3]

The rule to follow - in cases like this where a strict and literal application of the proviso of Section 15 aforesated would not serve its purpose - is that stated in *Yu Kimteng Construction Corp. v. Manila Port Service*, L-17027, November 29, 1965 . This Court ruled therein that "the period of 15 days within which a claim should be filed with the Manila Port Service 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 or misdelivery for which the claim is made." As the court a quo rightly pointed out, since the consignee had knowledge on the same day of discharge of damage to the cargo, the immediate filing of the claim was a sign of diligence and should have been welcomed by the Manila Port Service rather than rejected, for it gave the arrastre operator fair warning of the damage.

WHEREFORE, the judgment appealed from is hereby affirmed, without costs in this instance.

SO ORDERED.

Concepcion, C.J., Reyes, JBL, Dizon, Regala, Makalintal, Zaldivar, Sanchez, and Ruiz Castro, JJ., concur.
Barrera, J., no part.

[1] See *Switzerland General Insurance Co., Ltd. v. Java Pacific & Hoegh Lines, et al.*, L-21760, April 30, 1966.

[2] *Shell Co. of the Phil. v. Cia. General de Tabacos*, L-20230, July 30, 1965 .

[3] *New Hampshire Fire Ins. Co. vs. Manila Port Service*, L-20938.

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.