

**MA-AO SUGAR CENTRAL CO., INC., PLAINTIFF-APPELLEE, VS.
MANILA PORT SERVICE AND MANILA RAILROAD CO.,
DEFENDANTS-APPELLANTS.**

G.R. No. L-22230. January 30, 1971

Ponente: DIZON, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/c076c8348304/>

DIZON, J.:

Appeal upon questions of law taken by the Manila Port Service and the Manila Railroad Company from the judgment of the Court of First Instance of Manila in Civil Case No. 47327 entitled "MA-AO Sugar Central Co., Inc. vs. Manila Port Service & Manila Railroad Company" of the following tenor:

"IN VIEW OF THE FOREGOING, the Court renders judgment sentencing the defendants to pay jointly and severally the plaintiff the sum of P5,490.34, with legal interest thereon from the date of the filing of the complaint until the whole amount is paid, plus the sum of P500.00 as reasonable attorney's fees, which the Court deems just and equitable under the circumstances of this case, and the costs of this action."

On June 2, 1960, the UTC/Crane Co. shipped at San Francisco, California, U.S.A., on board the S/S President Tyler, 44 cartons of gate and globe valves of various sizes on order of the Philippine Banking Corporation for appellee Ma-ao Sugar Central Company, Inc. Only 40 of the 44 cases were unloaded from said vessel and delivered to the Manila Port Service on June 25, 1960, the remaining 4 having been over carried by the vessel and later transferred to the S/S President Pierce which unloaded them unto the custody of the same appellants mentioned heretofore on July 10, 1960.

On July 5, 1960, appellee withdrew the shipping documents covering the 44 cartons from the consignee bank and turned them over to its broker, the Pacific Customs Brokerage Co., Inc.

As notwithstanding painstaking search the goods could not be located at the piers, appellee's broker filed on July 25, 1960 a provisional claim with the Manila Port Service covering all the 44 cartons of valves.

On August 3, 1960, however, 11 of the missing cartons were located and delivered to appellee, and on July 10, 1960, 4 additional cartons were discharged and delivered to the latter, leaving only 29 cartons unaccounted for.

On March 3, 1961, appellee's broker filed another claim with the Manila Port Service for the C&F value of the 33 cartons not delivered up to that time. Subsequent-ly, this claim was reduced to 29 cartons upon receipt of the four additional cartons mentioned heretofore.

Upon appellants' failure to satisfy their claim for damages for the missing goods, appellee filed the present action against them to recover their value.

Appellants' defense below was that they are not liable for any loss or damage to the cargo in question since no claim had been filed within fifteen days from the date of discharge of the last package of the shipment in question, as provided for in Section 15 of the Management Contract entered into by and between the Bureau of Customs

and appellant Manila Port Service governing the management and operation of the arrastre service.

After due trial, the court rendered the appealed judgment. Hence the present appeal which, because only questions of law are involved, was certified to this Court by the Court of Appeals.

Appellants' contentions in the first three assignments of errors submitted in their brief may be reduced to this: that the provisional claim Exhibit P filed by appellee is not the claim for value required by and defined in Section 15 of the Management Contract and that, at any rate, it was not filed within the fifteen day period from the date of discharge of the last package, as required by the afore-said contract.

We find this contention to be without merit.

As stated heretofore, only forty of the forty-four cartons composing the shipment were discharged from the S/S President Tyler on June 24, 1960. On July 10 of the same year four additional cartons were discharged in Manila from the S/S President Pierce. The computation of the fifteen day period, therefore, must start not from June 24, 1960 but from July 11, 1960 (the day following the event). As it appears that it was on July 25, 1960 that appellee's broker filed the provisional claim Exhibit P, covering all the 44 cartons, the conclusion must be that the same was filed within the applicable legal period. That the claim was entitled "Provisional" is of no decisive significance as far as the rights of the parties herein are concerned. Indeed, it had to be of that nature considering the possibility that after its filing, other cartons would be, as in fact they were found.

Appellants' last contention is that the lower court erred in including shipping expenses, margin tax and other charges in determining the invoice value of the missing goods and that, consequently, it erred in rendering judgment for appellee in the sum of P5,490.34 with legal interest thereon, plus the sum of P500.00 for attorney's fees and costs.

Section 15 of the Management Contract relied upon by the appellants shows that, thereunder, they are liable to appellee not only for the invoice value of the goods they had failed to deliver to the latter but also for the total value thereof, as manifested, and for all damages suffered by the consignee on account of their loss.

In this case, appellee's broker had made manifestation to appellants not only of the invoice value of the goods subject of its claim but also of their total actual landed cost (Exhibit N). As ruled in *Northern Motors vs. Prince Lines etc.*, G. R. No. L-13884, the consignee has in his hands the right to hold the arrastre operator — if he so desires — responsible for the full value of the merchandise undelivered by specifying such value in any of the documents required of him to claim the merchandise from customs. Under the Management Contract, therefore, and under the provisions of Article 1173 of the New Civil Code, appellants were rightly held liable for the damages awarded to appellee by the trial court.

WHEREFORE, the appealed decision is affirmed, with costs.

Concepcion, C.J., Reyes, J.B.L., Zaldivar, Castro, Fernando, Teehankee, Barredo, Villamor, and Makasiar, JJ., concur.

Makalintal, J., no part.

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.