

**PHILIPPINE AMERICAN GENERAL INSURANCE COMPANY, INC.,
PLAINTIFF-APPELLEE, VS. MANILA PORT SERVICE AND MANILA
RAILROAD COMPANY, DEFENDANTS-APPELLANTS.**

G.R. No. L-23675. June 27, 1969

Ponente: MAKALINTAL, J.

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MAKALINTAL, J.:

This case is before us on appeal by the defendants Manila Railroad Company and Manila Port Service from the decision of the Court of First Instance of Manila affirming that of the Municipal (now city) Court and holding the appellants solidarily liable to the plaintiff-appellee in the sum of P1,200.00, with legal interest from the date of the filing of the complaint, and costs.

The facts are stipulated by the parties. The Manila Port Service, a subsidiary of the Manila Railroad Company, was the operator of the arrastre service at the port of Manila, with authority to receive and deliver cargo discharged or unloaded by vessels into its custody, subject to the terms, conditions and limitations of its management contract with the Bureau of Customs.

On or about July 10, 1962 the vessel "SS Streefkerk" took on board at Rotterdam, Holland, for shipment to Manila, 500 bags white zirconium glaze and 2 bags china clay, consigned to Fil-Hispano Ceramics, Inc. Manila. The aforesaid cargo was insured with plaintiff for P26,815.25. The "SS Streefkerk" arrived in Manila on August 5, 1962. On August 7, 1962 the vessel completely discharged into the custody of the Manila Port Service all the bags white zirconium glaze and 2 bags china clay in good order. Of the shipment of white zirconium glaze only 490 bags were delivered to the consignee thru its broker, Luzon Brokerage Co., Inc., and of those delivered 31 bags were in bad order condition, with contents partly spilled. By reason of the loss, the plaintiff as insurer paid to the consignee the amount of P1,428.00, representing its liability under the insurance contract. On August 13, 1962 the plain-tiff and/or the consignee filed with the defendants a "provisional" claim for the short delivery and damaged cargo. This was subsequently supplemented on January 15, 1963, by a formal claim for the amount of P1,303.21, but the claim was rejected. On August 2, 1963 the plaintiff, as subrogee of the rights of the consignee, initiated the instant suit in the Municipal (now city) Court of Manila.

The sole issue to be resolved is whether or not the plaintiff-appellee had complied with the requirements prescribed by Section 15 of the Management Contract. Appellants contend that when the formal claim was filed on January 15, 1963, the 15-day period fixed in the said provision of the Management Contract had already expired, counted from "the date of the last discharge from the carrying vessel;" that the filing of the provisional claim on August 13, 1962 was not a compliance with the contract, because it contained only an "advice" that the cargo had been short-landed and/or landed in bad order, but did not mention the value of the goods missing or damaged; and that therefore such provisional claim was purely speculative.

The contention is not new and has been consistently overruled in many cases,[1] where this Court held that the presentation of a provisional claim within the prescribed 15-day period, although such claim does not state the

exact value of the missing or damaged merchandise or is not supported by proper documents, constitutes substantial compliance with the requirement of Section 15 of the Management Contract, for it affords the arrastre operator reasonable opportunity to check the validity of the demand while the facts are still fresh in the minds of the persons who took part in the transaction and the pertinent papers are still available. At any rate, whatever deficiency there was in the provisional claim filed by the appellee was supplied by the subsequent formal claim filed January 15, 1963, which stated the value of the goods and nature of the damage.[2]

Wherefore, the decision appealed from is affirmed with costs against the appellants.

Concepcion, C.J., Reyes, J.B.L., Zaldivar, Sanchez, Ruiz Castro, Fernando, Capistrano, Teehankee, and Barredo, JJ., concur.

Dizon, J., did not take part.

[1] *Filipro, Inc. vs. Manila Port Service, et al.*, L-25724, Oct. 8, 1968; *Yap Tech Suy vs. Manila Port Service, et al.*, L-24677, May 29, 1968; *Liverpool & London & Globe Insurance vs. Manila Port Service*, L-23338, Nov. 18, 1967; *Tabacalera vs. Manila Railroad*, L-23636, Oct. 31, 1967; *Phil. Education Co. vs. Manila Port Service*, L-24091, Sept. 20, 1967; *Atlantic Mutual Insurance vs. Manila Port Service*, L-21907, April 29, 1966; *United Insurance vs. Royal Inter Ocean Lines*, L-22688, April 27, 1967; *State Bonding Inc. vs. Manila Port Service*, L-21833, Feb. 28, 1966; *Yu Kimteng Construction Corp. vs. Manila Railroad Co.*, L-17027, Nov. 29, 1965; *GSIS vs. Manila Railroad Co.*, L-20342, Nov. 29, 1965; *Bernabe vs. Delgado Bros.*, 58 O. G. 1104.

[2] *Alpha Insurance and Surety Co. vs. Manila Port Service, et al.*, L-22576, October 31, 1967.

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