

FILIPRO, INC., PLAINTIFF-APPELLEE, VS. MANILA RAILROAD COMPANY AND MANILA PORT SERVICE, DEFENDANTS-APPELLANTS.

G.R. No. L-24923. May 17, 1980

Ponente: MAKASIAR, J.

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MAKASIAR, J.:

Direct appeal by the defendants, Manila Port Service and/or Manila Railroad Company, from a decision of the Court of First Instance of Manila, sentencing them to pay, jointly and severally, to plaintiff, Filipro, Inc., the aggregate sum of P6,885.39, representing the value of losses and damages with legal interest thereon at the rate of 6% per annum from September 14, 1963, the date of the filing of the complaint until the principal shall have been paid, plus P1,500.00 as and for attorneys fees in addition to the costs.

Plaintiff Filipro, Inc. originally filed an action to recover the value of imported goods dis-charged at the port of Manila, into the custody of the defendants as operators of the arrastre service in that port, and not delivered or delivered in bad order and condition, to the plaintiff as consignee of the goods.

It appears that on different dates, seven shipments of goods consigned to the plaintiff were discharged at Manila Port into the Manila Port Service's custody. The last package of the first shipment was discharged from the vessel on July 27, 1962. On August 1, 1962, plaintiff filed a provisional claim and a formal claim on August 27, 1962.

The last package of the second shipment was discharged on August 9, 1962. Plaintiff filed a provisional claim on August 16, 1962 and a formal claim on September 4, 1962.

The last package of the third shipment was discharged on September 2, 1962. Plaintiff filed a provisional claim on September 12, 1962 and a formal claim on October 18, 1962.

The last package of the fourth shipment was discharged on September 5, 1962. Plaintiff filed a provisional claim on September 12, 1962 and a formal claim on January 3, 1963.

The last package of the fifth shipment was discharged on September 9, 1962. Plaintiff filed a provisional claim on September 17, 1962 and formal claims on October 26 and December 18, 1962.

The last package of the sixth shipment was discharged on September 9, 1962. Plaintiff filed a provisional claim on October 10, 1962 and a formal claim on October 26, 1962.

Since no action was taken by the defendants on the provisional and formal claims made by the plaintiff, the latter, on July 27, 1963 (p. 1, Brief for Plaintiff-Appellee), brought an action against the herein appellants in the Court of First Instance of Manila docketed therein as Civil Case No. 54610 which, however, was dismissed by the court for lack of jurisdiction on the subject matter as the total demand was only P7,885.79 - a case within the exclusive original juris-diction of the inferior courts. It was in this action that defendants denied for the first time in their answer dated August 3, 1963, the claims of the plaintiff.

Thus on September 14, 1963, the plaintiff-appellee brought an action in the Court of First Instance of Manila for

the recovery of the sum of P6,885.39 representing the total value of the losses and damages to the several shipments consigned to it; the sum of P2,500.00 in the form of unrealized profits; P2,000.00 as attorneys fees plus the costs of the suit.

On September 2, 1964, the parties submitted a stipulation of facts (pp. 23-37, Rec. on Appeal) and the only issue submitted for judicial determination was: whether the plaintiff had complied with the pro-visions of paragraph 15 of the Management Contract in the filing of its claims. Based in the stipulation of facts thus submitted, the Court rendered judgment in favor of the plaintiff. Hence, this appeal by the defendants, which alleged the following:

ASSIGNMENT OF ERRORS

- The trial court erred in not holding that the first to the fifth causes of action on plaintiff-appellee's complaint have prescribed and consequently the appellants have been released and relieved of any and all responsibility or liability for failure of the plaintiff-appellee to file suit in the court of proper jurisdiction within one (1) year from date of discharge of the goods pursuant to Section 15 of the management contract.
- The trial court erred in not holding that the plaintiff-appellee's complaint is barred for its failure to file the corresponding claims for the values of the cargoes in question within fifteen (15) days from dates of discharge of the last packages from their respective carrying vessels and consequently in not holding that appellants are relieved of any and all responsibility and liability therefor pursuant to Section 15 of the management contract.
- The trial court erred in not holding that the total value of the losses and damages of the shipments in question in the first to the seventh causes of action of appellee's complaint is only P6,530.70 and consequently erred in holding that it is P6,885.39.
- That the trial court finally erred in rendering judgment in favor of the plaintiff-appellee and against defendants-appellants ordering the latter to pay the former the total sum of P6,885.39, representing the value of losses and damages, with legal interest thereon at the rate of 6% per annum from September 14, 1963, the date of the filing of the complaint until the principal shall have been paid with costs against the appellants.

On the first assignment of error, appellants argue that the action instituted by the plaintiff-appellees in the Court of First Instance of Manila is time-barred because it was brought one (1) year after the date of last discharge of the goods from the carrying vessel, contrary to paragraph 15 of the Management Contract between the defendants, which is admittedly binding upon the plaintiff. The pertinent part in paragraph 15 of the said contract provides:

"15. x x x in any event the CONTRACTOR (arrastre operator) shall be relieved and released of any and all liability for loss, damage, misdelivery and/or non-delivery of goods, unless suit in the court of proper jurisdiction is brought within x x x one (1) year from the date of discharge of the goods or from the date when the claim for the value of such goods has been rejected or denied by the CONTRACTOR within fifteen (15) days from the date of dis-charge of the last package from the carrying vessel".

In order to hold the arrastre operator liable for goods lost or damaged, the claimant should, pursuant to the foregoing provision, take two (2) steps namely: 1] he must file with the operator a claim for the value of said goods "within fifteen (15) days from the date of discharge of the last package from the carrying vessel" [Atlantic Mutual Insurance vs. Manila Port Service, L-16789, October 31, 1962; Insurance Company of North America vs. Manila Port Service, L-17331, November 29, 1961]; and 2] suit should be brought in the court of proper jurisdiction "within one (1) year from the date of discharge of the goods or from the date when the claim for the value of such goods has been rejected or denied.

Defendants-appellants contend that the period for filing the plaintiff's complaint should be computed solely from

the date of discharge of the goods from the carrying vessel inasmuch as the claims made by the plaintiff have not been expressly rejected or denied by them. Since the complaint was filed one (1) year after the date of the last discharge of the goods, appellants maintain that it should be deemed barred.

The contention of defendants-appellants is without merit for it overlooks the fact that plaintiff has, under the management contract, two (2) periods within which to file its action, namely: [a] one (1) year from the date of discharge of the goods, and [b] one (1) year from the rejection or denial of its claim for the value thereof (David Consunji vs. Manila Port Service, L-15551, November 29, 1960; Delgado Brothers vs. Manila Port Service, L-21781, June 30, 1966). Obviously, defendants cannot, by not acting on plaintiff's claims, one way or another, deprive the plaintiff of one of these alternatives. Such would be the result, were we to accept defendants' contention.

Considering however, that no action, implied or express, was taken by the defendants-appellants on plaintiff's claims, how then shall the one (1) year prescriptive period be computed?

The right of the plaintiff to sue the defendants might be questionable in the absence of any act or omission clearly indicating the rejection or denial of said claims by the defendants. Hence, it has been repeatedly held, the latest of which is Union Carbide Phil., Inc. (formerly National Carbon Phil., Inc.) vs. Manila Railroad Co., substituted by the Philippine National Railways, Manila Port Service and American Steamship Agencies, Inc. [L-277798, June 15, 1977, 77 SCRA 359] that, in case of inaction on the part of the arrastre operator, he shall be deemed to have rejected or denied the importer's claim upon the expiration of one (1) year from the date when the last package was discharged and that the period within which to file suit shall then begin to run [Continental Insurance Company vs. Manila Port Service, L-22208, March 30, 1966, 16 SCRA 425; Philippine Education Company vs. Manila Port Service, L-23444, October 29, 1971, 42 SCRA 31].

The last package of each of the seven shipments was discharged from its respective carrying vessel in the following order (pp. 23-35, Record on Appeal):

1st shipment - July 27, 1962

2nd shipment - August 9, 1962

3rd shipment - September 4, 1962

4th shipment - September 5, 1962

5th shipment - September 9, 1962

6th shipment - September 9, 1962

7th shipment - October 4, 1962

Since the arrastre operator did not act on the provisional and formal claims of the plaintiff, pursuant to the ruling of the Supreme Court in the case of Union Carbide Phil., Inc. vs. Manila Railroad Co., et al., supra, he shall be deemed to have denied the importer's claim upon the expiration of one (1) year from the date when the last package was discharged from the carrying vessel. Therefore, with respect to the first shipment, the arrastre operator is deemed to have rejected the claim of the plaintiff on July 27, 1963, the second shipment on August 9, 1963, the third shipment on September 4, 1963, the fourth shipment on September 5, 1963, the fifth shipment on September 9, 1963, the sixth shipment on September 9, 1963, and the seventh shipment on October 4, 1963. These dates should then be considered as the starting point in reckoning the one (1) year prescriptive period within which the plaintiff should file the court action. Since the complaint was filed on September 14, 1963 (p. 1, Record on Appeal), the same should be considered to have been seasonably filed.

On the second assignment of error, appellants contend that inasmuch as the 15-day period had expired before the filing of the formal claims in connection with each one of these seven (7) shipments, plaintiff should be deemed barred from recovering the corresponding indemnity. This is predicated upon the theory that the provisional claims which were filed within the 15-day period requirement of the Management Contract, are not claims "for the value" of the goods lost, damaged or not delivered to the plaintiff.

Such theory is manifestly untenable for (1) it assumes that the claim must state the value of said goods, which paragraph 15 does not require; and (2) a provisional claim may be sufficient, even if the value of the goods involved were not stated therein, provided it describes said goods sufficiently to permit its identification by the operator and the determination by the latter of the facts relevant thereto, such as the name of the carrying vessel, its date of arrival, the corresponding bill of lading or other shipping documents in which the value of the goods is set forth, etc., "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 [Liverpool & London & Globe Insurance vs. Manila Port Service, L-23338, November 18, 1967; Tabacalera vs. Manila Railroad, L-23636, October 31, 1967; Philippine Education Company vs. Manila Port Service, L-24091, September 20, 1967; Atlantic Mutual Insurance vs. Manila Port Service, L-21907, April 29, 1966; Bernabe vs. Delgado Brothers, 58 OG 1104; Filipro, Inc. vs. Manila Port Service and/or Manila Railroad Company, L-25724, October 8, 1968, 25 SCRA 457].

Thus, in Domestic Insurance Company vs. Manila Railroad Company (L-24066, August 30, 1967), the Supreme Court declared that "x x x The circumstance that the provisional claim did not specify the value of the loss" does not detract from the fact that said claim "still substantially fulfills the requirements of the contract aforementioned (State Bonding Inc. vs. Manila Port Service, L-21833, February 28, 1966), and is not a defense against the claim of the consignee for recovery after it shall have ascertained later its actual loss or damage x x x."

On the third assignment of error, a mathematical computation of the value of the goods which were not delivered or delivered in bad condition as agreed upon by the parties in the stipulation of facts would show that the total amount is P6,570.70. This is arrived at by adding the amount of lost or damaged goods of each of the seven shipments as agreed upon by the parties in the stipulation of facts (pp. 23-35, Record, on Appeal), to wit:

- 1st shipment - P1,527.32
- 2nd shipment - P1,747.45
- 3rd shipment - P 90.95
- 4th shipment - P1,181.26
- 5th shipment - P1,599.09
- 6th shipment - P 212.04
- 7th shipment - P 212.59

The award of the amount of P6,885.39 representing the value of the lost and damaged goods, is error; because the parties submitted the case upon stipulated facts, and there is no other evidence introduced, the duty of the court in such a case where it finds no objection to the agreement, is to render judgment strictly on the basis of the facts agreed upon (Cabrera vs. Lacson, et al., 71 Phil. 182).

There is no need to discuss the fourth assignment of error, since it is a mere corollary of the first three assigned errors.

WHEREFORE, THE DEFENDANTS-APPELLANTS MANILA PORT SERVICE AND MANILA RAILROAD

COMPANY ARE HEREBY DIRECTED TO PAY JOINTLY AND SEVERALLY PLAINTIFF-APPELLEE THE SUM OF SIX THOUSAND FIVE HUNDRED SEVENTY PESOS AND 70/100 (P6,570.70). THUS MODIFIED, THE JUDGMENT APPEALED FROM IS HEREBY AFFIRMED IN ALL OTHER RESPECTS.

SO ORDERED.

Teehankee, (Chairman), Fernandez, Guerrero, and De Castro, JJ., concur.
Melencio-Herrera, J., no part.

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