

FOOD TERMINAL INCORPORATED, PETITIONER, VS. COURT OF APPEALS AND BASIC FOODS CORPORATION, RESPONDENTS.

G.R. No. 108397. June 21, 2000

Ponente: PARDO, J.

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PARDO, J.:

The case before the Court is an appeal via certiorari from the decision of the Court of Appeals[1] reversing that of the trial court[2] and holding petitioner liable to pay respondent in the amount of P161,112.00 with interest thereon at the legal rate from the date of filing of the complaint until the obligation is fully paid, and costs.

The facts, as found by the Court of Appeals, are as follows:

"It is alleged in the complaint that plaintiff Basic Foods was engaged in the business of manufacturing food and allied products using for the production thereof Red Star compressed yeast which required storage in a refrigerated space to avoid spoilage. On the other hand, defendant Food Terminal, Incorporated (FTI for brevity) was engaged in the business of storage of goods or merchandise for compensation at its refrigerated warehouse in Taguig, Metro Manila. During the period from June 10, 1987 up to June 23, 1987, plaintiff deposited for cold storage with the defendant 1,770 cartons of Red Star compressed yeast. However, because of the latter's negligence in the performance of its obligations as a warehouseman consisting of, among others, its failure to control the temperature in its warehouse where the aforecited merchandise were stored, a total of 383.6 cartons of said Red Star compressed yeast worth not less than P161,112.00 were spoiled. As a consequence of this damage, plaintiff demanded from defendant FTI payment of the total value of the spoiled compressed yeast. This demand proved to be futile. Hence, the instant action.

"In its answer, defendant denied that plaintiff had deposited with it 1,770 cartons of Red Star compressed yeast. It alleged that only 750 cartons of the merchandise had been stored in its warehouse. Further, it asserted that it had exercised utmost diligence in the care and custody of plaintiff's commodities as a reasonably careful owner of similar goods would exercise and that if any injury was suffered by plaintiff corporation by reason of the alleged deterioration of its goods, the same was primarily caused by its (plaintiff's) negligence and/or circumstances beyond the reasonable control of the defendant. Before Basic Foods deposited the cartons of the compressed yeast, FTI had already switched on the cooling and refrigeration system in its Central Refrigeration Warehouse specifically Zone 4 for pre-cooling measure. Defendant afterwards undertook to maintain and control the temperature between two degrees centigrade and four degrees centigrade specification through constant and proper monitoring by its personnel. This procedure, however, was done by allowing plaintiff to load its stocks in the pallet towers in Zone 4 and giving it discretion as to the stocks arrangement according to its own requirements and satisfaction. Defendant further averred that the alleged damage of some cartons of the subject commodities could be attributed to plaintiff's arrangement of the same taking into consideration its nature and characteristic; that pursuant to the stipulations under the parties' cold storage contract, the defendant would not be liable for any loss, injury or damage, whether direct or indirect, to plaintiff's goods attributable to any cause whatsoever and in particular from causes beyond the reasonable control of the defendant. Neither would FTI be liable for damage or injury, resulting from variations in or wrong temperature and relative humidities, or shrinkage, deterioration, fermentation, decay, putrefaction, or

those due to any inherent defects in the nature of the goods stored. Defendant maintained that plaintiff was already estopped from filing the instant suit since it (plaintiff) had acknowledged receipt of the goods in good order condition as indicated in the Bonded Warehouse Issues. katarungan

"Eventually, the court a quo rendered judgment dismissing the instant action. x x x"[3]

In due time, respondent appealed to the Court of Appeals.[4] On December 17, 1992, the Court of Appeals rendered a decision reversing the trial court, as set out in the opening paragraph of this opinion.[5] Hence, this appeal.[6]

The basic issue raised is whether or not the Court of Appeals erred in ruling that petitioner was negligent in the care and custody of respondent's goods during storage.

We deny the petition.

In the first place, the issue is factual, thus, the ruling of the Court of Appeals is binding on the parties and may not be reviewed on appeal via certiorari.[7]

In the second place, petitioner practically admitted that it failed to maintain the agreed temperature of the cold storage area at 2 to 4 degrees centigrade at all times, and this caused the deterioration of the yeast stored therein. Nonetheless, petitioner claimed that temperature was not the sole cause for the deterioration of respondent's goods. Since negligence has been established, petitioner's liability for damages is inescapable.[8]

WHEREFORE, the Court hereby DENIES the petition for review on certiorari and AFFIRMS in toto the decision of the Court of Appeals.[9]

No costs. CODES

SO ORDERED.

Davide, Jr., C.J., (Chairman), Puno, Kapunan, and Ynares-Santiago, JJ., concur.

[1] In CA-G. R. CV No. 28421, promulgated on December 17, 1992, Benipayo, J., ponente, Javellan and Martin, Jr., concurring, Rollo, pp. 37-50.

[2] In Civil Case No. 18266, Regional Trial Court, Makati, Branch 58, Judge Zosimo Z. Angeles, presiding.

[3] Petition, Annex "B", Rollo, pp. 37-38.

[4] Docketed as CA-G.R. CV No. 28421.

[5] Petition, Annex "B", Rollo, pp. 37-50.

[6] Filed on March 4, 1993, Rollo, pp. 12-28; on February 21, 1994, we gave due course to the petition, Rollo, p. 114.

[7] *Maglaque v. Planters Development Bank*, 307 SCRA 156, 161 (1999), citing *Guerrero v. Court of appeals*, 285 SCRA 670 (1998); *Rongavilla v. Court of Appeals*, 294 SCRA 289 (1998); *Cristobal v. Court of Appeals*, 291 SCRA 122 (1998); *Sarmiento v. Court of Appeals*, 291 SCRA 656 (1998)

[8] Articles 1170, 1173, Civil Code; *Philippine Bank of Commerce vs. Court of Appeals*, 269 SCRA 695, 707-708 (1997)

[9] In CA-G. R. CV No. 28421.

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