

AMERICAN PRESIDENT LINES, LTD., PETITIONER, VS. COURT OF APPEALS, JUDGE CLEMENTE SORIANO OF RTC, MANILA, BRANCH 3, AND FGU INSURANCE CORPORATION, RESPONDENTS.

G.R. No. 110853. July 31, 2000

Ponente: QUISUMBING, J.

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QUISUMBING, J.:

For review on certiorari filed by American President Lines, Ltd. (APL), a foreign shipping company authorized to engage in business in the Philippines, is the decision of the Court of Appeals in CA-G.R. CV No. 24181, which affirmed the ruling of the Regional Trial Court finding petitioner liable for damages sustained by a particular cargo loaded on its vessel, MV President Washington.

The facts as found by the trial court as well as by respondent court are as follows:

"On July 30, 1987, defendant American President Lines' (APL) vessel 'President Washington' (CARRIER for short) received and loaded on board at Los Angeles, California, the subject shipment of one (1) unit of Submersible Jockey Pump, contained in (3) boxes, complete and in good order condition, covered by Commercial Invoice No. 602956 (Exh. B), and Packing List, (Exhs. C, C-1 to C-3). It was for transport to Manila in favor of Lindale Development Corporation, the consignee. For said shipment, defendant CARRIER, thru Forwarders Direct Container Lines, Inc., issued its clean Bill of Lading No. CHI-MNL-120, dated July 17, 1987 (Exh. A). The above-mentioned shipment was insured by the plaintiff [herein private respondent] against all risks for the sum of P481,842.24, Philippine Currency under Marine Policy No. MAR-00213, dated July 10, 1987 (Exh. D).

The defendant CARRIER transshipped the shipment in Hongkong on board the vessel MS 'Partas', which arrived at the Port of Manila, on September 6, 1987. On the same date, (September 6, 1987) the shipment was discharged from the vessel 'Partas', and turned over to the custody of Marina Port Services, Inc. (Arrastre for brevity), with one (1) box in bad order condition, showing signs of having been previously tampered; hence, covered by a Turn over Survey Cargoes No. A-08851 (Exh. E). The cargo remained in the custody of the defendant, ARRASTRE for ten (10) days until it was withdrawn on April 16, 1987 by the defendant broker which delivered the same to the consignee, afore-mentioned, at its warehouse, where the said shipment was examined and inventoried, and the one (1) box discharged from the CARRIER's vessel in bad order and condition, (Exh. E) was found short of one (1) piece waste cone and one (1) piece Main Relief valued, per invoice, at P28,248.58, Philippine Currency (Exhibit B). Lindale Development Corporation, the consignee, filed the corresponding claim with the three (3) defendants (Exhibits J, K, and L). When the said defendants denied the claims, the said consignee sought payment instead from the plaintiff as insurer, thereof, under the Marine Insurance Coverage, (Exh. D), and plaintiff paid the consignee the sum of P28,248.58 (Exhibit N). In the process, the said plaintiff was subrogated to the consignee's rights to recover from the defendants the said amount. As such subrogee, plaintiff filed with the three (3) defendants claims for reimbursement, but the latter denied its claims stating that they are not responsible for the said loss sustained by the shipment."^[1]

Private respondent filed a complaint for recovery of a sum of money against APL, Marina Port Services, Inc., and

LCM Brokerage Co., Inc. The trial court found in favor of private respondent and ordered APL to pay private respondent the amount of P28,248.58 in actual damages, and twenty-five percent thereof as attorney's fees.

On appeal, respondent court affirmed said decision of the trial court. Respondent court noted that APL issued a through bill of lading for the shipment of the subject goods, under which APL undertook to carry the goods from the port of loading to the port of discharge. According to respondent court:

"The nature of a through Bill of Lading is that the carrier undertakes to be responsible for the carriage of goods by successive ocean carriers from the point of loading to the final destination; the first carrier is responsible for the whole carriage and claimant may call upon the first carrier for indemnification for any loss along the route whether or not the loss took place in the first carrier's custody.

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Therefore, even assuming that the loss/damage to the good took place while in the custody of MS "Partas", it is still appellant APL which is liable therefor to the consignee." [2]

Hence this petition, wherein petitioner raises the following issues for our consideration:

- IN ISSUING A BILL OF LADING, DOES A FREIGHT FORWARDER ASSUME THE OBLIGATIONS AND LIABILITIES OF A COMMON CARRIER?
- IS A COMMON CARRIER BOUND BY THE TERMS OF A HOUSE BILL OF LADING ISSUED BY A FREIGHT FORWARDER?
- IN TRANSSHIPMENT OF CARGOES, WHO IS LIABLE FOR THE LOSS/DAMAGE TO THE CARGO OCCURRING AT ONE STAGE OF THE VOYAGE? [3]

Petitioner claims that the bill of lading in this case was issued not by APL through the freight forwarder as its agent, but solely by the freight forwarder. When it did so, according to petitioner, the freight forwarder assumed the obligations and liabilities of a common carrier. Petitioner denies any liability under the bill of lading issued by the freight forwarder because, allegedly, it did not participate in the preparation and issuance of the same.

Petitioner disputes the finding made by respondent court that under the bill of lading in this case, APL obligated itself to carry the shipment from the port of loading to the port of discharge. Petitioner contends that its only undertaking was to carry the shipment up to Hong Kong, and that "[i]t was solely the representation of the freight forwarder that the said shipment will be carried by Petitioner's vessel from Los Angeles to Hongkong."

Citing Article 373 of the Code of Commerce, petitioner asserts that liability for the damaged shipment should be borne by the MS "Partas", the carrier that brought the shipment from Hong Kong to Manila. Petitioner points out that no evidence was adduced to show that the shipment was unloaded in bad condition from APL's vessel.

For its part, private respondent contends that, essentially, petitioner is raising the question of whether it was APL or the freight forwarder which actually issued the bill of lading for the shipment in question. Private respondent points out that this is a factual matter that is not properly the subject of a petition for review on certiorari.

While petitioner raises other questions in its assignment of errors, we note that, primarily, it is disputing the findings made by both trial and appellate courts that:

"For said shipment, defendant CARRIER, thru Forwarders Direct Container Lines, Inc., issued its clean Bill of Lading No. CHI-MNL-120, dated July 17, 1987 (Exh. A)." [4]

Petitioner asserts, to the contrary, that the freight forwarder Direct Container Lines, Inc., issued the bill of lading on its own. Petitioner argues that because of this, the freight forwarder should, under the law, bear liability for the

damage to the shipment. Apparently, before we can resolve the legal issues raised by petitioner, a prior finding is necessary as to who really issued the bill of lading for the shipment. This question is one of fact.

That petitioner raises a factual issue is evident in its own pleadings before this Court. In its reply to private respondent's comment, petitioner stated:

"...petitioner maintains that the final determination of the alleged "factual findings" as abovementioned lies on the correct application and interpretation of the law and existing jurisprudence which is basically the meat and substance of the instant petition." [5]

In its memorandum, it averred:

- "The findings of facts of respondent COURT... is (sic) manifestly erroneously (sic) and unsupported by evidence." [6]
- "The factual findings of respondent courts upon which herein private respondent relies are mere conjectures as they were not supported by law and jurisprudence." [7]

Well established is the rule that factual questions may not be raised in a petition for review on certiorari. Thus, Rule 45, Section 1 of the Revised Rules of Court provides that:

"SECTION 1. Filing of petition with Supreme Court. – A party desiring to appeal by certiorari from a judgment or final order or resolution of the Court of Appeals, the Sandiganbayan, the Regional Trial Court or other courts whenever authorized by law, may file with the Supreme Court a verified petition for review on certiorari. The petition shall raise only questions of law which must be distinctly set forth." (Underscoring supplied.)

Considering that our function here is limited to reviewing errors of law that may have been committed by the lower courts, we are constrained from further scrutiny of the findings of fact made by trial courts, particularly as these are affirmed by the Court of Appeals. [8] Such findings are generally accorded by us great weight, if not finality. To do otherwise would defeat the very essence of Rule 45 and would convert this Court into a trier of facts, which we are not meant to be.

WHEREFORE, the instant petition is DENIED. The assailed decision of the respondent appellate court, which upheld the ruling of the trial court, is AFFIRMED. Costs against petitioner.

SO ORDERED.

Mendoza, Buena, and De Leon, Jr., JJ., concur.
Bellosillo, (Chairman), J., on official leave.

[1] Rollo, pp. 57-58.

[2] Id. at 59.

[3] Id. at 23.

[4] Id. at 57.

[5] Rollo, p. 84. The correct rule is, of course, the other way around. Factual findings are first made before the pertinent laws and jurisprudence are applied.

[6] Rollo, p. 123.

[7] Id. at 126.

[8] Catapusan v. Court of Appeals, 264 SCRA 534, 539 (1996); First Philippine International Bank v. Court of Appeals, 252 SCRA 259, 309 (1996), citing South Sea Surety and Insurance Company, Inc. v. Hon. Court of Appeals, 244 SCRA 744 (1995).

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