

NORTHWEST AIRLINES, INC., Petitioner, vs. STEVEN P. CHIONG, Respondent.

G.R. No. 155550. January 31, 2008

Ponente: NACHURA, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-155550/>

NACHURA, J.:

Before us is a petition for review on certiorari under Rule 45 of the Rules of Court seeking the reversal of the Court of Appeals (CA) Decision[1] in CA-G.R. CV No. 50308[2] which affirmed in toto the Regional Trial Court (RTC) Decision[3] holding petitioner Northwest Airlines, Inc. (Northwest) liable for breach of contract of carriage.

On March 14, 1989, Philimare Shipping and Seagull Maritime Corporation (Philimare), as the authorized Philippine agent of TransOcean Lines (TransOcean), hired respondent Steven Chiong as Third Engineer of TransOcean's vessel M/V Elbia at the San Diego, California Port. Under the service crew agreement, Chiong was guaranteed compensation at a monthly salary of US\$440.00 and a monthly overtime pay of US\$220.00, or a total of US\$7,920.00 for one year.

Subsequently, on March 27, 1989, Philimare dispatched a Letter of Guarantee to CL Hutchins & Co., Inc., TransOcean's agent at the San Diego Port, confirming Chiong's arrival thereat in time to board the M/V Elbia which was set to sail on April 1, 1989 (California, United States time). For this purpose, Philimare purchased for Chiong a Northwest plane ticket for San Diego, California with a departure date of April 1, 1989 from Manila. Ten (10) days before his scheduled departure, Chiong fetched his entire family from Samar and brought them to Manila to see him off at the airport.

On April 1, 1989, Chiong arrived at the Manila International Airport[4] (MIA), at about 6:30 a.m., three (3) hours before the scheduled time of departure. Marilyn Calvo, Philimare's Liaison Officer, met Chiong at the departure gate, and the two proceeded to the Philippine Coast Guard (PCG) Counter to present Chiong's seaman service record book for clearance. Thereafter, Chiong's passport was duly stamped, after complying with government requirements for departing seafarers.

Calvo remained at the PCG Counter while Chiong proceeded to queue at the Northwest check-in counter. When it was Chiong's turn, the Northwest personnel[5] informed him that his name did not appear in the computer's list of confirmed departing passengers. Chiong was then directed to speak to a "man in barong" standing outside Northwest's counters from whom Chiong could allegedly obtain a boarding pass. Posthaste, Chiong approached the "man in barong" who demanded US\$100.00 in exchange therefor. Without the said amount, and anxious to board the plane, Chiong queued a number of times at Northwest's Check-in Counter and presented his ticket. However, the Northwest personnel at the counter told him to simply wait and that he was being a pest.

Frustrated, Chiong went to Calvo at the PCG counter and inquired if she had money so he could obtain a boarding pass from the "man in barong." Calvo, who already saw that something was amiss, insisted that Chiong's plane ticket was confirmed and as such, he could check-in smoothly and board the plane without shelling out

US\$100.00 for a boarding pass. Ultimately, Chiong was not allowed to board Northwest Flight No. 24 bound for San Diego that day and, consequently, was unable to work at the M/V Elbia by April 1, 1989 (California, U.S.A. time).

It appears that Chiong's name was crossed out and substituted with "W. Costine" in Northwest's Air Passenger Manifest.[6]

In a letter dated April 3, 1989, Chiong's counsel demanded as recompense: (1) the amount equivalent to Chiong's salary under the latter's Crew Agreement[7] with TransOcean; (2) P15,000.00 for Chiong's expenses in fetching and bringing his family from Samar to Manila; (3) P500,000.00 as moral damages; and (4) P500,000.00 as legal fees.[8]

Northwest demurred. Thus, on May 24, 1989, Chiong filed a Complaint for breach of contract of carriage before the RTC. Northwest filed a Motion to Dismiss[9] the complaint citing the trial court's lack of jurisdiction over the subject matter of the case, but the trial court denied the same.[10]

In its Answer,[11] Northwest contradicted the claim that it breached its contract of carriage with Chiong, reiterating that Chiong had no cause of action against it because per its records, Chiong was a "no-show" passenger for Northwest Flight No. 24 on April 1, 1989.

In the RTC's Pre-trial Order[12] based on the parties' respective Pre-trial Briefs,[13] the triable issues were limited to the following:

- (a) Whether [Chiong] was bumped-off by [Northwest] from Flight NW 24 or whether [Chiong] "no-showed" for said flight.
- (b) If defendant is found guilty of having breached its contract of carriage with plaintiff, what damages are awardable to plaintiff and how much.

In the course of proceedings, Northwest, on September 14, 1990, filed a separate criminal complaint for False Testimony[14] against Chiong based on the latter's testimony that he did not leave the Philippines after April 1, 1989 contrary to the notations in his seaman service record book that he had left the country on April 17, 1989, and returned on October 5 of the same year. Chiong did not participate in the preliminary investigation; thus, on December 14, 1990, the City Prosecutor of Manila filed an Information against Chiong with the RTC Manila, Branch 54, docketed as Criminal Case No. 90-89722.

In the meantime, after a flurry of motions filed by Northwest in the civil case were denied by the RTC, Northwest filed a Petition for Certiorari before the CA imputing grave abuse of discretion to the RTC.[15] Correlatively, Northwest moved for a suspension of the proceedings before the trial court. However, both the Petition for Certiorari and Motion for Suspension of the proceedings were denied by the CA and RTC, respectively.[16]

After trial, the RTC rendered a Decision finding preponderance of evidence in favor of Chiong, and holding Northwest liable for breach of contract of carriage. The RTC ruled that the evidence adduced by the parties supported the conclusion that Chiong was deliberately prevented from checking-in and his boarding pass unjustifiably withheld to accommodate an American passenger by the name of W. Costine.

The dispositive portion of the RTC decision reads:

WHEREFORE, premises considered, in consideration of all the foregoing, judgment is hereby rendered, ordering the defendant liable to plaintiff in damages by reason of the latter's inability to take defendant's NW Flight No. 24 on April 1, 1989, for the following amounts:

- 1) U.S.\$8,447.00[17] or its peso equivalent at the time of finality of this judgment with legal interests until

fully paid, representing compensatory damages due to plaintiff's loss of income for one (1) year as a direct result of defendant's breach of contract of carriage;

2) P15,000.00, Philippine Currency, representing plaintiff's actual incurred damages as a consequence of his failure to avail of defendant's Flight No. 24 on April 1, 1989;

3) P200,000.00, Philippine Currency, representing moral damages suffered and sustained by the plaintiff as a result of defendant's breach of contract of carriage;

4) P200,000.00, Philippine Currency, representing exemplary or punitive damages due to plaintiff from defendant, owing to the latter's breach of contract of carriage with malice and fraud; and

5) P200,000.00, Philippine Currency, for and as attorney's fees, plus costs of suit.

SO ORDERED.

On appeal, the CA affirmed in toto the ruling of the RTC. Identical to the RTC's findings, those of the CA were as follows: on April 1, 1989, Chiong was at the MIA three hours before the 10:15 a.m. departure time for Northwest Flight No. 24. Contrary to Northwest's claim that Chiong was a "no-show" passenger, the CA likewise concluded, as the RTC did, that Chiong was not allowed to check-in and was not issued a boarding pass at the Northwest check-in counter to accommodate a certain W. Costine. As for Northwest's defense that Chiong had left the country after April 1, 1989 and worked for M/V Elbia, the CA ruled that Northwest's failure to raise this defense in its Answer or Motion to Dismiss is equivalent to a waiver thereof. The CA declared that, in any event, Northwest failed to present any evidence to prove that Chiong had worked under the original crew agreement.

Hence, this recourse.

Northwest ascribes grievous errors to the CA when the appellate court ruled that: (1) Northwest breached the contract of carriage with Chiong who was present at the MIA on April 1, 1989 to board Northwest's Flight No. 24; (2) As a result of the breach, Northwest is liable to Chiong for compensatory, actual, moral and exemplary damages, attorney's fees, and costs of suit; and (3) Northwest's Exhibits "2" and "3," the Flight Manifest and the Passenger Name Record, respectively, were hearsay evidence and ought to be excluded from the records.

The petition must fail.

We are in complete accord with the common ruling of the lower courts that Northwest breached the contract of carriage with Chiong, and as such, he is entitled to compensatory, actual, moral and exemplary damages, attorney's fees and costs of suit.

Northwest contends that Chiong, as a "no-show" passenger on April 1, 1989, already defaulted in his obligation to abide by the terms and conditions of the contract of carriage;^[18] and thus, Northwest could not have been in breach of its reciprocal obligation to transport Chiong. In sum, Northwest insists that Chiong's testimony is a complete fabrication, supposedly demonstrated by the following: (1) Chiong's seaman service record book reflects that he left the Philippines after April 1, 1989, specifically on April 17, 1989, to board the M/V Elbia, and was discharged therefrom upon his personal request; (2) the Information filed against Chiong for False Testimony; and (3) the Flight Manifest and the Passenger Name Record both indicate that he was a "no-show" passenger.

We are not convinced.

The records reveal that Chiong, as plaintiff in the trial court, satisfied the burden of proof required in civil cases, i.e., preponderance of evidence. Section 1 of Rule 133 provides:

SECTION 1. Preponderance of evidence, how determined. – In civil cases, the party having the burden of proof must establish his case by a preponderance of evidence. In determining where the preponderance or superior weight of evidence on the issues involved lies, the court may consider all the facts and circumstance of the case, the witnesses' manner of testifying, their intelligence, their means and opportunity of knowing the facts to which they are testifying, the nature of the facts to which they testify, the probability or improbability of their testimony, their interest or want of interest, and also their personal credibility so far as the same may legitimately appear upon the trial. The court may also consider the number of witnesses, though preponderance is not necessarily with the greater number.

In this regard, the Court notes that, in addition to his testimony, Chiong's evidence consisted of a Northwest ticket for the April 1, 1989 Flight No. 24, Chiong's passport and seaman service record book duly stamped at the PCG counter, and the testimonies of Calvo, Florencio Gomez,[19] and Philippine Overseas Employment and Administration (POEA) personnel who all identified the signature and stamp of the PCG on Chiong's passport.

We have scoured the records, and found no reason to depart from the well-settled rule that factual findings of the lower courts deserve the utmost respect and are not to be disturbed on appeal.[20] Indeed, Chiong's Northwest ticket for Flight No. 24 on April 1, 1989, coupled with the PCG stamps on his passport showing the same date, is direct evidence that he was present at MIA on said date as he intended to fly to the United States on board that flight. As testified to by POEA personnel and officers, the PCG stamp indicates that a departing seaman has passed through the PCG counter at the airport, surrendered the exit pass, and complied with government requirements for departing seafarers. Calvo, Philimare's liaison officer tasked to assist Chiong at the airport, corroborated Chiong's testimony on the latter's presence at the MIA and his check-in at the PCG counter without a hitch. Calvo further testified that she purposely stayed at the PCG counter to confirm that Chiong was able to board the plane, as it was part of her duties as Philimare's liaison officer, to confirm with their principal, TransOcean in this case, that the seafarer had left the country and commenced travel to the designated port where the vessel is docked.[21] Thus, she had observed that Chiong was unable to check-in and board Northwest Flight No. 24, and was actually being given the run-around by Northwest personnel.

It is of no moment that Chiong's witnesses – who all corroborated his testimony on his presence at the airport on, and flight details for, April 1, 1989, and that he was subsequently bumped-off – are, likewise, employees of Philimare which may have an interest in the outcome of this case. We intoned in *Philippine Airlines, Inc. v. Court of Appeals*,[22] thus:

(T)his Court has repeatedly held that a witness' relationship to the victim does not automatically affect the veracity of his or her testimony. While this principle is often applied in criminal cases, we deem that the same principle may apply in this case, albeit civil in nature. If a witness' relationship with a party does not ipso facto render him a biased witness in criminal cases where the quantum of evidence required is proof beyond reasonable doubt, there is no reason why the same principle should not apply in civil cases where the quantum of evidence is only preponderance of evidence.

The foregoing documentary and testimonial evidence, taken together, amply establish the fact that Chiong was present at MIA on April 1, 1989, passed through the PCG counter without delay, proceeded to the Northwest check-in counter, but when he presented his confirmed ticket thereat, he was not issued a boarding pass, and ultimately barred from boarding Northwest Flight No. 24 on that day.

In stark contrast is Northwest's bare-faced claim that Chiong was a "no-show" passenger, and was scheduled to leave the country only on April 17, 1989. As previously discussed, the records belie this assertion. It is also noteworthy that Northwest did not present any evidence to support its belated defense that Chiong departed from the Philippines on April 17, 1989 to work as Third Engineer on board M/V Elbia under the original crew agreement.

It is true that Chiong's passport and seaman service record book indicate that he had left the country on April 17, 1989 and come back on October 5 of the same year. However, this evidence fails to debunk the facts established to have transpired on April 1, 1989, more particularly, Chiong's presence at the airport and his subsequent bumping-off by Northwest despite a confirmed ticket. Although initially, the burden of proof was with Chiong to prove that there was a breach of contract of carriage, the burden of evidence shifted to Northwest when Chiong adduced sufficient evidence to prove the facts he had alleged. At that point, Northwest had the burden of going forward^[23] to controvert Chiong's prima facie case. As the party asserting that Chiong was a "no-show" passenger, Northwest then had the burden of evidence to establish its claim. Regrettably, Northwest failed to do so.

Furthermore, it has not escaped our attention that Northwest, despite the declaration in its Pre-Trial Brief, did not present as a witness their check-in agent on that contentious date.^[24] This omission was detrimental to Northwest's case considering its claim that Chiong did not check-in at their counters on said date. It simply insisted that Chiong was a "no-show" passenger and totally relied on the Flight Manifest, which, curiously, showed a horizontal line drawn across Chiong's name, and the name W. Costine written above it. The reason for the insertion, or for Chiong's allegedly being a "no-show" passenger, is not even recorded on the remarks column of the Flight Manifest beside the Passenger Name column. Clearly, the categorical declaration of Chiong and his other witnesses, coupled with the PCG stamp on his passport and seaman service record book, prevails over Northwest's evidence, particularly the Flight Manifest. Thus, we are perplexed why, despite the evidence presented by Chiong, and the RTC's specific order to Northwest's counsel to present the person(s) who prepared the Flight Manifest and Passenger Name Record for a proper identification of, and to testify on, those documents, Northwest still insisted on presenting Gonofredo Mendoza and Amelia Meris who were, admittedly, not competent to testify thereon.^[25]

In its desperate attempt to evade liability for the breach, Northwest claims that Chiong worked at M/V Elbia when he left the Philippines on April 17, 1989. The argument was not only belatedly raised, as we have repeatedly stated, but is off-tangent.

On this point, we uphold the RTC's and CA's ruling that the failure of Northwest to raise the foregoing defense in its Motion to Dismiss or Answer constituted a waiver thereof. Section 1, Rule 9 of the Rules of Court provides:

SECTION 1. Defenses and objections not pleaded.— Defenses and objections not pleaded either in a motion to dismiss or in the answer are deemed waived. However, when it appears from the pleadings or the evidence on record that the court has no jurisdiction over the subject matter, that there is another action pending between the same parties for the same cause, or that the action is barred by a prior judgment or by statute of limitations, the court shall dismiss the claim. (Emphasis supplied)

Similarly, Section 8, Rule 15 of the Rules of Court reads:

SECTION 8. Omnibus Motion.— Subject to the provisions of section 1 of Rule 9, a motion attacking a pleading, order, judgment, or proceeding shall include all objections then available, and all objections not so included shall be deemed waived.

Moreover, Northwest paints a scenario that ostensibly transpired on a different date. Even if Chiong left the Philippines on April 17, 1989, it would not necessarily prove that Chiong was a "no-show" on April 1, 1989. Neither does it negate the already established fact that Chiong had a confirmed ticket for April 1, 1989, and first passed through the PCG counter without delay, then reached and was at the Northwest check-in counters on time for the scheduled flight.

Essentially, Northwest argues that Chiong was a "no-show" passenger on two (2) separate occasions, March 28

and April 1, 1989 because he was actually scheduled to depart for the US on April 17, 1989 as ostensibly evidenced by his passport and seaman record book. Had this new matter alleged been proven by Northwest, it would prevent or bar recovery by Chiong. Unfortunately, Northwest was unsuccessful in proving not only the “no-show” claim, but that Chiong, likewise, worked under the original crew agreement.

Northwest likewise insists – now that there is a pending criminal case for False Testimony against Chiong – that a falsified part of Chiong’s testimony would indicate the falsity of his entire testimony, consistent with the “falsus in uno, falsus in omnibus”[26] doctrine. Following Northwest’s flawed logic, this would invariably lead to the conclusion that the corroborating testimonies of Chiong’s witnesses are also false.

The legal maxim falsus in uno, falsus in omnibus, cited by Northwest, is not a positive rule of law and is not strictly applied in this jurisdiction. Before this maxim can be applied, the witness must be shown to have willfully falsified the truth on one or more material points. The principle presupposes the existence of a positive testimony on a material point contrary to subsequent declarations in the testimony. However, the records show that Chiong’s testimony did not contain inconsistencies on what occurred on April 1, 1989. Yet, Northwest never even attempted to explain or impugn the evidence that Chiong passed through the PCG counter on April 1, 1989, and that his passport was accordingly stamped, obviously for purposes of his departure on that day.

As to the criminal case, it is well to note that there is no final determination, as yet, of Chiong’s guilt by the courts. But even if Chiong is adjudged guilty, it will have little effect on the outcome of this case. As we held in *Leyson v. Lawa*:[27]

The testimony of a witness must be considered in its entirety instead of in truncated parts. The technique in deciphering a testimony is not to consider only its isolated parts and anchor a conclusion on the basis of said parts. In ascertaining the facts established by a witness, everything stated by him on direct, cross and redirect examinations must be calibrated and considered.

It must be stressed that facts imperfectly or erroneously stated in answer to one question may be supplied or explained as qualified by his answer to other question. The principle falsus in uno, falsus in omnibus is not strictly applied in this jurisdiction. The doctrine deals only with the weight of evidence and is not a positive rule of law, and the same is not an inflexible one of universal application. The testimony of a witness can be believed as to some facts and disbelieved as to others:

x x x x

Professor Wigmore gives the following enlightening commentary:

It may be said, once for all, that the maxim is in itself worthless— first, in point of validity, because in one form it merely contains in loose fashion a kernel of truth which no one needs to be told, and in the others, it is absolutely false as a maxim of life; and secondly, in point of utility, because it merely tells the jury what they may do in any event, not what they must do or must not do, and therefore it is a superfluous form of words. It is also in practice pernicious, first, because there is frequently a misunderstanding of its proper force, and secondly, because it has become in the hands of many counsel a mere instrument for obtaining new trials upon points wholly unimportant in themselves.

From the foregoing disquisition, the ineluctable conclusion is that Northwest breached its contract of carriage with Chiong.

Time and again, we have declared that a contract of carriage, in this case, air transport, is primarily intended to serve the traveling public and thus, imbued with public interest. The law governing common carriers consequently imposes an exacting standard of conduct. As the aggrieved party, Chiong only had to prove the existence of the contract and the fact of its non-performance by Northwest, as carrier, in order to be awarded compensatory and

actual damages.

We reiterate that Northwest failed to prove its claim that Chiong worked on M/V Elbia from April 17 to October 5, 1989 under the original crew agreement. Accordingly, we affirm the lower court's finding on Chiong's entitlement to actual and compensatory damages.

We, likewise, uphold the findings of both courts on Northwest's liability for moral and exemplary damages, and attorney's fees.

Under Article 2220 of the Civil Code of the Philippines, an award of moral damages, in breaches of contract, is in order upon a showing that the defendant acted fraudulently or in bad faith. Bad faith does not simply connote bad judgment or negligence.[28] It imports a dishonest purpose or some moral obliquity and conscious doing of a wrong.[29] It means breach of a known duty through some motive, interest or ill will that partakes of the nature of fraud.[30] Bad faith is in essence a question of intention.[31]

In the case at bench, the courts carefully examined the evidence as to the conduct and outward acts of Northwest indicative of its inward motive. It is borne out by the records that Chiong was given the run-around at the Northwest check-in counter, instructed to deal with a "man in barong" to obtain a boarding pass, and eventually barred from boarding Northwest Flight No. 24 to accommodate an American, W. Costine, whose name was merely inserted in the Flight Manifest, and did not even personally check-in at the counter.[32]

Under the foregoing circumstances, the award of exemplary damages is also correct given the evidence that Northwest acted in an oppressive manner towards Chiong.[33]

As for the award of attorney's fees, while we recognize that it is sound policy not to set a premium on the right to litigate,[34] we sustain the lower courts' award thereof.

Attorney's fees may be awarded when a party is compelled to litigate or incur expenses to protect his interest,[35] or where the defendant acted in gross and evident bad faith in refusing to satisfy the plaintiff's plainly valid, just and demandable claim.[36] In the case at bench, Northwest deliberately breached its contract of carriage with Chiong and then repeatedly refused to satisfy Chiong's valid, just and demandable claim. This unjustified refusal constrained Chiong to not only lose income under the crew agreement, but to further incur expenses and exert effort for almost two (2) decades in order to protect his interests and vindicate his right. Therefore, this Court deems it just and equitable to grant Chiong P200,000.00 as attorney's fees. The award is reasonable in view of the time it has taken for this case to be resolved.[37]

Finally, the issue of the exclusion of Northwest's Exhibits "2" and "3" need not detain us long. Suffice it to state that the RTC and CA correctly excluded these documents as hearsay evidence. We quote with favor the CA's holding thereon, thus:

As a rule, "entries made at, or near the time of the transactions to which they refer, by a person deceased, or unable to testify, who was in a position to know the facts therein stated, may be received as prima facie evidence, if such person made the entries in his professional capacity or in the performance of a duty and in the ordinary or regular course of business or duty". [Rule 130, Section 43, Revised Rules of Court]

Otherwise stated, in order to be admissible as entries in the course of business, it is necessary that: (a) the person who made the entry must be dead or unable to testify; (b) the entries were made at or near the time of the transactions to which they refer; (c) the entrant was in a position to know the facts stated in the entries; (d) the entries were made in his professional capacity or in the performance of a duty; and (e) the entries were made in the ordinary or regular course of business or duty.

Tested by these requirements, we find the manifest and passenger name record to be mere hearsay evidence.

While there is no necessity to bring into court all the employees who individually made the entries, it is sufficient that the person who supervised them while they were making the entries testify that the account was prepared under his supervision and that the entries were regularly entered in the ordinary course of business. In the case at bench, while MENDOZA was the supervisor on-duty on April 1, 1989, he has no personal knowledge of the entries in the manifest since he did not supervise the preparation thereof. More importantly, no evidence was presented to prove that the employee who made the entries was dead nor did the defendant-appellant set forth the circumstances that would show the employee's inability to testify.[38]

WHEREFORE, premises considered, the petition is hereby DENIED. The ruling of the Court of Appeals in CA-G.R. CV No. 50308 is hereby AFFIRMED. Costs against the petitioner.

SO ORDERED.

Ynares-Santiago, (Chairperson), Austria-Martinez, Corona, and Reyes, JJ., concur.

* In lieu of Associate Justice Minita V. Chico-Nazario per Special Order No. 484 dated January 11, 2008.

[1] Penned by Associate Justice Mercedes Gozo-Dadole, with Associate Justices Salvador J. Valdez, Jr. (deceased) and Juan Q. Enriquez, Jr., concurring; rollo, pp. 91-101.

[2] Dated April 11, 2002.

[3] Dated May 26, 1995 and penned by Judge Enrico A. Lanzas; rollo, pp. 655-685.

[4] Now called the Ninoy Aquino International Airport (NAIA).

[5] Presumably a Check-in Agent.

[6] Records (Vol. II), p. 324.

[7] US\$7,920.00 as basic annual salary, plus vacation leave with pay and gratuities.

[8] Records (Vol. I), pp. 147-148.

[9] Id. at 17-24.

[10] Id. at 94-97.

[11] Id. at 111-113.

[12] Id. at 161.

[13] Chiong's Pre-Trial Brief, id. at 125-134.

[14] Under Art. 180 of the Revised Penal Code.

[15] Records (Vol. I), pp. 460-484.

[16] Rollo, p. 455.

[17] See note 7.

[18] The "Conditions of Contract" is written at the back of the airplane ticket.

[19] Assistant Manager of Philimare.

[20] Lambert v. Heirs of Ray Castillon, G.R. No. 160709, February 23, 2005, 452 SCRA 285, 290, citing Imperial

v. Jaucian, 427 SCRA 517 (2004).

[21] TSN, August 1, 1990, pp. 9-14.

[22] 462 Phil. 649, 666 (2003). (Emphasis supplied.)

[23] In our rule on evidence, also called burden of evidence.

[24] Records (Vol. I), p. 123.

[25] Rollo, pp. 465-472, 499-510.

[26] False in one, false in everything.

[27] G.R. No. 150756, October 11, 2006, 504 SCRA 147, 161-162.

[28] BPI Family Savings Bank v. Franco, G.R. No. 123498, November 23, 2007.

[29] Id.

[30] Lopez v. Pan American World Airways, 123 Phil. 256, 264-265 (1966).

[31] China Airlines, Ltd. v. Court of Appeals, 453 Phil. 959, 979 (2003).

[32] TSN, October 6, 1992, p. 29.

[33] Articles 2232 in relation to Article 2234 of the Civil Code:

Art. 2232. In contracts and quasi-contracts, the court may award exemplary damages if the defendant acted in a wanton, fraudulent, reckless, oppressive, or malevolent manner.

x x x x

Art. 2234. While the amount of the exemplary damages need not be proved, the plaintiff must show that he is entitled to moral, temperate or compensatory damages before the court may consider the question of whether or not exemplary damages should be awarded. In case liquidated damages have been agreed upon, although no proof of loss is necessary in order that such liquidated damages may be recovered, nevertheless, before the court may consider the question of granting exemplary in addition to the liquidated damages, the plaintiff must show that he would be entitled to moral, temperate or compensatory damages were it not for the stipulation for liquidated damages.

[34] Supra note 28.

[35] CIVIL CODE, Art. 2208, par. 2.

[36] CIVIL CODE, Art. 2208, par. 5.

[37] Supra note 28.

[38] Rollo, p. 100. (Emphasis supplied.)

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.