

HARTFORD FIRE INSURANCE COMPANY, PLAINTIFF-APPELLANT, VS. P.D. MARCHESSINI & CO. (NEW YORK), INC., AND/OR DELGADO SHIPPING AGEN-CIES, INC., LITONJUA & CO. INC., REPUBLIC OF THE ...*G.R. No. 24544. November 15, 1967*

Ponente: BENGZON, J.P., J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-24544/>**BENGZON, J.P., J.:**

P.D. Marchessini & Company, a foreign corporation doing business in the Philippines, owns and operates SS "Eurygenes" with Delgado Shipping Agencies, Inc. as its agent in the Philippines. Shipped through its vessels from Charleston, South Carolina, were nineteen (19) bales of drapery remnants consigned to Maria M. Sarda in Manila. For some reason, however, the SS "Eurygenes" did not proceed to the Philippines but docked in Hongkong where the cargo was transhipped to Manila on board SS "New Teh Hu", represented in the Philippines by its agent, Litonjua & Co., Inc.

Although SS "New Teh Hu" arrived in Manila on October 3, 1963, it proceeded to Thailand without unloading the cargo. It was only upon its return to Manila on October 29, 1963, that the vessel discharged the cargo to the custody of the Bureau of Customs, then operating the arrastre service.

The consignee, Maria M. Sarda who had insured the shipment with the Hartford Fire Insurance Company,[1] did not get delivery of the goods. As a result, she was paid P24,715.00 on the insurance by the Hartford Insurance Co. and the latter, as subrogee to the consignee, demanded from the Bureau of Customs recovery of said amount.

Consequently, upon refusal of the Bureau of Customs to pay, Hartford Fire Insurance Company filed before the Court of First Instance of Manila an action to recover P24,761.50 with legal interest plus P2,000.00 attorney's fees and costs, alleging negligence either prior to discharge of the shipment on the part of either P.D. Marchessini & Co., Inc., and/or Delgado Shipping Agencies or Litonjua & Co., Inc., or negligence after discharge on the part of the Republic of the Philippines and/or Bureau of Customs and/or Customs Arrastre Service.

The Republic of the Philippines, Bureau of Customs and Customs Arrastre Service moved to dismiss on grounds of non-suability and non-compliance with Act 3083, as amended by Commonwealth Act 327, which required money claims to be filed before the Auditor General. Upon the other hand, Litonjua & Co., while admitting that SS "New Teh Hu" docked in Manila, denied ever receiving the cargo for transhipment from Hongkong to Manila and asserted a counterclaim for P2,500.00 as attorney's fees.

Against the stand of the plaintiff, the Court of First Instance on December 17, 1964, ruled that the Republic may not be sued without first complying with Act 3083, as amended by Commonwealth Act 327; and, that as mere agencies of the Philippine Government, the Bureau of Customs and the Customs Arrastre Service have no juridical capacity to be sued. The case was thus dismissed as regards only the Bureau of Customs and the Customs Arrastre Service. Later, upon motion of the defendants, the order of dismissal was reconsidered to include the

Republic of the Philippines also.

Its motion for reconsideration having been denied, the plaintiff appealed to Us questioning the propriety of the dismissal of the case as to the Republic of the Philippines, the Bureau of Customs and the Customs Arrastre Service.

The Republic of the Philippines, in operating the arrastre service through its agencies, the Bureau of Customs and the Customs Arrastre Service, does so only as a necessary incident of its prime governmental function of taxation. Such a performance, for obvious reasons of public policy, does not amount to a waiver of its immunity from suit.[2]

The claim, moreover, is a money claim which should have been filed in the office of the Auditor General in accordance with Act 3083, as amended by Commonwealth Act 327. Such a claim for a fixed amount based on fairly accessible papers and documents, does not strike Us as unliquidated in nature.[3]

Wherefore, the order dismissing the action against the Republic of the Philippines, the Bureau of Customs and the Customs Arrastre Service is hereby affirmed. No costs. So ordered.

Concepcion, C.J., Reyes, J.B.L., Dizon, Makalintal, Zaldivar, Sanchez, Ruiz Castro, Angeles, and Fernando, JJ., concur.

Order affirmed.

[1] A foreign corporation authorized to do business in the Philippines.

[2] Mobil Philippines Exploration, Inc. v. Customs Arrastre Service and Bureau of Customs, L-23139, December 17, 1966.

[3] Insurance Company of North America v. Republic of the Philippines, L-27517, September 15, 1967.

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.