

AIR FRANCE, PETITIONER, VS. THE COURT OF APPEALS AND NARCISO O. MORALES, RESPONDENTS.

G.R. No. 76093. March 21, 1989

Ponente: PADILLA, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-76093/>

PADILLA, J.:

This is a petition for review on certiorari of the decision* of the Court of Appeals, dated 4 April 1986, in CA-G.R. CV. No. 69875, entitled "Narciso Morales vs. Air France," dismissing herein petitioner's appeal from the adverse ruling of the trial court (Branch 33, CFI of Rizal, Kalookan City)** and the latter's denial of its motion for reconsideration. The respondent Court of Appeals likewise denied petitioner's motion for reconsideration of its decision in a resolution dated 25 September 1986.

In reviewing the records, we find:

Sometime in October 1977, private respondent Narciso Morales thru his representative, Ms. Janet Tolentino, purchased an airline ticket from Aspac Management Corporation, petitioner's General Sales Agent in Makati, for P9,426.00 Plus P1,413.90 travel tax, of which P413.90 were later refunded to Ms. Tolentino.

The itinerary covered by the ticket included several cities, with certain segments thereof restricted by markings of "non endorsable" and "valid on AF (meaning Air France) only", as herein specified:

“ITENERARY

CARRIER

SPECIFIED

EXPRESS

RESTRICTIONS

New York/Paris

Air France

NONENDORSABLE

VALID ON AF ONLY

Paris/Stockholm

Air France

NONENDORSABLE

VALID ON AF ONLY

Stockholm/Copenhagen

None

Copenhagen/London

None

London/Amsterdam

None

Amsterdam/Hamburg

None

Hamburg/Frankfurt

None

Frankfurt/Paris

Air France

NONENDORSABLE VALID ON AF ONLY

Paris/Geneva

Air France

NONENDORSABLE VALID ON AF ONLY

Geneva/Madrid

None

Madrid/Nice

Air France

NONENDORSABLE VALID ON AF ONLY

Nice/Rome

Air France

NONENDORSABLE VALID ON AF ONLY

Rome/Athens

None

Athens/Tel Aviv

None

NONENDORSABLE VALID ON AF ONLY

Tel Aviv/Bangkok

Air France

Bangkok/Manila

Air France

NONENDORSABLE VALID ON AF ONLY"[1]

While in New York, U.S.A. on 3 November 1977, private respondent Morales obtained three (3) medical certificates (Exhibits G, G-1, G-2) attesting to an ear infection which necessitated medical treatment. From New York, he flew to Paris, Stockholm and then Copenhagen where he made representations with petitioner's office to shorten his trip by deleting some of the cities in the itinerary. Respondent Morales was informed that, as a matter of procedure, confirmation of petitioner's office in Manila (as ticketing office) must be secured before shortening of the route (already paid for). Air France in Amsterdam telexed AF Manila requesting for rerouting of the passenger to Amsterdam, Hamburg, Geneva, Rome, Hongkong, Manila.[2]

As there was no immediate response to the telex, respondent proceeded to Hamburg where he was informed of AF Manila's negative reply. After reiterating his need to fly home on a shorter route due to his ear infection, and presentation of supporting medical certificates, again, the airline office made the necessary request to Manila on 23 November 1977 for a Hamburg, Paris, Geneva, Rome, Paris, Hongkong and Manila route. Still, the request was denied. Despite respondent's protest and offer to pay any fare difference, petitioner did not relent in its position. Respondent, therefore, had to buy an entirely new set of tickets, paying 1,914 German marks for the homeward route, namely:

"Itinerary Carrier Date Reservation

Hamburg/Frankfurt LH 26 Nov. OK

(Lufthansa)

Frankfurt/Geneva SR 26 Nov. OK

(Swissair)

Geneva/Rome AZ 29 Nov. OK

(Alitalia)

Rome/Hongkong BA 02 Dec. OK

(British Airways)

Hongkong/Manila PR Open Open

(Philippine Airlines)"[3]

Upon arrival in Manila, respondent sent a letter-complaint to Air France dated 20 December 1977 thru Aspac Management Corporation. Respondent Morales was advised to surrender the unused flight coupons for a refund of its value, but he kept the same and, instead, filed a complaint for breach of contract of carriage and damages.

CFI Judge Marcelino Sayo found Air France in evident bad faith for violation of the contract of carriage,

aggravated by the threatening attitude of its employees in Hamburg. Considering the social and economic standing of respondent, who is chairman of the board of directors of a multi-million corporation and a member of several civic and business organizations, an award of moral and exemplary damages, in addition to the actual damages incurred, was deemed proper under the circumstances. The dispositive part of the CFI decision states:

"WHEREFORE, this Court hereby renders judgment for the plaintiff and orders the defendant to pay to the plaintiff the sum of 1,914 German Marks, in its equivalent in Philippine Peso, as actual damages, the sum of P1,000,000.00 as moral damages, and the further sum of P800,000.00 as exemplary damages, with legal interest thereon from date of the filing of the complaint until fully paid, plus the sum equal to 20% thereof as attorney's fees, with costs against the plaintiff."[4]

On appeal to the Court of Appeals, the award of damages was modified as follows:

"ACCORDINGLY, the judgment appealed from is hereby modified so that it will read as follows: Judgment is hereby rendered in favor of the plaintiff against the defendant ordering the defendant to pay to said plaintiff the following:

- (1) 1,914 German Marks in its equivalent in Philippine peso at prevailing rate of exchange as actual damages, with legal interest thereon from the date of the filing of the complaint until fully paid;
- (2) P500,000.00, as moral damages;
- (3) P150,000.00, as exemplary damages; and
- (4) 5% of the amount of actual, moral and exemplary damages which are recoverable, as attorney's fees."[5]

Questioning the factual findings of the respondent court, petitioner comes to this Court for review citing three (3) errors:

1. The conclusion that there is a breach of contract is premised on a misapprehension of facts.
2. Failure to apply the doctrine of avoidable consequence in the present case.
3. Award of exorbitant damages and attorney's fees.

After considering respondent's comment, the Court resolved to give due course to the petition, and required the parties to file their respective memoranda. Complying with the resolution of 26 October 1987, private respondent filed his reply memorandum on 17 December 1987. This is the last pleading on record.

While this Court is not a trier of facts, yet, when the findings of respondent court are without citation of specific evidence on which they are based, there is sufficient reason for the Court to review the appellate court's decision.[6]

The respondent court's ruling that there was breach of contract of carriage is premised on petitioner's refusal to reroute respondent and, in effect, requiring him to purchase a new set of tickets. Petitioner refutes this conclusion, claiming that the original ticket was discounted and non-endorsable on certain segments. Eventually respondent flew on his chosen route with different airlines.

Under the factual milieu, was there really a breach of contract of carriage on the part of the petitioner, as to justify the award to private respondent of actual, moral and exemplary damages? We find none.

International Air Transport Association (IATA) Resolution No. 275 e, 2., special note, reads: "Where a fare is restricted and such restrictions are not clearly evident from the required entries on the ticket, such restrictions may be written, stamped or reprinted in plain language in the "Endorsements/Restrictions" box of the applicable flight

coupon(s); or attached thereto by use of an appropriate notice,"[7] Voluntary changes to tickets,[8] while allow-able, are also covered by IATA Resolution No. 1013, Art. II. which provides: "1. changes to the ticket requested by the passenger will be subject to carriers regulations."

Private respondent wanted a rerouting to Hamburg, Geneva, Rome, Hongkong and Manila[9] which shortened the original itinerary on the ticket issued by AF Manila through ASPAC, its general sales agent. Considering the original restrictions on the ticket, it was not unreasonable for Air France to deny the request.

Besides, a recurring ear infection was pleaded as reason necessitating urgent return to Manila. Assuming arguendo a worsening pain or discomfort, private respondent appears to have still proceeded to four (4) other cities covering a period of at least six (6) days and leaving open his date of departure from Hongkong to Manila.[10] And, even if he claimed to have undergone medical examination upon arrival in Manila, no medical certificate was presented. He failed to even remember his date of arrival in Manila.

With a claim for a large amount of damages, the Court finds it unusual for respondent, a lawyer, to easily forget vital information to substantiate his plea. It is also essential before an award of damages that the claimant must satisfactorily prove during the trial the existence of the factual basis of the damages and its causal connection to defendant's acts.[11]

In *KLM Royal Dutch Airlines v. CA*,[12] the Court observed -

"xxx. As noted by the Court of Appeals that condition was printed in letters so small that one would have to use a magnifying glass to read the words. Under the circumstances, it would be unfair and inequitable to charge the respondents with automatic knowledge or notice of the said condition so as to preclude any doubt that it was fairly and freely agreed upon by the respondents when they accepted the passage tickets issued to them by the KLM. As the airline which issued those tickets with the knowledge that the respondents would be flown on the various legs of their journey by different air carriers, the KLM was chargeable with the duty and responsibility of specifically informing the respondents of conditions prescribed in their tickets or, in the very least, to ascertain that the respondent read them before they accepted their passage tickets. A thorough search of the records, however, inexplicably fails to show that any effort was exerted by the KLM officials or employees to discharge in a proper manner this responsibility to the respondents. Consequently, We hold that the respondents cannot be bound by the provision in question by which KLM unilaterally assumed the role of a mere-ticket-issuing agent for other airlines and limited its liability only to untoward occurrences on its own lines." (emphasis supplied)

Unlike in the *KLM* case where the breach of contract was aggravated by the discourteous and arbitrary conduct of an official of the Aer Lingus which the KLM had engaged to transport the respondents, here, Air France employees in Hamburg informed private respondent that his tickets were partly stamped "non-endorsable" and "valid on Air France only." [13] Mere refusal to accede to the passenger's wishes does not necessarily translate into damages in the absence of bad faith.[14] To our mind, respondent has failed to show wanton, malevolent or reckless misconduct imputable to petitioner in its refusal to reroute.

Air France Manila acted upon the advise of ASPAC in denying private respondent's request. There was no evident bad faith when it followed the advise not to authorize rerouting.[15] At worst, the situation can be considered a case of inadvertence on the part of ASPAC in not explaining the non-endorsable character of the ticket. Of importance, however, is the fact that private respondent is a lawyer, and the restriction box[16] clearly indicated the non-endorsable character of the ticket.

Omissions by ordinary passengers may be condoned but more is expected of members of the bar who cannot feign ignorance of such limitations and restrictions. An award of moral and exemplary damages cannot be sustained under the circumstances, but petitioner has to refund the unused coupons in the Air France ticket issued to the

private respondent.

WHEREFORE, the judgement appealed from is REVERSED and SET ASIDE. Petitioner is ordered, however, to refund to private respondent the value or the unused coupons in the passenger's ticket issued to him by the petitioner. No costs.

SO ORDERED.

Melencio-Herrera, (Chairman), Paras, Sarmiento, and Regalado, JJ., concur.

* Justice Desiderio Jurado, ponente; Justices Crisolito Pascual, Jose Campos and Serafin E. Camilon, concurring.

** Presided by Judge Marcelino Sayo.

[1] Appellant's Brief, p. 7

[2] Deposition of Mrs. R. Schaale, q. #35, p. 7, Folder of 'Defendants' Exhibits, Original Records, CFI, Br. 33, Kalookan City

[3] Rollo, p. 26

[4] Amended Record on Appeal, P. 78

[5] Rollo, p. 67

[6] Apex Investment & Financing Corp. and Jose S.J. Villarica vs. IAC, Crown Radio Corp. Phil., G.R. No. 69723, October 18, 1988

[7] In addition, where a fare and such restrictions are not clearly evident from the required entries on the ticket, such restrictions may be written, stamped or pre-printed in plain language in the 'Endorsements/Restrictions' box of the applicable flight coupon(s); or attached thereto by use of an appropriate notice. In addition, where a fare is restricted to time of travel or period of validity, a special fare notice similar to that shown below, may be used:

IMPORTANT NOTICE

This is a 'SPECIAL FARE' Ticket which involves travel restrictions. Certain 'Special Fares' do not permit cancellation, change of reservations or refund of full amount paid.

[8] Governed by IATA Resolution No. 279

[9] Governed by General Conditions of Carriage [Passenger] changes to ticket or schedules. missed connections, changes requested by passenger.

[10] Deposition Answer to Question No. 79. p. 14. Folder of Defendants' Exhibits. Original Records. CFI. Br. 33. Kalookan City.

[11] Makabali v. CA, G.R. No. L-46877, January 22, 1988

[12] 65 SCRA 237, G.R. No. L-31150. July 22, 1975

[13] Deposition Answer to Question No. 86, p. 17, Folder of Defendants' Exhibits. Original Records, CFI. Br. 33, Kalookan City.

[14] TWA v. Court of Appeals and Rogelio Vintuan, G.R. No. 78656, August 30, 1988, KLM Royal Dutch

Airlines v. CA, July 25, 1975, 65 SCRA 237; Ortigas, Jr. Lufthansa German Airlines, June 30, 1975, 64 SCRA 610; Zulueta v. Pan Am World Airways, Inc., 43 SCRA 397; Korean Airlines Co., Ltd, v. CA, G .R. No. 61416, 29 September 1987

[15] TSN, February 26, 1979, pp. 200-202.

[16] Exhibits 2-A, 3-A-2, 3-B-2

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.