

MALAYSIAN AIRLINE SYSTEM BERNAD, PETITIONER, VS. THE HONORABLE COURT OF APPEALS AND RENATO ARELLANO, RESPONDENTS.

G.R. No. 78015. December 11, 1987

Ponente: CRUZ, J.

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CRUZ, J.:

The petitioner recruited the private respondent from Philippine Airlines for his training and experience and contracted his services as pilot for two years, beginning 1979.[1] On April 12, 1981, when the plane he was driving landed at Bintulo Airport, all the tires burst, causing alarm among the passengers but, fortunately, no injuries.[2] An investigation was conducted pending which he was preventively suspended.[3] On May 5, 1981, he was offered and accepted an extension of his contract for another year, subject to the expressed condition that he would submit to the jurisdiction of Malaysian courts in all matters relating to the contract.[4] Ultimately, however, he was found negligent by the investigating board and dismissed by the petitioner, effective July 30, 1981.[5]

The private respondent sought relief from the Malaysian courts but to no avail.[6] He then brought suit in the regional trial court of Manila[7] where the petitioner moved to dismiss for lack of jurisdiction and improper venue. The order of the trial court denying its motion was affirmed by the Court of Appeals[8] and later by this Court.[9] The case then proceeded to trial on the merits. After hearing, it was held that the private respondent was not guilty of negligence and that the accident was due not to his violation of the MAS manual of instructions but to a defect in the rigging of the brake control valve and the failure of the ground crew to properly maintain the aircraft.[10] The court also found that the petitioner had acted in bad faith in inveigling the private respondent into signing the renewal of the contract submitting himself to the jurisdiction of the Malaysian courts and that his dismissal was prompted by a letter-complaint signed by Filipino and Indonesian pilots, including himself, protesting their discrimination in pay and benefits by MAS.[11] The trial court required the petitioner to pay as follows:

- "1. the amount of \$300,000 Malaysian dollars representing plaintiffs' salary and flight type and P100,000.00 for uprooting his family to Manila plus the further sum of P200,000.00 representing renewal of his license;
- "2. the amount of P3,000,000.00 as moral damages;
- "3. the amount of P1,000,000.00 as exemplary damages;
- "4. the amount equivalent to 25% of the amount due and collectible as attorney's fees;
- "5. costs of the suit." [12]

On appeal, the respondent court affirmed the decision of the trial court in toto. The petitioner is now before us on review by certiorari under Rule 45 of the Rules of Court.

We affirm the factual findings of the respondent court and the lower court, there being no sufficient showing that the said courts committed reversible error in reaching such conclusions. As we are not a trier of facts, we generally rely upon, and are bound by, the conclusions on this matter of the lower courts, which are better equipped and have better opportunity to assess the evidence first-hand, including the testimony of the witnesses. We have repeatedly held that the findings of fact of the Court of Appeals are final and conclusive and cannot be reviewed on appeal to the Supreme Court provided they are based on substantial evidence.[13] Among the exceptions to this rule are: (a) when the conclusion is a finding grounded entirely on speculations, surmises or conjectures; (b) when the inference made is manifestly mistaken, absurd or impossible; (c) where there is grave abuse of discretion; (d) when the judgment is based on a misapprehension of facts; (e) when the findings of facts are conflicting; (f) when the Court of Appeals, in making its findings, went beyond the issues of the case and the same is contrary to the admissions of both the appellant and appellee.[14] None of these exceptions is present in this case.

We cannot agree, however, with the award of damages, which seems to have gotten out of hand. The inordinate amount granted to the private respondent calls for the moderating hand of the Court, that justice may be tempered with reason instead of being tainted with what appears here to be a ruthless vindictiveness.

The complaint prayed for payment of unpaid salaries from July 1981 to July 1982 which corresponds to the period of the renewed contract.[15] On the basis of his monthly salary of Malaysian \$4,025.00,[16] or P33,568.50 (at the current Central Bank conversion rate of P8.34 for every Malaysian \$1.00), his total unearned salaries will be P402,822.00. To this should be added the amount of P123,098.40 as allowance for the same period of one year at the rate of \$1,230.00 per month[17] plus P80,000.00, representing his expenses in transferring his family to the Philippines,[18] amounting to an aggregate sum of P605,920.40 in actual damages. The moral and exemplary damages, while concededly due, are reduced to P500,000.00 and the attorney's fees to the fixed sum of P25,000.00. All the other awards are disauthorized.

It is important to reiterate the following observations we made in *Baranda v. Baranda*:[19]

"We deal with one final matter that should be cause for serious concern as it has a direct relevance to the faith of our people in the administration of justice in this country. It is noted with disapproval that the respondent court awarded the total indemnity of P120,000.00, including attorney's fees and litigation expenses that were double the amounts claimed and exemplary damages which were not even prayed for by the private respondents. Such improvident generosity is likely to raise eyebrows, if not outright challenge to the motives of some of our courts, and should therefore be scrupulously avoided at all times, in the interest of maintaining popular confidence in the judiciary. We therefore caution against a similar recklessness in the future and call on all members of the bench to take proper heed of this admonition."

The respondent court affirmed the original award of damages in the staggering amount of more than P8,000,000.00. It is only fair that it be lowered to a realistic and judicious level that will, in our view, be just to both the petitioner and the private respondent.

WHEREFORE, the petition is DENIED and the challenged decision, as above modified, is affirmed. It is so ordered.

Teehankee, C.J., Narvasa, Paras, and Gancayco, JJ., concur.

[1] Rollo, p. 28.

[2] Ibid.

- [3] Id., p. 29.
- [4] Brief for Defendant-Appellant, pp. 3-4.
- [5] Rollo, p. 32.
- [6] Brief for Defendant-Appellant, pp. 56-58.
- [7] Presided by Judge Abelardo M. Dayrit.
- [8] Associate Justice Rodolfo A. Nocon, ponente; and Associate Justices Ricardo P. Tensuan and Felipe B. Kalalo.
- [9] Rollo, p. 42.
- [10] Brief for Defendant-Appellant, pp. 88-90.
- [11] Brief for Defendant-Appellant, pp. 64-66.
- [12] Ibid., p. 94.
- [13] Alsua-Betts v. Court of Appeals, et al., 92 SCRA 332.
- [14] Ramos, et al. v. Pepsi-Cola Bottling Co., 19 SCRA 289.
- [15] Rollo, pp. 29-30.
- [16] Brief for Defendant-Appellant, p. 49.
- [17] Brief for Defendant-Appellant, p. 49.
- [18] Ibid., p. 55.
- [19] L-73275, May 20, 1987.

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