

TRANS WORLD AIRLINES, PETITIONER, VS. COURT OF APPEALS AND ROGELIO A. VINLUAN, RESPONDENTS.*G.R. No. 78656. August 30, 1988*

Ponente: GANCAYCO, J.

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Rogelio A. Vinluan is a practicing lawyer who had to travel in April, 1979 to several cities in Europe and the U.S. to attend to some matters involving several clients. He entered into a contract for air carriage for valuable consideration with Japan Airlines first class from Manila to Tokyo, Moscow, Paris, Hamburg, Zurich, New York, Los Angeles, Honolulu and back to Manila thru the same airline and other airlines it represents for which he was issued the corresponding first class tickets for the entire trip.

On April 18, 1979, while in Paris, he went to the office of Trans World Airlines (TWA) at the De Gaulle Airport and secured therefrom confirmed reservation for first class accommodation on board its Flight No. 41 from New York to San Francisco which was scheduled to depart on April 20, 1979. A validated stub was attached to the New York-Los Angeles portion of his ticket evidencing is confirmed reservation for said flight with the mark "OK." [1] On April 20, 1979, at about 8:00 o'clock A.M., Vinluan reconfirmed his reservation for first class accommodation on board TWA Flight No. 41 with its New York. He was advised that his reservation was confirmed. He was even requested to indicate his seat preference on said flight on said scheduled date of departure of TWA Flight No. 41. Vinluan presented his ticket for check-in at the counter on TWA at JFK International Airport at about 9:45 o'clock A.M., the scheduled time of the departure being 11:00 o'clock A.M. He was informed that there was no first class seat available for him on the flight. He asked for an explanation but TWA employees on duty declined to give any reason. When he began to protest, one of the TWA employees, a certain Mr. Braam, rudely threatened him with the words "Don't argue with me, I have a very bad temper."

To be able to keep his schedule, Vinluan was compelled to take the economy seat offered to him and he was issued a "refund application" as he was downgraded from first class to economy class.

While waiting for the departure of Flight No. 41. Vinluan noticed that other passengers who were white Caucasians and who had checked-in later than him were given preference in some first class seats which became available due to "no show" passengers.

On February 15, 1980, Vinluan filed an action for damages against the TWA in the Court of First Instance of Rizal alleging breach of contract and bad faith. After trial on the merits, a decision was rendered the dispositive part of which reads as follows:

"WHEREFORE, judgment is hereby rendered in favor of the plaintiff against the defendant holding the latter liable to the former for the amount representing the difference in fare between first class and economy class accommodations on board Flight No. 6041 from New York to San Francisco, the amount of P500,000.00 as moral damages the amount of P300,000.00 as exemplary damages, and the amount of P100,000.00 as and for attorney's fees, all such amounts to earn interest at the rate of twelve (12%) percent per annum from February

15, 1980 when the complaint was filed until fully paid.

Correspondingly, defendant's counterclaim is dismissed.

Costs against the defendant.

SO ORDERED."

Not satisfied therewith, the TWA appealed to the Court of Appeals wherein in due course a decision was rendered on May 27, 1987,[2] the dispositive part of which reads as follows:

"WHEREFORE, the decision dated March 8, 1984 is hereby modified by (1) fixing the interest which appellant must pay on the awards of moral and exemplary damages at six percent (6%) per annum from the date of the decision a quo, March 8, 1984 until date of full payment and (2) reducing the attorney's fees to P50,000.00 without interest, the rest of the decision is affirmed. Costs against appellant.

SO ORDERED."

Hence, the herein petition for review.

The theory of the petitioner is that because of maintenance problems of the aircraft on the day of the flight, TWA Flight No. 41 was cancelled and a special Flight No. 6041 was organized to operate in lieu of Flight No. 41.[3] Flight No. 41 was to have utilized a Lockheed 1011 with 34 first class seats, but instead, a smaller Boeing 707 with only 16 first class seats was substituted for use in Flight No. 6041. Hence, passengers who had first class reservations on Flight No. 41 had to be accommodated on Flight No. 6041 on a first-come, first-served basis. An announcement was allegedly made to all passengers in the entire terminal of the airport advising them to get boarding cards for Flight No. 6041 to San Francisco and that the first ones getting them would get first preference as to seats in the aircraft. It denied declining to give any explanation for the downgrading of private respondent as well as the discourteous attitude of Mr. Braam.

On the other hand, private respondent asserts that he did not hear such announcement at the terminal and that he was among the early passengers to present his ticket for check-in only to be informed that there was no first class seat available for him and that he had to be downgraded.

The petitioner contends that the respondent Court of Appeals committed a grave abuse of discretion in finding that petitioner acted maliciously and discriminatorily, and in granting excessive moral and exemplary damages and attorney's fees.

The contention is devoid of merit. Private respondent had a first class ticket for Flight No. 41 of petitioner from New York to San Francisco on April 20, 1979. It was twice confirmed and yet respondent unceremoniously told him that there was no first class seat available for him and that he had to be downgraded to the economy class. As he protested, he was arrogantly threatened by one Mr. Braam. Worst still, while he was waiting for the flight, he saw that several Caucasians who arrived much later were accommodated in first class seats when the other passengers did not show up.

The discrimination is obvious and the humiliation to which private respondent was subjected is undeniable. Consequently, the award of moral and exemplary damages by the respondent court is in order.[4]

Indeed, private respondent had shown that the alleged switch of planes from a Lockheed 1011 to a smaller Boeing 707 was because there were only 138 confirmed economy class passengers who could very well be accommodated in the smaller plane and not because of maintenance problems.

Petitioner sacrificed the comfort of its first class passengers including private respondent Vinluan for the sake of

economy. Such inattention and lack of care for the interest of its passengers who are entitled to its utmost consideration, particularly as to their convenience, amount to bad faith which entitles the passenger to the award of moral damages.[5] More so in this case where instead of courteously informing private respondent of his being downgraded under the circumstances, he was angrily rebuffed by an employee of petitioner.

At the time of this unfortunate incident, the private respondent was a practicing lawyer, a senior partner of a big law firm in Manila. He was a director of several companies and was active in civic and social organizations in the Philippines. Considering the circumstances of this case and the social standing of private respondent in the community, he is entitled to the award of moral and exemplary damages. However, the moral damages should be reduced to P300,000.00, and the exemplary damages should be reduced to P200,000.00. This award should be reasonably sufficient to indemnify private respondent for the humiliation and embarrassment that he suffered and to serve as an example to discourage the repetition of similar oppressive and discriminatory acts.

WHEREFORE, with the above modification reducing the moral and exemplary damages as above-stated, the decision subject of the petition for review is AFFIRMED in all other respects, without pronouncement as to costs in this instance.

SO ORDERED.

Narvasa, (Chairman), Cruz, Griño-Aquino, and Medialdea, JJ., concur.

[1] Exhibit B.

[2] Justice Floreliaana Castro-Bartolome, ponente, concurred in by Justices Arturo Buena and Eduardo R. Bengzon.

[3] Exhibits 6, 6-A and 6-B.

[4] Northwest Airlines, Inc. v. Cuenca, 14 SCRA 1063 (1965); Lopez v. Pan American World Airways, 16 SCRA 431

(1966).

[5] Ortigas, Jr. v. Lufthansa German Airlines, 64 SCRA 610 (1975).

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