

PHILIPPINE SCHOOL OF BUSINESS ADMINISTRATION, JUAN D. LIM, BENJAMIN P. PAULINO, ANTONIO M. MAGTALAS, COL. PEDRO SACRO, AND LT. M. SORIANO, PETITIONERS, VS. COURT OF APPEALS, HON...

G.R. No. 84698. February 04, 1992

Ponente: PADILLA, J.

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PADILLA, J.:

A stabbing incident on 30 August 1985 which caused the death of Carlitos Bautista while on the second-floor premises of the Philippine School of Business Administration (PSBA) prompted the parents of the deceased to file suit in the Regional Trial Court of Manila (Branch 47) presided over by Judge (now Court of Appeals justice) Regina Ordoñez-Benitez, for damages against the said PSBA and its corporate officers. At the time of his death, Carlitos was enrolled in the third year commerce course at the PSBA. It was established that his assailants were not members of the school's academic community but were elements from outside the school.

Specifically, the suit impleaded the PSBA and the following school authorities: Juan D. Lim (President), Benjamin P. Paulino (Vice-President), Antonio M. Magtalas (Treasurer/Cashier), Col. Pedro Sacro (Chief of Security) and a Lt. M. Soriano (Assistant Chief of Security). Substantially, the plaintiffs (now private respondents) sought to adjudge them liable for the victim's untimely demise due to their alleged negligence, recklessness and lack of security precautions, means and methods before, during and after the attack on the victim. During the proceedings a quo, Lt. M. Soriano terminated his relationship with the other petitioners by resigning from his position in the school.

Defendants a quo (now petitioners) sought to have the suit dismissed, alleging that since they are presumably sued under Article 2180 of the Civil Code, the complaint states no cause of action against them, as jurisprudence on the subject is to the effect that academic institutions, such as the PSBA, are beyond the ambit of the rule in the afore-stated article.

The respondent trial court, however, overruled petitioners' contention and thru an order dated 8 December 1987, denied their motion to dismiss. A subsequent motion for reconsideration was similarly dealt with by an order dated 25 January 1988. Petitioners then assailed the trial court's dispositions before the respondent appellate court which, in a decision* promulgated on 10 June 1988, affirmed the trial court's orders. On 22 August 1988, the respondent appellate court resolved to deny the petitioners' motion for reconsideration. Hence, this petition.

At the outset, it is to be observed that the respondent appellate court primarily anchored its decision on the law of quasi-delicts, as enunciated in Articles 2176 and 2180 of the Civil Code.[1] Pertinent portions of the appellate court's now assailed ruling state:

“Article 2180 (formerly Article 1903) of the Civil Code is an adoption from the old Spanish Civil Code. The comments of Manresa and learned authorities on its meaning should give way to present day changes. The law is not fixed and flexible (sic); it must be dynamic. In fact, the greatest value and significance of law as a rule of

conduct in (sic) its flexibility to adopt to changing social conditions and its capacity to meet the new challenges of progress.

Construed in the light of modern day educational systems, Article 2180 cannot be construed in its narrow concept as held in the old case of *Exconde vs. Capuno*[2] and *Mercado vs. Court of Appeals*[3] ; hence, the ruling in the *Palisoc*[4] case that it should apply to all kinds of educational institutions, academic or vocational.

At any rate, the law holds the teachers and heads of the school staff liable unless they relieve themselves of such liability pursuant to the last paragraph of Article 2180 by ‘proving that they observed all the diligence to prevent damage.’ This can only be done at a trial on the merits of the case.”[5]

While we agree with the respondent appellate court that the motion to dismiss the complaint was correctly denied and the complaint should be tried on the merits, we do not however agree with the premises of the appellate court’s ruling.

Article 2180, in conjunction with Article 2176 of the Civil Code, establishes the rule of *in loco parentis*. This Court discussed this doctrine in the afore-cited cases of *Exconde*, *Mendoza*, *Palisoc* and, more recently, in *Amadora vs. Court of Appeals*.^[6] In all such cases, it had been stressed that the law (Article 2180) plainly provides that the damage should have been caused or inflicted by pupils or students of the educational institution sought to be held liable for the acts of its pupils or students while in its custody. However, this material situation does not exist in the present case for, as earlier indicated, the assailants of Carlitos were not students of the PSBA, for whose acts the school could be made liable.

However, does the appellate court’s failure to consider such material facts mean the exculpation of the petitioners from liability? It does not necessarily follow.

When an academic institution accepts students for enrollment, there is established a contract between them, resulting in bilateral obligations which both parties are bound to comply with.^[7] For its part, the school undertakes to provide the student with an education that would presumably suffice to equip him with the necessary tools and skills to pursue higher education or a profession. On the other hand, the student covenants to abide by the school’s academic requirements and observe its rules and regulations.

Institutions of learning must also meet the implicit or “built-in” obligation of providing their students with an atmosphere that promotes or assists in attaining its primary undertaking of imparting knowledge. Certainly, no student can absorb the intricacies of physics or higher mathematics or explore the realm of the arts and other sciences when bullets are flying or grenades exploding in the air or where there looms around the school premises a constant threat to life and limb. Necessarily, the school must ensure that adequate steps are taken to maintain peace and order within the campus premises and to prevent the breakdown thereof.

Because the circumstances of the present case evince a contractual relation between the PSBA and Carlitos Bautista, the rules on quasi-delict do not really govern.^[8] A perusal of Article 2176 shows that obligations arising from quasi-delicts or tort, also known as extra-contractual obligations, arise only between parties not otherwise bound by contract, whether express or implied. However, this impression has not prevented this Court from determining the existence of a tort even when there obtains a contract. In *Air France vs. Carrascoso* (124 Phil. 722), the private respondent was awarded damages for his unwarranted expulsion from a first-class seat aboard the petitioner airline. It is noted, however, that the Court referred to the petitioner-airline’s liability as one arising from tort, not one arising from a contract of carriage. In effect, *Air France* is authority for the view that liability from tort may exist even if there is a contract, for the act that breaks the contract may be also a tort. (*Austro-America S.S. Co. vs. Thomas*, 248 Fed 231).

This view was not all that revolutionary, for even as early as 1918, this Court was already of a similar mind. In *Cangco vs. Manila Railroad* (38 Phil. 780), Mr. Justice Fisher elucidated thus:

“The field of non-contractual obligation is much more broader than that of contractual obligation, comprising, as it does, the whole extent of juridical human relations. These two fields, figuratively speaking, concentric; that is to say, the mere fact that a person is bound to another by contract does not relieve him from extra-contractual liability to such person. When such a contractual relation exists the obligor may break the contract under such conditions that the same act which constitutes a breach of the contract would have constituted the source of an extra-contractual obligation had no contract existed between the parties.”

Immediately what comes to mind is the chapter of the Civil Code on Human Relations, particularly Article 21, which provides:

“Any person who wilfully causes loss or injury to another in a manner that is contrary to morals, good customs or public policy shall compensate the latter for the damage.” (emphasis supplied).

Air France penalized the racist policy of the airline which emboldened the petitioner’s employee to forcibly oust the private respondent to cater to the comfort of a white man who allegedly “had a better right to the seat.” In *Austro-American*, supra, the public embarrassment caused to the passenger was the justification for the Circuit Court of Appeals, (Second Circuit), to award damages to the latter. From the foregoing, it can be concluded that should the act which breaches a contract be done in bad faith and be violative of Article 21, then there is a cause to view the act as constituting a quasi-delict.

In the circumstances obtaining in the case at bar, however, there is, as yet, no finding that the contract between the school and Bautista had been breached thru the former’s negligence in providing proper security measures. This would be for the trial court to determine. And, even if there be a finding of negligence, the same could give rise generally to a breach of contractual obligation only. Using the test of *Cangco*, supra, the negligence of the school would not be relevant absent a contract. In fact, that negligence becomes material only because of the contractual relation between PSBA and Bautista. In other words, a contractual relation is a condition sine qua non to the school’s liability. The negligence of the school cannot exist independently on the contract, unless the negligence occurs under the circumstances set out in Article 21 of the Civil Code.

This Court is not unmindful of the attendant difficulties posed by the obligation of schools, above-mentioned, for conceptually a school, like a common carrier, cannot be an insurer of its students against all risks. This is specially true in the populous student communities of the so-called “university belt” in Manila where there have been reported several incidents ranging from gang wars to other forms of hooliganism. It would not be equitable to expect of schools to anticipate all types of violent trespass upon their premises, for notwithstanding the security measures installed, the same may still fail against an individual or group determined to carry out a nefarious deed inside school premises and environs. Should this be the case, the school may still avoid liability by proving that the breach of its contractual obligation to the students was not due to its negligence, here statutorily defined to be the omission of that degree of diligence which is required by the nature of the obligation and corresponding to the circumstances of persons, time and place.[9]

As the proceedings a quo have yet to commence on the substance of the private respondents’ complaint, the record is bereft of all the material facts. Obviously, at this stage, only the trial court can make such a determination from the evidence still to unfold.

WHEREFORE, the foregoing premises considered, the petition is DENIED. The court of origin (RTC, Manila, Br. 47) is hereby ordered to continue proceedings consistent with this ruling of the Court. Costs against the petitioners.

SO ORDERED.

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

[*] Penned by Justice Jose C. Campos, Jr. and concurred in by Justices Ricardo J. Francisco and Alfredo L. Benipayo.

[1] Article 2176 provides:

"Whoever by act or omission causes damage to another, there being fault or negligence, is obliged to pay for the damage done. Such fault or negligence, if there is no pre-existing contractual relation between the parties, is called a quasi-delict and is governed by the provisions of this Chapter."

Article 2180 provides:

"The obligation imposed by article 2176 is demandable not only for one's own acts or omissions, but also for those of persons for whom one is responsible.

x x x

"Lastly, teachers or heads of establishments of arts and trades shall be liable for damages caused by their pupils and students or apprentices, so long as they remain in their custody.

"The responsibility treated of in this article shall cease when the persons herein mentioned prove that they observed all the diligence of a good father of a family to prevent damage."

[2] 101 Phil. 843

[3] 108 Phil. 414

[4] G.R. No. L-29025, 4 October 1971, 41 SCRA 548

[5] Rollo, p. 75

[6] G.R. No. L-47745, 15 April 1988, 160 SCRA 315

[7] In *Non vs. Dames II*, G.R. No. 89317, 20 May 1990, 185 SCRA 535, it was held that the contract between school and student is one "imbued with public interest" but a contract nonetheless.

[8] Article 2176, Civil Code is re-quoted for stress:

"Whoever by act or omission causes damage to another, there being fault or negligence, is obliged to pay for the damage done. Such fault or negligence, if there is no pre-existing contractual relation between the parties, is called a quasi-delict and is governed by the provisions of this Chapter." (emphasis supplied)

[9] Article 1173, Civil Code provides:

"The fault or negligence of the obligor consists in the omission of that diligence which is required by the nature of the obligation and corresponds with the circumstances of the persons, of the time and of the place. When negligence shows bad faith, the provisions of articles 1171 and 2201, paragraph 2, shall apply."

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