

**FIRST MALAYAN LEASING AND FINANCE CORPORATION,
PETITIONER, VS. THE HON. COURT OF APPEALS, CRISOSTOMO B.
VITUG AND ESTATE OF VICENTE TRINIDAD, REPRESENTED BY
WIDOW GLORIA D. TRIN...**

G.R. No. 91378. June 09, 1992

Ponente: GRINO-AQUINO, J.

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GRINO-AQUINO, J.:

This case brings to the fore the importance of motor vehicle registration in determining who should be liable for the death or injuries suffered by passengers or third persons as a consequence of the operation of a motor vehicle.

On June 26, 1984, Crisostomo B. Vitug filed Civil Case No. 84-25186 in the Regional Trial Court of Manila Branch XLIII, against the defendant, First Malayan Leasing and Finance Corporation (FMLFC for short), to recover damages for physical injuries, loss of personal effects, and the wreck of his car as a result of a three-vehicle collision on December 14, 1983, involving his car, another car, and an Isuzu cargo truck registered in the name of FMLFC and driven by one Crispin Sicat.

The evidence shows that while Vitug's car was at a full stop at the intersection of New York Street and Epifanio delos Santos Avenue (EDSA) in Cubao, Quezon City, northward-bound, the on-coming Isuzu cargo truck bumped a Ford Granada car behind him with such force that the Ford car was thrown on top of Vitug's car crushing its roof. The cargo truck thereafter struck Vitug's car in the rear causing the gas tank to explode and setting the car ablaze.

Stunned by the impact, Vitug was fortunately extricated from his car by solicitous bystanders before the vehicle exploded. However, two of his passengers were burned to death. Vitug's car, valued at P70,000, was a total loss.

When he regained consciousness in the hospital, Vitug discovered that he had lost various personal articles valued at P48,950, namely a necklace with a diamond pendant, a GP watch, a pair of Christian Dior eyeglasses, a gold Cross pen and a pair of Bally shoes. Vitug also suffered injuries producing recurring pains in his neck and back. Upon his physician's advice, he received further medical treatment in the United States which cost him US\$2373.64 for his first trip, and US\$5,596.64 for the second.

At the time of the accident on December 14, 1983, the Isuzu cargo truck was registered in the name of the First Malayan Leasing and Finance Corporation (FMLFC).

However, FMLFC denied any liability, alleging that it was not the owner of the truck, neither the employer of the driver Crispin Sicat, because it had sold the truck to Vicente Trinidad on September 24, 1980, after the latter had paid all his monthly amortizations under the financing lease agreement between FMLFC and Trinidad.

On FMLFC's motion, the lower court granted FMLFC's leave to file a third-party complaint against Trinidad and admitted the third-party complaint filed therewith.

Answering the third-party complaint, the Estate of Vicente Trinidad admitted that the truck was operated by the deceased during his lifetime. Nevertheless, it raised the defense that the estate of Vicente Trinidad was no longer existing because the same had long been settled and partitioned extrajudicially by his heirs.

On August 25, 1986, the trial court rendered a decision sentencing FMLFC to pay Vitug the sum of P133,950 with interest at the legal rate from the filing of the complaint until fully paid, plus the sum of P10,000 as attorney's fees and costs.

FMLFC appealed in due time to the Court of Appeals which rendered a decision on November 27, 1989 modifying the appealed judgment by ordering the third-party defendant-appellee (Estate of Vicente Trinidad) to indemnify the appellant, FMLFC, for whatever amount the latter may pay Vitug under the judgment. In all other respects, the trial court's decision was affirmed.

FMLFC has filed this petition for review on certiorari praying that the decision of the appellate court be reversed and set aside.

On February 14, 1990, the Court dismissed the petition for insufficiency in form and substance, having failed to comply with the Rules of Court and Circular 1788 requiring the submission of: (1) proof of service of the petition on the adverse party, and (2) a certified true copy of the decision of the Court of Appeals. Moreover, the petition was filed late on February 1, 1990, the due date being January 27, 1990.

The petitioner filed a motion for reconsideration. On April 16, 1990, we granted the same and reinstated the petition. Without giving it due course, we required the respondents to comment.

After deliberating on the petition, the comments of the private respondents, and the petitioner's reply thereto, we find the petition to be bereft of merit, hence, resolved to deny it.

In the first place, the factual finding of the trial court and the Court of Appeals that the Isuzu vehicle which figured in the mishap was still registered in the name of FMLFC at the time of the accident, is not reviewable by this Court in a petition for certiorari under Rule 45 of Rules of Court.

This Court has consistently ruled that regardless of who the actual owner of a motor vehicle might be, the registered owner is the operator of the same with respect to the public and third persons, and as such, directly and primarily responsible for the consequences of its operation. In contemplation of law, the owner/operator of record is the employer of the driver, the actual operator and employer being considered merely as his agent (*MYC-Agro-Industrial Corporation vs. Vda. de Caldo*, 132 SCRA 10, citing *Vargas vs. Langcay*, 6 SCRA 174; *Tamayo vs. Aguino*, 105 Phil. 949).

"We believe that it is immaterial whether or not the driver was actually employed by the operator of record. It is even not necessary to prove who the actual owner of the vehicle and the employer of the driver is. Granting that, in this case, the father of the driver is the actual owner and that he is the actual employer, following the well-settled principle that the operator of record continues to be the operator of the vehicle in contemplation of law, as regards the public and third persons, and as such is responsible for the consequences incident to its operation, we must hold and consider such owner-operator of record as the employer, in contemplation of law, of the driver. And, to give effect to this policy of law as enunciated in the above cited decisions of this Court, we must now extend the same and consider the actual operator and employer as the agent of the operator of record." (*Vargas vs. Langcay*, 6 SCRA 178; citing *Montoya vs. Ignacio*, G.R. No. L-5868, Dec. 29, 1953; *Timbol vs. Osias*, G.R. No. L-7547, April 30, 1955; *Vda. de Medina vs. Cresencia*, G.R. No. L-8194, July 11, 1956; *Necesito vs. Paras*, G.R. No. L-10605, June 30, 1955.)

"x x x Were the registered owner allowed to evade responsibility by proving who the supposed transferee or owner is, it would be easy for him by collusion with others or otherwise, to escape said responsibility and

transfer the same to an indefinite person, or to one who possesses no property with which to respond financially for the damage or injury done." (Erezo vs. Jepte, 102 Phil. 103.)

"x x x The registered owner or operator of record is the one liable for damages caused by a vehicle regardless of any alleged sale or lease made thereon." (MYC-Agro-Industrial Corp. vs. Vda. de Caldo, 132 SCRA 11.)

In order for a transfer of ownership of a motor vehicle to be valid against third persons, it must be recorded in the Land Transportation Office. For, although valid between the parties, the sale cannot affect third persons who rely on the public registration of the motor vehicle as conclusive evidence of ownership. In law, FMLFC was the owner and operator of the Izusu cargo truck, hence, fully liable to third parties injured by its operation due to the fault or negligence of the driver thereof.

WHEREFORE, the petition for review is DENIED for lack of merit. Costs against the petitioner.

SO ORDERED.

Cruz (Chairman), Medialdea, and Bellosillo, JJ., concur.

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