

LUFTHANSA GERMAN AIRLINES, AND BERNDT LOEWE, PETITIONERS, VS. COURT OF APPEALS AND ROBERTO TOLENTINO, RESPONDENTS.

G.R. No. 91544. May 08, 1992

Ponente: CRUZ, J.

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CRUZ, J.:

On April 3, 1982, petitioner Lufthansa issued five first class tickets in the name of respondent Roberto Tolentino. On June 20, 1982, he had the accommodations changed to economy class and secured Miscellaneous Charge Orders in the amount of P24,684.00, which he subsequently encashed.[1] The new tickets bore the re-issuance date of June 30, 1982, but contained the restriction that they would not be valid after April 10, 1983.[2]

On May 7, 1983, Tolentino went to the office of the petitioner to have the re-issued tickets extended or converted to MCOs. He returned on May 9, 1983, as requested, and it was then that petitioner Berndt Loewe, a Lufthansa employee, stamped the words "for refund only" on the tickets.

According to Loewe, the tickets had already expired when they were presented on May 7, 1983, for extension or conversion. Hence, they could no longer be re-issued but were subject only to a refund.

On July 27, 1983, Tolentino filed a complaint against the herein petitioners for actual, moral, and exemplary damages plus attorney's fees. The petitioners filed their answer with counterclaim on August 16, 1983. After trial, the lower court rendered a decision dated March 12, 1986, in favor of the plaintiff.[3]

The petitioners appealed to the Court of Appeals, which affirmed the decision of the lower court but deleted the award of moral and exemplary damages and reduced the attorney's fees from P30,000 to P5,000. The respondent court agreed that the re-issuance of the tickets carried the "concomitant extension of the lifetime of the tickets to another year to be computed from the date of re-issuance, June 30, 1983." [4]

Their motion for reconsideration having been denied, the petitioners are now before this Court for relief.

The petitioners contend that the respondent court erred in holding that the tickets were still valid when they were presented for extension or conversion; in ordering the re-issuance of new tickets to Tolentino; and in dismissing their counterclaim. On March 12, 1992, after considering the private respondent's Comment, we gave due course to the petition and required the parties to submit simultaneous memoranda.

The petitioners maintain that as the airline tickets had already expired when they were presented for extension or conversion on May 7, 1983, they were only good for a refund. On the other hand, Tolentino contends that the tickets were still valid at that time because they were re-issued on June 30, 1982, which should be considered the starting date of the new one-year period of validity.

It is well-settled that only questions of law may be raised in a petition for certiorari under Rule 45 of the Rules of Court. The rule, however, is not without exception. Findings of fact of the Court of Appeals may be passed upon

and reversed by this Court when, for one thing, they are grounded entirely on speculations, surmises or conjectures.

In the case at bar, we find that such conclusions are not supported by the evidence on record.

The petitioners could not have agreed to extend the validity of the tickets because this was not permitted by the Lufthansa Passage Manual, which enumerates the specific instances when the period of validity of a ticket may be extended. This is allowed only: 1) if the carrier: a) cancels a flight; b) omits a scheduled stop; c) fails to operate the flight according to schedule; d) causes the passenger to miss a connection; e) is unable to provide the class of service originally confirmed; or f) is unable to provide previously confirmed space; or 2) if the passenger is ill or dies.[5] This enumeration, which appears to be exclusive, does not include re-issuance of a ticket.

The tickets constitute the contract between the petitioners and the respondent. Plainly appearing thereon is the handwritten restriction that they were "not valid after 10 April 1983." It is axiomatic that when the terms are clear and leave no doubt as to the intention of the contracting parties, contracts are to be interpreted according to their literal meaning.

Moreover, the respondent's argument that the tickets have not yet expired is based only on his unilateral conclusion that the one-year validity period should commence on the date of re-issuance. This implication cannot prevail against the express restriction handwritten on the tickets that they would be valid only until April 10, 1983.

There is no dispute that the tickets were issued on April 3, 1982, and that the passenger's travel presumably commenced on April 10, 1983. They were therefore to be valid during a period of one year from the latter date, pursuant to the rules in the Passage Manual providing as follows:

1. Period of Validity of Document (Resos 735)

To establish the validity of a document differentiation must be made whether it is issued at a normal fare of at a special fare.

x x x

(a) Ticket at normal fare

One year from the date of commencement of travel or, in the case of an open-dated ticket (no reservation entered for the first segment), from the date of issue thereof. When determining the period of validity, the day on which the ticket is issued or travel is commenced shall not be counted.

x x x

Such calculated date will, however, only be entered in the "Not valid after" box(es) if the ticket is issued in conjunction with or in exchange for another ticket. x x x

This is the reason for the handwritten restriction on the tickets clearly indicating that the tickets would cease to be valid after April 10, 1982. Significantly, the respondent did not protest when he received the re-issued tickets with the original expiry dates although he could not have failed to notice them. He did not object then and he did not object for more than a year thereafter.

It is evident that the tickets were re-issued only because Tolentino wanted the airline accommodations changed from first class to economy class (for which he obtained a rebate of P24,684.00). This was the only change in the original tickets. Their re-issuance did not result in the extension of the one-year period of validity from the date of such re-issuance on June 28, 1982.

The consequence is that the tickets having already expired when they were presented for re-issuance on May 9, 1983, they could no longer be extended.

It is noteworthy that the subject tickets were, although not extended, not completely invalidated either. It appears to be the policy of Lufthansa that expired tickets in the hands of a customer are still subject to either a refund or to replacement upon payment of the fare difference, that is, the amount to be added to the remaining value of the ticket after deduction of the fare flown, to complete the full cost of the new ticket. The private respondent had used part of the tickets.[6] As he has not shown that the remaining value of the expired tickets covered the full price of new tickets, or that he had offered to pay the fare difference, the petitioners cannot be said to have acted in bad faith when they refused to extend or revalidate them.

However, the petitioners are liable on their commitment, as stamped on the tickets, that they are good "for refund only."

The petitioners' claim for attorney's fees will not be allowed because it has not been shown that the private respondent acted in bad faith when he filed his complaint. Tolentino had a plausible theory regarding the effect of the re-issuance of the tickets on the period of their validity; in fact, this theory was sustained by both the trial court and the respondent court. The circumstance that it is here being reversed does not make his complaint malicious.

It is so easy to argue that as a member of the bar, Tolentino should have known that the tickets could no longer be extended because they had already expired. The point, though, is that he did not believe the tickets had expired because he was relying on a different period of validity. It was a mistake, to be sure, but it was a mistake in good faith.

The petitioners' claim for exemplary damages is also unwarranted because there is no showing that the private respondent acted in a wanton, fraudulent, reckless, oppressive or malevolent manner.[7] While it is true that we have found his action to be unfounded, he should nevertheless not be punished for exercising in good faith his right to litigate.

Finally, we must also reject the petitioners' counterclaim for the amount of P24,684.00 previously collected by Tolentino, on the ground that the tickets had not been paid for by the Southeast Ports Management, Inc., which had purchased them for private respondent from Airborne Travel and Tours. The private respondent was not privy to this transaction although he was the intended beneficiary. If the payment check had been dishonored and the indemnity bond to guarantee payment had already expired, the petitioner's recourse should be against these companies and not Tolentino.

WHEREFORE, the appealed decision is REVERSED. Both the complaint and the counterclaim are DISMISSED except that the petitioners are ordered to refund to the private respondent the remaining value of the tickets. The parties shall bear their own costs.

SO ORDERED.

Narvasa, C.J., Griño-Aquino, Medialdea, and Bellosillo, JJ., concur.

[1] TSN, August 13, 1984, p. 21.

[2] Records, pp. 145-146.

[3] Ibid., p. 215.

[4] Rollo, p. 27.

[5] Records, p. 185.

[6] TSN, February 20, 1984, p. 12; TSN, August 13, 1984, p. 21.

[7] Civil Code, Art. 2232.

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