

Title: Sulpicio Lines, Inc. vs. Court of Appeals, et al. (G.R. No. 21919, April 8, 1992)

—

Facts:

****Contract of Carriage and Initial Events:****

- Sulpicio Lines, Inc. (SLI) entered into a contract with AGO Lumber Company (ALC) for the transport of timber from Lianga, Surigao del Sur.
- On March 17, 1976, SLI sent its tugboat "MT Edmund" and barge "Solid VI" to Lianga to pick up ALC's timber.
- Due to heavy rain, loading did not commence that day.

****Incident Leading to the Death:****

- On March 18, 1976, several stevedores from CBL Timber Corporation (CBL), hired by ALC, boarded "Solid VI" and accessed the storeroom containing copra, generating gas and heat.
- Ignoring warnings, a stevedore entered and fell unconscious. Two others, including Leoncio L. Pamalaran, also entered, leading to Pamalaran's death from gas poisoning.

****Initial Legal Proceedings:****

- Pamalaran's heirs filed Civil Case No. 2864 for damages in the Regional Trial Court (RTC) of Bohol against SLI, CBL, ALC, and Ernie Santiago.
- The RTC ruled in favor of the plaintiffs, awarding them:
 - * P40,000.00 in actual and compensatory damages,
 - * P50,000.00 in moral damages,
 - * P20,000.00 in attorney's fees and costs.

****Appeal:****

- SLI appealed the RTC's decision to the Court of Appeals (CA), which affirmed the RTC's ruling.
- Discontented, SLI filed a petition for review on certiorari to the Supreme Court.

Issues:

1. ****Common Carrier Liability:****

- Whether SLI can be held liable as a common carrier despite Pamalaran not being a passenger.

2. ****Negligence:****

- Whether SLI was negligent in the occurrence leading to Pamalaran's death.

3. **Article 2180 Application:**

- Whether SLI could be held liable under Article 2180 of the New Civil Code.

4. **Liability of CBL and ALC:**

- Whether CBL and ALC should be the parties solely liable for Pamalaran's death.

5. **Counterclaims and Cross Claims:**

- Whether SLI's counterclaims and cross claims should be upheld.

Court's Decision:

*** Common Carrier Liability:**

- The Supreme Court stressed that SLI had consented to the stevedores' presence as part of the loading process. The presence of stevedores, vital for executing the contract of carriage, necessitated SLI's responsibility for their safety, despite no formal passenger-carrier relationship.

*** Negligence:**

- The Court found SLI negligent in failing to ensure the storeroom was secure and safe. Mere warnings to stevedores were insufficient. SLI should have taken stronger preventive measures, such as stricter supervision and ensuring no unauthorized person could access dangerous holds.

*** Application of Article 2180:**

- The Court supported the lower courts' application of Article 2180, reiterating that employers are liable for their employee's actions within their official duties. The negligence of SLI's personnel in allowing access to the dangerous storeroom rendered SLI liable.

*** Liability of CBL and ALC:**

- While acknowledging that CBL and ALC were indeed liable, the Supreme Court emphasized the solidary liability among SLI, CBL, and ALC established by the RTC and CA. SLI's cross claims, assuming exclusive liability of other defendants, were thus unfounded.

*** Counterclaims and Cross Claims:**

- As the trial and appellate courts found SLI solidarily liable, SLI's counterclaims and cross claims against CBL and ALC were dismissed.

****Modification in Damages:****

- The indemnity for Pamalaran's death was increased from P40,000.00 to P50,000.00 in accordance with the prevailing legal standard established in *People v. Flores*.

Doctrine:

1. ****Employer Liability Under Article 2180:****

- Employers are liable for the negligence of employees acting within their duties.
- Common carriers owe a high degree of diligence not only to passengers but also to anyone lawfully aboard the vessel.

2. ****Duty of Care by Common Carriers:****

- Common carriers have a duty to secure the safety of all individuals lawfully on board, even if they are not paying passengers, if their presence is instrumental for the execution of the carrier's contractual obligations.

Class Notes:

****Key Elements:****

- ****Common Carrier Liability:**** Extended to any person lawfully aboard if necessary for the carrier's contract.
- ****Negligence Duty:**** Beyond warnings; necessitates proactive safety measures to prevent accidents.
- ****Article 2180, Civil Code:**** Employers' liability for employees' acts within scope of their duties.
- ****Solidary Liability:**** Multiple defendants can be jointly and severally liable for damages.

****Statutory Provisions:****

- ****Article 2180:**** Employers' liability for employees.
- ****Common Carrier Principles:**** High diligence in ensuring safety and preventing harm.

Historical Background:

In the mid-1970s, the Philippine judiciary reinforced doctrines on common carrier liability and employer negligence. The case reflects the judiciary's endeavor to uphold stringent safety norms for common carriers and delineate clear lines of liability for employers in cases of workplace fatalities. It demonstrates the evolving landscape of legal principles governing the relationship between transportation companies, their contractual duties, and third-party

safety considerations.