

TORTS and DAMAGES

CHAPTER 1

1. DEFINITION

WHAT IS A TORT?

i. Definition

A tort is an unlawful violation of a private right, not created by contract, which gives rise to an action for damages (*Robles v. Castillo*, 61 O.G. 1220, 5 C.A.R. (2s) 213). It is an act or omission producing injury to another, without any previous existing lawful relation from which the act or omission naturally arises.

Black's Law Dictionary defines tort as a private or civil wrong or injury, other than breach of contract, for which the court provides a remedy through an action for damages.

ii. Origin

"Tort" is a French word. It is derived from the Latin word *torquere*, meaning "to twist." The idea developed into the concept of a wrong or injury inflicted upon another. The word's original idea of something being "twisted" or made wrong eventually came to describe conduct that violates another person's legally protected right.

iii. Key Doctrines

1. It is a violation of a duty imposed by law.

- It involves a violation of a duty imposed by general law upon persons occupying a particular relationship to one another. Therefore, there must always be a violation of some duty arising by operation of law, and not merely by agreement. Moreover, Tort is a legal wrong committed upon a person or property independent of contract. *Black's Law Dictionary*, 5th ed., p. 1335, citing *Coleman v. California Yearly Meeting of Friends Church*

2. It is a legal wrong independent of contract.

- Tort is a legal wrong committed upon a person or property independent of contract. Hence, torts is not the same as a breach of contract.

Tort	Breach of Contract
Duty arises by law	Duty arises by agreement of the parties
Generally independent of contract	Based on a contractual relationship

Involves a civil/private wrong	Involves failure to perform an agreed obligation
Protects legally recognized rights/duties	Enforces the terms of the contract (promises or undertakings)
Remedy may include damages	Remedy may include damages

3. It is a broad legal classification.
 - "Tort" is not necessarily one specific cause of action. It is a general category containing different torts for which the law provides a private remedy. *Edward J. Kionka, Torts, 1988 ed., p. 92.*
 - Tort is a family of civil wrongs which may include negligence, intentional torts, and other civil wrongs and each tort has its own elements.
4. There is no universal formula for tort liability
 - Edward J. Kionka emphasized that each tort is separately named and defined. This means that not all torts have the same elements. Although some rules or principles are common to various torts or groups of torts, there is no universal formula for tort liability. However, they generally involve: 1) A legally recognized duty/right; 2) A wrongful act or omission; 3) An injury or legally cognizable harm; and 4) a remedy (almost always in the form of money damages).
5. It gives rise to action for damages as a civil remedy.
 - As Kionka explains, tort law encompasses civil causes of action that provide a private remedy, almost always in the form of money damages, for an injury caused by the tortious conduct of another. Thus, when a person's legally protected right or interest is violated through tortious conduct, the injured party may seek civil relief, particularly compensation for the injury suffered.
 - Article 2197 of the Civil Code recognizes six kinds of damages: actual or compensatory, moral, nominal, temperate or moderate, liquidated, and exemplary or corrective damages. The availability and proper award of each type depend upon the nature of the obligation, the injury suffered, and the applicable provisions of law.
 - Article 2202. In crimes and quasi-delicts, the defendant shall be liable for all damages which are the natural and probable consequences of the act or omission complained of. It is not necessary that such damages have been foreseen or could have reasonably been foreseen by the defendant.

2. ELEMENTS

iv. Elements

Based on the ruling of the Supreme Court in the case of Vergara v. Court of Appeals and Azarcon (G.R. No. 77679, September 30, 1987), the requisites of of a quasi-delict are:

1. damages to the plaintiff;
2. negligence, by act or omission, of which defendant, or some person for whose acts he must respond, was guilty; and

3. the connection of cause and effect between such negligence and the damages.

FACTS:

Vicente Vergara owned a cargo truck driven by Martin Belmonte. On August 5, 1979, in Gapan, Nueva Ecija, the truck crossed the center line of the highway, hit a tricycle and a bicycle, and eventually rammed the store-residence of Amadeo Azarcon, causing ₱53,024.22 in property damage. Azarcon filed an action for damages based on quasi-delict under Article 2176 of the Civil Code. Vergara denied negligence and claimed that the accident was caused by a blown-out tire and defective steering/brakes, which he characterized as an act of God or fortuitous event. Vergara also filed a third-party complaint against his insurer. The trial court held Vergara liable and awarded actual, moral, and exemplary damages, attorney's fees, and costs. The Court of Appeals affirmed the decision. Vergara then elevated the case to the Supreme Court.

ISSUE:

Whether Vergara may be held liable for damages based on quasi-delict despite his claim that the vehicular accident was caused by a mechanical defect and was therefore a fortuitous event.

RULING:

Yes. The Supreme Court denied the petition and affirmed Vergara's liability.

The Court held that the requisites of quasi-delict were present, namely: (1) damage suffered by the plaintiff; (2) negligence by act or omission of the defendant, or of a person for whose acts the defendant is responsible; and (3) a causal connection between the negligence and the damage. These elements were established by the evidence.

First, Azarcon suffered actual damage to his store-residence.

Second, negligence was established from the surrounding circumstances. The police report showed that the cargo truck was initially traveling on the proper side of the road but crossed the center line, hit a tricycle and a bicycle, and finally rammed Azarcon's property.

Third, there was a direct causal connection between the negligent operation of the truck and the damage suffered by Azarcon.

The Court also rejected Vergara's argument that defective brakes constituted a fortuitous event. A mechanical defect, particularly one that is curable and preventable, does not automatically constitute a fortuitous event. The accident could have been prevented through proper maintenance and care. Moreover, Vergara failed to overcome the disputable presumption of negligence in the selection and supervision of his driver.

As a result, The courts awarded Azarcon the following: (a) P53,024.22 as actual damages; (b) P10,000.00 as moral damages; (c) P10,000.00 as exemplary damages; and (d) the sum of P5,000.00 for attorney's fees and the costs.

KINDS OF TORT LIABILITIES

1. Negligence

I. Definition

Negligence involves voluntary acts or omissions that result in injury to another without an intention to cause such injury. Liability arises from the actor's failure to exercise the degree of care required under the circumstances. This concept is reflected in Article 2176 of the Civil Code, which provides for liability when a person, by act or omission, causes damage to another through fault or negligence.

II. Case illustration

Naguia v. NLRC illustrates liability arising from an omission—a failure to perform a duty imposed by law. The employer, Clark Field Taxi, Inc., failed to pay the separation pay legally due to its employees after the closure of its operations. The Supreme Court considered this failure a breach of a legal duty and, consequently, a corporate tort. The case therefore demonstrates that liability may arise not only from a wrongful act but also from an omission or failure to perform a legally required duty.

The case shows that negligence or omission-based liability may arise from the failure to do something that the law requires. In *Naguia*, the relevant omission was the corporation's failure to fulfill its statutory obligation to pay separation pay. The employees had a legal right to receive the benefits, while CFTI had the corresponding duty to provide them. When the corporation failed to do so, it violated that legal duty.

Moreover, the case is significant because it shows that a corporation can be held liable for a tort through an omission in the course of its business. It cannot avoid responsibility simply because it is a separate juridical person. When the corporation itself fails to comply with a duty imposed by law, the corporation may be held responsible for the resulting violation.

2. Intentional Acts

I. Definition

An intentional tort involves conduct where the actor desires to cause the consequences of the act, or believes that the consequences are substantially certain to result from it. The essential characteristic is the presence of the requisite intent, although the actor need not necessarily desire the ultimate injury suffered by the victim. Thus, the focus in intentional torts is on the intentional nature of the actor's conduct and the consequences that the actor intended or knew were substantially certain to occur.

II. Manifestations of Intent

There is intent if the conduct is aimed at a particular result. In *Dart Philippines, Inc. v. Spouses Calogcog* it was illustrated how intent may be manifested through bad faith. Under Article 19 of the Civil Code, a person must exercise their rights with justice, honesty, and good faith. Abuse of a right occurs when a legal right is exercised in bad faith and with the intent to prejudice or injure another.

Here, Dart Philippines conducted an audit of the spouses' account, required their orders to be paid in advance, and eventually refused to renew their distributorship agreement. The spouses claimed that these acts were intended to harass and harm them. However, the Supreme Court found no bad faith because Dart had legitimate business reasons for its actions and was exercising rights provided under their agreement.

The Court explained that bad faith is more than poor judgment or simple negligence. It involves a dishonest purpose, conscious wrongdoing, or an intention to cause unjustifiable harm. Since there was no sufficient evidence that Dart acted with such an intention, it was not liable for abuse of rights.

This case is useful for the topic of manifestation of intent because it demonstrates that intent is determined from the circumstances and conduct of the person, particularly when bad faith is alleged. The case also shows that bad faith cannot be presumed merely because another person suffers damage from the exercise of a legal right. There must be evidence showing that the right was exercised with a wrongful or dishonest purpose.

III. Elements of Intent

- a. It is a state of mind;
- b. About consequences of an act (or omission) and not about the act itself; and
- c. It extends not only to having in mind a purpose (or desire) to bring about the given consequences but also to having in mind a belief or knowledge that given consequences are substantially certain to result from the act.

IV. Case Illustration

In *Grand Union Supermarket, Inc. v. Espino, Jr.* the Supreme Court showed the concept of intent under Article 21 of the Civil Code as well as the difference between intending to perform an act and intending to cause harm.

In this case, the Supreme Court found that Espino had no intent to steal the file. Although he placed the file in his pocket and forgot to pay for it, the circumstances showed that he intended to purchase it. The item was partly

exposed, he had already paid for his other groceries, and he immediately apologized and tried to return to the cashier when the guard reminded him about the unpaid item. Therefore, his failure to pay was considered forgetfulness, not an intention to steal.

On the other hand, the supermarket personnel intentionally stopped, investigated, and accused Espino of shoplifting. The supermarket had the right to protect its property and had probable cause to investigate him. However, the Court found that the manner in which they exercised that right was improper. Espino was treated as a thief, publicly embarrassed, and made to pay a ₱5.00 fine even after he explained that he had simply forgotten to pay.

The important point is that the supermarket personnel did not necessarily have to intend to cause Espino humiliation for Article 21 to apply. They deliberately performed the acts that caused his injury, and those acts were found to be contrary to morals, good customs, and public policy. Thus, the case demonstrates that intent under Article 21 focuses on the willful nature of the defendant's conduct, rather than requiring a specific intention to cause the resulting harm.

At the same time, the case makes clear that an intentional act is not automatically wrongful. The supermarket's initial decision to stop and investigate Espino was a legitimate exercise of its right to protect its property. It became actionable because the personnel went beyond what was reasonably necessary and treated Espino in a humiliating manner.

Therefore, the case illustrates two important points about intent: Espino's conduct lacked the intent necessary to characterize him as a thief, while the supermarket's deliberate conduct became legally wrongful because of the manner in which its right was exercised. The case shows that under Article 21, a person may be liable when they willfully engage in conduct that is contrary to morals, good customs, or public policy, even without specifically intending the particular injury that results.

3. Strict Liability

I. Definition

Strict liability means that a person may be held liable for harm even without proving intent, negligence, or bad faith. The focus is not on what the defendant intended or whether the defendant failed to exercise reasonable care, but on the activity or situation that the law makes them responsible for. The conduct itself may be lawful and not wrongful, but the law imposes liability because the activity or product carries a particular risk of causing harm.

II. Examples

- A. Article 2187 provides liability for manufacturers and processors of food, drinks, toilet articles, and similar products for death or injury caused by the use or consumption of such products. The injured person does not have to prove that the manufacturer was negligent in producing the product. Once the required facts are established—such as the product being defective and causing the injury—the law may impose liability.
- B. Article 100 of the Consumer Act (R.A. No. 7394) provides for liability of manufacturers and producers for defective products that cause death, bodily injury, or damage to property. The consumer generally does not need to prove that the manufacturer was negligent. What matters is establishing the defect, the damage, and the connection between the two. For example, a consumer purchases an electric appliance that has a manufacturing defect and causes a fire that damages the consumer's property. If the requirements of the Consumer Act are established, the manufacturer may be liable even without proof of negligence or bad faith.

III. Key Principle

Strict liability focuses on the harmful result and the facts that trigger liability, rather than the defendant's intent or negligence. The person may have acted carefully and without any intention to cause harm, but the law may still impose liability because of the particular risk involved.

Summary of the Kinds of Tort Liabilities

Tort	Source of Liability
Negligence	Intentional conduct
Intentional Acts	Failure to exercise due care, resulting in unintended injury
Strict Liability	Liability is imposed independently of fault or negligence, upon proof of facts specified by law.

4. SOURCES OF TORT LAW

I. CIVIL LAW

1. Articles 19–21 — Human Relations

- Three provisions that are extremely important in Philippine tort law.

Article 19 — Abuse of Rights

Every person must, in the exercise of his rights and in the performance of his duties, act with justice, give everyone his due, and observe honesty and good faith.

A person exercising a right must:

1. Act with justice
2. Give everyone his due
3. Observe honesty and good faith

Having a legal right does not mean you can exercise it in any manner you want. The exercise of a right can become wrongful when done abusively.

Example:

A creditor has the legal right to collect a debt. However, instead of simply demanding payment, he deliberately humiliates the debtor publicly, spreads false accusations about him, and harasses his family.

Article 20 — Acts Contrary to Law

Every person who, contrary to law, wilfully or negligently causes damage to another, shall indemnify the latter for the same.

- Applies when a person violates an existing law and, through that violation, causes damage to another. This article covers acts done willfully or negligently.

Example:

A person illegally destroys another person's property in violation of a law. The owner suffers ₱100,000 in damage.

The injured person may seek indemnification under Article 20, because the wrongful act was contrary to law.

Article 21 — Acts Contrary to Morals

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

- Covers acts that cause injury to another when the act is:
 - Willful
 - Contrary to morals
 - Contrary to good customs
 - Contrary to public policy

This is particularly important because there can be conduct that is not specifically prohibited by law, but is nevertheless so wrongful that the injured person deserves compensation.

Simple example:

A person deliberately deceives another person through a wrongful scheme, causing serious emotional and financial injury, even though the precise conduct may not be covered by a specific prohibition.

2. Article 26 — Protection of Personality

Every person shall respect the dignity, personality, privacy and peace of mind of his neighbors and other persons. The following and similar acts, though they may not constitute a criminal offense, shall produce a cause of action for damages, prevention and other relief:

- (1) Prying into the privacy of another's residence;
- (2) Meddling with or disturbing the private life or family relations of another;
- (3) Intriguing to cause another to be alienated from his friends;
- (4) Vexing or humiliating another on account of his religious beliefs, lowly station in life, place of birth, physical defect, or other personal condition.

- Protects important aspects of a person's personality and dignity, including:
 - Privacy
 - Family relations
 - Dignity
 - Personality
 - Peace of mind

Example:

A person secretly exposes private information about another person with the purpose of humiliating him.

The conduct may implicate the person's right to privacy and peace of mind.

3. Articles 32–33 — Civil Actions Connected With Public Rights and Crimes

These provisions are important because certain violations can give rise to civil liability independent of the criminal case.

Article 32

Any public officer or employee, or any private individual, who directly or indirectly obstructs, defeats, violates or in any manner impedes or impairs any of the following rights and liberties of another person shall be liable to the latter for damages:

- (1) Freedom of religion;
- (2) Freedom of speech;
- (3) Freedom to write for the press or to maintain a periodical publication;
- (4) Freedom from arbitrary or illegal detention;
- (5) Freedom of suffrage;
- (6) The right against deprivation of property without due process of law;
- (7) The right to a just compensation when private property is taken for public use;
- (8) The right to the equal protection of the laws;
- (9) The right to be secure in one's person, house, papers, and effects against unreasonable searches and seizures;
- (10) The liberty of abode and of changing the same;
- (11) The privacy of communication and correspondence;
- (12) The right to become a member of associations or societies for purposes not contrary to law;
- (13) The right to take part in a peaceable assembly to petition the Government for redress of grievances;
- (14) The right to be free from involuntary servitude in any form;
- (15) The right of the accused against excessive bail;

(16) The right of the accused to be heard by himself and counsel, to be informed of the nature and cause of the accusation against him, to have a speedy and public trial, to meet the witnesses face to face, and to have compulsory process to secure the attendance of witness in his behalf;

(17) Freedom from being compelled to be a witness against one's self, or from being forced to confess guilt, or from being induced by a promise of immunity or reward to make such confession, except when the person confessing becomes a State witness;

(18) Freedom from excessive fines, or cruel and unusual punishment, unless the same is imposed or inflicted in accordance with a statute which has not been judicially declared unconstitutional; and

(19) Freedom of access to the courts.

In any of the cases referred to in this article, whether or not the defendant's act or omission constitutes a criminal offense, the aggrieved party has a right to commence an entirely separate and distinct civil action for damages, and for other relief. Such civil action shall proceed independently of any criminal prosecution (if the latter be instituted), and may be proved by a preponderance of evidence.

The indemnity shall include moral damages. Exemplary damages may also be adjudicated.

The responsibility herein set forth is not demandable from a judge unless his act or omission constitutes a violation of the Penal Code or other penal statute.

- Provides a civil action for damages for violations of certain constitutional rights and liberties.

Examples include violations involving:

- Freedom of speech
- Freedom of religion

- Freedom from unreasonable searches
- Freedom from unlawful arrest
- Privacy
- Other constitutionally protected rights

Example:

A public officer unlawfully arrests a person and violates his constitutional rights.

Aside from possible criminal or administrative consequences, the injured person may have a civil action for damages under Article 32.

Article 33

In cases of defamation, fraud, and physical injuries a civil action for damages, entirely separate and distinct from the criminal action, may be brought by the injured party. Such civil action shall proceed independently of the criminal prosecution, and shall require only a preponderance of evidence.

- Allows an independent civil action for damages in cases involving:
 - Defamation
 - Fraud
 - Physical injuries

Example:

A falsely accuses B publicly of committing a crime, damaging B's reputation.

B may potentially pursue a civil action for damages for defamation, independently of the criminal aspect.

4. Articles 684–770 — Nuisance

A nuisance generally involves an unreasonable interference with the use or enjoyment of property or with public rights.

Example:

A factory continuously releases excessive smoke into neighboring properties, making it difficult for residents to breathe and enjoy their homes.

The activity may constitute a nuisance, depending on the circumstances and applicable law.

Another example:

A business continuously creates excessive noise late at night, substantially interfering with neighboring residents' use and enjoyment of their property.

Your use of your property should not unreasonably interfere with the rights of others.

5. Article 1157 — Sources of Obligations

•obligations arise from:

1. Law
2. Contracts
3. Quasi-contracts
4. Acts or omissions punished by law
5. Quasi-delicts

Why is this relevant to torts?

Because tortious liability is essentially about a person's obligation to repair damage caused to another.

The most directly relevant category for negligence is:

Quasi-delict

Example:

A driver negligently hits a pedestrian.

There may be an obligation to pay damages arising from quasi-delict under Article 2176.

6. Article 1314 — Interference With Contractual Relations

- A person who induces another to violate his contract.

A person who is not a party to a contract can sometimes incur liability for improperly interfering with that contractual relationship.

Example:

A and B have an existing employment contract.

C deliberately persuades B to break the contract with A, knowing about the contract and intentionally causing its breach. C may be liable for damages.

7. Article 2176 — Quasi-Delict

This is probably the most important Civil Code provision for negligence-based torts.

that when a person, through an act or omission, causes damage to another through fault or negligence, and there is no pre-existing contractual relationship, the resulting liability is called a quasi-delict.

Example:

A driver is texting while driving.

He fails to notice a pedestrian crossing the road and hits the pedestrian.

The pedestrian suffers:

- Physical injuries
- Medical expenses
- Lost income
- Possibly moral damages, when legally justified

The driver's negligence may constitute a quasi-delict under Article 2176.

Elements

1. Act or omission
2. Fault or negligence
3. Injury/damage
4. Causal connection
5. No pre-existing contractual relation

Or

Duty → Breach → Injury → Proximate causation

Duty: Drivers must exercise reasonable care.

Breach: Driver drives while distracted.

Injury: Pedestrian suffers a broken leg.

Causation: The driver's distraction caused the collision.

No pre-existing contract: The driver and pedestrian had no contract.

8. Article 2177 — Independent Civil Liability

• Important because it deals with the relationship between civil liability arising from quasi-delict and criminal liability.

The basic idea is that responsibility under Article 2176 is distinct and separate from civil liability arising from criminal negligence.

Example:

A driver negligently hits a pedestrian.

The driver's conduct may potentially result in:

- Criminal liability, if the elements of the applicable crime are present; and
- Civil liability based on quasi-delict.

The two concepts should not simply be treated as identical.

9. Article 2180 — Vicarious Liability

- important for employer liability.

It can make certain persons responsible for the acts of persons under their supervision, subject to the requirements and defenses provided by law.

Example:

A delivery company employs Driver A.

While performing his assigned delivery duties, A negligently hits a pedestrian.

The injured pedestrian may have a claim not only against the driver but potentially against the employer, under Article 2180, depending on the circumstances.

The employer may avoid liability by establishing the required defense of having exercised the diligence of a good father of a family in the selection and supervision of employees, where applicable.

10. Article 2187 — Liability for Defective Products

- Deals with liability relating to manufacturers and processors of food, beverages, and similar products that cause injury because of defects or unsafe conditions, subject to the statutory requirements.

Example: Product- related liability

A company sells a bottled food product containing a dangerous contaminant.

A consumer consumes it and becomes seriously ill.

The manufacturer or processor may potentially be liable under the applicable provisions of Article 2187 and other relevant laws.

II. JURISPRUDENCE

- Includes the decisions of the Supreme Court interpreting and applying the law.

Why is jurisprudence important?

Because the Civil Code provisions are sometimes broad. Courts explain:

- What constitutes negligence
- What constitutes abuse of rights
- What constitutes causation
- When Article 19, 20, or 21 applies
- When Article 2176 applies
- What damages may be recovered
- Who can be held liable

5. PRINCIPLES IN TORT

THE CATCH-ALL PROVISIONS

Articles 19, 20, and 21 of the New Civil Code are the “**catch-all**” provisions that serve as basis of any imaginable tort action. Under the Anglo-American law, each tort is usually named and defined. On the other hand, Articles 19, 20, and 21 of the New Civil Code provide for general concepts that make persons liable for every conceivable wrongful act. There is a general duty owed to every person not to cause harm either willfully or negligently.

Articles 19, 20, and 21 are provisions on human relations that “*were intended to expand the concept of torts in this jurisdiction by granting adequate legal remedy for the untold number of moral wrongs which is impossible for human foresight to specifically provide in the statutes.*”

I. ABUSE OF RIGHTS

ARTICLE 19. Every person must, in the exercise of his rights and in the performance of his duties, act with justice, give everyone his due, and observe honesty and good faith.

A. Explanation

There are **two situations** covered:

1. **Exercise of rights** – even if you have a legal right, you must exercise it properly.
2. **Performance of duties** – even if you are performing a legal duty, you must do so properly.

The provision then gives **three standards**:

1. “Act with justice”

This means you must exercise your rights or perform your duties **fairly and reasonably**, without taking advantage of another person.

2. “Give everyone his due”

This means you must **respect what is legally or morally owed to another person**.

“His due” refers to what a person is entitled to receive or what should properly be accorded to that person.

3. “Observe honesty and good faith”

This requires a person to **act truthfully and not deceive, mislead, or act fraudulently** when Good faith means acting **without a malicious or illicit purpose**.

The opposite is **bad faith**, acting with a dishonest, malicious, or improper motive.

B. Elements

For there to be a finding of an abuse of rights under Article 19, the following elements must concur:

1. There is a legal right or duty;
2. The right is exercised or the duty is performed in bad faith; and
3. The sole intent of the exercise or performance is to prejudice or injure another.

Reminder: The absence of good faith is essential to abuse of right.

Example:

A and B are classmates in law school. They had a misunderstanding after A found out that B was spreading false rumors about her. Later, A lost her phone. Without any evidence or reasonable basis, A filed a criminal complaint for theft against B simply to get back at her.

Was there an abuse of rights?

Yes.

1. **Was there a legal right or duty?**
→ A has the *legal right to file a criminal complaint* if she believes that a crime was committed.
2. **Was the right exercised in bad faith?**
→ A *knew she had no evidence connecting B to the theft*, but filed the complaint anyway because of their personal conflict.
3. **Was the sole intent is to prejudice or injure another?**
→ A's *sole purpose was to harass or get back at B*, not to genuinely seek justice for the lost phone.

If the rule of conduct declared in Article 19 is violated, the remedy is an action for damages under either Article 20 or Article 21.

II. ACTS CONTRARY TO LAW

ARTICLE 20. Every person who, contrary to law, wilfully or negligently causes damage to another, shall indemnify the latter for the same.

Article 20 concerns *violations of existing law as basis* for an injury. It allows recovery should the act have been willful or negligent.

Willful may refer to the intention to do the act and the desire to achieve the outcome which is considered by the plaintiff in tort action as injurious.

Negligence may refer to a situation where the act was consciously done but without intending the result which the plaintiff considers as injurious.

Example:

A hires B to repair the roof of her house for ₱100,000. Under their contract, B agrees to complete the repairs by August 30 and to use high quality materials as specified. A pays B the agreed amount in advance.

Despite receiving payment, B deliberately uses cheaper materials and fails to complete the repairs within the agreed period. Because of B's failure to comply with their agreement, rainwater enters A's house and damages her furniture and appliances.

Can A use Article 20 to claim for damages?

Yes. When parties act in bad faith and do not faithfully comply with their obligations under contract, they run the risk of violating Article 1159 of the Civil Code.

Article 1159. Obligations arising from contracts have the force of law between the contracting parties and should be complied with in good faith.

III. ACTS CONTRARY TO MORALS (“*Contra Bonos Mores*”)

ARTICLE 21. 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.

Article 21, on the other hand, concerns injuries that may be caused by acts which are not necessarily proscribed by law.

TAKE NOTE:

The article requires that the act be **willful**, that is, that there was an intention to do the act and a desire to achieve the outcome.

Morals: These are people's unwritten, internal rules about what is right and wrong, good and bad. They reflect the fundamental beliefs of a community regarding human duty and conscience. (e.g., *cheating, lying, stealing, killing, betraying someone*)

Good Customs: These are accepted practices and social habits that a community has followed for a long time. Society treats them as binding rules of conduct even if they are not written into official laws. (e.g., *respecting elders, greeting people politely, showing hospitality, giving gifts during special occasions*)

Public Policy: This is the principle that no person can lawfully do things that hurt the public good, society's welfare, or the safety and economic stability of the state. It overrides private agreements to protect collective community interests.

Question:

Is the breach of promise to marry an actionable wrong?

A mere breach of a promise to marry is not an actionable wrong by itself under Philippine law, but it can create civil liability for damages under Article 21 of the Civil Code if the cancellation violates morals, good customs, or public policy.

Situation 1:

Beatriz Wassmer and Francisco Velez agreed to marry and set their wedding for September 4, 1954. They obtained a marriage license, sent out wedding invitations, bought wedding clothes and a matrimonial bed, and held bridal showers. **Two days before the wedding**, Velez suddenly left for Mindanao, saying that his mother opposed the marriage. The next day, he sent Beatriz a telegram assuring her that he would return, but he never came back and was never heard from again.

Can Beatriz sue Francisco for damages under Article 21?

Wassmer v. Velez

G.R. No. L-20089, December 26, 1964

“Surely this is not a case of mere breach of promise to marry. As stated, mere breach of promise to marry is not an actionable wrong. But to formally set a wedding and go through all the above-described preparation and publicity, only to walk out of it when the matrimony is about to be solemnized, is quite different. This is palpably and unjustifiably contrary to good customs for which defendant must be held answerable in damages in accordance with Article 21 aforesaid.”

Situation 2:

Baksh repeatedly promised Marilou Gonzales that he would marry her. Relying on his promise, Marilou agreed to live with him and surrendered herself to him. Baksh, however, **had no intention of marrying her and used the promise merely to deceive and entice her into having sexual relations with him**. He later refused to marry her.

Was Article 21 violated? — Yes.

- **Mere breach of promise to marry:** Not actionable by itself.
- **Fraud and deceit:** Baksh’s promise was a **deliberate scheme to deceive Marilou** into consenting to sexual relations.
- **Injury:** His deception caused injury to her **honor, dignity, and reputation**.
- **Contrary to morals:** The Court found that his fraudulent conduct was **contrary to morals, good customs, and public policy**.
- **Article 21:** Because the injury was willfully caused through fraud and deceit, he was liable for damages under Article 21.

IV. UNJUST ENRICHMENT

“Nemo cum alterius detrimento locupletari potest”

No one shall enrich himself at the expense of another

ARTICLE 22. Every person who through an act of performance by another, or any other means, acquires or comes into possession of something at the expense of the latter without just or legal ground, shall return the same to him.

ARTICLE 23. Even when an act or event causing damage to another's property was not due to the fault or negligence of the defendant, the latter shall be liable for indemnity if through the act or event he was benefited.

Articles 22 and 23 embody the basic principle that no person should unfairly benefit at another's expense. This principle is also reflected in the two principal quasi-contracts commonly discussed under unjust enrichment: solutio indebiti and negotiorum gestio.

2 KINDS OF UNJUST ENRICHMENT

A. Solutio Indebiti (Article 2154)

Art. 2154. If something is received when there is no right to demand it, and it was unduly delivered through mistake, the obligation to return it arises.

According to the case of *DOMESTIC PETROLEUM RETAILER CORPORATION vs. MANILA INTERNATIONAL AIRPORT AUTHORITY, G.R. No. 210641, March 27, 2019*, in order to establish the application of solutio indebiti in a given situation, two conditions must concur:

- (1) a payment is made when there exists no binding relation between the payor who has no duty to pay, and the person who received the payment, and
- (2) the payment is made through mistake, and not through liberality or some other cause.

It is important to note that for the concept of solutio indebiti to apply, the undue payment must have been made by reason of either an essential mistake of fact or a mistake in the construction or application of a doubtful or difficult question of law. Mistake entails an error, misconception, or misunderstanding.

B. Negotiorum Gestio (Article 2144)

Negotiorum gestio is a **voluntary quasi-contract** where a person, called the **gestor**, voluntarily takes charge of another person's property or business **without the owner's prior authorization**, in order to protect the owner's interests or prevent loss or damage.

- **Gestor** – the person who voluntarily takes charge of another's affairs.
- **Dominus** – the owner or person whose affairs are being managed.

Essential Elements

1. **No prior authority** – The gestor acts **without the express or implied consent** of the dominus.
2. **Another's neglected affairs** – The property or business is **neglected or abandoned**, requiring intervention.

3. **Good faith** – The gestor acts primarily to **protect or benefit the dominus**, not to take advantage of the situation.
4. **No pre-existing duty** – The gestor has **no existing contractual or legal obligation** to manage the affair.

Duties of the Dominus

If the gestor properly managed the affair, the dominus must:

- **Reimburse necessary and useful expenses** incurred by the gestor.
- **Answer for damages suffered by the gestor** in the proper performance of the management.

Example:

Maria owns a small bakery but suddenly has to leave town because of a family emergency. While she is away, a typhoon damages the bakery's roof. Juan, her neighbor, notices that rainwater is entering the bakery and may destroy the equipment.

Maria cannot be contacted, and Juan has no obligation to manage the bakery. Wanting to prevent further damage, Juan voluntarily takes charge. He spends ₱10,000 for temporary roofing materials and stays at the bakery for several hours to supervise the repairs.

Because Juan had to attend to Maria's bakery, he was unable to attend an important church commitment for which he had already paid ₱2,000, resulting in the loss of his payment.

Juan is the gestor, while Maria is the dominus. Maria must reimburse Juan for the necessary and useful expenses he incurred in managing the bakery. She may also have to answer for damages suffered by Juan in the proper performance of the management, such as the ₱2,000 loss, provided that the damage is legally compensable and sufficiently connected with his proper management.

Baksh vs. Court of Appeals

G.R. No. 97336, February 19, 1993

Ponente: Davide, Jr., J.

Subject: Torts and Damages — Article 21, Civil Code; Breach of Promise to Marry; Moral Seduction

Gist: *The SC held that while breach of promise to marry per se is not actionable, damages may be recovered under Article 21 of the Civil Code where the promise was a fraudulent scheme to seduce the woman, causing willful injury to her honor contrary to morals and good customs.*

FACTS

Action for damages filed by private respondent Marilou Gonzales (21-year-old Filipina, high school graduate, waitress) against petitioner Gashem Shookat Baksh (29-year-old Iranian medical student at Lyceum Northwestern, Dagupan City).

Private respondent alleged petitioner courted her, proposed marriage, visited her parents in Bugallon, Pangasinan to seek approval, and persuaded her to live with him in his apartment starting August 1987 on the promise they would marry after the semester. She was a virgin before cohabiting. A week before the complaint, petitioner's attitude changed—he maltreated her, threatened to kill her, and repudiated the marriage agreement, claiming he was already married to someone in Bacolod City. Private respondent sought damages under Article 21 of the Civil Code.

Petitioner denied proposing marriage, visiting her parents, or forcing her to live with him. He claimed she stole his money and passport. He argued Article 21 does not apply because (a) he never promised marriage, (b) as an Iranian Muslim he was unfamiliar with Filipino customs, (c) his Muslim faith allows up to four wives so his moral character should not be impugned, and (d) even if a promise was made, breach of promise to marry is not actionable. He also invoked *in pari delicto*, arguing

private respondent consented to the illicit arrangement and was motivated by economic security.

RTC ruled for private respondent, awarding P20,000 moral damages, P3,000 attorney's fees, and P2,000 litigation expenses. CA affirmed in toto. Both courts found petitioner made fraudulent and deceptive protestations of love and promise to marry, which induced private respondent to surrender her virtue and her parents to approve their cohabitation. Petitioner filed petition for review on certiorari under Rule 45, raising the sole issue of whether Article 21 applies.

ISSUES

1. Whether Article 21 of the Civil Code applies to a breach of promise to marry.
2. Whether the *in pari delicto* rule bars recovery by private respondent.

RULING

1. Yes, Article 21 applies. The SC affirmed that breach of promise to marry per se is not an actionable wrong—Congress deliberately eliminated such provisions from the New Civil Code to prevent abuse by "designing women and unscrupulous men," following the doctrine in *De Jesus vs. Syquia*. However, Article 21 was designed to expand the concept of torts/quasi-delict by granting remedy for moral wrongs impossible to enumerate in statutes. Article 2176 covers only negligent acts; intentional acts are generally under the Revised Penal Code. Article 21 fills the vacuum between these two—covering willful acts causing injury contrary to morals, good customs, or public policy.

The SC held that where a man's promise to marry is the proximate cause of the woman's acceptance of his love, and his representation to fulfill that promise becomes the proximate cause of her giving herself to him in sexual congress, proof that he had no intention of marrying her and that the promise was a subtle scheme or deceptive device to entice her constitutes fraud and deceit actionable under Article 21—not because of the promise itself, but because of the fraud behind it and

the willful injury to her honor and reputation. The injury must have been committed in a manner contrary to morals, good customs, or public policy.

Here, private respondent surrendered her virginity not out of lust but because of moral seduction—precisely the example the Code Commission illustrated when proposing Article 21. Petitioner could not be held for criminal seduction under the Revised Penal Code because private respondent was above 18. The SC rejected petitioner's defense of unfamiliarity with Filipino customs, noting he had previously lived with a woman in Bacolod City and thus was not ignorant of local ways. His condescending regard for private respondent—based on her poverty, educational background, and employment—revealed he never intended to marry her from the start.

2. No, *in pari delicto* does not bar recovery. The SC held private respondent was not *in pari delicto* with petitioner. She submitted to him not out of lust but because of moral seduction. She had qualms of conscience—she left as soon as she discovered he would not marry her. At most, she was merely *in delicto*, not *in pari delicto*. The *pari delicto* rule applies only where the fault on both sides is more or less equivalent; it does not apply where one party imposed undue influence or procured consent by fraud. Equity interferes for the relief of the less guilty party.

DOCTRINE

Where a man's promise to marry is the proximate cause of a woman's acceptance of his love and her surrender of herself in sexual congress, and the promise was in fact a fraudulent scheme or deceptive device with no intention to marry, damages may be recovered under Article 21 of the Civil Code—not for the breach of promise itself, but for the fraud and deceit and the willful injury to her honor committed in a manner contrary to morals, good customs, or public policy.

Key distinctions established:

1. **Breach of promise to marry per se** is not actionable (Congress deliberately excluded it).
2. **Moral seduction** — where the woman yields because of deceit, enticement, superior power, or abuse of confidence, not from mutual lust — is actionable under Article 21.
3. **Mutual lust** — where the woman consents from carnal desire or curiosity and the man merely affords opportunity — does not give rise to a cause of action under Article 21.
4. **In pari delicto** does not apply where the woman was the victim of moral seduction; she is at most *in delicto*, not *in pari delicto*.

NOTES

- **Article 21 fills the gap** between Article 2176 (negligent acts/quasi-delict) and the Revised Penal Code (intentional criminal acts). It covers willful acts causing injury contrary to morals, good customs, or public policy that fall through the cracks of both. This is the structural framework to remember.
- **Distinguish from *Hermosisima* and *Tanjanco*:** In both, recovery was denied because the SC found no moral seduction—the women were older, more experienced, and engaged in prolonged voluntary sexual relations. Here, private respondent was a young, inexperienced barrio lass who was a virgin and surrendered solely because of the deceitful promise.
- **The cause-effect test from Paras's annotation:** If the *cause* is the promise to marry and the *effect* is carnal knowledge, moral seduction may exist and recovery prospers. If reversed—carnal knowledge leading to a promise—there is mutual lust and no recovery.

Dr. Filoteo A. Alano vs. Zenaida Magud-Logmao

G.R. No. 175540, 7 April 2014

Ponente: Peralta, J.

Subject: Torts and Damages — Quasi-delict, Negligence

***Gist:** The SC reversed the CA and dismissed the complaint against the petitioner, holding that he acted in good faith and in accordance with the law when he authorized the retrieval of organs from a brain-dead patient, and the respondent failed to prove by preponderance of evidence that the 24-hour notice period was unreasonable.*

FACTS

Respondent Zenaida Magud-Logmao is the mother of deceased Arnelito Logmao. Petitioner Dr. Filoteo Alano is the Executive Director of the National Kidney Institute (NKI). Arnelito fell from an overpass and was brought to East Avenue Medical Center (EAMC). Due to a clerical mix-up, he was recorded as Angelito Lugmoso. He was transferred to NKI under the same wrong name and was declared brain dead. NKI staff tried to locate relatives via media and police assistance on March 2, 1988. On March 3, 1988, petitioner issued a memorandum authorizing organ retrieval, provided reasonable efforts to locate relatives were made in accordance with R.A. No. 349 and P.D. 856. The organs were retrieved and transplanted later that day. Respondent filed a complaint for damages, alleging conspiracy to remove organs while alive and concealment of identity. The RTC found petitioner liable for quasi-delict and ordered damages. The CA affirmed but reduced the actual, moral, exemplary damages, and attorney's fees. Petitioner elevated the case to the SC.

ISSUES

1. Whether the CA erred in holding petitioner liable for negligence in authorizing the removal of the deceased's organs.
2. Whether the 24-hour period allowed for locating the relatives was reasonable under the circumstances.

RULING

1. The SC reversed the CA. Petitioner acted in good faith and pursuant to law. His memorandum clearly instructed subordinates to exhaust all reasonable means to locate relatives and explicitly conditioned the organ retrieval on compliance with R.A. No. 349 and P.D. 856. Petitioner could not be faulted for having full confidence in his subordinates' ability to comprehend and obey his directives.
2. Respondent failed to adduce adequate evidence to prove that the 24-hour period was unreasonable. In civil cases, the party making allegations has the burden of proving them by a preponderance of evidence. Respondent presented no expert witness to show that, given medical technology in the 1980s, doctors should have waited longer before harvesting organs. The wrong identity was recorded by EAMC, not NKI or petitioner. The organs were removed only after the patient was declared brain dead, so the emotional pain from the death cannot be attributed to petitioner.

DOCTRINE

In quasi-delict cases, the party making allegations has the burden of proving them by a preponderance of evidence. A superior who issues directives in accordance with law and relies on subordinates to execute them properly, without negligence on his part, is not liable for damages arising from the subordinates' actions.

NOTES

- The SC emphasized that factual findings of lower courts are not binding when they fail to consider important circumstances, such as the petitioner's clear conditional directives.
- The case highlights the application of R.A. No. 349 and P.D. 856 on organ donation, specifically the requirement to exert reasonable efforts to locate next of kin before retrieval.

- The SC clarified that emotional suffering from the death of a patient cannot be attributed to the doctor who authorized organ retrieval only after the patient was declared brain dead.

Albenson Enterprises Corporation vs. Court of Appeals

G.R. No. 88694, January 11, 1993

Ponente: Third Division

Subject: Torts and Damages

***Gist:** The SC reversed the award of damages for malicious prosecution and abuse of rights, holding that petitioners acted in good faith and with probable cause based on an innocent mistake of identity, precluding any liability for damages.*

FACTS

Petitioner Albenson Enterprises Corporation delivered mild steel plates to Guaranteed Industries, Inc. As part payment, Albenson received a bouncing check drawn against the account of E.L. Woodworks. Albenson investigated the check's origin: SEC records showed Guaranteed's president was Eugenio S. Baltao; the Ministry of Trade showed E.L. Woodworks was registered to "Eugenio Baltao"; and the drawee bank confirmed the signature belonged to "Eugenio Baltao."

Albenson demanded payment from private respondent Eugenio S. Baltao, who denied issuing the check and claimed Guaranteed was defunct. Albenson filed a complaint for violation of Batas Pambansa Blg. 22 against Baltao. The investigating fiscal filed the information, but a reinvestigation by the Provincial Fiscal exonerated Baltao, finding the signature was not his and that he was not properly notified of the preliminary investigation. It turned out the check was issued by Eugenio Baltao III, respondent's son, who managed E.L. Woodworks in the same building as Guaranteed.

Baltao sued Albenson, its owner Jesse Yap, and employee Benjamin Mendiona for damages based on malicious prosecution and abuse of rights under Articles 19, 20, and 21 of the Civil Code. The RTC awarded actual, moral, exemplary damages, and attorney's fees. The CA reduced the moral damages and attorney's fees. Petitioners appealed to the SC.

ISSUES

1. Whether petitioners are liable for damages based on the principle of abuse of rights under Articles 19, 20, and 21 of the Civil Code.
2. Whether petitioners are liable for malicious prosecution.
3. Whether the awards of actual, moral, and exemplary damages, as well as attorney's fees, are proper.

RULING

1. **No.** Petitioners could not be said to have violated the principle of abuse of rights. They filed the criminal complaint after a sincere investigation pointed to private respondent. Their error in proceeding against the wrong individual was an innocent mistake of mistaken identity, not committed in bad faith. The SC noted that private respondent failed to clarify the mistaken identity when given the chance, instead waiting to file a civil action for damages.
2. **No.** The elements of malicious prosecution were not present. Petitioners had probable cause to file the complaint, as facts and circumstances would excite the belief in a reasonable mind that the person charged was guilty. The presence of probable cause signifies, as a legal consequence, the absence of malice. There was no proof of a sinister design to vex or humiliate private respondent.
3. **No.** Actual damages require proof of pecuniary loss, which private respondent failed to present. Moral damages cannot be awarded in the absence of a wrongful act, fraud, or bad faith. Exemplary damages cannot be awarded where there is no evidence of wanton, fraudulent, reckless, or oppressive conduct. Attorney's fees are the exception rather than the rule and cannot be awarded where there is no malicious prosecution or bad faith. The adverse result of an action does not per se make the act wrongful and subject the actor to payment of damages, as the law cannot impose a penalty on the right to litigate.

DOCTRINE

The presence of probable cause signifies the absence of malice, precluding liability for malicious prosecution and abuse of rights. The adverse result of an action does not per se make the act wrongful and subject the actor to the payment of damages, as the law could not have meant to impose a penalty on the right to litigate.

Elements of **abuse of rights under Article 19**:

1. There is a legal right or duty;
2. Which is exercised in bad faith;
3. For the sole intent of prejudicing or injuring another.

Elements of **malicious prosecution**:

1. The fact of the prosecution and the further fact that the defendant was himself the prosecutor, and that the action was finally terminated with an acquittal;
2. That in bringing the action, the prosecutor acted without probable cause;
3. The prosecutor was actuated or impelled by legal malice.

NOTES

- Good faith and probable cause are absolute defenses against claims for both malicious prosecution and abuse of rights under Articles 19, 20, and 21.
- Actual damages cannot be based on speculation or conjecture; courts require concrete proof of pecuniary loss, such as receipts or documented expenses.
- The SC explicitly cautioned lower courts against awarding unconscionable sums as damages without factual or legal basis.

Elcano vs. Hill

G.R. No. L-24803, May 26, 1977

Ponente: Barredo, J.

Subject: Torts and Damages — Quasi-delicts / Culpa Aquiliana

***Gist:** The SC held that an acquittal in a criminal case does not extinguish civil liability for quasi-delict under Article 2176, and a parent remains liable for damages caused by a minor child emancipated by marriage if the child still lives with and depends on the parent.*

FACTS

Pedro and Patricia Elcano filed a civil action for damages against Reginald Hill, a minor who was married at the time of the occurrence, and his father Marvin Hill. The suit sought recovery for the killing of the Elcanos' son, Agapito. Reginald had been criminally prosecuted for the killing but was acquitted on the ground of "lack of intent to kill, coupled with mistake." The Elcanos based their civil action on quasi-delict (Articles 2176 to 2194 of the Civil Code). The CFI dismissed the complaint, agreeing with the defendants that the action was barred by the prior judgment of acquittal, violated the rules on civil actions arising from a crime, and that the father was relieved of liability due to the minor's emancipation by marriage. The Elcanos appealed.

ISSUES

1. Whether the civil action for damages based on quasi-delict is barred by the acquittal of the defendant in the criminal case.
2. Whether Article 2180 of the Civil Code (parental liability) applies to the father despite the minor child's emancipation by marriage.

RULING

1. **No.** The SC ruled that **culpa aquiliana** under Article 2176 covers not only acts "not punishable by law" but also acts criminal in character, whether

intentional and voluntary or negligent. The extinction of civil liability by acquittal in a criminal case refers exclusively to civil liability founded on Article 100 of the Revised Penal Code (civil liability arising from a crime). The civil liability for the same act considered as a quasi-delict is not extinguished even by a declaration in the criminal case that the criminal act did not happen or was not committed by the accused. Article 2177 explicitly states that responsibility for fault or negligence is entirely separate and distinct from civil liability arising from negligence under the Penal Code, though the plaintiff cannot recover damages twice for the same act.

2. **Yes.** The SC held that Article 2180 applies to the father. While parental authority is terminated upon emancipation by marriage (Articles 327 and 397, Civil Code), Article 399 provides that emancipation by marriage is not absolute—the minor cannot sue or be sued without parental assistance. Since Reginald was still living with and getting subsistence from his father, he remained subservient to and dependent on him. The rationale behind Article 2180 is the parents' obligation to supervise minor children to prevent them from causing damage. However, since Reginald had reached the age of majority by the time of the decision, the father's liability was declared merely subsidiary to that of his son.

DOCTRINE

Acquittal in a criminal case does not bar a separate civil action for quasi-delict.

Culpa aquiliana under Article 2176 covers not only acts "not punishable by law" but also acts criminal in character, whether intentional and voluntary or negligent. The extinction of civil liability referred to in the Rules of Court refers exclusively to civil liability founded on Article 100 of the Revised Penal Code; civil liability for the same act considered as a quasi-delict is not extinguished even by a declaration of acquittal in the criminal case.

Emancipation by marriage of a minor does not relieve parents of liability under Article 2180 if the minor child still lives with and gets subsistence from the parents, as the duty of parental supervision remains.

NOTES

- This case clarifies the distinction between civil liability *ex delicto* (Article 100, RPC) and civil liability for quasi-delicts (Article 2176, Civil Code). An acquittal in a criminal case extinguishes the former but not the latter.
- Emancipation by marriage under the old Civil Code was not absolute; it did not completely sever the parent's duty to supervise the minor. Note that under the Family Code, the age of majority is 18, and emancipation by marriage is no longer applicable in the same way.
- The parent's liability under Article 2180 is primary if the child is a minor at the time of the incident, but if the child has reached the age of majority by the time of the civil action, the parent's liability becomes merely subsidiary.

Air France vs. Carrascoso and Court of Appeals

G.R. No. L-21438, September 28, 1966

Ponente: Sanchez, J.

Subject: Torts and Damages

***Gist:** The SC affirmed the award of moral and exemplary damages against an airline for wrongfully ejecting a first-class passenger in bad faith, treating the act as a quasi-delict arising from a breach of contract attended with a public duty.*

FACTS

Respondent Rafael Carrascoso, a civil engineer, was part of a group of 48 Filipino pilgrims traveling to Lourdes. On March 28, 1958, petitioner **Air France**, through its agent Philippine Air Lines, issued Carrascoso a "first class" round trip airplane ticket from Manila to Rome. He traveled first class from Manila to Bangkok. At Bangkok, Air France's manager forced Carrascoso to vacate his first class seat to give it to a "white man" who allegedly had a "better right." Carrascoso refused, causing a commotion, but was eventually pacified by fellow Filipino passengers and reluctantly gave up his seat.

The CFI of Manila sentenced Air France to pay P25,000 as moral damages, P10,000 as exemplary damages, P393.20 as fare difference, and P3,000 as attorney's fees. The CA affirmed the decision, slightly reducing the fare difference to P383.10. Air France filed a petition for review on certiorari, questioning the CA's findings of fact and the award of damages.

ISSUES

1. Whether the Court of Appeals erred in its findings of fact regarding Carrascoso's right to a first-class seat.
2. Whether moral damages may be awarded in an action for breach of contract of air carriage without an express finding of bad faith in the complaint.
3. Whether the award of exemplary damages and attorney's fees is proper.

4. Whether the testimony of the passenger regarding the purser's notebook entry is admissible.

RULING

1. **No.** Only questions of law may be raised in an appeal by certiorari from the CA; its factual findings are conclusive. Both the CA and CFI found that Carrascoso had a confirmed first-class ticket, evidenced by the "O.K." mark and the airline's own witness. Oral evidence cannot prevail over the written ticket. The airline's assertion that the ticket was subject to confirmation was rejected to ensure stability in passenger-carrier relations.
2. **Yes.** While the action is rooted in a contract of carriage, the stress of the action is on the wrongful expulsion, which constitutes a tort or quasi-delict. The complaint substantially averred bad faith by stating the manager forced Carrascoso out of his seat to accommodate a white man. Even if the complaint was deficient, it was cured by evidence presented without objection. **Bad faith** contemplates a state of mind operating with furtive design or ulterior motive. The manager's arbitrary ejection constitutes bad faith. Under **Art. 21** and **Art. 2219(10)** of the Civil Code, moral damages are recoverable for acts contrary to morals, good customs, or public policy.
3. **Yes.** Exemplary damages are proper when the defendant acted in a wanton, oppressive, or malevolent manner, as provided by **Art. 2232** of the Civil Code. The manner of ejection fits this precept. Attorney's fees are justified when exemplary damages are awarded, as it is just and equitable under **Art. 2208** of the Civil Code.
4. **Yes.** The testimony about the purser's notebook entry does not violate the best evidence rule because the subject of inquiry is the ouster incident, not the contents of the notebook itself. The purser's utterance was also admissible as part of the **res gestae**, as it was made while the startling occurrence was still fresh and the excitement had not died down, guaranteeing its trustworthiness.

DOCTRINE

A breach of contract of air carriage attended with bad faith constitutes a quasi-delict, allowing the recovery of moral and exemplary damages. A contract to transport passengers generates a relation attended with a public duty; passengers have a right to be treated with kindness, respect, and courtesy, and are entitled to protection against indignities and abuses from the carrier's employees. The act that breaks the contract may also be a tort.

NOTES

- This case clarifies that a breach of contract can simultaneously be a tort (quasi-delict) if committed in bad faith, allowing the recovery of moral damages under Art. 2220 and Art. 21 of the Civil Code.
- The res gestae exception to the hearsay rule applies to spontaneous statements made during or immediately after a startling event, even if the statement refers to a notebook entry.
- The best evidence rule applies only when the contents of a document are the subject of inquiry; testimony about an event merely recorded in a document remains admissible.