

## THIRD DIVISION

[ G.R. No. 149547, July 04, 2008 ]

**PHILIPPINE AIRLINES, INC., PETITIONER, VS. HON. ADRIANO SAVILLO, PRESIDING JUDGE OF RTC BRANCH 30 , ILOILO CITY, AND SIMPLICIO GRIÑO, RESPONDENTS.**

### D E C I S I O N

**CHICO-NAZARIO, J.:**

This is a Petition for Review on *Certiorari* under Rule 45 of the Rules of Court, assailing the Decision<sup>[1]</sup> dated 17 August 2001, rendered by the Court of Appeals in CA-G.R. SP No. 48664, affirming *in toto* the Order<sup>[2]</sup> dated 9 June 1998, of Branch 30 of the Regional Trial Court (RTC) of Iloilo City, dismissing the Motion to Dismiss filed by petitioner Philippine Airlines Inc. (PAL) in the case entitled, *Simplicio Griño v. Philippine Airlines, Inc. and Singapore Airlines*, docketed as Civil Case No. 23773.

PAL is a corporation duly organized under Philippine law, engaged in the business of providing air carriage for passengers, baggage and cargo.<sup>[3]</sup>

Public respondent Hon. Adriano Savillo is the presiding judge of Branch 30 of the Iloilo RTC, where Civil Case No. 23773 was filed; while private respondent Simplicio Griño is the plaintiff in the aforementioned case.

The facts are undisputed.

Private respondent was invited to participate in the 1993 ASEAN Seniors Annual Golf Tournament held in Jakarta, Indonesia. He and several companions decided to purchase their respective passenger tickets from PAL with the following points of passage: MANILA-SINGAPORE-JAKARTA-SINGAPORE-MANILA. Private respondent and his companions were made to understand by PAL that its plane would take them from Manila to Singapore, while Singapore Airlines would take them from Singapore to Jakarta.<sup>[4]</sup>

On 3 October 1993, private respondent and his companions took the PAL flight to Singapore and arrived at about 6:00 o'clock in the evening. Upon their arrival, they proceeded to the Singapore Airlines office to check-in for their flight to Jakarta scheduled at 8:00 o'clock in the same evening. Singapore Airlines rejected the tickets of private respondent and his group because they were not endorsed by PAL. It was explained to private respondent and his group that if Singapore Airlines honored the tickets without PAL's endorsement, PAL would not pay Singapore Airlines for their passage. Private respondent tried to contact PAL's office at the airport, only to find out that it was closed.<sup>[5]</sup>

Stranded at the airport in Singapore and left with no recourse, private respondent

was in panic and at a loss where to go; and was subjected to humiliation, embarrassment, mental anguish, serious anxiety, fear and distress. Eventually, private respondent and his companions were forced to purchase tickets from Garuda Airlines and board its last flight bound for Jakarta. When they arrived in Jakarta at about 12:00 o'clock midnight, the party who was supposed to fetch them from the airport had already left and they had to arrange for their transportation to the hotel at a very late hour. After the series of nerve-wracking experiences, private respondent became ill and was unable to participate in the tournament. [6]

Upon his return to the Philippines, private respondent brought the matter to the attention of PAL. He sent a demand letter to PAL on 20 December 1993 and another to Singapore Airlines on 21 March 1994. However, both airlines disowned liability and blamed each other for the fiasco. On 15 August 1997, private respondent filed a Complaint for Damages before the RTC docketed as Civil Case No. 23773, seeking compensation for moral damages in the amount of P1,000,000.00 and attorney's fees. [7]

Instead of filing an answer to private respondent's Complaint, PAL filed a Motion to Dismiss [8] dated 18 September 1998 on the ground that the said complaint was barred on the ground of prescription under Section 1(f) of Rule 16 of the Rules of Court. [9] PAL argued that the Warsaw Convention, [10] particularly Article 29 thereof, [11] governed this case, as it provides that any claim for damages in connection with the international transportation of persons is subject to the prescription period of two years. Since the Complaint was filed on 15 August 1997, more than three years after PAL received the demand letter on 25 January 1994, it was already barred by prescription.

On 9 June 1998, the RTC issued an Order [12] denying the Motion to Dismiss. It maintained that the provisions of the Civil Code and other pertinent laws of the Philippines, not the Warsaw Convention, were applicable to the present case.

The Court of Appeals, in its assailed Decision dated 17 August 2001, likewise dismissed the Petition for *Certiorari* filed by PAL and affirmed the 9 June 1998 Order of the RTC. It pronounced that the application of the Warsaw Convention must not be construed to preclude the application of the Civil Code and other pertinent laws. By applying Article 1144 of the Civil Code, [13] which allowed for a ten-year prescription period, the appellate court declared that the Complaint filed by private respondent should not be dismissed. [14]

Hence, the present Petition, in which petitioner raises the following issues:

## I

THE COURT OF APPEALS ERRED IN NOT GIVING DUE COURSE TO THE PETITION AS RESPONDENT JUDGE COMMITTED GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OF JURISDICTION IN DENYING PAL'S MOTION TO DISMISS.

## II

THE COURT OF APPEALS ERRED IN NOT APPLYING THE PROVISIONS OF THE WARSAW CONVENTION DESPITE THE FACT THAT GRIÑO'S CAUSE OF ACTION AROSE FROM A BREACH OF CONTRACT FOR INTERNATIONAL AIR TRANSPORT.

### III

THE COURT OF APPEALS ERRED IN NOT HOLDING THAT THE COMPLAINT FILED BY GRIÑO BEYOND THE TWO (2)-YEAR PERIOD PROVIDED UNDER THE WARSAW CONVENTION IS ALREADY BARRED BY PRESCRIPTION.<sup>[15]</sup>

The petition is without merit.

In determining whether PAL's Motion to Dismiss should have been granted by the trial court, it must be ascertained if all the claims made by the private respondent in his Complaint are covered by the Warsaw Convention, which effectively bars all claims made outside the two-year prescription period provided under Article 29 thereof. If the Warsaw Convention covers all of private respondent's claims, then Civil Case No. 23773 has already prescribed and should therefore be dismissed. On the other hand, if some, if not all, of respondent's claims are outside the coverage of the Warsaw Convention, the RTC may still proceed to hear the case.

The Warsaw Convention applies to "all international transportation of persons, baggage or goods performed by any aircraft for hire." It seeks to accommodate or balance the interests of passengers seeking recovery for personal injuries and the interests of air carriers seeking to limit potential liability. It employs a scheme of strict liability favoring passengers and imposing damage caps to benefit air carriers.<sup>[16]</sup> The cardinal purpose of the Warsaw Convention is to provide uniformity of rules governing claims arising from international air travel; thus, it precludes a passenger from maintaining an action for personal injury damages under local law when his or her claim does not satisfy the conditions of liability under the Convention.<sup>[17]</sup>

Article 19 of the Warsaw Convention provides for liability on the part of a carrier for "damages occasioned by delay in the transportation by air of passengers, baggage or goods." Article 24 excludes other remedies by further providing that "(1) in the cases covered by articles 18 and 19, any action for damages, however founded, can only be brought subject to the conditions and limits set out in this convention." Therefore, a claim covered by the Warsaw Convention can no longer be recovered under local law, if the statute of limitations of two years has already lapsed.

Nevertheless, this Court notes that jurisprudence in the Philippines and the United States also recognizes that the Warsaw Convention does not "exclusively regulate" the relationship between passenger and carrier on an international flight. This Court finds that the present case is substantially similar to cases in which the damages sought were considered to be outside the coverage of the Warsaw Convention.

In *United Airlines v. Uy*,<sup>[18]</sup> this Court distinguished between the (1) damage to the passenger's baggage and (2) humiliation he suffered at the hands of the airline's employees. The first cause of action was covered by the Warsaw Convention which prescribes in two years, while the second was covered by the provisions of the Civil