

FIRST DIVISION

[G.R. No. 145956, May 29, 2002]

**NORTHWEST AIRLINES, PETITIONER, VS. DR. JAIME F. LAYA,
RESPONDENT.**

D E C I S I O N

KAPUNAN, J.:

This is a petition for review of the decision, promulgated on August 16, 2000, and the resolution, promulgated on November 14, 2000, of the Court of Appeals in CA-G.R. No. 45688.

The facts of the case, as stated in the appellate court's decision, are as follows:

On May 3, 1991, herein respondent Dr. Jaime F. Laya, a medical practitioner, was bound for San Francisco *via* a first class booking with Northwest Airlines (NWA) where, being a frequent passenger, he was a member of the World Perks Club. After his luggage passed, and was cleared, through the x-ray machine of the Ninoy Aquino International Airport (NAIA), Dr. Laya proceeded to NWA's check-in counter and was issued a boarding pass. However, while on his way to the first class waiting lounge, Dr. Laya was approached by a NWA employee who requested him to proceed to a long table where passengers were lined up. There, the passengers' Samsonite hand-carried attaché cases were being subjected to further inspection. Since he noticed that he was carrying an attaché case similar to those being inspected, Dr. Laya acceded to the request. However, in the course of the inspection, Dr. Laya noticed that his attaché case was treated differently. While the other passengers were eventually allowed to carry their cases on board the plane, Dr. Laya was asked to place his attaché case in a black garbage bag and he was given two (2) paper envelopes where he could put its contents.

Since Dr. Laya felt that he was singled out for this extraordinary treatment, he requested that he be allowed to talk with the manager to discuss his situation, and a certain Mr. Barreto approached him. While Dr. Laya was explaining his plight, Mr. Rommel Evangelista, NWA's assistant manager, told him that "even if you are the President of the Philippines or the President of the United States we are going to do the same."

Dr. Laya's situation was aggravated when the two (2) paper envelopes proved to be too fragile for the contents of his attaché case. The envelopes were eventually torn. Dr. Laya asked for a replacement and was provided with a used Duty-Free bag.

Upon his arrival at San Francisco, Dr. Laya was accorded VIP^[1] treatment by NWA's ground personnel. Two (2) ground stewardesses asked for his travel documents and declarations and they took care of his clearance and admission papers. Dr. Laya was

spared the trouble of having to fall in line to have his papers processed. When he proceeded to the baggage claim area, his check-in luggage and his Samsonite attaché case were already ready for pick up.

On May 25, 1991, Dr. Laya wrote to NWA and reported the rude treatment accorded him by its personnel. An exchange of communication ensued but NWA did not heed his complaint. On October 9, 1991, Dr. Laya's counsel sent a demand letter to NWA. NWA responded by apologizing for whatever inconvenience Dr. Laya suffered but it refused Dr. Laya's demand for indemnity. Instead, on October 31, 1991, the NWA Customer Relations Office sent Dr. Laya a letter with a transportation credit voucher worth US\$100.00. Dr. Laya refused to accept the voucher but kept it for evidentiary purposes, and he promptly filed a complaint for damages against NWA before the Regional Trial Court of Quezon City, Branch 84.

After trial, judgment was rendered in favor of Dr. Laya, and against NWA, as follows:

VIEWED IN THE LIGHT OF THE ENTIRE RECORD, judgment is hereby rendered ordering defendant to pay unto plaintiff:

1. moral damages in the sum of P1Million;
2. exemplary damages of P500,000.00; and
3. attorney's fees of P50,000.00, plus costs.

SO ORDERED.^[2]

Both parties appealed the decision. NWA appealed the unfavorable ruling against it while Dr. Laya appealed the award in his favor of only P1,000,000.00 moral damages and P500,000.00 exemplary damages.

In its decision, promulgated on August 16, 2000, the Court of Appeals affirmed the trial court's decision with modifications by reducing the award of moral damages to P500,000.00 and the exemplary damages to P250,000.00.^[3]

Its motion for reconsideration having been denied, NWA came to this Court for relief, alleging that:

THE COURT OF APPEALS GRAVELY ERRED IN RULING THAT RESPONDENT IS ENTITLED TO THE AWARD OF DAMAGES.

THE COURT OF APPEALS GRAVELY ERRED IN NOT RULING THAT THE LOWER COURT ERRED IN FINDING THAT UNITED STATES FEDERAL AVIATION ADMINISTRATION ("FAA") SECURITY DIRECTIVE NO. 91-11 IS UNREASONABLE AND DID NOT COINCIDE WITH THE CARRIER'S PROMISE OF POLITE AND GRACIOUS SERVICE.

THE COURT OF APPEALS GRAVELY (ERRED) IN AWARDING RESPONDENT MORAL DAMAGES OF P500,000.00, AND EXEMPLARY DAMAGES OF P250,000.00 AND IN AFFIRMING THE AWARD OF ATTORNEY'S FEES OF P50,000.00 AND PAYMENT OF COSTS. THE DAMAGES AWARDED BY THE COURT OF APPEALS TO RESPONDENT ARE EXORBITANT AND CONSTITUTE IMPERMISSIBLE UNJUST ENRICHMENT.

THE COURT OF APPEALS GRAVELY ERRED IN NOT AWARDING NORTHWEST EXEMPLARY DAMAGES, ATTORNEY'S FEES AND EXPENSES OF LITIGATION AS PRAYED FOR.^[4]

The tragic event that unfolded on September 11, 2001 underscored, more than ever, that airport and airline personnel could not afford any lapse in the implementation of security measures meant to ensure the safety of airplane crew and passengers. Airline carriers hold the lives of passengers in their hands and they must at all times be vigilant on matters affecting their safety.

After a careful review of the records of this case, the Court finds that the security procedures adopted by NWA was only the result of a directive issued by the Federal Aviation Administration (FAA) of which NWA, being a U.S. carrier, is subject to. FAA Security Directive No. 91-11, which was in effect at the time of the incident, states:

Threat Information:

- A. SD 91-06 provided the following information: FAA has received information stating that two-man terrorist teams have been trained in the use of briefcase bombs. The bombs are concealed in brown Samsonite briefcases which contain a total of two (2) kilograms of high explosives concealed throughout the briefcase under the liner. The device is armed by attaching a battery to a nine-volt battery connector concealed behind the briefcases' combination lock.

Several members of the teams are Middle Easterners in their 20s selected due to their athletic ability, and were either well-travelled or had business experience. The teams may be targeting areas in Asia, Africa, and possibly Western Europe.

- B. SC 91-09 provided additional information which indicated that there were at least two additional devices which might be used in terrorist attacks. The additional devices also contain two kilograms of high explosives in the briefcase liners.

- A second bomb may be concealed in a black Samsonite briefcase. Detonation of the explosive concealed in this device requires the use of a timer, blasting cap, and power supply.

- A third type of bomb is concealed in a burgundy Samsonite briefcase. This configuration has an ANTI-DISTURBANCE type device which is activated by pulling an arming pin concealed either near the briefcase handle or one of the lock latches. Once the pin is pulled, the bomb arms after a short delay. The duration of the delay was not specified.

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Action required by U.S. Air Carriers:

- A. The following procedures shall be applied to all hardshell black, brown, or burgundy Samsonite briefcases by all U.S.**

air carriers on flights departing Asia, Africa and Europe.

1. If the briefcase is discovered unattended in an airport or in the terminal area, isolate the briefcase, ensure that the briefcase is not moved or opened, and immediately notify local police/security authorities, providing them with the information in this Directive.
2. **All black, brown, or burgundy Samsonite briefcases shall only be transported as checked baggage.** All such briefcases shall be externally examined for signs of alteration. If at any time during this initial examination the briefcase is suspected of having been altered or appears to conceal a battery, blasting cap, or electrical component, isolate the briefcase, ensure that the briefcase is not moved or opened, and immediately notify local police/security authorities, providing them with the information in this Directive.
3. Briefcases which exhibit no signs of alteration shall be x-rayed. The briefcase shall then be emptied, all batteries (C, D, AA, AAA, 9v and 6v lantern) shall be removed, the empty briefcase shall be internally examined for signs of alteration and excess weight, and the empty briefcase shall be subjected to a two-lane x-ray examination. If at any time during this inspection process the briefcase is suspected of having been altered or appear to conceal a battery, blasting cap, or electrical component, isolate the briefcase and immediately notify local police/security authorities, providing them with the information in this directive.
4. **The air carrier shall deny the passenger any access to the briefcase after it has been tendered until the briefcase is claimed by the passenger upon arrival at destination. Following the application of the procedures above, the briefcase shall be transported as checked baggage. However, the contents of the briefcase may be returned to the passenger for personal use aboard the flight.**^[5]

It may be true that Dr. Laya was greatly inconvenienced by the act of NWA when his attaché case was subjected to further inspection and he was not allowed to bring it on board the plane. However, it does not appear that he was singled out and discriminated by the employees of NWA. According to Dr. Laya himself, other Caucasians and Asian passengers carrying attaché case similar to his were also required to undergo further inspection.^[6]

The Court disagrees with both the trial court and the appellate court that the letter of NWA to Dr. Laya was an admission of guilt as there was nothing in the tenor of the letter that would support such conclusion. The letter read:

Dear Dr. Laya: