

FIRST DIVISION

[G.R. No. 132344, February 17, 2000]

**UNIVERSITY OF THE EAST, PETITIONER, VS. ROMEO A. JADER,
RESPONDENT.**

DECISION

YNARES-SANTIAGO, J.:

May an educational institution be held liable for damages for misleading a student into believing that the latter had satisfied all the requirements for graduation when such is not the case? This is the issue in the instant petition for review premised on the following undisputed facts as summarized by the trial court and adopted by the Court of Appeals (CA),^[1] to wit:

"Plaintiff was enrolled in the defendants' College of Law from 1984 up to 1988. In the first semester of his last year (School year 1987-1988), he failed to take the regular final examination in Practice Court I for which he was given an incomplete grade (Exhibits '2', also Exhibit 'H'). He enrolled for the second semester as fourth year law student (Exhibit 'A') and on February 1, 1988 he filed an application for the removal of the incomplete grade given him by Professor Carlos Ortega (Exhibits 'H-2', also Exhibit '2') which was approved by Dean Celedonio Tiongson after payment of the required fee. He took the examination on March 28, 1988. On May 30, 1988, Professor Carlos Ortega submitted his grade. It was a grade of five (5). (Exhibits 'H-4', also Exhibits '2-L', '2-N').

"In the meantime, the Dean and the Faculty Members of the College of Law met to deliberate on who among the fourth year students should be allowed to graduate. The plaintiff's name appeared in the Tentative List of Candidates for graduation for the Degree of Bachelor of Laws (LL.B) as of Second Semester (1987-1988) with the following annotation:

"JADER ROMEO A.

Def. Conflict of Laws - x-1-87-88, Practice Court I - Inc., 1-87-88. C-1 to submit transcript with S.O. (Exhibits '3', '3-C-1', '3-C-2')."

"The 35th Investitures & Commencement Ceremonies for the candidates of Bachelor of Laws was scheduled on the 16th of April 1988 at 3:00 o'clock in the afternoon, and in the invitation for that occasion the name of the plaintiff appeared as one of the candidates. (Exhibits 'B', 'B-6', 'B-6-A'). At the foot of the list of the names of the candidates there appeared however the following annotation:

'This is a tentative list. Degrees will be conferred upon these candidates who satisfactorily complete requirements as stated

in the University Bulletin and as approved of the Department of Education, Culture and Sports (Exhibit 'B-7-A').

"The plaintiff attended the investiture ceremonies at F. dela Cruz Quadrangle, U.E., Recto Campus, during the program of which he went up the stage when his name was called, escorted by her (sic) mother and his eldest brother who assisted in placing the Hood, and his Tassel was turned from left to right, and he was thereafter handed by Dean Celedonio a rolled white sheet of paper symbolical of the Law Diploma. His relatives took pictures of the occasion (Exhibits 'C' to 'C-6', 'D-3' to 'D-11').

"He tendered a blow-out that evening which was attended by neighbors, friends and relatives who wished him good luck in the forthcoming bar examination. There were pictures taken too during the blow-out (Exhibits 'D' to 'D-1').

"He thereafter prepared himself for the bar examination. He took a leave of absence without pay from his job from April 20, 1988 to September 30, 1988 (Exhibit 'G') and enrolled at the pre-bar review class in Far Eastern University (Exhibits 'F' to 'F-2'). Having learned of the deficiency he dropped his review class and was not able to take the bar examination."^[2]

Consequently, respondent sued petitioner for damages alleging that he suffered moral shock, mental anguish, serious anxiety, besmirched reputation, wounded feelings and sleepless nights when he was not able to take the 1988 bar examinations arising from the latter's negligence. He prayed for an award of moral and exemplary damages, unrealized income, attorney's fees, and costs of suit.

In its answer with counterclaim, petitioner denied liability arguing mainly that it never led respondent to believe that he completed the requirements for a Bachelor of Laws degree when his name was included in the tentative list of graduating students. After trial, the lower court rendered judgment as follows:

WHEREFORE, in view of the foregoing judgment is hereby rendered in favor of the plaintiff and against the defendant ordering the latter to pay plaintiff the sum of THIRTY FIVE THOUSAND FOUR HUNDRED SEVENTY PESOS (P35,470.00) with legal rate of interest from the filing of the complaint until fully paid, the amount of FIVE THOUSAND PESOS (P5,000.00) as attorney's fees and the cost of suit.

Defendant's counterclaim is, for lack of merit, hereby dismissed.

SO ORDERED.^[3]

which on appeal by both parties was affirmed by the Court of Appeals (CA) with modification. The dispositive portion of the CA decision reads:

WHEREFORE, in the light of the foregoing, the lower Court's Decision is hereby AFFIRMED with the MODIFICATION that defendant-appellee, in addition to the sum adjudged by the lower court in favor of plaintiff-appellant, is also ORDERED to pay plaintiff-appellant the amount of FIFTY

THOUSAND (P50,000.00) PESOS for moral damages. Costs against defendant-appellee.

SO ORDERED.^[4]

Upon the denial of its motion for reconsideration, petitioner UE elevated the case to this Court on a petition for review under Rule 45 of the Rules of Court, arguing that it has no liability to respondent Romeo A. Jader, considering that the proximate and immediate cause of the alleged damages incurred by the latter arose out of his own negligence in not verifying from the professor concerned the result of his removal exam.

The petition lacks merit.

When a student is enrolled in any educational or learning institution, a contract of education is entered into between said institution and the student. The professors, teachers or instructors hired by the school are considered merely as agents and administrators tasked to perform the school's commitment under the contract. Since the contracting parties are the school and the student, the latter is not duty-bound to deal with the former's agents, such as the professors with respect to the status or result of his grades, although nothing prevents either professors or students from sharing with each other such information. The Court takes judicial notice of the traditional practice in educational institutions wherein the professor directly furnishes his/her students their grades. It is the contractual obligation of the school to timely inform and furnish sufficient notice and information to each and every student as to whether he or she had already complied with all the requirements for the conferment of a degree or whether they would be included among those who will graduate. Although commencement exercises are but a formal ceremony, it nonetheless is not an ordinary occasion, since such ceremony is the educational institution's way of announcing to the whole world that the students included in the list of those who will be conferred a degree during the baccalaureate ceremony have satisfied all the requirements for such degree. Prior or subsequent to the ceremony, the school has the obligation to promptly inform the student of any problem involving the latter's grades and performance and also most importantly, of the procedures for remedying the same.

Petitioner, in belatedly informing respondent of the result of the removal examination, particularly at a time when he had already commenced preparing for the bar exams, cannot be said to have acted in good faith. Absence of good faith must be sufficiently established for a successful prosecution by the aggrieved party in a suit for abuse of right under Article 19 of the Civil Code. Good faith connotes an honest intention to abstain from taking undue advantage of another, even though the forms and technicalities of the law, together with the absence of all information or belief of facts, would render the transaction unconscientious.^[5] It is the school that has access to those information and it is only the school that can compel its professors to act and comply with its rules, regulations and policies with respect to the computation and the prompt submission of grades. Students do not exercise control, much less influence, over the way an educational institution should run its affairs, particularly in disciplining its professors and teachers and ensuring their compliance with the school's rules and orders. Being the party that hired them, it is the school that exercises general supervision and exclusive control over the professors with respect to the submission of reports involving the students'