

## THIRD DIVISION

[ G.R. No. 125138, March 02, 1999 ]

**NICHOLAS Y. CERVANTES, PETITIONER, VS. COURT OF APPEALS  
AND THE PHILIPPINE AIR LINES, INC., RESPONDENT.**

### DECISION

**PURISIMA, J.:**

This Petition for Review on *certiorari* assails the 25 July 1995 decision of the Court of Appeals<sup>[1]</sup> in CA GR CV No. 41407, entitled "Nicholas Y. Cervantes vs. Philippine Air Lines Inc.", affirming in toto the judgment of the trial court dismissing petitioner's complaint for damages.

On March 27, 1989, the private respondent, Philippines Air Lines, Inc. (*PAL*), issued to the herein petitioner, Nicholas Cervantes (*Cervantes*), a round trip plane ticket for Manila-Honolulu-Los Angeles-Honolulu-Manila, which ticket expressly provided an expiry of date of one year from issuance, i.e., until March 27, 1990. The issuance of the said plane ticket was in compliance with a Compromise Agreement entered into between the contending parties in two previous suits, docketed as Civil Case Nos. 3392 and 3451 before the Regional Trial Court in Surigao City.<sup>[2]</sup>

On March 23, 1990, four days before the expiry date of subject ticket, the petitioner used it. Upon his arrival in Los Angeles on the same day, he immediately booked his Los Angeles-Manila return ticket with the PAL office, and it was confirmed for the April 2, 1990 flight.

Upon learning that the same PAL plane would make a stop-over in San Francisco, and considering that he would be there on April 2, 1990, petitioner made arrangements with PAL for him to board the flight in San Francisco instead of boarding in Los Angeles.

On April 2, 1990, when the petitioner checked in at the PAL counter in San Francisco, he was not allowed to board. The PAL personnel concerned marked the following notation on his ticket: "TICKET NOT ACCEPTED DUE EXPIRATION OF VALIDITY."

Aggrieved, petitioner Cervantes filed a Complaint for Damages, for breach of contract of carriage docketed as Civil Case No. 3807 before Branch 32 of the Regional Trial Court of Surigao del Norte in Surigao City. But the said complaint was dismissed for lack of merit.<sup>[3]</sup>

On September 20, 1993, petitioner interposed an appeal to the Court of Appeals, which came out with a Decision, on July 25, 1995, upholding the dismissal of the case.

On May 22, 1996, petitioner came to this Court via the Petition for Review under consideration.

The issues raised for resolution are: (1) Whether or not the act of the PAL agents in confirming subject ticket extended the period of validity of petitioner's ticket; (2) Whether or not the defense of lack of authority was correctly ruled upon; and (3) Whether or not the denial of the award for damages was proper.

To rule on the **first issue**, there is a need to quote the findings below. As a rule, conclusions and findings of fact arrived at by the trial court are entitled to great weight on appeal and should not be disturbed unless for strong and cogent reasons.  
[4]

The facts of the case as found by the lower court<sup>[5]</sup> are, as follows:

"The plane ticket itself (Exhibit A for plaintiff; Exhibit 1 for defendant) provides that it is not valid after March 27, 1990. (Exhibit 1-F). It is also stipulated in paragraph 8 of the Conditions of Contract (Exhibit 1, page 2) as follows:

**"8. This ticket is good for carriage for one year from date of issue,** except as otherwise provided in this ticket, in carrier's tariffs, conditions of carriage, or related regulations. The fare for carriage hereunder is subject to change prior to commencement of carriage. Carrier may refuse transportation if the applicable fare has not been paid."<sup>[6]</sup>

The question on the validity of subject ticket can be resolved in light of the ruling in the case of *Lufthansa vs. Court of Appeals*<sup>[7]</sup>. In the said case, the Tolentinos were issued first class tickets on April 3, 1982, which will be valid until April 10, 1983. On June 10, 1982, they changed their accommodations to economy class but the replacement tickets still contained the same restriction. On May 7, 1983, Tolentino requested that subject tickets be extended, which request was refused by the petitioner on the ground that the said tickets had already expired. The non-extension of their tickets prompted the Tolentinos to bring a complaint for breach of contract of carriage against the petitioner. In ruling against the award of damages, the Court held that the "ticket constitute the contract between the parties. It is axiomatic that when the terms are clear and leave no doubt as to the intention of the contracting parties, contracts are to be interpreted according to their literal meaning."

In his effort to evade this inevitable conclusion, petitioner theorized that the confirmation by the PAL's agents in Los Angeles and San Francisco changed the compromise agreement between the parties.

As aptly ruled by the appellate court:

"xxx on March 23, 1990, he was aware of the risk that his ticket could expire, as it did, before he returned to the Philippines.' (pp. 320-321, Original Records)"<sup>[8]</sup>

"The question is: `Did these two (2) employees, in effect , extend the