

TENTH DIVISION

[CA-G.R. CV No. 102362, February 20, 2015]

SPOUSES ARNEL JORDAN AND RONNA JORDAN, PLAINTIFFS-APPELLEES, VS. CEBU AIR, INC., DEFENDANT-APPELLANT.

DECISION

DIAMANTE, J.:

At bench is an appeal directed against the November 25, 2013 Decision^[1] of the Manila Regional Trial Court (RTC), Branch 52, in Civil Case No. 09-121730 for Damages, the *fallo* of which reads:

“WHEREFORE, the foregoing premises considered, judgment is hereby rendered in favor of plaintiffs Spouses Arnel and Ronna Jordan and against defendant Cebu Air, Inc. Consequently, the latter is ordered to pay plaintiffs, as follows: (1) Thirty Eight Thousand Seven Hundred Twenty One Pesos (P38,721.00) as actual damages; (2) One Million Pesos (P1,000,000.00) as and by way of moral damages; (3) Fifty Thousand Pesos (P50,000.00) as and by way of exemplary damages; and (4) One Hundred Thousand Pesos (P100,000.00) as attorney's fees.

SO ORDERED.”

The facts of the case may be succinctly related as follows:

On August 18, 2008, plaintiffs-appellees purchased three (3) plane tickets from defendant-appellant at its ticketing office located at Robinson's Place, Malate, Manila. The tickets, amounting to P38,721.00, were intended for plaintiffs-appellees' and their daughter Julianne Jordan's vacation in Singapore. The three of them were to leave the Philippines bound for Singapore on November 28, 2008, with return flight to Manila on December 1, 2008.^[2]

On the scheduled date of their trip, plaintiffs-appellees were not allowed to board the assigned aircraft. At the boarding counter, they were informed by defendant-appellant's employee, a certain Ma. Lalaine Sottomayor (Sottomayor), that their plane tickets had been refunded to a person named “Arnel Jordan.”

Astounded by the information, they tried to clarify the incident and asserted that they did not apply for a refund as their vacation had long been planned. They were then referred to a certain Michael Garcia (Garcia) at defendant's ticketing station at Ninoy Aquino International Airport (NAIA) Terminal 3. Garcia, however, rudely insisted that they cannot board their flight; that if they want to leave on that same day, they have to purchase plane tickets anew. He then showed them a copy of the Cebu Pacific Flight and Refund Schedule^[3] as well as the application form for the refund^[4] and a photocopy of the Professional Regulations Commission (PRC)

Identification Card of one Arnel Jordan.^[5] The photograph appearing on the card, however, does not resemble plaintiff-appellee Arnel Jordan at all. The refund was made at defendant-appellant's office at NAIA 3.

Plaintiffs-appellees did not agree with Garcia's outlandish demand. In a state of confusion, shock and distress, they wandered around the airport for nearly an hour before deciding to head at plaintiff-appellee Ronna Jordan's (Ronna) office. Seeing that plaintiffs-appellees were in a state of shock, a certain Engr. Obet Tolentino (Tolentino), Ronna's officemate called the airline company on their behalf. Tolentino was referred to defendant-appellant's reservation representative, a certain Gabby Garcia. Garcia admitted to Tolentino that it is quite irregular for a refund of plane tickets to be made at the place other than the ticketing office which issued the same.

On December 11, 2008, plaintiffs-appellees sent a letter^[6] to the Customer Service Head of defendant-appellant in the person of Ivan Henry Gaw (Gaw), elucidating their extremely traumatic experience and made a demand for the refund of their expenses including a demand for moral damages.

A series of exchange of electronic mails^[7] ensued between defendant-appellant and Ronna wherein eventually, Gaw offered to refund the purchase price of the tickets and three (3) free regional tickets.^[8] Plaintiffs-appellees, however, refused as they have no intention of going through a similar traumatic experience anew.

In its Answer, defendant-appellant denied the allegation that its corporate name is Cebu Pacific Air and moved for the dismissal of the complaint for improper service of summons and failure to state a cause of action in the complaint. This issue was, however, corrected when plaintiffs-appellees filed for leave to amend their complaint to change the name of defendant from Cebu Pacific Air to Cebu Air, Inc.^[9] The said leave was granted by the trial court in an Order^[10] dated September 18, 2009.

As its Special and Affirmative Defenses, defendant-appellant admitted that plaintiffs-appellees booked and paid at its ticketing office at Robinson's Place Manila, three (3) round trip tickets from Manila to Singapore, with scheduled departure from Manila on November 28, 2008 and from Singapore on December 1, 2008. However, on August 20, 2008, one "Arnel Jordan" applied for a refund for the transaction. He presented a PRC ID and was able to give the exact booking reference number for the transaction. Taking into consideration that "Arnel Jordan" was one of the passengers booked for the transaction, and that the application for refund and the identification card presented by the applicant appeared to be valid, his application was processed. "Arnel Jordan" was assessed a refund service fee of P6,000.00 which was deducted from the refund. Thus, he was paid P32,721.00 in cash. Parenthetically, plaintiffs-appellees were not allowed to board when they tried to check-in on the day of their flight as it appeared from the records of defendant-appellant that they had already refunded their tickets.

Defendant-appellant posited that contrary to plaintiffs-appellees' claim, the manner by which the refund was granted was in accordance with the refund procedures of the former at the time it was filed. Defendant-appellant asserted that there is no truth to the allegation that refund of plane tickets should only be made at the ticketing office where the subject tickets were purchased.

Defendant-appellant asseverated that as a sign of good faith on its part, it even offered to refund to plaintiffs-appellees the full amount of the plane tickets plus three (3) round trip gift certificates to any of its regional destinations. Unfortunately, plaintiff's-appellees refused the offer and insisted that defendant-appellant pay them moral damages in the amount of One Million (P1,000,000.00) Pesos. Thus, defendant-appellant as counterclaim, prayed that it be awarded P50,000.00 as litigation expenses having been constrained to litigate in order to safeguard its interest as a result of plaintiffs-appellees' unmeritorious complaint; P100,000.00 as moral damages for besmirching defendant-appellant's business goodwill and reputation and exemplary damages in the amount of P100,000.00.

Based on the foregoing statements of facts, the trial court disposed of the case in the manner set forth at the outset of this *ponencia*.

Defendant-appellant filed a Motion for Reconsideration^[11] from the November 25, 2013 Decision of the Manila RTC but it was denied in an Order^[12] dated February 28, 2014.

Defendant-appellant interposed an appeal from the Decision rendered by the trial court and assigned the following as errors:^[13]

"I.

THE LOWER COURT ERRED IN FINDING THAT CEBU PACIFIC COMMITTED BAD FAITH IN THE REFUND AND CANCELLATION OF PLAINTIFFS-APPELLEES' TICKET (SIC).

II.

THE LOWER COURT ERRED IN AWARDING MORAL AND EXEMPLARY DAMAGES IN FAVOR OF PLAINTIFFS-APPELLEES.

III.

THE LOWER COURT ERRED IN AWARDING ATTORNEY'S FEES IN FAVOR OF PLAINTIFFS-APPELLEES."

On October 16, 2014, plaintiffs-appellees filed their Appellees' Brief.^[14]

On December 5, 2014, the Judicial Records Division of this Court issued a Report that per docket book entry verification conducted on even date, no Reply Brief has been filed by defendant-appellant.^[15] Hence, this case is submitted for decision sans defendant-appellant's Reply.

There is no quibble that plaintiffs-appellees purchased three (3) round trip tickets to Singapore from defendant-appellant but were unable to make use of them as on the day they were supposed to leave for Singapore, they were not allowed to board the assigned aircraft. Defendant-appellant anchored its denial on the fact that plaintiffs-appellees' tickets were already refunded by a certain Arnel Jordan, presumed by the former to be the same Arnel Jordan, one of the plaintiffs-appellees in the case at

bench as he was able to pass the verification process such as supplying the record locator and flight details, information that were known to the guest and specific employees of defendant-appellant only. Defendant-appellant insisted that even if plaintiffs-appellees incurred damages as a result of defendant-appellant's act of refunding the latter's tickets which consequently led to the denial for them to board the aircraft on the day they were supposed to leave for Singapore, there was no bad faith on its part in allowing the application for refund filed by one "Arnel Jordan." Defendant-appellant maintained that it observed the required procedure in processing the request for refund and that no irregularity attended its approval and payment. Thus, even if it turned out later on that the Arnel Jordan that filed the application for refund is not the same Arnel Jordan in the case at bench, defendant-appellant argued that it cannot be gainsaid that it acted with gross neglect or in bad faith that would make it liable for moral and exemplary damages.

En Contra, plaintiffs-appellees asserted that the documents relied upon by defendant-appellant in allowing the refund of the tickets which they booked and paid for, only illustrate its bad faith for (1) the signature appearing in the application for refund is not the usual signature of plaintiff-appellee Arnel Jordan; (2) the address stated in the application is questionable and incomplete; (3) the contact number stated in the application is not the contact number provided by plaintiff-appellee Arnel Jordan; (4) the PRC I.D. relied upon by defendant-appellant to support its claim is not the identification card of plaintiff-appellee Arnel Jordan; (5) the PRC does not issue professional identification card for the computer engineers and the PRC I.D. presented by the claimant Arnel Jordan states that he is a computer engineer by profession; (6) the photograph appearing on the I.D. is not plaintiff-appellee Arnel Jordan and the photo is not even recognizable; and (7) the application for refund was made by only one person yet defendant-appellant allowed the refund for the tickets of the two other passengers without any authorization coming from them.

We rule for the appellees.

When an airline issues a ticket to a passenger, confirmed for a particular flight on a certain date, a contract of carriage arises. The passenger then has every right to expect that he be transported on that flight and on that date. If he does not, then the carrier opens itself to a suit for a breach of contract of carriage.^[16]

The contract of air carriage is a peculiar one. Imbued with public interest, the law requires common carriers to carry the passengers safely as far as human care and foresight can provide, using the utmost diligence of very cautious persons with due regard for all the circumstances. In an action for breach of contract of carriage, the aggrieved party does not have to prove that the common carrier was at fault or was negligent. All that is necessary to prove is the existence of the contract and the fact of its non-performance by the carrier.^[17]

In the case at bench, there was an existing contract between herein parties. By paying for the price of the tickets, plaintiffs-appellees were assured that defendant-appellant would transport them safely to their designated destination on the scheduled dates. But as shown by the records, plaintiffs-appellees were not able to travel to Singapore because defendant-appellant allowed another person claiming to be plaintiff-appellant Arnel Jordan to refund their tickets.