

SECOND DIVISION

[G.R. No. 149280, May 09, 2002]

**MOF COMPANY, INC., PETITIONER, VS. EDWIN ENRIQUEZ,
DOING BUSINESS UNDER THE NAME AND STYLE CRESCENS
FOOD PRODUCTS, RESPONDENT.**

D E C I S I O N

MENDOZA, J.:

This is a petition for review of the decision,^[1] dated July 31, 2001, of the Court of Appeals, which affirmed the award of damages made by the Regional Trial Court, Branch 106, Quezon City to respondent for breach of contract by petitioner.

The antecedent facts are as follows:

Respondent Edwin Enriquez wanted to export cookies, locally known as *broas*, to the United States. Petitioner MOF Company, Inc. is a domestic corporation engaged in ship brokerage and agency, customs brokerage, air-sea-land forwarding, and other allied businesses.^[2] Upon the request of respondent, petitioner sent him a letter,^[3] dated July 22, 1988, quoting the cost of shipments of goods from Manila to Washington, U.S.A., including the additional charge for "door-to-door" service. Respondent contacted the forwarding company, in response to which he received a letter,^[4] dated June 13, 1989, signed by Minnie C. Almarines,^[5] account executive of MOF Company, Inc., giving details of its previous price quotation. Based on the letter, respondent contracted the delivery service of petitioner for its *broas* export to the U.S.A. Their agreement was that the service charges would be collected from the consignee upon delivery of the goods, although initially they would have to be paid by respondent, to be reimbursed later by petitioner, upon collection of final service fees from the consignee.

The first batch of cargo, consisting of 30 cartons of *broas*, was picked up at respondent's office for shipment on June 28, 1989, while the second batch of shipment, consisting of 14 cartons of *broas* cookies, was picked up on July 5, 1989. Respondent paid the total amount of P4,440.00 as initial service fee to petitioner for the two shipments.

After the export documents had been processed, petitioner delivered the first cargo to Continental Freight Services, Inc. (Continental Freight) for loading on the latter's vessel. Continental Freight issued Bill of Lading No. MNLNAM06.242^[6] under a "freight-collect port-to-door" arrangement to petitioner, which then delivered the bill to respondent. The second cargo delivered by petitioner to Continental Freight was covered by Bill of Lading No. MNLNAM07.266,^[7] which contained the same terms and conditions as the first cargo.

Both cargoes failed to reach the consignee in the U.S.A. For this reason, respondent complained to petitioner, which promised to follow up the shipments. As the consignee never received the shipment, respondent filed a complaint for damages against petitioner for breach of contract. The complaint was filed in the Regional Trial Court, Branch 106, Quezon City, which, on August 30, 1996, rendered a decision, the dispositive portion of which reads:

WHEREFORE, by a preponderance of evidence, the Court hereby renders judgment for the plaintiff and against the defendant MOF Company, Inc., for which the said defendant is hereby ordered to pay the plaintiff the following:

1. Actual damages of P634,958.15 for the value of broas cookies and unrealized profits suffered by the plaintiff;
2. Moral damages of P50,000.00;
3. Exemplary damages of P25,000.00;
4. Attorney's fees of P20,000.00; and
5. Costs.

SO ORDERED.^[8]

The Court of Appeals, to which petitioner appealed, rendered a decision on July 31, 2001 affirming *in toto* the decision of the trial court. Hence, this petition for review on certiorari.

Petitioner contends that:

- I. THE INSTANT APPEAL FALLS UNDER THE EXCEPTION TO THE RULE THAT THE HONORABLE SUPREME COURT IS NOT A TRIER OF FACTS.

THE FACTUAL FINDINGS OF THE LOWER COURT AND THE COURT OF APPEALS DO NOT CONFORM TO THE EVIDENCE ON RECORD.

THE CONCLUSION OF THE COURT OF APPEALS IS GROUNDED ENTIRELY ON SPECULATIONS, SURMISES AND CONJECTURES.

THE FINDINGS OF THE COURT OF APPEALS IS CONTRARY TO THE ADMISSIONS OF BOTH THE PETITIONER AND RESPONDENT.

- II. THE CONTRACT TO DELIVER THE "BROAS" TO THE CONSIGNEE WAS BETWEEN RESPONDENT AND CONTINENTAL FREIGHT.

- III. THE RESPONDENT IS NOT ENTITLED TO THE AWARD OF DAMAGES OF WHATEVER KIND OR NATURE.

- IV. THE PETITIONER IS ENTITLED TO ITS COUNTERCLAIMS.^[9]

First. Petitioner denies that it entered into a contract with respondent for the "door-to-door" delivery of his goods to the consignee in the U.S.A. It claims that it offered its services to respondent, but the latter allegedly found petitioner's rates too

expensive. Petitioner alleges that what it had contracted to render to respondent was only brokerage and forwarding services.^[10]

This contention has no basis. To begin, the factual findings of the trial court, which the appellate court affirmed, are fully supported by the evidence on record. It is settled that such findings are binding upon this Court and will not be disturbed on appeal.^[11] There are exceptional circumstances when findings of fact of lower courts may be set aside^[12] but none of them is present in this case.

Petitioner admits having sent respondent price quotations for its "door-to-door" delivery service to the U.S.A. Indeed, this fact is evidenced by petitioner's letters to respondent dated July 22, 1988 and June 13, 1989.^[13] Petitioner's offer was accepted by respondent when he decided to export *broas* to the U.S.A. in 1989.

Petitioner alleges that the amount (P4,440.00) paid by respondent was the minimum fee, which indicates that what was contracted was merely brokerage and forwarding services. As found by the trial court, however, the said amount was only the initial charge for brokerage and forwarding fees, which was to be reimbursed by petitioner upon collection of the final service fees for the "door-to-door" delivery from the consignee.^[14]

Petitioner claims that, because respondent found its seafreight rates expensive, the latter asked Minnie Almarines, petitioner's account executive, to send his shipment through another company.^[15] This claim is belied by the evidence presented by the parties. Based on the price quotation of petitioner, its rates are as follows:

"LCL SHIPMENTS - SEAFREIGHT

From: MANILA

To : WASHINGTON, U.S.A. US\$140.00/cbm +
P80.00 (LCL charge)

Door-to-Door Service: Additional US\$160.00
(until 5 cbm)"^[16]

On the other hand, the rate charged by Continental Freight for the two shipments of *broas* was US\$350.00/CBM.^[17] Hence, contrary to petitioner's allegation, Continental Freight's rate was more expensive than that of petitioner. In fact, respondent chose petitioner over other shipping companies precisely because petitioner offered the best terms and conditions, to wit: (1) the goods would be picked up from the shipper's office or residence; (2) the goods would be delivered within 24 days from pick up; (3) the expenses would be paid for by the consignee upon delivery (freight collect); (4) the consignee would be informed regarding the shipment within two weeks from the pick up of goods from the shipper's residence or office.^[18]

Second. According to petitioner, the contract for delivery of cookies was between respondent and Continental Freight Services, Inc. and that what it did was merely to act as an agent of respondent in dealing with Continental Freight.^[19]