

## FIRST DIVISION

[ G.R. No. 108397, June 21, 2000 ]

### FOOD TERMINAL INCORPORATED, PETITIONER, VS. COURT OF APPEALS AND BASIC FOODS CORPORATION, RESPONDENTS.

#### D E C I S I O N

##### **PARDO, J.:**

The case before the Court is an appeal via *certiorari* from the decision of the Court of Appeals<sup>[1]</sup> reversing that of the trial court<sup>[2]</sup> and holding petitioner liable to pay respondent in the amount of P161,112.00 with interest thereon at the legal rate from the date of filing of the complaint until the obligation is fully paid, and costs.

The facts, as found by the Court of Appeals, are as follows:

"It is alleged in the complaint that plaintiff Basic Foods was engaged in the business of manufacturing food and allied products using for the production thereof Red Star compressed yeast which required storage in a refrigerated space to avoid spoilage. On the other hand, defendant Food Terminal, Incorporated (FTI for brevity) was engaged in the business of storage of goods or merchandise for compensation at its refrigerated warehouse in Taguig, Metro Manila. During the period from June 10, 1987 up to June 23, 1987, plaintiff deposited for cold storage with the defendant 1,770 cartons of Red Star compressed yeast. However, because of the latter's negligence in the performance of its obligations as a warehouseman consisting of, among others, its failure to control the temperature in its warehouse where the aforecited merchandise were stored, a total of 383.6 cartons of said Red Star compressed yeast worth not less than P161,112.00 were spoiled. As a consequence of this damage, plaintiff demanded from defendant FTI payment of the total value of the spoiled compressed yeast. This demand proved to be futile. Hence, the instant action.

"In its answer, defendant denied that plaintiff had deposited with it 1,770 cartons of **Red Star** compressed yeast. It alleged that only 750 cartons of the merchandise had been stored in its warehouse. Further, it asserted that it had exercised utmost diligence in the care and custody of plaintiff's commodities as a reasonably careful owner of similar goods would exercise and that if any injury was suffered by plaintiff corporation by reason of the alleged deterioration of its goods, the same was primarily caused by its (plaintiff's) negligence and/or circumstances beyond the reasonable control of the defendant. Before Basic Foods deposited the cartons of the compressed yeast, FTI had already switched on the cooling and refrigeration system in its Central Refrigeration Warehouse specifically Zone 4 for pre-cooling measure. Defendant