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enlightened democratic civilization. While the law protects the police officer in the proper discharge of his duties, it must at the same time just as effectively protect the individual from the abuse of the police."

It should be further noted that the offended party was forcibly abducted and dragged across trackless ground and thereafter violated only a few days before her wedding and she had to postpone her marriage to a very much later date because of the expenses her family had incurred in prosecuting this case. An increase in the indemnity to be paid to her will help to alleviate the physical and mental pains she has suffered in the hands of the accused-appellant.

WHEREFORE, the judgment appealed from is hereby AFFIRMED with the modification that the accused-appellant, Arcito Magdaraog *alias* Arcito, is ordered to indemnify the offended party in the amount of ₱30,000.00. With costs against the appellant.

SO ORDERED.

Yap (Chairman), Melencio-Herrera, Paras, and *Sarmiento, JJ.*, concur.

SECOND DIVISION

[G.R. Nos. L-41182-3. April 15, 1988]

DR. CARLOS L. SEVILLA and LINA O. SEVILLA, *petitioners-appellants, vs.* **THE COURT OF APPEALS, TOURIST WORLD SERVICE, INC., ELISEO S. CANILAO, and SEGUNDINA NOGUERA,** *respondents-appellees.*

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SYLLABUS

1. **LABOR AND SOCIAL LEGISLATION; LABOR RELATIONS; EMPLOYER-EMPLOYEE RELATIONSHIP; TEST TO DETERMINE ITS EXISTENCE.**— In this jurisdiction, there has been no uniform test to determine the existence of an employer-employee relation. In general, we have relied on the so-called right of control test, "where the person for whom the services are performed reserves a right to control not *only the end* to be achieved *but also the means* to be used in reaching such end." Subsequently, however, we have considered, in addition to the standard of right-of-control, the existing economic conditions prevailing between the parties, like the inclusion of the employee in the payrolls, in determining the existence of an employer-employee relationship.

2. **CIVIL LAW; OBLIGATIONS AND CONTRACTS; AGENCY; CONSTRUED.**— When the petitioner, Lina Sevilla, agreed to (wo)man the private respondent, Tourist World Service, Inc.'s Ermita office, she must have done so pursuant to a contract of agency. It is the essence of this contract that the agent renders services "in representation or on behalf of another."

3. **ID.; ID.; ID.; CASE AT BAR.**— In the case at bar, Sevilla solicited airline fares, but she did so for and on behalf of her principal, Tourist World Service, Inc. As compensation, she received 4% of the proceeds in the concept of commissions. And as we said, Sevilla herself, based on her letter of November 28, 1961, presumed her principal's authority as owner of the business undertaking. We are convinced, considering the circumstances and from the respondent Court's recital of facts, that the parties had contemplated a principal-agent relationship, rather than a joint management or a partnership.

4. **ID.; ID.; ID.; CANNOT BE REVOKED AT WILL.**— The agency that we hereby declare to be compatible with the intent of the parties, cannot be revoked at will. The reason is that it is one coupled with an interest, the agency having been created for the mutual interest of the agent and the principal.

5. **CIVIL LAW; DAMAGES; AWARD THEREOF PROPER IN BREACH OF CONTRACT.**— We rule that for its unwarranted revocation of the contract of agency, the private respondent, Tourist World Service, Inc., should be sentenced to pay damages.

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Under the Civil Code, moral damages may be awarded for "breaches of contract where the defendant acted . . . in bad faith." We likewise condemn Tourist World Service, Inc. to pay further damages for the moral injury done to Lina Sevilla arising from its brazen conduct subsequent to the cancellation of the power of attorney granted to her on the authority of Article 21 of the Civil Code, in relation to Article 2219 (10) thereof. The Court considers the sums of ₱25,000.00 as and for moral damages, ₱10,000.00 as exemplary damages, and ₱5,000.00 as nominal and/or temperate damages, to be just, fair, and reasonable under the circumstances.

APPEARANCES OF COUNSEL

Roman P. Mosqueda for petitioners-appellants.

Felipe Magat for respondents-appellees.

DECISION

SARMIENTO, *J.*:

The petitioners invoke the provisions on human relations of the Civil Code in this appeal by *certiorari*. The facts are beyond dispute:

xxx xxx xxx

On the strength of a contract (Exhibit A for the appellants Exhibit 2 for the appellees) entered into on Oct. 19, 1960 by and between Mrs. Segundina Noguera, party of the first part; the Tourist World Service, Inc., represented by Mr. Eliseo Canilao as party of the second part, and hereinafter referred to as appellants, the Tourist World Service, Inc. leased the premises belonging to the party of the first part at Mabini St., Manila for the former's use as a branch office. In the said contract the party of the third part held herself solidarily liable with the party of the second part for the prompt payment of the monthly rental agreed on. When the branch office was opened, the same was run by the herein appellant Lina O. Sevilla payable to Tourist World Service Inc. by any airline for any fare brought in on the efforts of Mrs. Lina Sevilla, 4% was to go to Lina Sevilla and 3% was to be withheld by the Tourist World Service, Inc.

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On or about November 24, 1961 (Exhibit 16) the Tourist World Service, Inc. appears to have been informed that Lina Sevilla was connected with a rival firm, the Philippine Travel Bureau, and, since the branch office was anyhow losing, the Tourist World Service considered closing down its office. This was firmed up by two resolutions of the board of directors of Tourist World Service, Inc. dated Dec. 2, 1961 (Exhibits 12 and 13), the first abolishing the office of the manager and vice-president of the Tourist World Service, Inc., Ermita Branch, and the second, authorizing the corporate secretary to receive the properties of the Tourist World Service then located at the said branch office. It further appears that on Jan. 3, 1962, the contract with the appellees for the use of the Branch Office premises was terminated and while the effectivity thereof was Jan. 31, 1962, the appellees no longer used it. As a matter of fact appellants used it since Nov. 1961. Because of this, and to comply with the mandate of the Tourist World Service, the corporate secretary Gabino Canilao went over to the branch office, and, finding the premises locked, and, being unable to contact Lina Sevilla, he padlocked the premises on June 4, 1962 to protect the interests of the Tourist World Service. When neither the appellant Lina Sevilla nor any of her employees could enter the locked premises, a complaint was filed by the herein appellants against the appellees with a prayer for the issuance of mandatory preliminary injunction. Both appellees answered with counterclaims. For apparent lack of interest of the parties therein, the trial court ordered the dismissal of the case without prejudice.

The appellee Segundina Noguera sought reconsideration of the order dismissing her counterclaim which the court *a quo*, in an order dated June 8, 1963, granted permitting her to present evidence in support of her counterclaim.

On June 17, 1963, appellant Lina Sevilla refiled her case against the herein appellees and after the issues were joined, the reinstated counterclaim of Segundina Noguera and the new complaint of appellant Lina Sevilla were jointly heard following which the court *a quo* ordered both cases dismissed for lack of merit, on the basis of which was elevated the instant appeal on the following assignment of errors:

"I. THE LOWER COURT ERRED EVEN IN APPRECIATING THE NATURE OF PLAINTIFF-APPELLANT MRS. LINA O. SEVILLA'S COMPLAINT.

"II. THE LOWER COURT ERRED IN HOLDING THAT APPELLANT MRS. LINA O. SEVILLA'S

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ARRANGEMENT (WITH APPELLEE TOURIST WORLD SERVICE, INC.) WAS ONE MERELY OF EMPLOYER-EMPLOYEE RELATION AND IN FAILING TO HOLD THAT THE SAID ARRANGEMENT WAS ONE OF JOINT BUSINESS VENTURE.

"III. THE LOWER COURT ERRED IN RULING THAT PLAINTIFF-APPELLANT MRS. LINA O. SEVILLA IS ESTOPPED FROM DENYING THAT SHE WAS A MERE EMPLOYEE OF DEFENDANT-APPELLEE TOURIST WORLD SERVICE, INC. EVEN AS AGAINST THE LATTER.

"IV. THE LOWER COURT ERRED IN NOT HOLDING THAT APPELLEES HAD NO RIGHT TO EVICT APPELLANT MRS. LINA O. SEVILLA FROM THE A. MABINI OFFICE BY TAKING THE LAW INTO THEIR OWN HANDS.

"V. THE LOWER COURT ERRED IN NOT CONSIDERING AT ALL APPELLEE NOGUERA'S RESPONSIBILITY FOR APPELLANT MRS. LINA O. SEVILLA'S FORCIBLE DISPOSSESSION OF THE A. MABINI PREMISES.

"VI. THE LOWER COURT ERRED IN FINDING THAT APPELLANT MRS. LINA O. SEVILLA SIGNED MERELY AS GUARANTOR FOR RENTALS."

On the foregoing facts and in the light of the errors assigned the issues to be resolved are:

1. Whether the appellee Tourist World Service unilaterally disconnected the telephone line at the branch office on Ermita;

2. Whether or not the padlocking of the office by the Tourist World Service was actionable or not; and

3. Whether or not the lessee to the office premises belonging to the appellee Noguera was appellee TWS or TWS and the appellant.

In this appeal, appellant Lina Sevilla claims that a joint business venture was entered into by and between her and appellee TWS with offices at the Ermita branch office and that she was not an employee of the TWS to the end that her relationship with TWS was one of a joint business venture appellant made declarations showing:

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"1. Appellant Mrs. Lina O. Sevilla, a prominent social figure and wife of an eminent eye, ear and nose specialist as well as a society columnist, had been in the travel business prior to the establishment of the joint business venture with appellee Tourist World Service, Inc. and appellee Eliseo Canilao, her compadre, she being the godmother of one of his children, with her own clientele, coming mostly from her own social circle (pp. 3-6 tsn. February 16, 1965).

"2. Appellant Mrs. Sevilla was signatory to a lease agreement dated 19 October 1960 (Exh. "A") covering the premises at A. Mabini St., she expressly warranting and holding [sic] herself 'solidarily' liable with appellee Tourist World Service, Inc. for the prompt payment of the monthly rentals thereof to other appellee Mrs. Noguera (pp. 14-15, tsn. Jan. 18, 1964).

"3. Appellant Mrs. Sevilla did not receive any salary from appellee Tourist World Service, Inc., which had its own separate office located at the Trade & Commerce Building; nor was she an employee thereof, having no participation in nor connection with said business at the Trade & Commerce Building (pp. 16-18 tsn. id.).

"4. Appellant Mrs. Sevilla earned commissions for her own passengers, her own bookings, her own business (and not for any of the business of appellee Tourist World Service, Inc.) obtained from the airline companies. She shared the 7% commissions given by the airline companies, giving appellee Tourist World Service, Inc. 3% thereof and retaining 4% for herself (pp. 18 tsn. *id.*).

"5. Appellant Mrs. Sevilla likewise shared in the expenses of maintaining the A. Mabini St. office, paying for the salary of an office secretary, Miss Obieta, and other sundry expenses, aside from designing the office furniture and supplying some office furnishings (pp. 15, 18 tsn. April 6, 1965), appellee Tourist World Service, Inc. shouldering the rental and other expenses in consideration for the 3% split in the commissions procured by appellant Mrs. Sevilla (p. 35 tsn. Feb. 16, 1965).

"6. It was the understanding between them that appellant Mrs. Sevilla would be given the title of branch manager for

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> appearance's sake only (p. 31 tsn. *id.*), appellee Eliseo Canilao admitting that it was just a title for dignity (p. 36 tsn June 18, 1965 — testimony of appellee Eliseo Canilao; pp. 38-39 tsn. April 6, 1966 — testimony of corporate secretary Gabino Canilao)." (pp. 2-5, Appellants' Reply Brief)

Upon the other hand, appellee TWS contend that the appellant was an employee of the appellee Tourist World Service, Inc. and as such was designated manager.[1]

xxx *xxx* *xxx*

The trial court[2] held for the private respondents on the premise that the private respondent, Tourist World Service, Inc., being the true lessee, it was within its prerogative to terminate the lease and padlock the premises.[3] It likewise found the petitioner, Lina Sevilla, to be a mere employee of said Tourist World Service, Inc. and as such, she was bound by the acts of her employer.[4] The respondent Court of Appeals[5] rendered an affirmance.

The petitioners now claim that the respondent Court, in sustaining the lower court, erred. Specifically, they state:

I

THE COURT OF APPEALS ERRED ON A QUESTION OF LAW AND GRAVELY ABUSED ITS DISCRETION IN HOLDING THAT "*THE PADLOCKING OF THE PREMISES BY TOURIST WORLD* SERVICE INC. WITHOUT THE KNOWLEDGE AND CONSENT OF THE APPELLANT LINA SEVILLA . . . WITHOUT NOTIFYING MRS. *LINA O. SEVILLA OR ANY OF HER EMPLOYEES AND WITHOUT* INFORMING COUNSEL FOR THE APPELLANT (SEVILLA), WHO IMMEDIATELY BEFORE THE PADLOCKING INCIDENT, WAS

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[1] *Rollo*, 30-35.

[2] Court of First Instance of Manila, Branch XIX, Montesa, Agustin, Presiding Judge.

[3] *Rollo*, *id.*, 55; Record on Appeal, 38.

[4] Record on Appeal, *id.*, 37-38.

[5] Gaviola, Jr., Ramon, J., Reyes, Luis, and De Castro, Pacifico, *JJ.*, *Concurring*.

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IN CONFERENCE WITH THE CORPORATE SECRETARY OF TOURIST WORLD SERVICE (ADMITTEDLY THE PERSON WHO PADLOCKED THE SAID OFFICE), IN THEIR ATTEMPT TO AMICABLY SETTLE THE CONTROVERSY BETWEEN THE APPELLANT (SEVILLA) AND THE TOURIST WORLD SERVICE XXX (DID NOT) ENTITLE THE LATTER TO THE RELIEF OF DAMAGES" (ANNEX "A" PP. 7, 8 AND ANNEX "B" P. 2) — A DECISION AGAINST DUE PROCESS WHICH ADHERES TO THE RULE OF LAW.

II

THE COURT OF APPEALS ERRED ON A QUESTION OF LAW AND GRAVELY ABUSED ITS DISCRETION IN DENYING APPELLANT SEVILLA RELIEF BECAUSE SHE HAD "OFFERED TO WITHDRAW HER COMPLAINT PROVIDED THAT ALL CLAIMS AND COUNTERCLAIMS LODGED BY BOTH APPELLEES WERE WITHDRAWN." (ANNEX "A" P. 8)

III

THE COURT OF APPEALS ERRED ON A QUESTION OF LAW AND GRAVELY ABUSED ITS DISCRETION IN DENYING — IN FACT NOT PASSING AND RESOLVING — APPELLANT SEVILLA'S CAUSE OF ACTION FOUNDED ON ARTICLES 19, 20 AND 21 OF THE CIVIL CODE ON HUMAN RELATIONS.

IV

THE COURT OF APPEALS ERRED ON A QUESTION OF LAW AND GRAVELY ABUSED ITS DISCRETION IN DENYING APPELLANT SEVILLA RELIEF YET NOT RESOLVING HER CLAIM THAT SHE WAS IN JOINT VENTURE WITH TOURIST WORLD SERVICE INC. OR AT LEAST ITS AGENT COUPLED WITH AN INTEREST WHICH COULD NOT BE TERMINATED OR REVOKED UNILATERALLY BY TOURIST WORLD SERVICE INC.[6]

As a preliminary inquiry, the Court is asked to declare the true nature of the relation between Lina Sevilla and Tourist World Service, Inc. The respondent Court of Appeals did not see fit to rule on the question, the crucial issue, in its opinion being "whether or not the padlocking of the premises by the Tourist World Service, Inc. without the knowledge and consent

[6] *Rollo, id.*, 124; Brief for Petitioners, 1-2.

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of the appellant Lina Sevilla entitled the latter to the relief of damages prayed for and whether or not the evidence for the said appellant supports the contention that the appellee Tourist World Service, Inc. unilaterally and without the consent of the appellant disconnected the telephone lines of the Ermita branch office of the appellee Tourist World Service, Inc."[7] Tourist World Service, Inc., insists, on the other hand, that Lina Sevilla was a mere employee, being "branch manager" of its Ermita "branch" office and that inferentially, she had no say on the lease executed with the private respondent, Segundina Noguera. The petitioners contend, however, that relation between the parties was one of joint venture, but concede that "*whatever might have been the true relationship between Sevilla and Tourist World Service*," the Rule of Law enjoined Tourist World Service and Canilao from taking the law into their own hands,"[8] in reference to the padlocking now questioned.

The Court finds the resolution of the issue material, for if, as the private respondent, Tourist World Service, Inc., maintains, that the relation between the parties was in the character of employer and employee, the courts would have been without jurisdiction to try the case, labor disputes being the exclusive domain of the Court of Industrial Relations, later, the Bureau of Labor Relations, pursuant to statutes then in force.[9]

In this jurisdiction, there has been no uniform test to determine the existence of an employer-employee relation. In general, we have relied on the so-called right of control test, "where the person for whom the services are performed reserves a right to control not *only the end* to be achieved *but also the means* to be used in reaching such end."[10] Subsequently, however, we have considered, in addition to the standard of right-of-control,

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[7] *Rollo*, *id.*, 36.

[8] *Id.*, 21; italics in the original.

[9] See Rep. Act No. 875, as amended. See also Rep. Act No. 1052, as amended by Rep. Act No. 1787.

[10] *LVN Pictures, Inc. v. Philippine Musicians Guild*, No. L-12582, January 28, 1961, 1 SCRA 132, 173 (1961); emphasis in the original.

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the existing economic conditions prevailing between the parties, like the inclusion of the employee in the payrolls, in determining the existence of an employer-employee relationship.[11]

The records will show that the petitioner, Lina Sevilla, was not subject to control by the private respondent Tourist World Service, Inc., either as to the result of the enterprise or as to the means used in connection therewith. In the first place, under the contract of lease covering the Tourist World's Ermita office, she had bound herself *in solidum* as and for rental payments, an arrangement that would belie claims of a master-servant relationship. True, the respondent Court would later minimize her participation in the lease as one of mere guaranty,[12] that does not make her an employee of Tourist World, since in any case, a true employee cannot be made to part with his own money in pursuance of his employer's business, or otherwise, assume any liability thereof. In that event, the parties must be bound by some other relation, but certainly not employment.

In the second place, and as found by the Appellate Court, "[w]hen the branch office was opened, the same was run by the herein appellant Lina O. Sevilla payable to Tourist World Service, Inc. by any airline for any fare brought in on the effort of Mrs. Lina Sevilla."[13] Under these circumstances, it cannot be said that Sevilla was under the control of Tourist World Service, Inc. "as to the means used." Sevilla in pursuing the business, obviously relied on her own gifts and capabilities.

It is further admitted that Sevilla was not in the company's payroll. For her efforts, she retained 4% in commissions from airline bookings, the remaining 3% going to Tourist World. Unlike an employee then, who earns a fixed salary usually, she earned compensation in fluctuating amounts depending on her booking successes.

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[11] *Visayan Stevedore Trans. Co., et al. v. C.I.R., et al.*, No. L-21696, February 25, 1967, 19 SCRA 426 (1967).

[12] *Rollo, id.*, 40.

[13] *Id.*, 31.

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The fact that Sevilla had been designated "branch manager" does not make her, *ergo*, Tourist World's employee. As we said, employment is determined by the right-of-control test and certain economic parameters. But titles are weak indicators.

In rejecting Tourist World Service, Inc.'s arguments however, we are not, as a consequence, accepting Lina Sevilla's own, that is, that the parties had embarked on a joint venture or otherwise, a partnership. And apparently, Sevilla herself did not recognize the existence of such a relation. In her letter of November 28, 1961, she expressly "concedes your [Tourist World Service, Inc.'s] right to stop the operation of your branch office,"[14] in effect, accepting Tourist World Service, Inc.'s control over the manner in which the business was run. A joint venture, including a partnership, presupposes generally a parity of standing between the joint co-venturers or partners, in which each party has an equal proprietary interest in the capital or property contributed[15] and where each party exercises equal rights in the conduct of the business.[16] Furthermore, the parties did not hold themselves out as partners, and the building itself was embellished with the electric sign "Tourist World Service, Inc.,"[17] in *lieu* of a distinct partnership name.

It is the Court's considered opinion, that when the petitioner, Lina Sevilla, agreed to (wo)man the private respondent, Tourist World Service, Inc.'s Ermita office, she must have done so pursuant to a contract of agency. It is the essence of this contract that the agent renders services "in representation or on behalf of another."[18] In the case at bar, Sevilla solicited airline fares,

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[14] *Id.*, 47.

[15] BAUTISTA, *TREATISE ON PHILIPPINE PARTNERSHIP LAW* 34 (1978).

[16] *Op Cit.*, 37. In *Tuason v. Bolaños* [95 Phil. 106 (1954)], this Court distinguished between a joint venture and a partnership but this view has since raised questions from authorities. According to Campos, there seems to be no fundamental distinction between the two forms of business combinations. [See CAMPOS, *THE CORPORATION CODE* 12 (1981).] For purposes of this case, we use the terms of interchangeably.

[17] See *rollo*, *id.*

[18] CIVIL CODE, Art. 1868.

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but she did so for and on behalf of her principal, Tourist World Service, Inc. As compensation, she received 4% of the proceeds in the concept of commissions. And as we said, Sevilla herself, based on her letter of November 28, 1961, presumed her principal's authority as owner of the business undertaking. We are convinced, considering the circumstances and from the respondent Court's recital of facts, that the parties had contemplated a principal-agent relationship, rather than a joint management or a partnership.

But unlike simple grants of a power of attorney, the agency that we hereby declare to be compatible with the intent of the parties, cannot be revoked at will. The reason is that it is one coupled with an interest, the agency having been created for the mutual interest of the agent and the principal.[19] It appears that Lina Sevilla is a *bona fide* travel agent herself, and as such, she had acquired an interest in the business entrusted to her. Moreover, she had assumed a personal obligation for the operation thereof, holding herself solidarily liable for the payment of rentals. She continued the business, using her own name, after Tourist World had stopped further operations. Her interest, obviously, is not limited to the commissions she earned as a result of her business transactions, but one that extends to the very subject matter of the power of management delegated to her. It is an agency that, as we said, cannot be revoked at the pleasure of the principal. Accordingly, the revocation complained of should entitle the petitioner, Lina Sevilla, to damages.

As we have stated, the respondent Court avoided this issue, confining itself to the telephone disconnection and padlocking incidents. Anent the disconnection issue, it is the holding of the Court of Appeals that there is "no evidence showing that the Tourist World Service, Inc. disconnected the telephone lines at the branch office."[20] Yet, what cannot be denied is the fact that Tourist World Service, Inc. did not take pains to have them reconnected. Assuming, therefore, that it had no hand in the disconnection now complained of, it had clearly condoned

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[19] See VI PADILLA, *CIVIL LAW* 350 (1974).

[20] *Rollo, id.*, 36.

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it, and as owner of the telephone lines, it must shoulder responsibility therefor.

The Court of Appeals must likewise be held to be in error with respect to the padlocking incident. For the fact that Tourist World Service, Inc. was the lessee named in the lease contract did not accord it any authority to terminate that contract without notice to its actual occupant, and to padlock the premises in such blitzkrieg fashion. As this Court has ruled, the petitioner, Lina Sevilla, had acquired a personal stake in the business itself, and necessarily, in the equipment pertaining thereto. Furthermore, Sevilla was not a stranger to that contract having been explicitly named therein as a third party in charge of rental payments (solidarily with Tourist World, Inc.). She could not be ousted from possession as summarily as one would eject an interloper.

The Court is satisfied that from the chronicle of events, there was indeed some malevolent design to put the petitioner, Lina Sevilla, in a bad light following disclosures that she had worked for a rival firm. To be sure, the respondent court speaks of alleged business losses to justify the closure,[21] but there is no clear showing that Tourist World Ermita Branch had in fact sustained such reverses, let alone, the fact that Sevilla had moonlit for another company. What the evidence discloses, on the other hand, is that following such an information (that Sevilla was working for another company), Tourist World's board of directors adopted two resolutions abolishing the office of "manager" and authorizing the corporate secretary, the respondent Eliseo Canilao, to effect the takeover of its branch office properties. On January 3, 1962, the private respondents ended the lease over the branch office premises, incidentally, without notice to her.

It was only on June 4, 1962, and after office hours significantly, that the Ermita office was padlocked, personally by the respondent Canilao, on the pretext that it was necessary "to protect the interests of the Tourist World Service."[22] It is strange indeed that Tourist World Service, Inc. did not find such a need when

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[21] *Id.*, 31.

[22] *Id.*

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it cancelled the lease five months earlier. While Tourist World Service, Inc. would not pretend that it sought to locate Sevilla to inform her of the closure, but surely, it was aware that after office hours, she could not have been anywhere near the premises. Capping these series of "offensives," it cut the office's telephone lines, paralyzing completely its business operations, and in the process, depriving Sevilla of her participation therein.

This conduct on the part of Tourist World Service, Inc. betrays a sinister effort to punish Sevilla for what it had perceived to be disloyalty on her part. It is offensive, in any event, to elementary norms of justice and fair play.

We rule, therefore, that for its unwarranted revocation of the contract of agency, the private respondent, Tourist World Service, Inc., should be sentenced to pay damages. Under the Civil Code, moral damages may be awarded for "breaches of contract where the defendant acted . . . in bad faith."[23]

We likewise condemn Tourist World Service, Inc. to pay further damages for the moral injury done to Lina Sevilla arising from its brazen conduct subsequent to the cancellation of the power of attorney granted to her on the authority of Article 21 of the Civil Code, in relation to Article 2219 (10) thereof:

ART. 21. Any person who wilfully causes loss or injury to another in a manner that is contrary to morals, good customs or public policy shall compensate the latter for the damage.

ART. 2219. Moral damages may be recovered in the following and analogous cases:

xxx *xxx* *xxx*

(10) Acts and actions referred to in articles 21, 26, 27, 28, 29, 30, 32, 34, and 35.

The respondent, Eliseo Canilao, as a joint tortfeasor, is likewise hereby ordered to respond for the same damages in a solidary capacity.

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[23] CIVIL CODE, Art. 2220.

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Insofar, however, as the private respondent, Segundina Noguera is concerned, no evidence has been shown that she had connived with Tourist World Service, Inc. in the disconnection and padlocking incidents. She cannot therefore be held liable as a co-tortfeasor.

The Court considers the sums of ₱25,000.00 as and for moral damages,[24] ₱10,000.00 as exemplary damages,[25] and ₱5,000.00 as nominal[26] and/or temperate[27] damages, to be just, fair, and reasonable under the circumstances.

WHEREFORE, the Decision promulgated on January 23, 1975 as well as the Resolution issued on July 31, 1975, by the respondent Court of Appeals is hereby REVERSED and SET ASIDE. The private respondent, Tourist World Service, Inc., and Eliseo Canilao, are ORDERED jointly and severally to indemnify the petitioner, Lina Sevilla, the sum of ₱25,000.00 as and for moral damages, the sum of ₱10,000.00, as and for exemplary damages, and the sum of ₱5,000.00, as and for nominal and/or temperate damages.

Costs against said private respondents.

SO ORDERED.

Yap (Chairman), Melencio-Herrera, Paras, and *Padilla, JJ.*, concur.

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[24] *Supra*

[25] *Supra*, Art. 2232.

[26] *Supra*, Art. 2221.

[27] *Supra*, Art. 2224.