

**\*\*Title:\*\*** Jose Baritua and Edgar Bitancor vs. Honorable Court of Appeals, Nicolas Nacario and Victoria Ronda Nacario

**### Facts:**

On November 7, 1979, an accident occurred involving a tricycle driven by Bienvenido Nacario and JB Bus No. 80, operated by Jose Baritua and driven by Edgar Bitancor, in Baao, Camarines Sur, resulting in the death of Bienvenido Nacario and his passenger, and damage to the tricycle.

No criminal charges were filed, but an extrajudicial settlement was reached on March 27, 1980, where Bienvenido's widow, Alicia Baracena Vda. de Nacario, received P18,500.00 from the petitioners and their insurer, Philippine First Insurance Company Incorporated (PFICI). She executed a "Release Of Claim" discharging the petitioners and PFICI from any further claims.

However, on September 2, 1981, Bienvenido's parents (Nicolas Nacario and Victoria Ronda Nacario, private respondents) filed a claim for damages against the petitioners, arguing that they had made promises of indemnification during their son's wake, which were not fulfilled as the petitioners settled with the estranged wife instead.

The trial court dismissed the claim, stating the payment to the widow and her child extinguished any further claims. However, the Court of Appeals reversed this decision, awarding the Nacario parents damages for the tricycle, funeral services, and attorney's fees, totaling P20,505.00.

**### Issues:**

1. Whether extrajudicial settlement with the victim's widow extinguished the petitioners' liability to other claimants not part of the settlement.
2. Whether the payment made to the victim's widow was appropriate and discharged the petitioners from further claims.
3. Whether the private respondents (parents of the deceased) had a valid claim separate from the widow's against the petitioners.

**### Court's Decision:**

The Supreme Court granted the petition, reinstating the trial court's decision. It held that obligations are extinguished by payment and that the victim's surviving spouse and child are

the rightful successors in interest, excluding the parents as compulsory heirs under the circumstances.

The court clarified that payment to address the claim resulting from an accident should be made to the person in whose favor the obligation has been constituted, their successor in interest, or anyone authorized to receive it. Since Bienvenido Nacario had a wife and a child, they are considered the legitimate heirs, thus entitled to the compensation from the petitioners. Consequently, the extrajudicial settlement with Alicia Baracena Vda. de Nacario effectively discharged the petitioners from further liability relating to the accident.

### ### Doctrine:

1. **Obligation Extinguishment by Payment** - Obligations are extinguished by payment or performance among other modes as stated in Article 1231 of the Civil Code of the Philippines.
2. **Successors in Interest** - Payments to extinguish obligations from an accident must be made to the rightful heirs or the successors in interest, as defined by the Civil Code.

### ### Class Notes:

- **Extrajudicial Settlements:** Valid extrajudicial settlements with the rightful heirs extinguish the obligor's liability, including to those who may claim indirect injury or loss due to their relationship to the deceased.
- **Direct vs. Indirect Claimants:** In cases involving claims arising from death or injury, direct heirs (spouse, children) are prioritized over indirect claimants (parents, unless no direct heirs exist).
- **Legal Succession and Heirship Importance:** Understanding the Civil Code's stipulations on who qualifies as a compulsory heir is crucial, as it influences the direction of legal claims and settlements in wrongful death and personal injury cases.

### ### Historical Background:

This case highlights the legal intricacies surrounding personal injury claims, the significance of understanding heirship and succession in Philippine law, and the judiciary's role in interpreting these within the context of modern Filipino society. It underscores the procedural and substantive considerations that the courts must balance in deciding claims related to accident liabilities and compensations.