



Republic of the Philippines
Supreme Court
 Manila

THIRD DIVISION

SUPREME COURT OF THE PHILIPPINES
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ESTHER VICTORIA ALCALA G.R. No. 187847
VDA. DE ALCÁÑESES,
 Petitioner, Present:

-versus-

LEONEN, J., *Chairperson,*
 HERNANDO,
 INTING,
 ROSARIO*, and
 LOPEZ, J., *JJ.*

JOSE S. ALCÁÑESES, substituted
 by his legal heirs, **GRACIA**
SANGA, MARIA ROSARIO
ALCÁÑESES, ANTHONY
ALCÁÑESES, VERONICA
ALCÁÑESES-PANTIG, MARCIAL
ALCÁÑESES, and DEBORA
ALCÁÑESES-OBIAS, ALICIA S.
ALCÁÑESES-TANGLAO,
MERCEDES ROSARIO S.
ALCÁÑESES, LYDIA VICTORIA
ALCÁÑESES-DE VILLA,
FELICIDAD S. ALCÁÑESES-
LACANDOLA, DINAH L.
ALCÁÑESES-REYES, CECILIO
L. ALCÁÑESES, FE L.
ALCÁÑESES, BENEDICTO A.
ALCÁÑESES, PATRICIA A.
ALCÁÑESES-JUMAWAN, and
ALFONSO PERCIVAL
ALCÁÑESES, all represented by
FELICIDAD S. ALCÁÑESES-
LACANDOLA AND CECILIO L.
ALCÁÑESES,

Respondents.

Promulgated:
June 30, 2021

MisDcBatt

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* Designated additional Member per Special Order No. 2833.

DECISION**LEONEN, J.:**

There is no specifically prescribed means to resolve a conflict of laws problem; choice of law varies depending on the circumstances. Courts may employ the “state with the most significant relationship” test in determining choice of law in tort liability.

For this Court’s resolution is a Petition for Review on Certiorari¹ challenging the Decision² and Resolution³ of the Court of Appeals which affirmed with modification the Regional Trial Court Decision.⁴ The Regional Trial Court declared void Esther Victoria Alcala (Esther)’s Affidavit of Self-Adjudication and ordered the delivery of half of Kenya Air’s award of US\$430,000 to Efren Alcañeses (Efren)’s collateral relatives.

Efren was an Air Afrique pilot.⁵ On January 30, 2000, as a non-paying passenger, he boarded Kenya Air flight 431 bound for Nairobi, Kenya.⁶ The plane departed from Abidjan, Ivory Coast.⁷ While in transit over the Ivory Coast, the plane exploded mid-air, killing everyone on board.⁸

Esther is Efren’s surviving widow.⁹

Jose S. Alcañeses (Jose),¹⁰ Alicia S. Alcañeses-Tanglao (Alicia), Mercedes Rosario S. Alcañeses (Mercedes), Lydia Victoria Alcañeses-De Villa (Lydia), and Felicidad S. Alcañeses-Lacandola (Felicidad) were Efren’s full blood siblings.¹¹ While Benedicto A. Alcañeses (Benedicto), Alfonso Percival Alcañeses (Alfonso), and Patricia A. Alcañeses-Jumawan (Patricia) were his half siblings.¹²

¹ *Rollo*, pp. 3–23.

² *Id.* at 24–37. The January 30, 2009 Decision in CA-G.R. CV No. 85919 was penned by Associate Justice Marlene Gonzales-Sison and concurred in by Associate Justices Josefina Guevara-Salonga and Isaias P. Dicedican of the Ninth Division, Court of Appeals, Manila.

³ *Id.* at 38–39. The May 11, 2009 Resolution in CA-G.R. CV No. 85919 was penned by Associate Justice Marlene Gonzales-Sison and concurred in by Associate Justices Josefina Guevara-Salonga and Isaias P. Dicedican of the Former Ninth Division, Court of Appeals, Manila.

⁴ *Id.* at 61–72. The May 9, 2005 Decision in Civil Case 2002-121 was penned by Presiding Judge Bienvenido A. Mapaye of the Regional Trial Court of Lucena City, Branch 55.

⁵ *Id.* at 26.

⁶ *Id.* at 6.

⁷ *Id.* at 26.

⁸ *Id.*

⁹ *Id.*

¹⁰ Jose was later substituted by his heirs, Gracia Sanga, Maria Rosario Alcañeses, Anthony Alcañeses, Veronica Alcañeses-Pantig, Marcial Alcañeses, and Debora Alcañeses-Obias.

¹¹ *Rollo*, p. 26.

¹² *Id.*

Dinah L. Alcañeses-Reyes (Dinah), Cecilio L. Alcañeses (Cecilio), Fe L. Alcañeses (Fe) are the children of Efren's late full blood brother, Ignacio Alcañeses, who predeceased him.¹³

On July 17, 2000, Esther executed an Affidavit of Self-Adjudication as Efren's sole heir, adjudicating to herself two parcels of land and two motor vehicles.¹⁴

On November 15, 2001, Esther sought appointment as the legal representative of Efren's estate, which the Regional Trial Court granted.¹⁵ She then filed a claim for damages with Kenya Air for "indemnity and compensation for the loss of her husband,"¹⁶ which Kenya Air amicably settled with her.¹⁷ She received an award of US\$430,000.00, evidenced by a Receipt and Release.¹⁸

In 2002, Felicidad and Cecilio, representing their siblings and their nephews and nieces (Efren's collateral relatives), filed a Complaint for Partition of Estate and Declaration of Nullity of Affidavit of Self-adjudication and Damages with the Regional Trial Court of Lucena City.¹⁹

Felicidad and Cecilio argued that they have a rightful share in Efren's estate as his collateral relatives.²⁰ They prayed that the trial court: (1) nullify the Affidavit of Self-Adjudication which Esther executed; (2) require her to account; (3) order the delivery of their shares in Efren's estate; and (4) award them damages.²¹

Esther posited that Efren's collateral relatives filed the complaint solely to apportion the proceeds of the Kenya Air settlement, and not due to her alleged refusal to distribute their shares over the conjugal properties.²²

Esther further countered that she claimed damages as Efren's surviving widow and his sole dependent.²³ She argued that the money Kenya Air paid her was exclusively hers, as indemnity for her husband's death.²⁴ She alleged that her husband died as a result of a *quasi-delict*, considering he had no ticket when he rode the airplane.²⁵ Thus, it is the Fatal Accidents Act of Kenya which is applicable, and it clearly defined who

¹³ Id. at 6.

¹⁴ Id. at 26.

¹⁵ Id.

¹⁶ Id. at 65.

¹⁷ Id.

¹⁸ Id. at 63.

¹⁹ Id. at 25.

²⁰ Id. at 64.

²¹ Id. at 65.

²² Id. at 66.

²³ Id. at 65.

²⁴ Id.

²⁵ Id. at 65.

the dependents are: the spouse, descendants, and ascendants.²⁶

In its May 9, 2005 Decision,²⁷ the Regional Trial Court ruled in Felicidad and Cecilio's favor. It ordered the nullification of the affidavit of self-adjudication and the delivery of half of Kenya Air's award of US\$430,000.00 to Efren's collateral relatives, thus:

WHEREFORE, judgment is hereby rendered:

1. Nullifying the affidavit of self-adjudication identified as Doc. No. 2082, page No. 15, Book No. CVI, Series of 2000 of the Notarial Register of Atty. Emmanuel A. Garcia in so far as the hereditary share of the plaintiffs are concerned;
2. Ordering the defendant to give and deliver to the plaintiffs their legal and rightful shares in the estate of Efren Alcaneses, more particularly one half (1/2) of U.S.\$ 430,000.00 she received in trust for them from the Kenya Air; and
3. Ordering the defendant to pay and reimburse the plaintiffs the sum of Php50,000.00, as their lawyer's professional fees and court's filing fees in the sum of Php179,776.00.

On the defendant's counterclaim:

- A. Ordering the plaintiffs to partition and give to the defendant her hereditary rights and shares over all the inherited real properties left by her husband Efren Alcaneses; but
- B. Denying and dismissing defendant's prayer for damages and attorney's fees.

SO ORDERED.²⁸

In its January 30, 2009 Decision,²⁹ the Court of Appeals affirmed with modification the Regional Trial Court Decision. It ruled that Esther is entitled to three-fourths of Efren's estate, while his collateral relatives are entitled to the remaining one-fourth.³⁰ Further, it held that property which Efren exclusively acquired during the marriage must be equally divided between Esther and his collateral relatives, pursuant to Article 1001 of the Civil Code.³¹

As regards the US\$430,000.00 grant from Kenya Air, the Court of Appeals ruled that the applicable law is the Civil Code, and not Kenyan law.³² Upon examining Articles 15, 16, 781, 1039, and 2206 of the Civil

²⁶ Id.

²⁷ Id. at 61-72.

²⁸ Id. at 72.

²⁹ Id. at 24-37.

³⁰ Id. at 30.

³¹ Id. at 31.

³² Id. at 32.

Code,³³ it concluded that the proceeds of the settlement did not form part of Efren's inheritance.³⁴

Under Article 2206 of the Civil Code, indemnity for death arising from a *quasi-delict* must be paid to the decedent's heirs.³⁵ According to the Court of Appeals, the Receipt and Release Esther signed showed that she agreed to indemnify Efren's collateral relatives.³⁶ Thus, Esther and each of Efren's siblings³⁷ were jointly entitled to the indemnity.³⁸

The Court of Appeals affirmed the award of attorney's fees in favor of Efren's collateral relatives,³⁹ thus:

WHEREFORE, premises considered, the instant appeal is **PARTIALLY GRANTED**. The 9 May 2005 decision of the Regional Trial Court of Lucena City (Branch 55) in Civil Case 2002-121 is **AFFIRMED** with the following **MODIFICATIONS**:

1. Defendant-appellant is directed to deliver to plaintiffs-appellants the latter's share in the inheritance of the decedent, particularly: a) the one-fourth (1/4) *pro-indiviso* portion of decedent's conjugal property; and 2) [sic] the respective one-tenth (1/10) share of plaintiffs-appellees in the U.S. \$ 430,000.00;
2. Plaintiffs-appellees are directed to deliver to defendant-appellant the latter's share in the inheritance of the decedent, particularly, the one-half (1/2) *pro-indiviso* portion of all the parcels of land inherited by the decedent.

SO ORDERED.⁴⁰ (Emphasis in the original)

On February 23, 2009, Esther moved for reconsideration.⁴¹ However, her motion was denied in the Court of Appeals' May 11, 2009 Resolution.⁴²

Thus, on June 2, 2009, Esther filed this Petition for Review on Certiorari⁴³ before this Court.

In its September 16, 2009 Resolution,⁴⁴ this Court required respondents Felicidad and Cecilio, in representation of Efren's collateral relatives, to comment on the Petition, and propose a division of the disputed

³³ Id. at 32-33.

³⁴ Id. at 33.

³⁵ Id.

³⁶ Id. at 34.

³⁷ Ignacio's share was divided among his children who inherited in representation of their father.

³⁸ *Rollo*, p. 34.

³⁹ Id. at 35.

⁴⁰ Id. at 36.

⁴¹ Id. at 38.

⁴² Id. at 38-39.

⁴³ Id. at 3-23.

⁴⁴ Id. at 50.

proceeds.⁴⁵

On November 27, 2009, respondents Felicidad and Cecilio filed their Comment,⁴⁶ which this Court noted in its February 10, 2010 Resolution.⁴⁷

In its February 20, 2013 Resolution,⁴⁸ this Court required petitioner to file a reply to the Comment within 10 days from notice.⁴⁹

On April 25, 2013, petitioner filed her Reply,⁵⁰ which this Court noted in its July 8, 2013 Resolution.⁵¹ This Court resolved to give due course to the petition and require the parties to submit memoranda within 30 days from notice.⁵²

On October 1, 2013, petitioner filed her Memorandum,⁵³ while respondents Felicidad and Cecilio failed to file theirs.⁵⁴ This Court, in its January 15, 2014 Resolution,⁵⁵ required their lawyer, Atty. Clemente T. Alcala (Atty. Alcala), to show cause why he should not be disciplined, and directed him to comply with the July 8, 2013 Resolution.

The Show Cause Resolution was returned unserved due to Atty. Alcala's demise.⁵⁶ In its June 4, 2014 Resolution,⁵⁷ this Court required the Clerk of Court of the Regional Trial Court to furnish it with the addresses of Efren's collateral relatives. The Clerk of Court complied with the directive in a Manifestation⁵⁸ filed with this Court on August 7, 2014.

On September 5, 2014, Atty. Vincent Edward S. Dato (Atty. Dato) filed an Entry of Appearance with Motion for Extension of Time to File Memorandum for Respondents.⁵⁹ Thereafter, he filed a Memorandum for Respondents⁶⁰ on October 7, 2014.

In its November 10, 2014 Resolution,⁶¹ this Court granted the motion for extension, and noted the Clerk of Court's Manifestation, Atty. Dato's

⁴⁵ Id.

⁴⁶ Id. at 52-60.

⁴⁷ Id. at 74.

⁴⁸ Id. at 77.

⁴⁹ Id.

⁵⁰ Id. at 78-82.

⁵¹ Id. at 84.

⁵² Id.

⁵³ Id. at 86-104.

⁵⁴ Id. at 106.

⁵⁵ Id.

⁵⁶ Id. at 109.

⁵⁷ Id.

⁵⁸ Id. at 110-111.

⁵⁹ Id. at 115-122.

⁶⁰ Id. at 123-136.

⁶¹ Id. at 137-138.

entry of appearance, and the memorandum.

Petitioner maintains that the Fatal Accidents Act of Kenya is the applicable law, and not the Civil Code of the Philippines. She argues that the Warsaw Convention and the conflict of laws rule on *lex loci delicti commissi* govern the claim for damages against Kenya Air.⁶²

Further, petitioner contends that the Warsaw Convention is enforceable in this jurisdiction due to the Philippine Senate's concurrence in 1950 and the subsequent deposit of our accession instrument in Poland.⁶³ She asserts that Article 28(1)⁶⁴ of the Convention provides which court a claim for damages against an international carrier must be instituted, and the Philippines does not fall in any of those mentioned in the Convention.⁶⁵ She cites *Mapa v. Court of Appeals*,⁶⁶ where this Court allegedly ruled that this article confers jurisdiction rather than venue.⁶⁷ Thus, courts in the country have no jurisdiction over the claim⁶⁸ and neither can our courts apply the Civil Code of the Philippines.⁶⁹

Petitioner asserts that Articles 15, 16, and 1039 of the Civil Code do not apply, as the claim for damages does not involve family rights and duties, status, condition, legal capacity of persons, or succession. The Receipt and Release explicitly stated that the terms of the Fatal Accidents Act of Kenya governs it, in accordance with the Warsaw Convention.⁷⁰

Moreover, petitioner invokes the conflict of laws rule of *lex loci delicti commissi*, which states that matters affecting the substantive rights of the parties are governed by the law of the place of the wrong. The place of the wrong is Kenya, where the claim was filed. Applying the Fatal Accidents Act, only petitioner must be compensated for her husband's death.⁷¹

Finally, petitioner alleges that despite respondents' admission that they are not entitled to the award of damages from Kenya Air, they filed this bogus complaint for partition, in which they did not even include Efren's properties where she has a share as the surviving widow. She prayed for the

⁶² Id. at 93.

⁶³ Id.

⁶⁴ Warsaw Convention for the Unification of Certain Rules Relating to International Carriage by Air (1929), art. 28, par. 1 provides:

An action for damages must be brought, at the option of the plaintiff, in the territory of one of the High Contracting Parties, either before the court of the domicile of the carrier or of his principal place of business or where he has a place of business through which the contract has been made or before the court at the place of destination.

⁶⁵ *Rollo*, p. 95.

⁶⁶ 341 Phil. 281 (1997) [Per J. Davide, Jr., Third Division].

⁶⁷ *Rollo*, p. 95.

⁶⁸ Id. at 99.

⁶⁹ Id. at 95.

⁷⁰ Id. at 96.

⁷¹ Id. at 98.

awards of moral damages, litigation expenses, and attorney's fees.⁷²

Respondents admit that the US\$430,000.00 paid to petitioner did not form part of Efren's estate. However, they counter that Article 2206 of the Civil Code supports their claim, as it mandates the payment for indemnity arising from a *quasi-delict* to the decedent's heirs, and not to the estate. Respondents further assert that the stipulation in the Receipt and Release clearly meant that petitioner was willing to indemnify them for their corresponding shares.⁷³ The Receipt and Release expressly enumerated them as legal heirs and undeniably acknowledged their right of action. They stress that Article 2206 of the Civil Code is on point, as it is Philippine law, the decedent's national law.⁷⁴

The issues for resolution are the following:

First, whether or not Philippine law governs an international carrier's indemnity award to a Filipino widow for death arising from a *quasi-delict* committed in a foreign country; and

Second, whether or not the Filipino decedent's collateral relatives should be indemnified along with the surviving widow.

This Court grants the Petition and reverses the assailed Court of Appeals Decision.

I

At the outset, this Court clarifies that only the proceeds of Kenya Air's settlement of US\$430,000.00 is contested here. As to the other disputed properties, the assailed January 30, 2009 Decision in CA-G.R. CV No. 85919 has long attained finality.

Inheritance "includes all the property, rights[,] and obligations of a person which are not extinguished by [their] death."⁷⁵ Succession transmits a person's inheritance to others when they die.⁷⁶

Kenya Air paid petitioner, the surviving widow, indemnity arising from her husband's untimely death aboard its airplane. Clearly, Efren did not own the indemnity payment during his lifetime, and neither did it accrue to his estate.

⁷² Id. at 102.

⁷³ Id. at 130.

⁷⁴ Id. at 132.

⁷⁵ CIVIL CODE, art. 776.

⁷⁶ CIVIL CODE, art. 774.

It is no longer assailed that the disputed sum of money did not form part of Efren's assets to be partitioned among his heirs. The Regional Trial Court erred on this point. Further, the Court of Appeals should not have directed petitioner to deliver shares of the proceeds to respondents, considering it correctly held that US\$430,000.00 did not form part of Efren's estate.

II

When laws of two or more states may potentially govern a dealing, a conflict of laws arises. Transnational transactions have made this possible:

The more jurisdictions having an interest in, or merely even a point of contact with, a transaction or relationship, the greater the number of potential fora for the resolution of disputes arising out of or related to that transaction or relationship. In a world of increased mobility, where business and personal transactions transcend national boundaries, the jurisdiction of a number of different fora may easily be invoked in a single or a set of related disputes.⁷⁷

The parties appear to confuse the concepts of jurisdiction and choice of law. *Hasegawa v. Kitamura*⁷⁸ distinguished the two:

Analytically, jurisdiction and choice of law are two distinct concepts. Jurisdiction considers whether it is fair to cause a defendant to travel to this state; choice of law asks the further question whether the application of a substantive law which will determine the merits of the case is fair to both parties. The power to exercise jurisdiction does not automatically give a state constitutional authority to apply forum law. While jurisdiction and the choice of the *lex fori* will often coincide, the "minimum contacts" for one do not always provide the necessary "significant contacts" for the other. The question of whether the law of a state can be applied to a transaction is different from the question of whether the courts of that state have jurisdiction to enter a judgment.⁷⁹ (Citations omitted)

Jurisdiction pertains to the court or tribunal's competence to rule on a matter before it. Choice of law deals with determining which law applies.

Previously, this Court had ruled that the Warsaw Convention "has the force and effect of law in this country."⁸⁰ *Santos III v. Northwest Orient*

⁷⁷ *Saudi Arabian Airlines v. Rebesencio*, 750 Phil. 791, 820 (2015) [Per J. Leonen, Second Division] citing GEORGE A. BERMAN, *TRANSNATIONAL LITIGATION IN A NUTSHELL* 86 (2003).

⁷⁸ 563 Phil. 572 (2007) [Per J. Nachura, Third Division].

⁷⁹ *Id.* at 585.

⁸⁰ *Luna v. Court of Appeals*, 290 Phil. 542, 548 (1992) [Per J. Bellosillo, First Division] citing *Santos III v. Northwest Orient Airlines*, 285 Phil. 734 (1992) [Per J. Cruz, En Banc].

*Airlines*⁸¹ detailed the chronicle of events:

The Republic of the Philippines is a party to the Convention for the Unification of Certain Rules Relating to International Transportation by Air, otherwise known as the Warsaw Convention. It took effect on February 13, 1933. The Convention was concurred in by the Senate, through its Resolution No. 19, on May 16, 1950. The Philippine instrument of accession was signed by President Elpidio Quirino on October 13, 1950, and was deposited with the Polish government on November 9, 1950. The Convention became applicable to the Philippines on February 9, 1951. On September 23, 1955, President Ramon Magsaysay issued Proclamation No. 201, declaring our formal adherence thereto, to the end that the same and every article and clause thereof may be observed and fulfilled in good faith by the Republic of the Philippines and the citizens thereof.⁸² (Citation omitted)

The Warsaw Convention governs international air carriage, and “seeks to accommodate or balance the interests of passengers seeking recovery for personal injuries and the interests of air carriers seeking to limit potential liability.”⁸³ It enumerates the most convenient fora where claims between an airline and its passengers may be litigated.⁸⁴

Petitioner is correct in arguing that the Warsaw Convention confers jurisdiction, in determining which court has the competence to rule upon a transnational concern. Accordingly, she instituted the claim for damages against Kenya Air in Kenya, albeit later resorting to settle.

We have held in a plethora of cases⁸⁵ that the Warsaw Convention does not preclude the application of the Civil Code. However, the Warsaw Convention finds *no* application when the action does not involve an international carrier’s liability.

Here, respondents did not implead Kenya Air to seek damages from it. Neither did they question its indemnity award to petitioner. In imploring this Court to direct petitioner to deliver to them a portion of the settlement, respondents anchor their cause of action on Philippine law.

Thus, this Court is confronted with the issue of whether or not Philippine law may be applied to order the division of an international carrier’s indemnity payment to a Filipino widow.

⁸¹ 285 Phil. 734 (1992) [Per J. Cruz, En Banc].

⁸² Id. at 742.

⁸³ *Philippine Airlines, Inc. v. Savillo*, 579 Phil. 344, 351 (2008) [Per J. Chico-Nazario, Third Division].

⁸⁴ *Santos III v. Northwest Orient Airlines*, 285 Phil. 734, 743 (1992) [Per J. Cruz, En Banc].

⁸⁵ *United Airlines v. Uy*, 376 Phil. 688 (1999) [Per J. Bellosillo, Second Division], *Cathay Pacific Airways, Ltd. v. Court of Appeals*, 292 Phil. 517 (1993) [Per J. Bellosillo, First Division], *Luna v. Court of Appeals*, 290 Phil. 542 (1992) [Per J. Bellosillo, First Division].

III

Choice-of-law problems resolve the following questions:

- (1) What legal system should control a given situation where some of the significant facts occurred in two or more states; and
- (2) to what extent should the chosen legal system regulate the situation[?]⁸⁶

There is no specifically prescribed means to resolve a conflict of laws problem.⁸⁷ Choice of law varies depending on the circumstances. *Saudi Arabian Airlines v. Court of Appeals*⁸⁸ explores them:

Several theories have been propounded in order to identify the legal system that should ultimately control. Although ideally, all choice-of-law theories should intrinsically advance both notions of justice and predictability, they do not always do so. The forum is then faced with the problem of deciding which of these two important values should be stressed.

Before a choice can be made, it is necessary for us to determine under what category a certain set of facts or rules fall. This process is known as *characterization*, or the *doctrine of qualification*. It is the process of deciding whether or not the facts relate to the kind of question specified in a conflicts rule. The purpose of characterization is to enable the forum to select the proper law.

Our starting point of analysis here is not a legal relation, but a factual situation, event, or operative fact. An essential element of conflict rules is the indication of a “test” or “connecting factor” or “point of contact”. Choice-of-law rules invariably consist of a factual relationship (such as property right, contract claim) and a connecting factor or point of contact, such as the *situs* of the *res*, the place of celebration, the place of performance, or the place of wrongdoing.

Note that one or more circumstances may be present to serve as the possible test for the determination of the applicable law. These “test factors” or “points of contact” or “connecting factors” could be any of the following:

- (1) *The nationality of a person, his [or her] domicile, his [or her] residence, his [or her] place of sojourn, or his [or her] origin;*
- (2) *the seat of a legal or juridical person, such as a corporation;*

⁸⁶ *Saudi Arabian Airlines v. Court of Appeals*, 358 Phil. 105, 123 (1998) [Per J. Quisumbing, First Division] citing COQUIA AND PANGALANGAN, CONFLICT OF LAWS 65 (1995 ed.) further citing Von Mehren, *Recent Trends in Choice-of-Law Methodology*, 60 CORNELL L. REV. 927 (1975).

⁸⁷ Id. at 123–124.

⁸⁸ 358 Phil. 105 (1998) [Per J. Quisumbing, First Division].

- (3) the situs of a thing, that is, the place where a thing is, or is deemed to be situated. In particular, the *lex situs* is decisive when real rights are involved;
- (4) *the place where an act has been done, the locus actus, such as the place where a contract has been made, a marriage celebrated, a will signed or a tort committed. The lex loci actus is particularly important in contracts and torts;*
- (5) the place where an act is intended to come into effect, e.g., the place of performance of contractual duties, or the place where a power of attorney is to be exercised;
- (6) *the intention of the contracting parties as to the law that should govern their agreement, the lex loci intentionis;*
- (7) the place where judicial or administrative proceedings are instituted or done. The *lex fori* — the law of the forum — is particularly important because, as we have seen earlier, matters of 'procedure' not going to the substance of the claim involved are governed by it; and because the *lex fori* applies whenever the content of the otherwise applicable foreign law is excluded from application in a given case for the reason that it falls under one of the exceptions to the applications of foreign law, and
- (8) the flag of a ship, which in many cases is decisive of practically all legal relationships of the ship and of its master or owner as such. It also covers contractual relationships particularly contracts of affreightment.⁸⁹ (Emphasis supplied, citations omitted)

Pursuant to these guidelines and upon scrutiny of the records, this Court holds that the following “points of contact” are material: (1) the parties’ nationality; (2) Kenya Air’s principal place of business; (3) the place where the tort was committed; and (4) the intention of the contracting parties as to the law that should govern their agreement.

Saudi Arabian Airlines continued that *lex loci delicti commissi* has seen declining relevance. “In keeping abreast with the modern theories on tort liability,”⁹⁰ it applied the state of the most significant relationship rule.⁹¹

A perusal of the records reveals that Kenya had the “most significant relationship” to the conflict; thus, its law must be applied in the transaction.

⁸⁹ Id. at 123–125. See also *Continental Micronesia, Inc. v. Basso*, 770 Phil. 201 (2015) [Per J. Jardeleza, Third Division].

⁹⁰ Id. at 127.

⁹¹ Id.

To recall, the parties to this case are Filipinos.⁹² However, Kenya Air is a foreign corporation, with principal place of business in Kenya.⁹³ The tort was committed aboard one of its planes, and it granted the disputed amount of money to petitioner as settlement.

Moreover, the Release and Receipt stipulated that it “shall be subject to the laws of Kenya[,]” and that it “was signed in the Philippines simply as a matter of convenience of Claimant [petitioner].”⁹⁴ It appears that the only “point of contact” with Philippine law was that Efren, petitioner, and respondents happened to be Filipino.

IV

Courts do not take judicial notice of foreign law. However, this Court finds that petitioner properly pleaded and proved the applicable Kenyan law.⁹⁵

Chapter 32 of the Laws of Kenya, “An Act of Parliament for compensating the families of persons killed in accidents,”⁹⁶ otherwise known as The Fatal Accidents Act of Kenya, provides that a person may institute an action against one causing death through a wrongful act:

3. Whenever the death of a person is caused by a wrongful act, neglect or default, and the act, neglect, or default is such as would (if death had not ensued) have entitled the person injured to maintain an action and recover damages in respect thereof, then and in every such case the person who would have been liable, if death had not ensued, shall be liable to an action for damages notwithstanding the death of the person injured and although the death was caused under such circumstances as amount in law to felony.⁹⁷

It further provides that the action for damages shall be for the family of the deceased—wife, husband, parent, or child—which makes no mention of collateral relatives:

4. Every action brought by virtue of the provision of this Act *shall be for the benefit of the wife, husband, parent, and child of the person whose death was so caused*, and shall, subject to the provisions of section 7, be brought by and in the name of the executor or administrator of the person deceased, *and in every such action the court may award such damages as it may think proportioned to the injury resulting from the death to the persons respectively for whom and for whose benefit the*

⁹² *Rollo*, p. 4.

⁹³ *Id.* at 5.

⁹⁴ *Id.* at 49.

⁹⁵ *Id.* at 40–46.

⁹⁶ *Id.* at 42.

⁹⁷ *Id.*

action is brought; and the amount so recovered, after deducting the costs not recovered from the defendant, shall be divided among persons in such shares as the court, by its judgment, shall find and direct[.]⁹⁸ (Emphasis supplied)

Thus, it is clear that the Fatal Accidents Act of Kenya applies. Accordingly, petitioner, as the wife, is entitled to the totality of the US\$430,000.00 indemnity that Kenya Air paid her as settlement.

Invoking Article 2206⁹⁹ of the Civil Code, respondents seek a share of the settlement proceeds and pray for its division among them. However, as we have found that Kenyan law properly applies here, there is no basis to apply Philippine law on the matter. We do not have to answer the inquiries as to whether respondents sustained pecuniary loss, being the decedent's heirs under Philippine law. Neither should the issue of whether Efren was obliged to support respondents be resolved. These are irrelevant. As far as the Fatal Accidents Act of Kenya is concerned, a decedent's heirs are only the surviving spouse, ascendants, and descendants. Nowhere does it mention the collateral relatives of a deceased person.

Respondents harp on the Receipt and Release, which stated:

(1) The Claimant agrees to indemnify, defend, and hold harmless the Releasees from and against any and all claims, demands, cause, or causes or right of action, which may be made or brought against them or against any one or more of them by other alleged legal heirs, namely:

Full Blood Collateral

1. Jose S. Alcañeses
2. Alicia S. Alcañeses-Tanglao
3. Ignacio S. Alcañeses (deceased)

Represented by:

- a. Dinah Alcañeses-Reyes
- b. Cecilio Alcañeses
- c. Fe Alcañeses

4. Mercedes Rosario S. Alcañeses

⁹⁸ Id. at 43.

⁹⁹ CIVIL CODE, art. 2206 provides:

ARTICLE 2206. The amount of damages for death caused by a crime or quasi-delict shall be at least three thousand pesos, even though there may have been mitigating circumstances. In addition:

(1) The defendant shall be liable for the loss of the earning capacity of the deceased, and the indemnity shall be paid to the heirs of the latter; such indemnity shall in every case be assessed and awarded by the court, unless the deceased on account of permanent physical disability not caused by the defendant, had no earning capacity at the time of his death;

(2) If the deceased was obliged to give support according to the provisions of article 291, the recipient who is not an heir called to the decedent's inheritance by the law of testate or intestate succession, may demand support from the person causing the death, for a period not exceeding five years, the exact duration to be fixed by the court;

(3) The spouse, legitimate and illegitimate descendants and ascendants of the deceased may demand moral damages for mental anguish by reason of the death of the deceased.

5. Lydia Victoria S. Alcañeses-De Villa
6. Felicidad S. Alcañeses-Lacandola

Half Blood Collateral

1. Benedicto Alcañeses
2. Patricia Alcañeses-Jumawan
3. Alfonso Percival Alcañeses

or if a case has been filed, to instruct and authorize the Releasees' counsel to dismiss all actions in respect of the said death of the Deceased, and loss or damages suffered by the Claimant, and Claimant hereby revokes, annuls and makes void any special power of attorney or such document or instrument and/or authority given or granted to any third person; further, this instrument may be pleaded as an absolute and final bar to suit or suits or legal proceedings that may hereafter be prosecuted by Claimant, or anyone claiming by, through or under her, against any persons or things released herein for any matter or things referred to herein.

(2) The Claimant warrants that she is the only legal heir under Kenyan law and that there is no other heirs of the Deceased and that she has not abandoned, assigned or otherwise disposed of her right to the estate of the Deceased.¹⁰⁰

These averments did not, in any way, indicate that respondents are likewise entitled to the indemnity. The stipulation merely declared that petitioner released Kenya Air from any liability, akin to a quitclaim in our jurisdiction. However, as we have hammered the point, respondents are not entitled to the settlement.

There is no reading of the Fatal Accidents Act of Kenya and the Receipt and Release document that can give respondents a source of right to a share in the disputed sum of money.


WHEREFORE, the Petition for Review on Certiorari is **GRANTED**. The Court of Appeals' January 30, 2009 Decision and May 11, 2009 Resolution in CA-G.R. CV No. 85919 are **REVERSED and SET ASIDE**, insofar as it directed petitioner Esther Victoria Alcala Vda. de Alcañeses to deliver respondents' respective one-tenth (1/10) share of the US\$430,000.00 award.

The order directing respondents Jose S. Alcañeses, substituted by his legal heirs, Gracia Sanga, Maria Rosario Alcañeses, Anthony Alcañeses, Veronica Alcañeses-Pantig, Marcial Alcañeses, and Debora Alcañeses-Obias, Alicia S. Alcañeses-Tanglao, Mercedes Rosario S. Alcañeses, Lydia Victoria Alcañeses-De Villa, Felicidad S. Alcañeses-Lacandola, Dinah L. Alcañeses-Reyes, Cecilio L. Alcañeses, Fe L. Alcañeses, Benedicto A. Alcañeses, Patricia A. Alcañeses-Jumawan, and Alfonso Percival Alcañeses

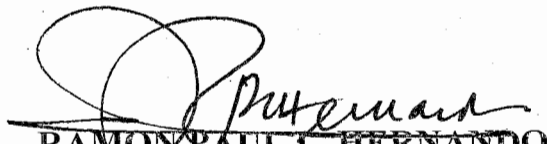
¹⁰⁰ Rollo, pp. 47-48.

to deliver to petitioner her one-half (1/2) pro-indiviso share in all the parcels of land Efren Alcañeses inherited, and the directive for petitioner to deliver to respondents the one-fourth (1/4) pro-indiviso portion of Efren Alcañeses's conjugal property **STAND**, as they have attained **FINALITY**.

SO ORDERED.


MARVIC M.V.F. LEONEN
Associate Justice

WE CONCUR:


RAMON PAUL L. HERNANDO
Associate Justice



HENRI JEAN PAUL B. INTING
Associate Justice


RICARDO R. ROSARIO
Associate Justice


JHOSEP V. LOPEZ
Associate Justice

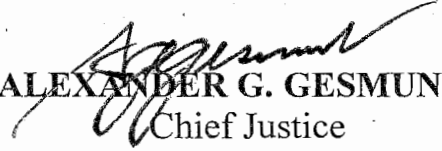
ATTESTATION

I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.


MARVIC M.V.F. LEONEN
Associate Justice
Chairperson

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the Division Chairperson's Attestation, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.


ALEXANDER G. GESMUNDO
Chief Justice