

Summary of General Provisions: Definitions and Sources of Obligations under the Philippine Civil Code

Definitions and Sources of Obligations

Under the Philippine Civil Code, obligations may arise from various legal sources. These include **law**, **contracts**, **quasi-contracts**, **delict** (criminal acts), and **quasi-delict** (torts). Each source imposes specific liabilities and responsibilities on the obligated party.

1. Obligations Arising from Law

Obligations derived directly from statutory provisions or judicial decisions are considered obligations arising from law. These are explicitly established by the Code or special laws and regulated accordingly.

2. Obligations Arising from Contracts

Contracts form one of the primary sources of obligations. Obligations that arise from contracts have the force of law between the contracting parties and must be complied with in good faith. Courts enforce the literal terms of contracts when clearly stated, and apply equitable interpretations when terms are ambiguous.

3. Obligations Arising from Quasi-Contracts

Quasi-contracts are lawful, voluntary, unilateral acts that create legal obligations to prevent unjust enrichment at the expense of another. They exist independently of contracts or will agreements.

Principal quasi-contracts include:

- **Negotiorum Gestio:** Management of another's property or affairs without their authorization.
- **Solutio Indebiti:** The obligation to return something received without right, especially when delivered by mistake.
- **Other Quasi-Contracts:** Various other lawful acts creating obligations not classified as contracts.

4. Obligations Arising from Delict

Delict refers to criminal acts or omissions punished by law. Persons guilty of a felony are civilly liable for damages caused by their acts. Civil liabilities in delict include:

- **Restitution:** Returning the thing itself whenever possible.
- **Reparation of Damage:** Compensating the value or sentimental loss suffered.
- **Indemnification for Consequential Damages:** Covering damages caused that affect family members or third persons.

The criminal liability and civil liability based on delict are extinguished upon the offender's death if it happens before final judgment. However, civil liability based on other sources may still be pursued.

5. Obligations Arising from Quasi-Delict

Quasi-delict (or culpa aquiliana) corresponds to tort liability in Anglo-American law. It arises when damage is caused to another due to fault or negligence without any pre-existing contractual relationship. The three elements include:

1. Fault or negligence of the defendant;
2. Damage suffered by the plaintiff;
3. Causal relationship between fault/negligence and damage.

Distinctions Between Delict and Quasi-Delict

Delict	Quasi-Delict
Wrong committed against the State.	Wrong committed against a person.
Requires criminal intent (generally).	Criminal intent is not necessary.
Actionable only under penal law.	Actionable in any negligent act or omission causing harm.
Proof required beyond reasonable doubt.	Requires preponderance of evidence.

Specific Rules on Quasi-Contracts

Negotiorum Gestio (Management of Another's Business Without Authorization)

- The voluntary manager must continue management until the affair terminates or the owner substitutes him.
- He owes the diligence of a prudent person and is liable for damages caused by negligence.
- If duties are delegated, the manager remains liable for the delegate's acts.
- Liability for fortuitous events arises if the manager undertook risky operations, acted in bad faith, or failed to return the property when demanded.
- Ratification by the owner creates effects akin to express agency.
- The owner who benefitted must reimburse necessary and useful expenses incurred by the manager.
- Even without benefit or danger prevented, the owner's liability arises if the manager acted in good faith and the property is intact.
- The manager is personally liable toward third persons unless the owner ratifies the management or the contract pertains to the owner's business.
- Management ends upon repudiation by the owner, withdrawal by the manager, or death/insanity/insolvency of either party.

Solutio Indebiti (Payment of What Is Not Due)

- An obligation to return something received without right arises if delivered by mistake.
- Recovery is possible if payment was made due to doubt about debt validity.
- The liability among multiple payees for undue payment is solidary.
- If the delivered property belongs to a third party, certain rules apply to its handling and custody.