

**Title:** Michael C. Guy vs. Atty. Glenn G. Gacott, G.R. No. 208522

**Facts:**

- March 3, 1997:** Atty. Glenn Gacott purchased two transreceivers from Quantech Systems Corporation (QSC) for P18,000.
- May 10, 1997:** Gacott returned the defective transreceivers to QSC with promises of replacements within two weeks.
- Unfulfilled Promise:** QSC failed to provide replacements or refunds despite Gacott's several demands.
- Expenses Incurred:** Gacott incurred P40,936.44 in expenses.
- Complaint for Damages:** Gacott filed a complaint against QSC and its employee, Rey Medestomas.
- No Evidence from Defendants:** QSC and Medestomas did not present evidence during the trial.
- Decision of RTC (March 16, 2007):** Judgment in favor of Gacott ordering QSC and Medestomas to pay various damages amounting to P293,936.44.
- Finality of Decision:** QSC and Medestomas did not appeal.
- Execution (September 26, 2007):** Gacott secured a Writ of Execution.
- Revelation:** QSC was discovered to be a general partnership, not a corporation, with Michael Guy as General Manager.
- Attachment of Property (March 3, 2009):** Guy's vehicle was attached by Sheriff Felizarte based on a DOTC-LTO certification.
- Motion to Lift Attachment:** Guy argued he was not a judgment debtor.
- RTC Denial (June 28, 2009):** RTC denied Guy's motion, considering him a general partner liable for QSC's debts.
- Motion for Reconsideration (Denied February 19, 2010):** Guy's motion for reconsideration was denied.
- CA Ruling (June 25, 2012):** CA dismissed Guy's appeal, holding him liable.
- Motion for Reconsideration (Denied March 5, 2013):** Guy's motion for reconsideration was denied, prompting the appeal to the Supreme Court.

**Issues:**

- Validity of Service of Summons:** Whether the service of summons on QSC was valid.
- Jurisdiction Over Guy:** Whether the RTC had jurisdiction over Guy to hold him liable for QSC's debts.
- Partners' Liability:** Whether a partner must be impleaded separately to be liable for the partnership's debts.

4. **Nature of Partners' Liability**: Whether Guy's liability was solidary or joint and several with the partnership.

**Court's Decision:**

1. **Service of Summons**: The Supreme Court stated service of summons on QSC was defective but was cured by QSC's voluntary appearance through their Answer. Proper service required under Section 11, Rule 14 was not met.
2. **Jurisdiction Over Guy**: Guy was not impleaded in the case; hence, the RTC did not have jurisdiction over him.
3. **Impleading Partners**: Partners must be separately and distinctly impleaded before being bound by a judgment against the partnership. The Court emphasized due process, stating Guy was not given an opportunity to defend himself.
4. **Nature of Liability (Pro Rata/Joint)**: Partners' liability for partnership debts is generally joint and subsidiary, only arising after partnership assets are exhausted. The elements for solidary liability under Articles 1822-1824 were not met in this case.

**Doctrine:**

1. **Due Process in Civil Suits**: A partner must be impleaded to provide due process before being held liable for partnership debts.
2. **Summons Compliance**: Proper service of summons is exclusively enumerated under Rule 14, Section 11.
3. **Articles 1816, 1822-1824 of the Civil Code**: Clarified the conditions under which partners' liabilities are joint and subsidiary, not solidary unless specified.

**Class Notes:**

- **Elements of Proper Summons**: Must be served to authorized officers.
- **Due Process Requirement**: Partners need to be impleaded to be held liable.
- **Subsidiary Liability of Partners**: Liability arises after asset exhaustion.
- **Civil Code Articles 1816, 1822-1824**: Contexts defining solidary and joint liabilities.
- **Jurisdiction Over Persons**: Detailed explanation of acquiring jurisdiction by appearance.

**Historical Background:**

This case provides context to the evolving interpretation and application of liability principles in partnership law among Philippine juridical entities. It underscores the importance of due process and precise procedural compliance in civil litigation, reflecting the judiciary's commitment to individual rights amidst complex corporate structures. The

decision serves as a precedent in clarifying procedural requisites and partners' obligations in partnerships, addressing ambiguities within corporate and partnership doctrines.