

HORTENSIA ZIALCITA-YUSECO ASSISTED BY HER HUSBAND JOAQUIN P. YUSECO, JR., PLAINTIFFS AND APPELLANTS, VS. WILLIAM SIMMONS, DEFENDANT AND APPELLEE.

G.R. No. L-7912. August 30, 1955

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/634404a2433d/>

BENGZON, ACTING C.J:

Action for damages resulting from plaintiff's allegedly illegal separation from the service of the National City Bank of New York.

In June, 1952 Hortensia Zialcita was employed by the National City Bank of New York, a foreign banking corporation doing business in the Philippines, under a contract of employment, signed by her, including the following clause:

"I understand that I am being hired as a single female employee. In the event of my marriage you may terminate this employment in which case I shall be entitled to no other benefits except my salary through the last day on which I worked."

Because she intended to marry soon, and pursuant to the above stipulation, plaintiff filed on July 7, 1952, her written resignation—which was accepted—effective August 15, 1952. On July 13, 1952 she married her co-plaintiff; and on August 18, 1952 she commenced, in the Manila court of first instance, this suit against William Simmons, the general manager of the National City Bank of New York asserting that said defendant "urged by his distorted notion of a new policy" in the said bank "as manager thereof, forced the herein plaintiff to sign" the above letter of resignation "in implementation of the aforementioned immoral and illegal agreement in the contract of employment." She demanded that said defendant be ordered to pay her damages totalling P15,000.

For answer the defendant averred that: (a) plaintiff signed the contract voluntarily, (b) the above condition of employment was valid, and (c) before marriage plaintiff resigned her position; and asserting she had no cause of action against him; he asked for damages.

The case was heard; and on March 31, 1953 the Honorable Alejandro Panlilio, Judge, entered judgment absolving the defendant for the reason that the plaintiff had signed the contract voluntarily and clause in question was a valid condition of employment not repugnant to public policy. His Honor furthermore opined that plaintiff had no cause of action "taking into consideration the undeniable fact that said plaintiff was not employed by the defendant William Simmons, but by the National City Bank of New York, of which said defendant happened to be the general manager. If at all, that is, if by reason of the termination of her employment contract with the bank, plaintiff Hortensia Zialcita had any cause of action, the action should have been directed, not against the defendant herein, William H. Simmons, but against the National City Bank of New York."

The, plaintiff appealed, contending in her brief that the lower court erred in declaring she had no cause to complain against defendant, and in sustaining the validity of the aforesaid condition of her employment. She argues that the defense of failure to state a cause of action was not raised by the defendant in his answer, nor in a motion to dismiss; and under the Rules such defense was waived and was unavailable, when appellee for the first

time pleaded it in his memorandum.

This argument is without merit, because in the defendant's answer he specifically alleged:

"That plaintiff has no cause of action against defendant; that the action instituted by her against defendant (is) unwarranted; * * *."

Now, then, does plaintiff have the right to compel the manager of the National City Bank to pay damages by reason of her separation? She does not rebut the court's reasoning that defendant merely acted as agent of the Bank, and that her remedy, if any, is to sue such Bank. Indeed such reasoning is in line with well-known principles of agency. According to the complaint itself, in requiring her to sign, the contract, defendant acted as manager of the Bank, and in requiring her to comply with the contract and in accepting her resignation he also acted as manager of the Bank. There is no allegation that he exceeded his power as manager or that his actuation was repudiated by his principal, the Bank. Consequently any claim for damages supposedly resulting from his acts as manager should be directed against his principal, the Bank—not against him personally.

"The agent who acts as such is not personally liable to the party with whom he contracts, unless he expressly binds himself or exceeds the limits of his authority * * *," "The principal must comply with all the obligations which the agent may have contracted within the scope of his authority." (Arts. 1897 and 1910 New Civil Code.)

Of course it is not necessary to cite authorities to conclude that the defendant as manager had authority to contract plaintiff's services for the corporation and to accept or require her resignation. (See Guevarra, Phil. Corporation Law pp. 54-55 and Nepomuceno vs. Parlatone 40 Off. Gaz. 119.)

In Macias vs. Warner Barnes & Co., 43 Phil. 155 action to enforce a fire policy was filed against the insurer's agent that had issued the policy in the name of the insurer. Applying the doctrine of the principal's responsibility, the courts dismissed the action.

In this view of the litigation, we find it unnecessary to decide the issue extensively discussed in the briefs, whether the employment clause is in restraint of marriage, and/or contravenes public policy. That issue would be a proper subject for debate in a proceeding against the Bank, the true employer of plaintiff. To consider the point now, would be unfair to said Bank, which is not presently before the Court to defend its side of the debate.

The judgment absolving defendant is affirmed with costs.

Padilla, Montemayor, Reyes, A., Jugo, Bautista Angelo, Labrador, Concepcion, and Reyes, J.B.L., JJ., concur.

Judgment affirmed.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.