

**MOBIL OIL PHILIPPINES, INC., PETITIONER-APPELLANT, VS. THE
HONORABLE TEOFILO REYES, SR., IN HIS CAPACITY AS ACTING
SECRETARY OF COMMERCE AND INDUSTRY,
RESPONDENT-APPELLEE.**

G.R. No. L-29013. August 31, 1983

Ponente: FERNANDO, C.J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/7687d7a937b8/>

FERNANDO, C.J.:

The joint record on appeal was filed by both petitioner Mobil Oil Philippines, Inc. and respondent, the then acting Secretary of Commerce and Industry, the late Teofilo Reyes, Sr., the lower court ruling "that the instant petitioner may not claim exemption from the provisions of Republic Act No. 1180, it appearing that it is not wholly owned by the citizens of the United States. Assuming it to be true that 99.27% of its capital stock is owned by persons with United States addresses, it was not shown that said persons are actually citizens of the United States. The Court is accordingly not in a position to declare whether such ownership of 99.27%, of the capital stock of the petitioner by persons with U.S. addresses is a substantial compliance with the requirement of the law that the corporation must be wholly owned by citizens of the United States, under the doctrine of 'de minimus non curat lex.'[1] It, however, sustained "the claim of petitioner that it is not engaged in the retail business, inasmuch as its sales are limited to resellers and to a selected clientele, such as the Government, large industrial users and public utilities. The evidence shows that such sales are not mere deliveries of products on day-to-day basis but result from negotiations of terms for definite and extended periods of time. Moreover, ancillary to such sales, petitioner renders considerable specialized technical services including among other things, providing purchasers with tankage facilities, pipelines, pumps and other equipment, extending technical assistance in the use of machinery for the operation of the business of the customer and extending huge and liberal credit facilities, all of which entail tremendous cost or investment on the part of the petitioner. With respect to such sales, the Court reiterates its ruling in Civil Case No. 57421 that they are not to be considered 'retail' within the meaning of Section 4 of Republic Act No. 1180."[2]

The judgment accordingly was for declaring the petitioner not engaged in retail business within the meaning of Section 4 of Republic Act No. 1180, more commonly known as the Retail Trade Act. The appeal cannot prosper.

There is no need to pass on the merits of the legal questions presented by both petitioner as appellant and respondent as Appellee. Whatever doubts could have originally arisen as to whether or not it is engaged in the retail business were set at rest by Presidential Decree No. 714 as held in *B. F. Goodrich Philippines, Inc. v. Reyes*,[3] and *Goodyear Tire and Rubber Co. v. Reyes*. [4] As originally worded, the term "retail business" covers "any act, occupation or calling of habitually selling direct to the general public merchandise, commodities or goods for consumption, but shall not include: (a) a manufacturer, processor, laborer or workers selling to the general public the products manufactured, processed or produced by him if his capital does not exceed five thousand pesos, or (b) a farmer or agriculturist selling the product of his farm." [5] Under the aforesaid Presidential Decree, which took effect on May 28, 1975, two more paragraphs were included. They are: "(c) a

manufacturer or processor selling to the industrial and commercial users or consumers who use the products bought by them to render service to the general public and/or to produce or manufacture goods are in turn sold to them; (d) a hotel-owner or keeper operating a restaurant irrespective of the amount of capital, provided that the restaurant is necessarily included in, or incidental to, to the hotel business."[6] As pointed out in the aforementioned B.F. Goodrich and Goodyear Tire cases, the matter has now been clarified. Accordingly, a similar decision is called for.

WHEREFORE, the lower court decision is affirmed declaring the petitioner as not engaged in retail business within the meaning of Section 4 of Republic Act No. 1180 in accordance with Presidential Decree No. 714. The preliminary injunction issued is likewise made permanent. No costs.

Teehankee, Aquino, Concepcion, Jr., Guerrero, Melencio-Herrera, Plana, Escolin, Relova, and Gutierrez, Jr., JJ., concur.

Makasiar, J., no part.

Abad Santos, J., on official Leave.

De Castro, J., on sick leave.

[1] Joint Record on Appeal, 93.

[2] Ibid., 93-94.

[3] L-30067, April 19, 1983.

[4] L-30063, July 2, 1983.

[5] Republic Act No. 1180, Section 4 (1954).

[6] Presidential Decree No. 714, Section 4, pars. (c) and (d).

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.