

**RAMON R. VILLARAMA, PETITIONER, VS. CRISANTOMAS D. GUNO,
HON. JUDGE RAMON A. CRUZ, PRESIDING JUDGE OF THE REGIONAL
TRIAL COURT OF QUEZON CITY, BRANCH 223, CARMELITA YADAO
GUNO A...**

G.R. No. 197514. August 06, 2018

Ponente: TIJAM, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-197514/>

TIJAM, J.:

Before Us is a Petition for Review on Certiorari[1], assailing the November 15, 2010 Decision[2] and June 29, 2011 Resolution[3] of the Court of Appeals (CA) in CA-G.R. SP No. 93271, which nullified the Regional Trial Court's (RTC's) order[4] of denial of Crisantomas D. Guno's (Crisantomas) Special Appearance with Motion to Vacate Judgment[5].

Antecedent Facts

The case stemmed from the sale of a house and lot located at No. 19 Jose Escaller Street, Loyola Heights, Quezon City by the Sps. Marcial and Rita Reyes (Sps. Reyes) to Crisantomas (Crisantomas) and Carmelita (Carmelita) Yadao Guno (collectively referred to as Sps. Guno). By virtue of said sale, a deed of absolute sale was entered into by the parties and eighteen (18) promissory notes were issued by Sps. Guno in favor of the Sps. Reyes.[6]

The Sps. Reyes thereafter executed a Trust Agreement with Prudential Bank and Trust Company (Prudential) covering the promissory notes, naming their children as beneficiaries of the trust. On May 22, 1990, the Sps. Reyes executed an Amended Trust Agreement naming Petitioner Ramon Villarama (petitioner Villarama) as an irrevocable beneficiary.[7]

The Sps. Guno obtained loans from Prudential and as security, executed promissory notes and real estate mortgages on the property. A Transfer Certificate of Title (TCT) No. 298124 was issued under their name.[8] The Sps. Guno, however, defaulted in their payment with Prudential, prompting the latter to foreclose the mortgage on the property and sell it in a public auction where it emerged as the highest bidder. It later consolidated its ownership over the property. A new title, TCT No. 355218 was issued in its name and it caused the eviction of the Sps. Guno and placed petitioner Villarama in possession of the property.[9]

On November 20, 1987, the Sps. Guno lodged a complaint for annulment of foreclosure sale and title against Prudential before the RTC-Branch 95 of Quezon City. The RTC nullified the foreclosure sale for failure to comply with the requirements in Section 3 of Act No. 3135, as amended, ordered the cancellation of Prudential's title and reinstated the Sps. Guno's title to the property. The CA and this Court affirmed the RTC decision which attained finality on March 11, 1997.[10]

Subsequently, on July 17, 1997, Villarama instituted a Complaint for Rescission of Promissory Notes, Deed of Sale of Real Property and Cancellation of Title with Damages against the Sps. Guno before the RTC-Branch 223, docketed as Civil Case No. Q-97-31700.[11]

On September 19, 1997, the RTC issued an Alias Summons to the Sps. Guno at the U.P. Law Center, Diliman, Quezon City (c/o 3rd Floor, Quezon Hall, U.P. Diliman, Quezon City).[12]

The Sheriffs Return dated September 24, 1997 reads:

I HEREBY CERTIFY that on the 23rd day of September, 1997, a copy of summons together with complaint and annexes dated September 19, 1997, addressed to SPS. CRISANTOMAS GUNO AND CARMELITA GUNO at the 3rd Floor Quezon Hall, UP Diliman, Quezon City, issued by the Honorable Court in connection with the above-entitled case was caused to be served by substituted service (Section 7, Rule 14) to defendant Carmelita Guno considering that defendant cannot be served within a reasonable time as provided for in Section 8, Rule 14 and that earnest efforts were exerted to serve summons personally to the defendants and service was effected by leaving a copy of summons at the defendant's office through Ms. Francesa V. Tadeo, a clerk at the defendant's office and a person with suitable age and discretion then working therein, who acknowledged receipt thereof only for defendant Carmelita Guno as evidenced by her signature located at the lower left portion of the original summons.

This is to further certify that summons to defendant Crisantomas D. Guno cannot be served considering that he does not reside nor hold office in the address provided in the complaint; hence, summons to defendant Crisantomas D. Guno is being returned UNSERVED.[13]

On March 6, 1998, the process server issued an Officer's Return stating:

THIS IS TO CERTIFY UNDER OATH that on March 6, 1998 th (sic) undersigned personally went at 408 P. Bernarld Street, Ugong, Pasig City to serve copies of herein Alias Summons with complaint and annexes attached thereto issued by the Court on February 24, 1998 in the above-entitled case upon defendant Crisantomas Guno. The Alias Summons with complaint and annexes was served to the above-mentioned defendant thru SUBSTITUTED SERVICE, by leaving copy (sic) of the Alias Summons with complaint and annexes at the defendant's given address/residence with Ruby Guno Santiago (sister of defendant Crisantomas D. Guno), a person of suitable age and discretion then residing therein.

DULY SERVED THRU SUBSTITUTED SERVICE.[14]

On November 7, 1997, Carmelita filed her Answer with Counterclaim. Crisantomas, on the other hand, was declared in default for failure to file an answer.[15]

In a Decision dated May 9, 2005[16], the RTC granted Villarama's complaint for rescission, thus:

WHEREFORE, on the basis of the foregoing, judgment is hereby entered declaring the following:

(1) The eighteen (18) promissory notes executed by the Defendant Sps. Crisantomas and Carmelita Guno dated February 21, 1983 as RESCINDED;

(2) The Deed of Sale of Real Property dated March 24, 1983 between Sps. Marcial and Rita V. Reyes and the Defendant Sps. Crisantomas and Carmelita Guno as likewise RESCINDED;

(3) The Register of Deeds of Quezon City is directed to CANCEL Transfer Certificate of Title No. 218121 registered under the name of the Sps. Crisantomas and Carmelita Guno;

(4) Directing the Defendants Sps. Crisantomas and Carmelita Guno to pay the plaintiff the following:

(a) Liquidated damages in the amount of fifty thousand pesos (P50,000.00), Philippine Currency; and

(b) Attorney's fees in the amount of fifty thousand pesos (P50,000.00) Philippine Currency;

(5) The Complaint in Intervention filed by Prudential Bank is ordered DISMISSED;

(6) All counterclaims are DISMISSED.

No costs.

SO ORDERED.[17]

The said Decision was later appealed by both Carmelita and Prudential, which was docketed as CA-G.R. No. 87062.[18]

On July 6, 2005, Crisantomas filed a Special Appearance with Motion to Vacate Judgment[19] claiming that the decision was void for improper service of summons on his person.

In an Order dated November 16, 2005[20], the RTC denied the motion. It ruled, thus:

x x x. The general rule is that husband and wife shall sue or be sued jointly inasmuch as both are co-administrators of the community property under the absolute (sic) system of absolute community of property, as well as the conjugal partnership property. Defendant spouse Carmelita Yadao was served by substituted service on September 19, 1997, wherein the summons was directed to both spouses. Since Carmelita's marriage to Crisantomas had not yet been annulled when the present action was instituted, the service to her was binding as to Crisantomas and the qualification of the receipt made by a competent person in the regular place of business of Carmelita that the summons was "received for Atty. Yadao-Guno only" had no effect.

x x x x

The Court notes that the first motion for extension of time to file answer/responsive pleading filed by defendant Carmelita Guno dated October 2, 1997 was furnished to Crisantomas Guno at the same address which reads: "c/o 3[rd] Floor, Quezon City Hall UP Diliman, Quezon City" in Carmelita's regular place of business, where she also was served alias summons. Soon after, in the second motion for extension of time to file answer/responsive pleading which she filed dated October 22, 1997, the same was furnished Crisantomas at the address: "c/o 408 P. Bernald Street Ugong, Pasig City." In the subsequent pleadings she filed through her counsel, she likewise copy furnished her husband at the second address.

Assuming arguendo that service of summons to the husband must be separate from service to the wife, the records of the case show that service was properly made to defendant Crisantomas since the Court could find no possible explanation as to why defendant Carmelita will use an address where her husband could not be found nor deliberately lie about the residence of her husband, assuming that they were, at that time summons was supposed to be served, already de facto separated. To bolster the conclusion that Crisantomas truly resided in the abovementioned address, a certain Cris Santiago received an order of the court in behalf of Crisantomas at 408 P. Bernald Street, Ugong, (sic) sister named Ruby Guno Santiago at the same address on March 6, 1998. Quite obviously, defendant Crisantomas is estopped from claiming the contrary, and that his affidavit stating that he never resided or lived at 408 P. Bernald Street, Ugong, Pasig City was done as a mere afterthought to escape the liability imposed by the Court in the decision dated May 9, 2005. Thus, the said affidavit and the motion to vacate judgment filed by Crisantomas should not be given credence by this Court.[21]

Crisantomas then questioned the said order before the CA which ruled in his favor in the assailed Decision. The CA ruled that there was no valid service of summons on Crisantomas. It found that the return did not state that prompt and personal service on Crisantomas was rendered impossible and neither was it shown that efforts were made to find Crisantomas personally and that the said efforts failed. It further ruled that being in derogation of the usual method of service, strict compliance with the indispensable requirements for the substituted service of summons is mandated.[22]

Villarama now comes before Us, positing the sole issue of whether or not the summons was validly served on

Crisantomas in Civil Case No. Q-97-31700. He insists that the RTC was in the best position to determine the veracity of the parties' allegations. He points out that the only evidence submitted by Crisantomas in support of the allegations in his motion was his affidavit denying receipt and service of the summons. He asseverates that it was incumbent upon Crisantomas to prove the fact, or details of his separation from Carmelita; and that Crisantomas did not allege any meritorious defense which is a requirement before the relief sought can be granted. Furthermore, he insists that the requirements of substituted service have been complied with.

Respondent Prudential echoes Villarama's arguments. It argued that considering the Sps. Guno were still married to each other at the time of the complaint, the nullification of the proceedings to allow Crisantomas to prosecute his separate claim, which appears to be in conjunction with Carmelita's arguments, would serve no other purpose than to delay the resolution of the case.

Carmelita submits that the CA decision is the correct application of law and prevailing jurisprudence. She stresses that Crisantomas did not and never held office in the same address as she did, and that long before the filing of the complaint, they have been separated in fact.

Crisantomas insists that the fatally deficient Officer's Return cannot possibly establish a valid substituted Service of Summons and that our laws do not support Villarama's "no need for service on husband after service of summons on wife" argument.

Villarama submits in his reply that the CA decision in Carmelita's and Prudential's appeal (CA-G.R. No. 87062), which affirmed the RTC decision with modification, had already attained finality. He also raises that the RTC issued an Order dated November 28, 2016[23], granting the motion for issuance of a writ of execution ordering Carmelita to pay Prudential the unpaid principal obligation plus accrued interests, penalty and attorney's fees. Villarama posits that if the herein assailed CA decision would not be reversed, he would be constrained to file anew a case for rescission against Crisantomas who has no better defense than Carmelita.

The Court's Ruling

We find merit in the petition for review.

Contrary to the ruling of the CA, We find that the RTC was correct in ruling that the alias summons served upon Carmelita is binding upon Crisantomas as well.

There is no dispute that service of summons upon a defendant is imperative in order that a court may acquire jurisdiction over his person. In the case of *Manotoc vs. Court of Appeals*,[24]

The courts' jurisdiction over a defendant is founded on a valid service of summons. Without a valid service, the court cannot acquire jurisdiction over the defendant, unless the defendant voluntarily submits to it. The defendant must be properly apprised of a pending action against him and assured of the opportunity to present his defenses to the suit. Proper service of summons is used to protect one's right to due process.[25]

Here, as borne by the records, the alias summons was served upon Crisantomas and Carmelita at the 3[rd] Floor Quezon Hall, UP Diliman, Quezon City. The same was received albeit with the caveat that it was received only in so far as Carmelita was concerned. Carmelita then proceeded to participate in the proceedings and filed her answer where she raised that an earlier case involving the same documents, except for the amended trust agreement, had already been passed upon by the RTC, CA and SC in the case entitled "*Spouses Crisantomas and Carmelita Guno vs. Prudential Bank and Trust Co.*". Carmelita fully participated in the proceedings of the instant case until the rendition of judgment on May 9, 2005.

Crisantomas, on the basis of an affidavit denying receipt of summons, would have Us rule that jurisdiction was

not acquired over his person. We do not agree.

Crisantomas' denial is merely that - an unsubstantiated denial:

I, CRISANTOMAS GUNO, Filipino, of legal age, single, residing at Unit No. 9, Goldmine Townhomes, Melissa Drive, Xavierville I, Loyola Heights, Quezon City, subscribing under oath, hereby depose and state that:

1. I have never resided and/or lived at No. 408 P. Bernald Street., (sic), Ugong, Pasig City;
2. I was never served a copy of the summons in respect to the case entitled Ramon Villarama vs. Sps. Crisantomas D. Guno et al pending before QC RTC Br. 223, docketed therein as Civil Case No. Q-97-31700;
3. I never received a copy of the summons in respect to the above-mentioned case from the personnel of said court or from any person for that matter;
4. From the inception of said case until a decision was rendered, I was never notified of the proceedings of the said case;
5. In fact, I was not even furnished a copy of the Decision rendered in the said case;
6. I execute this affidavit to attest to the truth of the foregoing and for whatever legal purpose the same may serve;[26]

Apart from his denial, there was no additional evidence adduced in support of his claim that he was never served a copy of the summons, the decision of the case or the proceedings of the case. He actually never stated in his affidavit that he and Carmelita were separated in fact - this was merely stated in his motion as a footnote[27] and that their marriage was eventually annulled. Curiously, however, no dates or evidence were ever supplied as to the exact date when they were separated in fact or when their eventual annulment took place. "It is basic in the rule of evidence that bare allegations, unsubstantiated by evidence, are not equivalent to proof. In short, mere allegations are not evidence." [28]

A review of the records will easily reveal that under no instance was it ever stated, even by Carmelita, during the proceedings before the RTC, that she and Crisantomas were separated in fact or their marriage ties have been severed, by one way or another. She in fact admitted in her answer: "However, she admits the allegation contained in par. 1.02 insofar as her personal circumstances." [29] Par. 1.02 of the Complaint indicates: "Defendants Sps. Crisantomas D. Guno and Carmelita Y. Guno, are both of legal age, Filipinos, with postal address at UP Law Center, Diliman Quezon City, where they may be served with summons and other court processes." [30]

The CA in fact noted: "Indeed, the records are barren of any indication or positive declaration that Carmelita and petitioner were already separated in fact." [31] It was only in her Comment [32] before Us did Carmelita echo that she and Crisantomas have been separated: "3. Private respondent Yadao is not in a position to comment on the alleged impropriety of the services of summons on private respondent Crisantomas D. Guno. As the records of the case will readily show, private respondents Yadao and Crisantomas D. Guno, prior to and at the time of the filing of the Complaint subject of the instant Petition, had long been separated in fact." [33] Like Crisantomas, however, no evidence apart from the said statement was proffered by Carmelita.

An action in personam is an action against a person on the basis of his personal liability. [34] The action brought by petitioner against Crisantomas and Carmelita, is without a doubt an action in personam as he sought the Rescission of Promissory Notes, Deed of Sale of Real Property, Cancellation of Title with Damages in connection with promissory notes and a deed of sale of real property entered into by Crisantomas and Carmelita.

It appears from the records that Crisantomas and Carmelita were married prior to the effectivity of the Family

Code on August 3, 1988. As there is nothing on record evincing that they executed any marriage settlement, the regime of conjugal partnership of gains governs their property relations.[35] All property acquired during the marriage is presumed to be conjugal unless the contrary is proved.[36]

Plainly, conjugal property has been defined in *Carandang vs. Heirs of Quirino A. de Guzman*[37] as:

All property acquired during the marriage, whether the acquisition appears to have been made, contracted or registered in the name of one or both spouses, is presumed to be conjugal unless the contrary is proved. Credits are personal properties, acquired during the time the loan or other credit transaction was executed. Therefore, credits loaned during the time of the marriage are presumed to be conjugal property.[38]

As the deed of sale and promissory notes were entered into during the course of their marriage, the obligations thereunder are subsumed under their conjugal partnership. Article 161(1) of the New Civil Code (now Article 121 [2 and 3] of the Family Code of the Philippines) provides:

Art. 161. The conjugal partnership shall be liable for:

(1) All debts and obligations contracted by the husband for the benefit of the conjugal partnership, and those contracted by the wife, also for the same purpose, in the cases where she may legally bind the partnership:

x x x x

Considering that the obligation entered into by Crisantomas and Carmelita clearly appeared to be a transaction that their conjugal partnership is liable for, they were therefore correctly made co-defendants as they had the same interests therein. Also, as the case involves an action in personam over documents entered into as regards a conjugal property, We reiterate that We deem the receipt of Carmelita of the summons as binding to her as it is to Crisantomas.

The core of the service of summons, which is the protection of the right to due process[39], cannot be said to have been transgressed in this case. Crisantomas failed to substantiate his claims that he failed to receive summons or that he was never notified of the proceedings. We further stress that Carmelita was able to actively participate in the proceedings and litigate their interests - which are undeniably the same, and that Crisantomas was unable to prove that he and Carmelita were already separated in fact or their marriage was otherwise annulled at that time. As correctly noted by the RTC, the notation that the summons was "received for Atty. Yadao-Guno only" had no effect as its receipt nevertheless bound Crisantomas.

The Court's disquisition in *Montefalcon, et al. vs. Vasquez*[40] is telling:

x x x A plaintiff is merely required to know the defendant's residence, office or regular business place. He need not know where a resident defendant actually is at the very moment of filing suit. He is not even duty-bound to ensure that the person upon whom service was actually made delivers the summons to the defendant or informs him about it. The law presumes that for him. It is immaterial that defendant does not receive actual notice.[41] (Emphasis Ours)

Indeed, given the peculiar circumstances of this case, to rule otherwise would serve nothing but to delay a case that has already been in litigation since the 1990's. Villarama would be constrained to file anew a case for rescission against Crisantomas who is in no better position than Carmelita, who had already thoroughly threshed out their interests in the proceedings below.

Considering that the alias summons served upon Carmelita is deemed service upon and binding on Crisantomas, We no longer deem it necessary to discuss the correctness and ramifications of the substituted service upon him.

WHEREFORE, the Petition for Review on Certiorari is GRANTED. The Court of Appeals' Decision dated

November 15, 2010 and Resolution dated June 29, 2011 are hereby REVERSED. The Motion to Vacate Judgment, dated July 6, 2005, filed by defendant Crisantomas Guno is hereby DENIED.

SO ORDERED.

Leonardo-De Castro,[*] (Acting Chairperson), Peralta,**] Del Castillo, and Leonen,[***] JJ., concur.

[*] Designated Acting Chairperson of the First Division per Special Order No. 2559 dated May 11, 2018.

[**] Designated Additional Member per Raffle dated April 25, 2018 vice Associate Justice Francis H. Jardeleza.

[***] Designated Acting Member per Special Order No. 2560-F dated August 8, 2018 vice Associate Justice Alexander G. Gesmundo.

[1] Rollo, pp. 11-32.

[2] Penned by Associate Justice Mario Y. Lopez, and concurred in by Associate Justices Magdangal M. De Leon and Amy C. Lazaro-Javier. Id. at 37-47.

[3] Id. at 48-50.

[4] Id. at 51-54.

[5] Id. at 76-87.

[6] Id. at 15, 37-38.

[7] Id. at 38.

[8] Id.

[9] Id.

[10] Id. at 38-39.

[11] Id. at 39, 150-155.

[12] Id.

[13] Id. at 99.

[14] Id. at 100.

[15] Id. at 40.

[16] Id. at 55-75.

[17] Id. at 74-75.

[18] Id. at 224.

[19] Id. at 76-87.

[20] Id. at 51-54.

[21] Id. at 52-54.

[22] Id. at 46.

[23] Id. at 231-234.

[24] 530 Phil. 454 (2006).

[25] Id. at 462.

[26] Rollo, p. 88.

[27] Id. at 77; See footnote 1: "The other defendant in the above-captioned case, Carmelita Yadao-Guno, was the previous spouse of herein GUNO. They have been separated in fact even before the inception of the instant case. Their marriage was eventually annulled."

[28] GSIS v. Prudential Guarantee and Assurance, Inc., et al., 721 Phil. 740, 753-754 (2013).

[29] Rollo, p. 89.

[30] Id. at 150.

[31] Id. at 42.

[32] Id. at 128-132.

[33] Id. at 130.

[34] Perkin Elmer Singapore PTE Ltd. v. Dakila Trading Corp., 556 Phil. 822, 839 (2007).

[35] Civil Code, Article 118.

[36] Id., Article 160; See also Family Code, Article 116.

[37] 538 Phil. 319 (2006).

[38] Id. at 334-335.

[39] See Biaco v. Phil. Countryside Rural Bank, 544 Phil. 45 (2007).

[40] 577 Phil. 383 (2008).

[41] Id. at 395.

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.