

**SUMMIT TRADING AND DEVELOPMENT CORPORATION,
PETITIONER, VS. JUDGE HERMINIO A. AVENDAÑO, COURT OF FIRST
INSTANCE OF LAGUNA, BIÑAN BRANCH I, SEGUNDO PILIPINIA AND
EDGARDO MINDO, R...**

G.R. No. 60038. March 18, 1985

Ponente: AQUINO, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-60038/>

AQUINO, J.:

This case is about the summons intended for defendant Summit Trading and Development Corporation. As background, it should be stated that Segundo Pilipinia and Edgardo Mindo in 1973 acquired under Land Authority Administrative Order No. 4 two registered lots with a total area of 2 1/2 hectares located at Barrio San Vicente, San Pedro, Laguna.

The titles of the lots contain the annotation that should Pilipinia and Mindo sell the same, they have the right to redeem the lots within five years from the date of the sale (Exh. H and I).

Pilipinia and Mindo sold the lots for P16,000 and P12,000 to Gavino Ortega on February 14 and April 19, 1977. They have retained possession of the lots which are rice lands. They became tenants thereof.

At the instance of Ortega, the said annotation was cancelled by Judge Avendaño in his order of September 24, 1979 ostensibly because the lots would be converted into commercial, industrial or residential sites (Exh. M). That conversion has not taken place. At present the two lots are still rice lands.

In a letter dated October 16, 1979, Ortega advised Ernesto Pilipinia (attorney-in-fact of Segundo and Mindo) that he and his father would have the right of first refusal in case the lots were sold (Exh. E and O).

Ortega resold the two lots on November 14, 1979 for P16,000 and P11,000 to Summit Trading through its president, Virgilio P. Balaguer (Exh. N and N-1).

On August 10, 1981, or within the five-year period, Pilipinia and Mindo filed a complaint against Ortega and Summit Trading for the redemption or repurchase of the two lots. They deposited P100,000 with the Royal Savings and Loan Association for that purpose.

Ortega was duly summoned. He failed to answer the complaint. He was declared in default. Summit Trading was also declared in default. In his judgment by default dated October 29, 1981, Judge Avendaño (the same judge who ordered the cancellation of the annotation) gave plaintiffs Pilipinia and Mindo 15 days from notice within which to redeem the lots for P16,000 and P12,000 and ordered Summit Trading to execute the corresponding deeds of sale and surrender the Torrens titles. If it failed to do so, the clerk of court was directed to perform that task. The register of deeds was ordered to issue new titles to Pilipinia and Mindo.

The default judgment was rendered on the assumption that Summit Trading was duly summoned through Marina Saquilayan as secretary of Summit Trading. She received the summons on August 28, 1981. A copy of the

judgment was also served on her on November 13, 1981 (Exh. B, pp. 31-32, 64, Record).

Actually, Saquilayan received the summons as secretary of Balaguer, already mentioned as the president of Summit Trading which purchased the lots from Ortega. Bonifacio Tiongson was the corporate secretary.

Nineteen days after Saquilayan received a copy of the decision, Summit Trading filed a motion for reconsideration on the ground that the trial court did not acquire jurisdiction over it because summons was not served upon it in accordance with Rule 14 of the Rules of Court which provides:

"SEC. 13. Service upon private domestic corporation or partnership. - If the defendant is a corporation organized under the laws of the Philippines or a partnership duly registered, service may be made on the president, manager, secretary, cashier, agent, or any of its directors."

It is true that Saquilayan is not among the persons mentioned in section 13. However, she, being under the control of Summit Trading, has not explained what she has done with the summons and complaint. The logical assumption is that she delivered it to her boss, the president of Summit Trading. As already stated, she received a copy of the decision and Summit Trading became aware of Summit Trading's motion for reconsideration was denied.

While Summit Trading is technically correct in contending that there was no strict compliance with section 13, we cannot close our eyes to the realities of the situation. Under the facts of this case, Saquilayan, being the secretary of the president (whose contact with the outside world is normally through his secretary), may be regarded as an "agent" within the meaning of section 13. (See *Villa Rey Transit, Inc. vs. Far East Motor Corporation*, L-31339, January 31, 1978, 81 SCRA 298; *Filoil Marketing Corporation vs. Marine Development Corporation of the Phil.*, L-29636; September 30, 1982, 117 SCRA 86.)

Hence summons was validly served upon Summit Trading. Its negligence in not answering the complaint was inexcusable. In fact, up to this time, Summit Trading has not bothered to state its defenses to the action nor stated whether it has a meritorious case warranting the setting aside of the default judgment.

The cases of *Delta Motor Sales Corporation vs. Mangosing*, L-41667, April 30, 1976, 70 SCRA 598 and *ATM Trucking Inc. vs. Buencamino*, G. R. No. 62445, August 31, 1983, 124 SCRA 434 are not in point because the summons in the two cases was served upon mere clerks or employees of the corporations who cannot be relied upon to know what to do with the legal papers served upon them.

In the instant case, service was made on the president's secretary who could have easily notified the president that an action was filed against the corporation just as she had apprised him of the judgment in this case.

The instant petition for certiorari, treated as an appeal under Republic Act No. 5440, was filed out of time. Considered as a special civil action under Rule 65 of the Rules of Court, it is baseless because the trial court had acquired jurisdiction over Summit Trading. As already shown, summons was properly served on the president's secretary.

We are not saying that service on such a secretary is always proper. Generally, it is improper. The president himself must be served personally with the summons if it is desired to effect the service on that particular officer. But, as already stated, under the facts of this case, the president's secretary may be regarded as the "agent" within the meaning of section 13 since service upon her of the judgment itself came to the notice of Summit Trading.

WHEREFORE, the petition is dismissed. The trial court's judgment is affirmed. Its implementation is now in order. The restraining order is dissolved. Costs against the petitioner.

SO ORDERED.

Makasiar, (Chairman), Concepcion, Jr., Abad Santos, Escolin, and Cuevas, JJ., concur.

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.