583 Phil. 321

THIRD DIVISION

[G.R. No. 175109, August 06, 2008]

PARAMOUNT INSURANCE CORP.,PETITIONER, VS. A.C. ORDOÑEZ CORPORATION AND FRANKLIN SUSPINE, RESPONDENTS.

D E C I S I O N

YNARES-SATIAGO, J.:

This petition for review on certiorari seeks to annul and set aside the July 17, 2006 Decision[1] of the Court of Appeals in CA-G.R. SP No. 93073, which reversed and set aside the September 21, 2005 Decision of the Regional Trial Court of Makati City, Branch 58[2] and reinstated the August 25, 2000 and September 26, 2000 Orders of the Metropolitan Trial Court of Makati City, Branch 66,[3] which admitted respondent's Answer and set the case for pre-trial, as well as its October 12, 2006 Resolution[4] denying the Motion for Reconsideration.

Petitioner Paramount Insurance Corp. is the subrogee of Maximo Mata, the registered owner of a Honda City sedan involved in a vehicular accident with a truck mixer owned by respondent corporation and driven by respondent Franklin A. Suspine on September 10, 1997, at Brgy. Panungyanan, Gen. Trias, Cavite.

On February 22, 2000, petitioner filed before the Metropolitan Trial Court of Makati City, a complaint for damages against respondents. Based on the Sheriff's Return of Service, summons remained unserved on respondent Suspine,[5] while it was served on respondent corporation and received by Samuel D. Marcoleta of its Receiving Section on April 3, 2000.[6]

On May 19, 2000, petitioner filed a Motion to Declare Defendants in Default; however, on June 28, 2000, respondent corporation filed an Omnibus Motion (And Opposition to Plaintiff's Motion to Declare Defendant in Default) alleging that summons was improperly served upon it because it was made to a secretarial staff who was unfamiliar with court processes; and that the summons was received by Mr. Armando C. Ordoñez, President and General Manager of respondent corporation only on June 24, 2000. Respondent corporation asked for an extension of 15 days within which to file an Answer.

Pending resolution of its first motion to declare respondents in default, petitioner filed on June 30, 2000 a Second Motion to Declare Defendants in Default.

On July 26, 2000, respondent corporation filed a Motion to Admit Answer alleging honest mistake and business reverses that prevented them from hiring a lawyer until July 10, 2000, as well as justice and equity. The Answer with Counterclaim specifically denied liability, averred competency on the part of respondent Suspine, and due selection and supervision of employees on the part of respondent

corporation, and argued that it was Maximo Mata who was at fault.

On August 25, 2000, the Metropolitan Trial Court of Makati City, Branch 66, issued an Order admitting the answer and setting the case for pre-trial, thus:

When this case was called for the hearing of Motion, the Court's attention was brought to the Answer filed by the defendant.

> WHEREFORE, in order to afford the defendants a day in Court, defendant's answer is admitted and the pre-trial is set for October 17, 2000 at 8:30 in the morning.
>
> SO ORDERED.

Petitioner moved for reconsideration but it was denied. Thus, it filed a petition for certiorari and mandamus with prayer for preliminary injunction and temporary restraining order before the Regional Trial Court of Makati City. Petitioner claimed that the Metropolitan Trial Court gravely abused its discretion in admitting the answer which did not contain a notice of hearing, contrary to Sections 4 and 5, Rule 15 of the Rules of Court. It also assailed respondent corporation's Omnibus Motion for being violative of Section 9, Rule 15 because while it sought leave to file an answer, it did not attach said answer but only asked for a 15-day extension to file the same. Petitioner also averred that assuming the Omnibus Motion was granted, the Motion to Admit Answer and the Answer with Counterclaim were filed 26 days beyond the extension period it requested.

On October 16, 2000, the Regional Trial Court of Makati City, Branch 58 issued a temporary restraining order, and on May 22, 2001, issued a writ of preliminary injunction. On September 21, 2005, the Regional Trial Court rendered a Decision[7] granting the petition, thus:

> WHEREFORE, premises considered, the petition for certiorari and mandamus is hereby **GRANTED**. The Orders of public respondent dated August 25, 2000 and September 26, 2000 are hereby **SET ASIDE**. The writ of preliminary injunction issued by this Court on May 22, 2001 is hereby made permanent.
>
> The case is hereby remanded to the court a quo to act on petitioner's (plaintiff's) "Second motion to declare defendants in Default" dated June 29, 2000.
>
> SO ORDERED.

Respondent corporation moved for reconsideration but it was denied; hence, it appealed to the Court of Appeals which rendered the assailed Decision dated July 17, 2006, thus:

> By and large, We find no abuse of discretion committed by the first level court in the contested orders.
>
> IN VIEW OF ALL THE FOREGOING, the instant appeal is hereby **GRANTED**, the challenged RTC Decision dated September 21, 2005 is hereby **REVERSED and SET ASIDE**, and a new one entered

REINSTATING the Orders dated August 25, 2000 and September 26, 2000 of the Metropolitan Trial Court of Makati City. No pronouncement as to cost.

SO ORDERED.

Petitioner's motion for reconsideration was denied. Hence, the instant petition raising the following issues:

I. WHETHER THERE WAS VALID SERVICE OF SUMMONS ON DEFENDANT AC ORDONEZ CONSTRUCTION CORPORATION.

II. WHETHER A PARTY WITHOUT CORPORATE EXISTENCE MAY FILE AN APPEAL.

III. WHETHER THIS COURT ERRED IN NOT CALLING THE PARTIES INTO MEDIATION.

IV. WHETHER THERE WAS FRAUD COMMITTED BY THE PETITIONER IN ITS PLEADINGS.

The petition lacks merit.

Section 11, Rule 14 of the Rules of Court provides:

> SEC. 11. Service upon domestic private juridical entity. - When the defendant is a corporation, partnership or association organized under the laws of the Philippines with a juridical personality, service may be made on the president, managing partner, general manager, corporate secretary, treasurer, or in-house counsel.

Section 11, Rule 14 sets out an exclusive enumeration of the officers who can receive summons on behalf of a corporation. Service of summons to someone other than the corporation's president, managing partner, general manager, corporate secretary, treasurer, and in-house counsel, is not valid.

The designation of persons or officers who are authorized to receive summons for a domestic corporation or partnership is limited and more clearly specified in the new rule. The phrase `agent, or any of its directors' has been conspicuously deleted.[8] Moreover, the argument of substantial compliance is no longer compelling. We have ruled that the new rule, as opposed to Section 13, Rule 14 of the 1964 Rules of Court, is restricted, limited and exclusive, following the rule in statutory construction that *expressio unios est exclusio alterius*. Had the Rules of Court Revision Committee intended to liberalize the rule on service of summons, it could have done so in clear and concise language. Absent a manifest intent to liberalize the rule, strict compliance with Section 11, Rule 14 of the 1997 Rules of Civil Procedure is required.[9]

Thus, the service of summons to respondent corporation's Receiving Section through Samuel D. Marcoleta is defective and not binding to said corporation.

Moreover, petitioner was served with a copy of the Sheriff's Return which states: