SUPREME COURT
SECOND DIVISION

SALOME PABON and VICENTE CAMONAYAN,
***Petitioners*,**

-versus-

G.R. No. 120457
September 24, 1998

NATIONAL LABOR RELATIONS COMMISSION MARKETING CORPORATION,
***Respondents*.**
x----------x

D E C I S I O N

MARTINEZ, *J.*:

The only issue in this Petition for Certiorari filed under Rule 65 of the old Rules of Court is whether summons was properly served on private respondent Senior Marketing Corporation, through its bookkeeper, so as to confer jurisdiction on the Labor Arbiter over the said corporation.

The antecedents of the case are as follows:

On May 24, 1994 and June 22, 1994, complaints[1] for illegal dismissal and non-payment of benefits were filed by petitioners Salome Pabon

and Vicente Camonayan against private respondent Senior Marketing Corporation (SMC) and its Field Manager, R-Jay Roxas. Summons and notices of hearings were sent to Roxas at private respondent's provincial office in 13 Valley Homes, Patul Road, Santiago, Isabela which were received by its bookkeeper, Mina Villanueva.

On September 15, 1994, the Labor Arbiter rendered a judgment[2] by default after finding that private respondent tried to evade all the summons and orders of hearing by refusing to claim all the registered mail addressed to it. Thus, a copy of the Labor Arbiter's Decision was sent to private respondent's principal office in Manila, the dispositive portion of which reads:

> "WHEREFORE, with all the foregoing considerations, judgment is hereby rendered as follows:
>
> "1. Declaring complainants Salome Pabon and Vicente Camonayan illegally and unjustly dismissed in a manner that is whimsical and capricious;
>
> "2. Ordering respondents Senior Marketing Corporation and R-Jay Roxas jointly and severally to reinstate complainants to their former position without loss of seniority rights and to pay them their full backwages and other benefits until they are actually reinstated computed as of September 15, 1994 as follows:
>
> x x x[3]

Instead of appealing the Labor Arbiter's decision to the National Labor Relations Commission (NLRC), within ten (10) days from receipt of the said decision, private respondent filed a motion for reconsideration/new trial[4] before the Labor Arbiter. It was only after the said ten-day period had lapsed that private respondent appealed to the NLRC which, in a Decision[5] promulgated on March 31, 1995, disposed of the appeal as follows:

> "WHEREFORE, the decision of the Labor Arbiter is hereby SET ASIDE and respondent Senior Marketing Corporation is hereby directed to submit its evidence and for the Labor Arbiter to

> conduct such further proceedings as may be necessary for the expeditious resolution of this instant case.
>
> "SO ORDERED."

In so ruling for herein private respondent, the NLRC opined that the Labor Arbiter's conclusion that herein private respondent refused to receive Notices was based on the Manifestation[6] of Salome Pabon dated August 30, 1994. It further reasoned, to wit:

> "The number of times that notices of hearings have been unclaimed by the respondent, or more precisely addressee R-Jay Roxas should have placed the Labor Arbiter on guard as to the real cause thereof. He should not have merely relied on the unverified (sic) Manifestation of the complainant, which he swallowed hook, line and sinker. Instead, the Labor Arbiter should have sent a notice of hearing to respondents' address in Manila, which he puzzingly did with regard to sending a copy of his decision of September 15, 1994. A little more circumspection should have been resorted to by the Labor Arbiter."[7]

Thereafter, imputing grave abuse of discretion on the part of the NLRC, petitioners elevated the case to this Court via petition for certiorari. They alleged that private respondent was properly served with summons in accordance with the Rules of Court[8] through its bookkeeper at its provincial office address.[9] It is petitioners' argument that by virtue of said service of summons, the Labor Arbiter acquired jurisdiction over private respondent and that the latter, by deliberately failing to present evidence, cannot now cry transgression of its right to due process simply because the Labor Arbiter's decision is based solely on petitioners' evidence. Petitioners likewise argue that private respondents' failure to file an appeal before the NLRC within the ten-day reglementary period rendered the Labor Arbiter's judgment final and executory.[10]

For its part, private respondent contends that it was not validly served with summons, since its bookkeeper cannot be considered as an agent under Section 13, Rule 14 of the old Rules of Court upon whom valid service can be made. Consequently, the Labor Arbiter's

decision is void as it was rendered without jurisdiction over private respondent.

We rule for the petitioners. Courts acquire jurisdiction over the person of a party-defendant by virtue of the service of summons in the manner required by law.[11] In the case at bar, although as a rule, modes of service of summons are strictly followed in order that the court may acquire jurisdiction over the person of a defendant, such procedural modes, however, are liberally construed in quasi-judicial proceedings, as in this case, substantial compliance with the same being considered adequate.[12]

Consequently, the conclusion of the NLRC that there was an invalid service of summons on herein private respondent failed to take cognizance of the fact that the subject summons were received by its bookkeeper at private respondent's provincial office. Such service had satisfied the procedural requirement of proper notice. Thus, the finding of the NLRC that private respondent was deprived of the opportunity to present its evidence by reason of the alleged defective service of summons is untenable.

We are of the view that a bookkeeper can be considered as an agent of private respondent corporation within the purview of Section 13, Rule 14 of the old Rules of Court. The rationale of all rules with respect to service of process on a corporation is that such service must be made to an agent or a representative so integrated with the corporation sued as to make it a priori supposable that he will realize his responsibilities and know what he should do with any legal papers served on him.[13] The bookkeeper's task is one under consideration. The job of a bookkeeper is so integrated with the corporation that his regular recording of the corporation's "business accounts"[14] and "essential facts about the transactions of a business or enterprise"[15] safeguards the corporation from possible fraud being committed adverse to its own corporate interest.

Although it may be true that the service of summons was made on a person not authorized to receive the same in behalf of the petitioner, nevertheless since it appears that the summons and complaint were in fact received by the corporation through its said clerk, the Court finds that there was substantial compliance with the rule on service of

summons. Indeed the purpose of said rule as above stated to assure service of summons on the corporation had thereby been attained. The need for speedy justice must prevail over technicality.[16]

Black's Law Dictionary defines an "agent" as "a business representative, whose function is to bring about, modify, affect, accept performance of, or terminate contractual obligations between principal and third person."[17] To this extent, an "agent" may also be shown to represent his principal in some one or more of his relations to others, even though he may not have the power to enter into contracts. The rules on service of process make service on "agent" sufficient. It does not in any way distinguish whether the "agent" be general or special, but is complied with even by a service upon an agent having limited authority to represent his principal. As such, it does not necessarily connote an officer of the corporation. However, though this may include employees other than officers of a corporation, this does not include employees whose duties are not so integrated to the business that their absence or presence will not toll the entire operation of the business. It is for this reason that we lend credence to the finding of the Labor Arbiter when it ruled that it acquired jurisdiction over private respondent on the basis of Section 5, Rule III of the NLRC Rules of Procedure which provides:

> "Proof and completeness of service. — The return is prima facie proof of the facts indicated therein. Service by registered mail is complete upon receipt by the addressee or his agent; but if the addressee fails to claim his mail from the post office within five (5) days from the date of first notice of the postmaster, service shall take effect after such time."[18] (Emphasis supplied)

It is clear from the above-quoted rule that "service by registered mail is complete upon receipt by the addressee or his agent." As can be gleaned from the records, all summons and notices of hearings addressed to private respondent were served on and received by its bookkeeper on behalf of private respondent as its employer who, under the circumstances of this case, is considered as an agent within the contemplation of the aforecited NLRC rule. Such an employee is not one of those lesser employees of the corporation who would not have been able to appreciate the importance of the papers delivered to her. In fact, in G & G Trading Corporation vs. Court of Appeals,[19]

we held that service of summons was properly made to a corporation through a clerk who was not even authorized to receive the same on behalf of its employer, since what is of paramount importance is that the purpose of the rule has been attained, thereby the interest of speedy justice has been subserved. As ruled in said case —

> "Although it may be true that the service of summons was made on a person not authorized to receive the same in behalf of the petitioner, nevertheless since it appears that the summons and complaints were in fact received by the corporation through its said clerk, the court finds that there was substantial compliance with the rule on service of summons. Indeed the purpose of said rule as above stated to assure service of summons on the corporation and thereby been attained. The need for speedy justice must prevail over a technicality."

WHEREFORE, the petition is hereby **GRANTED**; the assailed order of the National Labor Relations Commission dated March 31, 1995 is hereby **SET ASIDE** for having been rendered with grave abuse of discretion; and the order of Labor Arbiter Ricardo N. Olairez dated September 15, 1994, in RAB II CNs. 05-00185-94 & 06-00254-94, entitled: "Salome Pabon, Vicente Camonayan, complainants, versus Senior Marketing Corporation, R-Jay Roxas, Field Manager, respondents" is hereby **REINSTATED**.

SO ORDERED.

Regalado, Melo and Puno, *JJ.*, concur.
Mendoza, *J.*, is on leave.

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[1] Petition, Annexes "A" and "A-I," Rollo, pp. 20-21.
[2] Labor Arbiter's Decision, Rollo, p. 28-32.
[3] Labor Arbiter's Decision, Rollo, p. 31.
[4] The grounds raised in the motion for new trial/reconsideration are:
1.That respondent never received any notice, summons pertaining to the above-entitled case and therefore the Hon. Labor Arbiter never acquired jurisdiction over the person of respondent Senior Marketing Corporation;
2. That respondent Senior Marketing Corporation was not afforded due process of law pursuant to provision of the Constitution and the Labor Code; and

3. That respondent has all the necessary evidence in defense of itself pertaining to the issue involved in both cases (Rollo, p. 33).

[5] NLRC (2nd Division) Resolution penned by Commissioner Rogelio I. Rayala and concurred in by Commissioners Raul T. Aquino and Victoriano R. Calaycay; Rollo, pp. 66-72.

[6] Reproduced in its entirety. reads:
"Today. complainant appeared and informed this Office that she meant (sic) to the Post Office at Santiago City to get a certification from the postmaster in compliance with the directive in the Constancia dated August 2, 1994.
"However, the Santiago Post Office explained to complainant that the said Summons addressed to respondent were sent through the Barangay Captain which has been the practice for mails in the barrio, but said summons/notice was unclaimed by respondent addressee.
Tuguegarao, Cagayan, 30 August 1994." (Rollo, p. 70)

[7] Rollo, p. 71.

[8] Section 13, Rule 14 of the Rules of Court prior to its revision in 1997.

[9] No. 13 Valley Homes. Patul Road, Santiago, Isabela.

[10] Memorandum of Petitioner; Rollo, pp. 151-152.

[11] Delta Motors Sales Corporation vs. Mangosing, 70 SCRA 598, citing Syllabi, Salmon and Pacific Commercial Co. vs. Tan Cueco, 36 Phil. 556.

[12] Santos vs. NLRC. 54 SCRA 673.

[13] Far Corporation vs. Francisco. 146 SCRA 197 citing Villa Rey Transit Inc. vs. Far East Motors Corporation, 81 SCRA 303; G&G Trading Corporation vs. CFI of Negros Occidental, 157 SCRA 41.

[14] Black's Law Dictionary, 5th Ed., 1979, p. 166.

[15] The New Lexicon Webster's Dictionary of the English Language, 1988 Ed., p. 110.

[16] G&G Trading Corporation vs. CA, 158 SCRA 466.

[17] See Note 15. p. 59.

[18] Rollo, p. 30.

[19] 158 SCRA 466, 469 (February 29, 1988).