

****Title:**** Virgil S. Delima vs. Susan Mercaida Gois, G.R. No. 177402, Philippine Supreme Court (2008)

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****Facts:****

1. An illegal dismissal case was filed by Virgilio S. Delima against Golden Union Aquamarine Corporation (“Golden”), Prospero Gois, and Susan Mercaida Gois on October 29, 2004, at the Regional Arbitration Branch No. VIII of the NLRC, docketed as NLRC RAB VIII Case No. 10-0231-04.
2. On April 29, 2005, Labor Arbiter Philip B. Montaces ruled in favor of Delima, awarding him backwages, separation pay, salary differentials, service incentive leave pay, and attorney’s fees amounting to PHP 115,561.05. Golden did not appeal, causing the decision to become final and executory.
3. An Isuzu Jeep with plate number PGE-531 was subsequently attached. Susan Mercaida Gois filed a Third Party Claim, arguing the vehicle was hers and not Golden’s property, and she was not liable as an individual stockholder.
4. The Labor Arbiter denied Gois’s Third-Party Claim on December 29, 2005, asserting she was named in the complaint and was duly served a summons.
5. Gois appealed to the NLRC and filed a motion for the vehicle’s release upon substituting it with a cash bond of PHP 115,561.05. The motion was granted on January 16, 2006.
6. The NLRC dismissed Gois’s appeal on May 31, 2006. Her motion for reconsideration was denied on August 22, 2006. The decision became final and executory on September 12, 2006, evidenced by an Entry of Judgment on September 29, 2006.
7. On October 13, 2006, Gois filed a certiorari petition with the Court of Appeals, arguing the NLRC committed grave abuse of discretion by denying her appeal and holding her personally liable.
8. The Court of Appeals on December 21, 2006, annulled the NLRC’s resolutions, declaring only Golden liable, and ordered Delima to return the cash bond to Gois. The petitioner’s motion for reconsideration was denied on February 5, 2007.

9. Delima petitioned the Supreme Court questioning the findings of the Court of Appeals.

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****Issues:****

1. Whether the Court of Appeals erred by omitting Gois as a principal respondent in the original complaint.
2. Whether the vehicle used primarily in Golden's operations but registered under Gois's name could be garnished.
3. Whether the Court of Appeals rightly annulled the NLRC's final and executory order.

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****Court's Decision:****

****Issue 1: Omission of Gois as Principal Respondent****

The Supreme Court held that Gois could not be held personally liable as the decision by Labor Arbiter Montaces did not specify joint and solidary liability with Golden. Corporate obligations are distinct from personal liabilities of individual stockholders and officers unless there is evidence of malice or bad faith, which was not established in this case.

****Issue 2: Garnishment of the Vehicle****

The Supreme Court concurred with the Court of Appeals in stating that simply using the vehicle in corporate operations does not equate to corporate ownership. Since the vehicle was registered in Gois's name, it could not be levied to satisfy Golden's debt.

****Issue 3: Annulment of the NLRC's Order****

The Supreme Court noted that the period for filing a certiorari petition had not lapsed when Gois approached the Court of Appeals. Therefore, the NLRC erroneously declared its resolution as final and executory. The appellate court correctly annulled the NLRC's resolution.

To prevent unjust enrichment of Golden, the Supreme Court modified the appellate court's declaration, directing Golden to reimburse Gois the cash bond amount.

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****Doctrine:****

1. ****Corporate Personality****: The separate and distinct personality of a corporation from its officers and stockholders implies that obligations of a corporation do not typically bind its individual officers or members unless there is evidence of malice or bad faith.
2. ****Finality of Decisions****: Judgments or orders do not become final and executory until the period for appeal, or certiorari, has lapsed without any action taken.
3. ****Right to Separate Property****: Corporate use of a vehicle does not transform ownership from an individual to the corporation unless legal ownership is duly transferred.

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****Class Notes:****

1. ****Corporate Veil Doctrine****: Essential in ensuring separate corporate liability. Relevant Statute: Corporation Code of the Philippines.
2. ****Finality of Judgment****: Use Rule 65 of the Rules of Court for filing a certiorari, compute timelines accurately from receipt of the decision to appeal timely.
3. ****Third-Party Claim in Execution****: Supported by O.R. No. 8307036 in substituting a disputed property with a cash bond equivalent to the judgment award.

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****Historical Background:****

This case exemplifies the Philippine judicial process in labor disputes and the importance of adhering to principles governing corporate liabilities and the finality of judicial decisions. It emphasizes the separation between corporate assets and personal properties of corporate officers—a significant facet in safeguarding individual properties from corporate liabilities absent malicious conduct.