

Title:

****Samahan ng mga Manggagawa sa Hyatt-NUWHRAIN-APL vs. Voluntary Arbitrator Froilan M. Bacungan and Hyatt Regency Manila****

Facts:

In 1995 and 1996, Mario Dacles and Teodoro Valencia started working as glass cleaners at Hyatt Regency Manila under a service contract between Hyatt and an independent contractor, City Service Corporation (CSC). Meanwhile, in April 1998, Hyatt hired Amelia Dalmacio and Renato Dazo as casual employees for their flower shop as a florist/sales clerk and helper/driver, respectively. After their employment contracts expired in August 1998, Dalmacio and Dazo continued working and subsequently signed new contracts on September 16, 1998.

During a Labor Management Committee Meeting, the petitioner, Samahan ng mga Manggagawa sa Hyatt-NUWHRAIN-APL (“the Union”), questioned the employment status of Dacles, Valencia, Dalmacio, and Dazo. The Union argued that these employees should be considered regular employees based on their job functions and service tenure. Hyatt maintained that Dalmacio and Dazo were project employees and Dacles and Valencia were not their employees but those of CSC.

On April 19, 1999, both parties agreed to refer the dispute to the grievance machinery outlined in their collective bargaining agreement (CBA). Unable to resolve the matter, they elevated it to voluntary arbitration, selecting Dean Froilan Bacungan as the arbitrator. On January 11, 2000, the arbitrator ruled that Dacles and Valencia were employees of CSC, not Hyatt, and Dalmacio and Dazo were project employees whose tenure would end with the flower shop’s closure.

The Union’s motion for reconsideration was denied on July 10, 2000. The Union then filed a petition for certiorari with the Court of Appeals, which was dismissed on November 16, 2000, due to procedural errors, including late filing. The Union’s subsequent motion for reconsideration was also denied on July 10, 2001, prompting them to petition the Supreme Court.

Issues:

1. Whether the Court of Appeals erred in ruling that the Union’s proper remedy against the voluntary arbitrator’s decision was an appeal via a petition for review under Rule 43 and not a petition for certiorari under Rule 65 of the 1997 Rules of Civil Procedure.

2. Whether the Court of Appeals erred in dismissing the petition due to non-compliance with Rule 43 requirements under the 1997 Rules of Civil Procedure.

Court's Decision:

Issue 1: Proper Remedy

The Supreme Court held that the decision of voluntary arbitrators should be appealed to the Court of Appeals through a petition for review under Rule 43, as clarified in *Luzon Development Bank v. Association of Luzon Development Bank Employees*. The court reiterated this position in *Alcantara, Jr. v. Court of Appeals and Nippon Paint Employees Union v. Court of Appeals*. The Union's argument that Rule 65 should apply was thus rejected.

Issue 2: Procedural Compliance

The Supreme Court affirmed the Court of Appeals' finding that the Union's petition for certiorari was procedurally flawed. It was filed beyond the reglementary period for a petition for review under Rule 43, and certiorari cannot substitute for a lost appeal. This procedural misstep warranted the dismissal of the petition.

The Supreme Court also upheld the factual findings of the voluntary arbitrator, stating that Dacles and Valencia were indeed employees of CSC, and no evidence showed CSC was engaged in labor-only contracting. The employment of Dalmacio and Dazo as project employees, terminable with the closure of the flower shop, was consistent with their employment contracts.

Doctrine:

The proper remedy to question the decision of a voluntary arbitrator is an appeal via petition for review under Rule 43 of the 1997 Rules of Civil Procedure, not a petition for certiorari under Rule 65. Incorrectly filed appeals, particularly those beyond the prescribed period, will be dismissed.

Class Notes:

1. ****Voluntary Arbitrator Decisions****: Appeals should be made under Rule 43, not Rule 65.
2. ****Project Employee****: Termination is linked to a project's end, as per *Batas Pambansa Blg. 130*, as amended.
3. ****Independent Contractor****: Determination of employment status adheres to criteria distinguishing labor-only and legitimate contracting per Article 106 of the Labor Code.
4. ****Proper Filing Period****: Compliance with filing periods is strict; a delayed appeal

warrants dismissal.

Historical Background:

This case forms part of long-standing jurisprudence clarifying the appeals process for voluntary arbitrator decisions under the Labor Code. It emphasizes the uniform procedure for quasi-judicial bodies' appellate reviews, aligning labor arbitration with broader procedural norms. The development bank case and others underscored procedural consistency across judicial and quasi-judicial reviews.