

## **SAKURA HUMAN RESOURCE INTERNATIONAL, INC., PETITIONER, VS. NATIONAL LABOR RELATIONS COMMISSION, JENNIFER C. RAGAS, CHERRY M. ENFECTANA AND GINA CANAMA, RESPONDENTS.**

Ponente: COSICO, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/2ba3e15e8ea2/>

---

**COSICO, J.:**

### **THE CASE**

This is a petition for certiorari which seeks to annul and set aside the following issuances of the National Labor Relations Commission, to wit:

- ORDER dated October 5, 2004 which ordered the petitioners to post a cash bond in an amount equivalent to the monetary award granted in the appealed Decision of the Labor Arbiter dated July 8, 2004; and
- RESOLUTION dated April 27, 2005 which denied the Motion for Reconsideration of the first assailed order and consequently denied petitioner's appeal for being filed out of time and dismissing the same for non-perfection thereof.

### **THE FACTS**

Petitioner SAKURA HUMAN RESOURCE INTERNATIONAL, INC. is a recruitment agency which hires and employs employees for overseas employment.

On various dates in 2002, the agency, for their foreign principal employer the Nihonkai Enterprises, Inc. hired the private respondents JENNIFER RAGAS, CHERRY M. ENFECTANA and GINA B. CANAMA as entertainers and deployed them to Japan. Their working contract is for a period of six (6) months and their salaries were varied. Canama, a dancer, left for Japan on June 13, 2002, Ragas, a singer, left on August 8, 2002, and Enfectana, also a singer, left on October 23, 2002.

The three women met in Japan where they were made to work at the "New Bamboo Doll" club, a night spot in Takaoka City, Japan.

On November 28, 2002, Japanese immigration agents raided the club. The workers found at the time of the raid, including Ragas, Enfectana and Canama, were taken to the police station where they stayed for four (4) days.

After investigation, the Japanese authorities declared that the private respondents were working as prostitutes in Japan, for which reason they were ordered deported and banned from entering Japan for five (5) years. The three girls were repatriated back to the Philippines on December 2, 2002.

On January 31, 2003, the three girls filed their separate complaints against both their local and foreign employers for illegal dismissal before the National Labor Relations Commission wherein they uniformly asked for their unpaid salaries and payment of damages due to the five-year ban imposed upon them and their imprisonment.

In their Position Paper filed before the Labor Arbiter, the petitioner employer claims that due to the Japanese government's strict regulations against foreign workers, which was beyond the control of the petitioner, all performers of varied nationalities working in the club, including the respondents have been ordered repatriated. The petitioner employer further claims that the private respondents have been paid their unearned salaries at the time of their repatriation. The petitioner employer further added that the "New Bamboo Doll" had been ordered closed since December of 2002.

#### DECISION of the LABOR ARBITER

After due deliberation, the Labor Arbiter found the petitioner employer liable for illegal dismissal. The Labor Arbiter opined, thus:

"x x x. This Office cannot lend credence to respondent's allegation that the strict enforcement by the Japanese immigration authorities of its regulations for establishments employing foreign nationals is a government imposed regulation beyond their control. What paved the way for complainants' deportation is the fact that they were forced by respondents, in violation of their contracts as singers and dancers, to sit down with guests of the club and entertain them and even going out with them for an imposed quota. In so doing, the Japanese authorities chanced upon them and they were arrested, imprisoned and deported. The strict implementation of Japanese laws on the matter is not a circumstance beyond the control of the respondents. What happened to the complainants could have been prevented were it not for respondents' violation of their contracts. Complainants were compelled to perform acts which respondents very well knew to be violative of Japanese laws on foreign club workers. Thus, their subsequent deportation cannot be attributed to a government imposed policy beyond the control of respondents. Complainants are therefore deemed to have been illegally terminated. x x x." (Rollo, p. 19)

Thus, on July 8, 2004, Labor Arbiter Fe Superiaso-Cellan rendered a Decision, the dispositive portion of which reads:

"Wherefore, premises considered, respondents are found liable for illegally dismissing complainants and are hereby ordered, jointly and solidarily, to pay complainants the following, or their equivalent in Philippine currency at the time of payment.

Jennifer Ragas

Y 448,000.00 - salary for the unexpired portion of the contract

Y 760,000.00 - less P 7,000.00 representing unpaid salaries

P 100,000.00 - moral and exemplary damages

Cherry Enfectana

P 948,000.00 - salary for the unexpired portion of the contract

Y 260,000.00 - less P 6,000.00 representing unpaid salaries

P 100,000.00 - moral and exemplary damages

Gina Canama

Y 80,000.00 - salary for the unexpired portion of the contract

Y 1,128,000.00 - less P 23,000.00 representing unpaid salaries

P 100,000.00 - moral and exemplary damages

Attorney's fees - 10% of the total award

SO ORDERED." (Rollo, p. 22)

#### ASSAILED ISSUANCES of the NATIONAL LABOR RELATIONS COMMISSION

Dissatisfied with the ruling of the Labor Arbiter, the herein petitioner filed an Appeal with a Motion to Reduce Bond before the National Labor Relations Commission. For the purpose of the appeal, the herein petitioners posted a cash bond in the amount of P20,000.00 only.

The NLRC, however, found the appeal bond as inadequate considering that the monetary award granted in the appealed decision amounted to P1,812,000.00. For this reason the NLRC issued the first assailed ORDER on October 5, 2004 which dispositively reads:

"WHEREFORE, respondents-appellants are hereby ordered to post a cash or surety bond in the amount equivalent to the monetary award granted in the appealed Decision (less the P20,000.00 cash bond already posted) and a joint declaration, indemnity agreement and collateral security in case respondents-appellants opted to post a surety bond as required by Art. 223 of the Labor Code as amended and Section 6, Rule VI of the NLRC New Rules of Procedure as amended within an unextendible period of ten (10) calendar days from receipt of this Order, otherwise, the appeal shall be dismissed for non-perfection thereof.

SO ORDERED." (Rollo, p. 32)

Still not satisfied, the herein petitioner filed a Motion for Reconsideration on March 8, 2005, reiterating its position that it cannot come up with the P1,812,000.00 appeal bond considering its depleted financial resources.

On April 27, 2005, the NLRC issued the second assailed Resolution disposing as follows:

"WHEREFORE, premises considered, the Motion for Reconsideration filed by respondents-appellants is hereby DENIED for being filed out of time and the instant Appeal DISMISSED for non-perfection thereof.

SO ORDERED." (Rollo, p. 41)

### THE ISSUES

Hence, the instant petition for certiorari assailing the following errors of the public respondent NLRC, to wit:

I

THE HONORABLE PUBLIC RESPONDENT NLRC HAD COMMITTED GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OF JURISDICTION WHEN IT STILL RULED AGAINST THE FLEXIBILITY OF THE BOND REQUIREMENTS DESPITE EXCEPTIONAL CIRCUMSTANCES AND UNDERSTANDABLE REASONS FOR A REDUCTION THEREOF.

II

THE HONORABLE NLRC HAD COMMITTED GRAVE ABUSE OF DISCRETION TANTAMOUNT TO WANT OF JURISDICTION WHEN IT OVERLOOKED THE REAL BASIS FOR REPATRIATION FROM EMPLOYMENT AND MISAPPRECIATED THE CONTROLLING SALARY RATE AND BINDING NET INCOME PER MONTH.

Pending the resolution of the instant petition, the Division Clerk of Court brought to the attention of this Court a petition petitioner had filed denominated as a "Petition for Review on Certiorari" with a handwritten docket number 89973 also, to contest the Resolutions dated March 31, 2006 and May 31, 2006 of the NLRC affirming

the Order dated October 27, 2005 of Labor Arbiter Fe Cellan which granted the execution of the judgment award contained in the Decision dated July 8, 2004 rendered by the said Labor Arbiter.

Verily, it appears from a scrutiny of the aforesaid petition that the issues raised therein pertain to the propriety of the execution of the July 8, Decision while the instant petition is pending with this Court. As such, since the issues raised by petitioner in the petition for review on certiorari are entirely distinct from the issues in the present case, the same shall not have any bearing insofar as the resolution of the present petition is concerned.

### **THIS COURT'S RULING**

We deny the petition.

On the first assigned error, the petitioner would like to impress upon the Court that the public respondent had grievously erred in not reducing the amount of the appeal bond considering that said petitioner had no financial resources to come up with the appeal bond. In petitioner's own words:

"x x x. Without first going into the merits and issues about the appealed ruling, Petitioner sought a reasonable reduction of the Bond which is technically equivalent to the award of Yen 3.6 Million or Peso 1.8 Million more or less on the reasons that – Petitioner is not a high-end or leading business entity which could readily cope putting bond in such amount even in terms of surety; it is only a marginalized establishment which has no fixed or daily income but only conditional upon a number of deployment abroad that presently came in tickles; x x x; contribution from its counter-part abroad is futile and empty since the club was since then closed that even plain communication was already cut off.

These exceptional circumstances, however, have not been considered by the Honorable NLRC, which at this stage, Petitioner now seeks that the afore-said factors be addressed as justifiable situations for the grant of a much-reduced bond." x x x. (Rollo, pp. 7-8)

We are not impressed.

The reduction of an appeal bond is not a matter of right but rests upon the sound discretion of the public respondent. This is only as it should be, for if it were otherwise, then this would render nugatory the rights of the employees and/or workers who have won cases against their erring employers.

In *Viron Garments Mfg. Co., Inc., et. al. vs. NLRC, et. al.* (207 SCRA 339 [1992]), it was held that "the requirement that the employer post a cash or surety bond to perfect its/his appeal is apparently intended to assure the workers that if they prevail in the case, they will receive the money judgment in their favor upon the dismissal of the employer's appeal. It was intended to discourage employers from using an appeal to delay or even evade their obligation to satisfy their employees' just and lawful claims."

Besides, a substantial monetary award, even if it runs into millions, does not necessarily give the employer-appellant a meritorious case and does not automatically warrant a reduction of the appeal bond (*Calabash Garments, Inc. vs. NLRC*, 260 SCRA 441[1996]).

Furthermore, Article 223 of the Labor Code is specific. It provides that "in case of a judgment involving a monetary award, an appeal by the employer may only be perfected upon the posting of cash or surety bond issued by a reputable bonding company duly accredited by the Commission in an amount equivalent to the monetary award in the judgment appealed from."

Likewise, the New Rules of Procedure of the NLRC provides:

"Section 6. BOND – In case the decision of the Labor Arbiter or the Regional Director involves a monetary award, an appeal by the employer may be perfected only upon the posting of a cash or surety bond. The appeal

bond shall either be in cash or surety in an amount equivalent to the monetary award, exclusive of damages and attorney's fees.

In case of surety bond, the same shall be issued by a reputable bonding company duly accredited by the Commission or the Supreme Court and shall be accompanied by:

- a) a joint declaration under oath by the employer, his counsel, and the bonding company, attesting that the bond posted is genuine and shall be in effect until final disposition of the case;
- b) a copy of the indemnity agreement between the employer-appellant and bonding company; and
- c) a copy of security deposit or collateral securing the bond.

A certified true copy of the bond shall be furnished by the appellant to the appellee who shall verify the regularity and genuineness thereof and immediately report to the Commission any irregularity.

Upon verification by the Commission that the bond is irregular or not genuine, the Commission shall cause the immediate dismissal of the appeal.

No motion to reduce bond shall be entertained except on meritorious grounds and upon the posting of a bond in a reasonable amount in relation to the monetary award.

The filing of the motion to reduce bond without compliance with the requisites in the preceding paragraph shall not stop the running of the period to perfect an appeal."

In the case at bench, the grounds proffered by the petitioner to warrant the reduction of the bond can in no way be categorized as meritorious grounds. The reason being it is highly improbable nor feasible for the petitioner to feign lack of funds when it did not offer any possible proofs therefor. The petitioner could have presented a summary of its Assets and Liabilities to show that it is financially incapable as it so claims. But it did not. Besides, the cash bond of P20,000.00 as posted before the public respondent is a mere pittance compared to the monetary award granted by the Labor Arbiter. This is not the "reasonable amount" contemplated of by the Rules.

Nor can the petitioner argue that the ruling enunciated in *Erectors, Inc. vs. NLRC* (202 SCRA 597, [1991]), is applicable to their situation. In that case, it was ruled that the reduction of the appeal bond should have been ordered by the Labor Arbiter because it included in the computation thereof the amount of moral and exemplary damages. This is not so in the case at bench since the awards for damages and attorney's fees were not evidently included in the computation of the appeal bond.

Petitioner would next insist that the public respondent erred in considering their appeal as having not been perfected by reason of their failure to post the required appeal bond.

Again, we are not persuaded.

In *Times Transportation Company, Inc. vs. Sotelo* (451 SCRA 587 [2005]), the Highest Tribunal held:

"Anent the issue on whether Times perfected its appeal to the NLRC, the right to appeal is a statutory right and one who seeks to avail of the right must comply with the statute or rules. The rules for perfecting an appeal must be strictly followed as they are considered indispensable interdictions against needless delays and for orderly discharge of judicial business.

xxx xxx xxx

Art. 223 of the Labor Code provides that in case of a judgment involving a monetary award, an appeal by the employer may be perfected only upon the posting of a cash or surety bond issued by a reputable bonding company duly accredited by the NLRC in an amount equivalent to the monetary award in the judgment

appealed from. The perfection of an appeal in the manner and within the period prescribed by law is not only mandatory but also jurisdictional. And failure to perfect an appeal has the effect of making the judgment final and executory. x x x.”

Thus, the perfection of an appeal within the period and in the manner prescribed by law is jurisdictional and must not be trifled with so much so that non-compliance with such legal requirements is fatal and has the effect of rendering the judgment final and executory.

All told, when the petitioner failed to post the exact appeal bond within the period provided for, the public respondent was not in error when it considered petitioner’s appeal as having been not perfected on time.

On the second assigned error, we see no need in discussing the same for being moot and academic.

### **THE FALLO**

WHEREFORE, premises considered, the instant petition for certiorari is **DENIED** for lack of merit and the assailed issuances of the public respondent National Labor Relations Commission are **AFFIRMED**.

### **SO ORDERED.**

Sundiam, and Librea-Leagogo, 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.