

MERS SHOES MANUFACTURING, INC., MARIANO ENRIQUEZ, ROSALITA S. ENRIQUEZ, VILMA S. ENRIQUEZ, EDITH E. VALERIO, RODOLFO S. ENRIQUEZ, MA. CRISTINA ENRIQUEZ AND EVERILDA ENRIQUEZ, ...

G.R. No. 123669. February 27, 1998

Ponente: ROMERO, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-123669/>

ROMERO, J.:

It has been held in numerous decisions^[1] that failure to file an appeal within the reglementary period deprives the appellate court of jurisdiction to alter the final judgment, much less to entertain the appeal. This timeworn issue is again before us.

In 1974 petitioner Mariano Enriquez operated Shoe Shop which is engaged in the manufacture and export of shoes to the United States of America as sole proprietor. In 1978, he formed Chibum Shoe Corporation (Chibum) with the following stockholders: Mariano Enriquez - 940 shares; Felipe Santos - 40 shares; Conrado Nepomuceno - 40 shares; and Marina Eugenio - 40 shares. When Chibum was dissolved allegedly for the losses it incurred, Rodolfo Enriquez, the son of Mariano, organized Cristina Shoes, Inc.

In December 1988, Mariano Shoe Corporation was organized with the following stockholders, to wit: Mariano Enriquez - 1000 shares; Rosalita Enriquez - 1000 shares; Vilma Enriquez - 500 shares; Rodolfo Enriquez - 500 shares; Editha Enriquez Valerio - 500 shares; and Ma. Cristina Enriquez - 500 shares. Subsequently, in May 1990, Mer's Shoe Manufacturing, Inc. (MSMI) was formed involving the same stockholders of Mariano Shoe Corporation.

Respondents, on the other hand, were hired by MSMI as piece rate workers. On February 22, 1993, they were allegedly barred from entering the company compound on the ground of petitioner's serious business decline. They asserted that MSMI illegally ceased its operations when it failed to issue the requisite notices to the Department of Labor and Employment (DOLE) and to the employees concerned. MSMI, on the other hand, contended that it acted in good faith arguing that there exists a valid cause for its shutdown.

On complaint assailing the legality of the stoppage of MSMI's operations and for the recovery of, among other things, separation pay, on January 24, 1994, Labor Arbiter Melquiades Sol D. Del Rosario rendered a decision, the dispositive portion of which reads as follows:

“CONFORMABLY WITH THE FOREGOING, judgment is hereby rendered finding the shutdown to be with cause but without the required notice and so indemnity pay in the sum of P1,000.00 should be paid to each complainant.

Further all the respondents are ordered to pay complainants in solidum the following claims, but subject to their individual liability among themselves for the period they were actually the employees of complainants. These claims are:

- a) 13th month pay for 1990; and proportionate 13th month pay for 1993;
- b) Separation pay at 15 days for every year of service, or at least one (1) month pay which ever is higher; as appearing herein.

NAME Proportionate 13th Mo. Pay Separation

13th Mo. Pay (1990) Pay

(1993)

1) Ariel de la Torres

P120.00 x 26 P251.00 P3,120.00 P3,120.00

2) Sonny de la Torre

P120.00 x 26 P251.00 P3,120.00 P18,000.00

3) Lotina M. Soledad

P120.00 x 26 P251.00 P3,120.00 P37,800.00

4) Anonuevo, Romeo B.

P120.00 x 26 P251.00 P3,120.00 P3,120.00

5) Eduardo Cabarubia (Dismissed)

P118.00 x 26 P247.00 P3,068.00 P21,240.00

6) Blanca Pescalan

P118.00 x 26 P247.00 P3,068.00 P5,310.00

7) Julius Yap

P118.00 x 26 P247.00 P3,068.00 P12,390.00

8) Remedios Caballero

P160.00 x 26 P335.00 P4,160.00 P16,800.00

9) Andres Tabangcura

P118.00 x 26 P247.00 P3,068.00 P3,540.00

10) Antonio Manaog

P120.00 x 26 P251.00 P3,120.00 P25,200.00

11) Domingo B. Guarin

P150.00 x 26 P314.00 P3,900.00 P11,250.00

12) Jose Leonin

P118.00 x 26 P247.00 P3,068.00 P31,860.00

13) Anicia Pangantihon

P118.00 x 26 P247.00 P3,068.00 P12,390.00

14) Angeles C. Salvador

P130.00 x 26 P272.00 P3,068.00 P11,700.00

15) Remela H. Marasigan

P175.00 x 26 P366.00 P4,550.00 P31,500.00

16) Mila L. Pering

P118.00 x 26 P247.00 P3,068.00 P7,080.00

17) Lorna L. Lacerna

P130.00 x 26 P272.00 P3,380.00 P19,500.00

18) Romeo M. Latino

P120.00 x 26 P251.00 P3,120.00 P25,200.00

19) Sergio Vecina

P120.00 x 26 P251.00 P3,120.00 P28,800.00

20) Belinda Reneche

P120.00 x 26 P251.00 P3,120.00 P5,400.00

21) Arlyn L. Marasigan

P118.00 x 26 P247.00 P3,068.00 P7,080.00

22) Florentino Daus

P120.00 x 26 P251.00 P3,120.00 P23,400.00

23) Roberto Cascante

P120.00 x 26 P251.00 P3,120.00 P3,120.00

24) Clodualdo Co, Jr.

P150.00 x 26 P314.00 P 855.96 P42,750.00

25) Angelina de la Paz

P130.00 x 26 P272.00 P3,380.00 P11,700.00

26) Merly Ambrocio

P150.00 x 26 P314.00 P3,900.00 P11,250.00

27) Salvador Taroy

P150.00 x 26 P314.00 P3,900.00 P36,000.00

28) Arnel Cabarrubia

P118.00 x 26 P247.00 P1,943.55 P12,390.00

29) Milagros Leonin

P118.00 x 26 P247.00 P3,068.00 P19,470.00

30) Hermerigildo Toyo-on

P130.00 x 26 P272.00 P3,380.00 P11,700.00

31) Edgar Marquez

P118.00 x 26 P247.00 P3,068.00 P3,068.00

32) Luzviminda Taroy

P140.00 x 26 P293.00 P3,640.00 P8,400.00

33) Centeno, Rogelio

P120.00 x 26 P251.00 P3,120.00 P3,600.00

34) Francisco Brual

P118.00 x 26 P247.00 P3,068.00 P17,700.00

35) Rolando Fajardo

P118.00 x 26 P247.00 P3,068.00 P24,780.00

36) Maricel Cruz

P118.00 x 26 P247.00 P3,068.00 P42,900.00

37) Marcelino Daus

P130.00 x 26 P272.00 P 547.89 P42,900.00

38) Merlinda Oliveros

P118.00 x 26 P314.00 P3,900.00 P3,900.00

c) Attorney's Fees equivalent to 5% of the awarded money claims.

All other claims are hereby ordered dismissed for lack of merit.

SO ORDERED.”[2]

Having received the above decision on February 4, 1994, petitioner perfected its appeal before respondent NLRC on February 14, 1994. Simultaneous with the filing thereof, petitioner filed a motion to reduce the amount of the bond which the NLRC partially granted in an order dated May 31, 1995, the dispositive portion of which reads:

“WHEREFORE, premises considered, respondent-movants should be, as it is hereby ordered to post a cash or surety bond issued by a reputable bonding company duly accredited by the Commission or the Supreme Court in the amount of P403,126.20 within ten (10) calendar days from receipt hereof.

Should respondents-movants opt to post a surety bond, they shall, in addition, submit with their counsel a joint declaration under oath attesting that the surety bond to be posted is genuine and that it shall be in effect until final disposition of the case.

SO ORDERED.”[3]

On July 28, 1995, petitioner filed a motion for reconsideration from the above order which the NLRC treated as a motion for extension of time to perfect an appeal which is a prohibited pleading under the New Rules of Procedure. Consequently, ruling that the ten-day reglementary period within which to post the appeal bond having lapsed, NLRC dismissed the instant appeal. Hence, this petition.

We find for the respondents.

Article 223 of the Labor Code requires, inter alia that in case of a judgment involving a monetary award, an appeal by the employer may be perfected only upon posting of a cash or surety bond issued by a reputable bonding company duly accredited by the commission in the amount equivalent to the monetary award in the judgment appealed from. Perfection of an appeal within the period and in the manner prescribed by law is jurisdictional and non-compliance with such legal requirements is fatal and has the effect of rendering the judgment final and executory.[4] This requirement is intended to discourage employers from using the appeal to delay, or even evade, their obligation to satisfy their employee's just and lawful claims. Such a requirement is jurisdictional and cannot be trifled with.[5]

The intention of the lawmakers to make the bond an indispensable requisite for the perfection of an appeal by the employer is underscored by the provision that an appeal by the employer may be perfected only upon the posting of a cash or surety bond. The word "only" makes it perfectly clear, that the lawmakers intended the posting of a cash or surety bond by the employer to be the exclusive means by which an employer's appeal may be perfected.[6] It must be noted, however, "that the law does not require its outright payment, but only the posting of a bond to ensure that the award will be eventually paid should the appeal fail." [7]

While Section 6(c), Rule VI[8] of the New Rules of Procedure of the NLRC allows the reduction of the appeal bond upon motion of appellant and on meritorious grounds, the same must be filed within the reglementary period for appealing. The records reveal that when petitioner sought the reduction of the bond to P200,000.00, the NLRC partially granted the same by allowing a 50% reduction of the required bond or in the amount of P403,126.20.

In support of petitioner's contention, it begs the Court to re-examine the following cases, to wit: YBL v. NLRC;[9] Erectors, Incorporated v. NLRC;[10] and Rada v. NLRC, [11] in relation to the case at bar.

After a careful scrutiny of the above cases and finding that the factual circumstances differ from each other, we are unconvinced of its application to the instant petition. A distinction, therefore, of said cases is in order.

In the Erectors case, the labor arbiter rendered a decision which reinstated the respondent therein to his former position with full backwages, without loss of seniority rights or benefits accruing after his dismissal, and to pay him P300,000.00 as moral damages, P100,000.00 as exemplary damages and 10% of all said sums, as attorney's fees. While YBL did not question the reinstatement aspect of the decision, it, however, sought to dismiss the award of moral and exemplary damages. For allegedly failing to post the bond within the reglementary period, NLRC dismissed the appeal. On petition before this Court, we ruled that:

"The equivalence thus expressly prescribed between the amount of the appeal bond and the monetary award, less moral and exemplary damages, made in the decision sought to be appealed not only underscores the fact that the obvious and logical purpose of an appeal bond is to insure, during the period of appeal, against any occurrence that would defeat or diminish recovery under the judgment if subsequently affirmed; it also validates and justifies, at least prima facie, an interpretation that would limit the amount of the bond to the aggregate of the sums awarded other than in the concept of moral and exemplary damages."

In fine, the labor arbiter gravely erred in including moral and exemplary damages in the computation of the appeal bond when the law clearly provides that moral and exemplary damages shall not be included in fixing the amount

of the bond.[12]

In the YBL case, the NLRC similarly dismissed the appealed decision of the labor arbiter for the non-posting of the appeal bond within the reglementary period. We ruled, thus:

“Moreover, in the appealed decision of the labor arbiter the exact total amount due to the private respondents as separation pay is not stated which would be the basis of the bond that is required to be filed by petitioners under the said law. Thus even if petitioners may be expected to know the law, then they allege that they would have to go to the socio-analyst of the NLRC to compute the approximate amount due the private respondents as the basis of the amount of the bond to be filed so that it is not probable that they may be able to secure such computation within the non-extendible period of ten (10) days to appeal provided for by law.” (Underscoring supplied)

In view of the foregoing circumstance, petitioner therein could not have posted a bond, the same having been omitted by the labor arbiter.

In Rada, the labor arbiter likewise committed the same infraction as in the YBL case. Thus:

“Said decision did not state the amount awarded as backwages and overtime pay, hence the amount of the supersedeas bond could not be determined. It was only in the order of the NLRC of February 16, 1990 that the amount of the supersedeas bond was specified and which bond, after an extension granted by the NLRC, was timely filed by private respondent.”

The instant petition, however, presents a different factual milieu. As pertinently observed by the Solicitor General in his Comment:

“To have the bond reduced is not a matter of right on the part of the movant but lies within the sound discretion of the NLRC upon showing of meritorious grounds. After the NLRC had exercised its discretion in fixing the bond, the petitioner should have complied with it. To file a subsequent motion this time seeking another reconsideration of the already reduced value of the bond, is indeed to request for an extension of time to perfect the appeal which is prohibited under the NLRC Rules of Procedure. To rule otherwise will encourage endless motions for reconsideration seeking reduction of the required bond thereby rendering futile the requirement of the law to make bond an indispensable requisite for the perfection of appeal by the employer.”[13]

We, therefore, rule that for petitioner’s failure to post the required bond within the reglementary period after it has been ordered reduced, the NLRC committed no grave abuse of discretion in dismissing petitioner’s appeal.

WHEREFORE, the instant petition is DISMISSED. The decision of the National Labor Relations Commission dated January 24, 1994, is accordingly AFFIRMED.

SO ORDERED.

Narvasa, C.J., (Chairman), Kapunan, and Purisima, JJ., concur.

[1] *Garcia v. Echiverri*, 132 SCRA 631 (1984); *Enriquez v. Court of Appeals*, 202 SCRA 487 (1991); *San Juan v. Cuento*, 160 SCRA 277 (1988); *Asuncion v. NLRC*, G.R. No. 109311, June 17, 1997; *Garcia v. NLRC*, 264 SCRA 261 (1996); *Aboitiz Shipping Employees Association v. Trajano*, G.R. No. 112955, September 1, 1997.

[2] *Rollo*, pp. 98-101.

[3] *Ibid.*, p. 30.

[4] Cabalan Pastulan Negrito Labor Association v. NLRC, 241 SCRA 643 (1995).

[5] Unicane Workers Union - CLUP v. NLRC, 261 SCRA 573 (1996).

[6] Oriental Mindoro Electric Cooperative, Inc. v. NLRC, 246 SCRA 794 (1995).

[7] Unicane Workers Union - CLUP v. NLRC, supra.

[8] The Commission may, in meritorious cases and upon motion of the appellant, reduce the amount of the bond.

[9] 190 SCRA 160 (1990).

[10] 202 SCRA 597 (1991).

[11] 205 SCRA 69 (1992).

[12] Section 7, NLRC Interim Rules.

[13] Rollo, p. 199.

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.