

LYDIA BUENAOBRA, JOSIELYN FIEL, MARGIE MADRID, ROWENA MIRANDA, JUVY ENDAYA, JUDY CARONAN, JOSEPHINE BARTOLOME, LITA MACALINAO, MARLITA AMBIL, RIZA AMBIL, ANENCIA RECANA, LORENA ...

G.R. No. 150147. January 20, 2004

Ponente: CORONA, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-150147/>

CORONA, J.:

This is a petition for review seeking for the reversal of the decision[1] of the Court of Appeals dated May 29, 2001, dismissing the petition for certiorari of Lydia Buenaobra, et. al. and affirming the orders of the National Labor Relations Commission (NLRC), Third Division, dated November 27, 1998 and February 15, 1999, which respectively directed private respondents to post a cash or surety bond and dismissed petitioners' motion for reconsideration.

The facts follow.

Petitioners were employees of private respondent Unix International Export Corporation (UNIX), a corporation engaged in the business of manufacturing bags, wallets and the like.

Sometime in 1991 and 1992, petitioners filed several cases against UNIX and its incorporators and officers for unfair labor practice, illegal lockout/dismissal, underpayment of wages, holiday pay, proportionate 13[th] month pay, unpaid wages, interest, moral and exemplary damages and attorney's fees.

The cases were consolidated and tried jointly. On February 23, 1993, labor arbiter Jose S. de Vera rendered a decision:

WHEREFORE, all the foregoing premises being considered, judgment is hereby rendered ordering respondent Unix Export Corporation to pay complainants, as follows:

- P5,821,838.40 as backwages;
- P1,484,912.00 as separation pay;
- P527,748.00 as wage differentials;
- P33,830.00 as regular holiday pay differentials; and
- P365,551.95 as proportionate 13[th] month pay for 1990.

All other claims of the complainants are hereby dismissed for lack of merit. Likewise, the complaint of Angelina Dimasin is dismissed with prejudice.

There being no appeal by respondents or petitioners, the decision of labor arbiter de Vera eventually became final and executory. However, petitioners complained that the decision could not be executed because UNIX allegedly

diverted, invested and transferred all its money, assets and properties to respondent Fuji Zipper Manufacturing Corporation (FUJI) whose stockholders and officers were also those of UNIX.

Thus, on March 25, 1997, petitioners filed another complaint against respondents UNIX, its corporate officers and stockholders of record, and FUJI. Petitioners mainly prayed that respondents UNIX and FUJI be held jointly and severally held liable for the payment of the monetary awards ordered by labor arbiter de Vera.

On May 31, 1998, labor arbiter Felipe Pati rendered a decision on the second complaint:

WHEREFORE, judgment is hereby rendered piercing the veil of corporate fiction of the two respondent sister corporations which by virtue of this Decision are now considered as mere associations of persons jointly and severally pay the subject amount of P8,233,880.30 out of the properties and unpaid subscription on subscribed Capital Stock of the Board of Directors, Corporate Officers, Incorporators and Stockholders of said respondent corporations, plus the amount of P3,000,000.00 and P1,000,000.00 in the form of moral and exemplary damages, respectively, as well as 10% attorney's fees from any recoverable amounts.

Other claims are hereby dismissed for lack of merit.

On July 30, 1998, private respondents FUJI, its officers and stockholders filed a memorandum on appeal and a motion to dispense with the posting of a cash or surety appeal bond on the ground that they were not the employers of petitioners. They alleged that they could not be held responsible for petitioners' claims and to require them to post the bond would be unjust and unfair, and not sanctioned by law.

On November 27, 1998, the NLRC, Third Division rendered the first assailed order[2]:

PREMISES CONSIDERED, instant motion to exempt from filing appeal bond is hereby DENIED for lack of merit. Respondents are hereby directed to post cash or surety bond in the amount of P8,233,880.30 within an unextendible period of ten (10) days upon receipt. Otherwise the appeal shall be dismissed.

Petitioners moved for reconsideration of the said order, arguing that the timely posting of an appeal bond is mandatory for the perfection of an appeal and should be complied with.

On February 15, 1999, the NLRC, Third Division rendered the second assailed order:

WHEREFORE, premises considered, complainants' Motion for Reconsideration is hereby DISMISSED for lack of merit. Respondents' Supplemental Memorandum of Appeal is admitted. Respondents and counsel are likewise hereby directed to submit a joint declaration under oath within five (5) days upon receipt. Otherwise the appeal shall be dismissed.

Petitioners filed a petition in the Court of Appeals imputing grave abuse of discretion to the NLRC, Third Division when it allowed private respondents to post the mandated cash or surety bond four months after the filing of their memorandum on appeal.

On May 29, 2001, the Court of Appeals dismissed the petition for lack of merit. Hence, this petition under Rule 45 of the Rules of Court, seeking to set aside the decision of the Court of Appeals and praying that the orders dated February 15, 1999 and November 27, 1998 of the NLRC, Third Division be set aside for having been issued without or in excess of its jurisdiction and with grave abuse of discretion.

The petition has no merit.

The provision of Article 223 of the Labor Code requiring the posting of bond on appeals involving monetary awards must be given liberal interpretation in line with the desired objective of resolving controversies on the merits.[3] If only to achieve substantial justice, strict observance of the reglementary periods may be relaxed if warranted. The NLRC, Third Division could not be said to have abused its discretion in requiring the posting of

bond after it denied private respondents' motion to be exempted therefrom.

It is true that the perfection of an appeal in the manner and within the period prescribed by law is not only mandatory but jurisdictional, and failure to perfect an appeal has the effect of making the judgment final and executory. However, technicality should not be allowed to stand in the way of equitably and completely resolving the rights and obligations of the parties.[4] We have allowed appeals from the decisions of the labor arbiter to the NLRC, even if filed beyond the reglementary period, in the interest of justice. The facts and circumstances of the instant case warrant liberality considering the amount involved and the fact that petitioners already obtained a favorable judgment on February 23, 1993 against their employer UNIX.

In the same decision which has already become final and executory, labor arbiter de Vera held:

This Branch upholds and maintains in the absence of substantial evidence to the contrary that both respondent corporations have legitimate distinct and separate juridical personalities. Thus, respondent Fuji Zipper Manufacturing, Inc. has been erroneously impleaded in this case.[5]

It is only fair and just that respondent FUJI be afforded the opportunity to be heard on appeal before the NLRC, specially in the light of labor arbiter Pati's later decision holding FUJI jointly and severally liable with UNIX in the payment of the monetary awards adjudged by labor arbiter de Vera against UNIX.

In the absence of any showing that the NLRC committed grave abuse of discretion, or otherwise acted without or in excess of jurisdiction, this Court is bound by its findings. Furthermore, the Court of Appeals upheld the assailed orders of the said Commission.

WHEREFORE, the petition is hereby DENIED.

SO ORDERED.

Vitug, (Chairman), Sandoval-Gutierrez, and Carpio-Morales, JJ., concur.

[1] Penned by Associate Justice Delilah Vidallon-Magtolis and concurred in by Associate Justices Teodoro P. Regino and Josefina Guevara-Salonga of the Tenth Division.

[2] Penned by Presiding Commissioner Lourdes C. Javier and concurred in by Commissioners Ireneo B. Bernardo and Tito F. Genilo.

[3] *Star Angel Handicraft vs. National Labor Relations Commission*, 236 SCRA 580 [1994].

[4] *Philippine-Singapore Ports Corporation vs. National Labor Relations Commission*, 218 SCRA 77 [1993].

[5] *Rollo*, pp. 74-75.

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.