

PUREFOODS CORPORATION, PETITIONER, VS. NAGKAKAISANG SAMAHANG MANGGAGAWA NG PUREFOODS RANK-AND-FILE, ST. THOMAS FREE WORKERS UNION, PUREFOODS GRANDPARENT FARM WORKERS UNION AND P...

G.R. No. 150896. August 28, 2008

Ponente: NACHURA, J.

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NACHURA, J.:

The petitioner, Purefoods Corporation, in this Rule 45 petition seeks the reversal of the appellate court's dismissal of its certiorari petition, and our consequent review of the labor commission's finding that it committed unfair labor practice and illegally dismissed the concerned union members.

Three labor organizations and a federation are respondents in this case--Nagkakaisang Samahang Manggagawa Ng Purefoods Rank-And-File (NAGSAMA-Purefoods), the exclusive bargaining agent of the rank-and-file workers of Purefoods' meat division throughout Luzon; St. Thomas Free Workers Union (STFWU), of those in the farm in Sto. Tomas, Batangas; and Purefoods Grandparent Farm Workers Union (PGFWU), of those in the poultry farm in Sta. Rosa, Laguna. These organizations were affiliates of the respondent federation, Purefoods Unified Labor Organization (PULO).[1]

On February 8, 1995, NAGSAMA-Purefoods manifested to petitioner corporation its desire to re-negotiate the collective bargaining agreement (CBA) then due to expire on the 28[th] of the said month. Together with its demands and proposal, the organization submitted to the company its January 28, 1995 General Membership Resolution approving and supporting the union's affiliation with PULO, adopting the draft CBA proposals of the federation, and authorizing a negotiating panel which included among others a PULO representative. While Purefoods formally acknowledged receipt of the union's proposals, it refused to recognize PULO and its participation, even as a mere observer, in the negotiation. Consequently, notwithstanding the PULO representative's non-involvement, the negotiation of the terms of the CBA still resulted in a deadlock. A notice of strike was then filed by NAGSAMA-Purefoods on May 15, 1995. In the subsequent conciliation conference, the deadlock issues were settled except the matter of the company's recognition of the union's affiliation with PULO.[2]

In the meantime, STFWU and PGFWU also submitted their respective proposals for CBA renewal, and their general membership resolutions which, among others, affirmed the two organizations' affiliation with PULO. Consistent with its stance, Purefoods refused to negotiate with the unions should a PULO representative be in the panel. The parties then agreed to postpone the negotiations indefinitely.[3]

On July 24, 1995, however, the petitioner company concluded a new CBA with another union in its farm in Malvar, Batangas. Five days thereafter, or on July 29, 1995, at around 8:00 in the evening, four company employees facilitated the transfer of around 23,000 chickens from the poultry farm in Sto. Tomas, Batangas (where STFWU was the exclusive bargaining agent) to that in Malvar. The following day, the regular

rank-and-file workers in the Sto. Tomas farm were refused entry in the company premises; and on July 31, 1995, 22 STFWU members were terminated from employment. The farm manager, supervisors and electrical workers of the Sto. Tomas farm, who were members of another union, were nevertheless retained by the company in its employ.[4]

Aggrieved by these developments, the four respondent labor organizations jointly instituted a complaint for unfair labor practice (ULP), illegal lockout/dismissal and damages, docketed as NLRC Case No. NLRC-NCR-00-07-05159-95, with the Labor Arbitration Branch of the National Labor Relations Commission (NLRC).[5]

In the proceedings before the Labor Arbiter (LA), Purefoods interposed, among others, the defenses that PULO was not a legitimate labor organization or federation for it did not have the required minimum number of member unions; that the closure of the Sto. Tomas farm was not arbitrary but was the result of the financial non-viability of the operations therein, or the consequence of the landowner's pre-termination of the lease agreement; that the other complainants had no cause of action considering that it was only the Sto. Tomas farm which was closed; that the termination of the employees complied with the 30-day notice requirement and that the said employees were paid 30-day advance salary in addition to separation pay; and that the concerned union, STFWU, lost its status as bargaining representative when the Sto. Tomas farm was closed.[6]

On August 17, 1999, the LA rendered a Decision[7] dismissing the complaint, and declaring that the company neither committed ULP nor illegally dismissed the employees.

On appeal, the NLRC reversed the ruling of the LA, ordered the payment of P500,000.00 as moral and exemplary damages and the reinstatement with full backwages of the STFWU members. In its March 16, 2001 Decision (CA No. 022059-00), the labor commission ruled that the petitioner company's refusal to recognize the labor organizations' affiliation with PULO was unjustified considering that the latter had been granted the status of a federation by the Bureau of Labor Relations; and that this refusal constituted undue interference in, and restraint on the exercise of the employees' right to self-organization and free collective bargaining. The NLRC said that the real motive of the company in the sudden closure of the Sto. Tomas farm and the mass dismissal of the STFWU members was union busting, as only the union members were locked out, and the company subsequently resumed operations of the closed farm under a new contract with the landowner. Because the requisites of a valid lockout were absent, the NLRC concluded that the company committed ULP. The dispositive portion of the NLRC decision reads:

WHEREFORE, respondent Purefoods Corporation is hereby directed to reinstate effective October 1, 2000 employees-members of the STFWU-PULO who were illegally locked out on July 30, 1995 and to pay them their full backwages.

SO ORDERED.

Its motion for reconsideration having been denied,[8] the petitioner corporation filed a Rule 65 petition before the Court of Appeals (CA) docketed as CA-G.R. SP No. 66871.

In the assailed October 25, 2001 Resolution,[9] the appellate court dismissed outright the company's petition for certiorari on the ground that the verification and certification of non-forum shopping was defective since no proof of authority to act for and on behalf of the corporation was submitted by the corporation's senior vice-president who signed the same; thus, the petition could not be deemed filed for and on behalf of the real party-in-interest. Then, the CA, in its November 22, 2001 Resolution,[10] denied petitioner's motion for reconsideration of the dismissal order.

Dissatisfied, petitioner instituted before us the instant petition for review on certiorari under Rule 45.

The petition is denied.

Section 1, Rule 65 of the Rules of Court explicitly mandates that the petition for certiorari shall be accompanied by a sworn certification of non-forum shopping.[11] When the petitioner is a corporation, inasmuch as corporate powers are exercised by the board, the certification shall be executed by a natural person authorized by the corporation's board of directors.[12] Absent any authority from the board, no person, not even the corporate officers, can bind the corporation.[13] Only individuals who are vested with authority by a valid board resolution may sign the certificate of non-forum shopping in behalf of the corporation, and proof of such authority must be attached to the petition.[14] Failure to attach to the certification any proof of the signatory's authority is a sufficient ground for the dismissal of the petition.[15]

In the instant case, the senior vice-president of the petitioner corporation signed the certificate of non-forum shopping. No proof of his authority to sign the said certificate was, however, attached to the petition. Thus, applying settled jurisprudence, we find that the CA committed no error when it dismissed the petition.

The Court cannot even be liberal in the application of the rules because liberality is warranted only in instances when there is substantial compliance with the technical requirements in pleading and practice, and when there is sufficient explanation that the non-compliance is for a justifiable cause, such that the outright dismissal of the case will defeat the administration of justice.[16] Here, the petitioner corporation, in its motion for reconsideration before the appellate court and in its petition before us, did not present a reasonable explanation for its non-compliance with the rules. Further, it cannot be said that petitioner substantially complied therewith, because it did not attach to its motion for reconsideration any proof of the authority of its signatory. It stands to reason, therefore, that this Court now refuses to condone petitioner's procedural transgression.

We must reiterate that the rules of procedure are mandatory, except only when, for the most persuasive of reasons, they may be relaxed to relieve a litigant of an injustice not commensurate to the degree of his thoughtlessness in not complying therewith.[17] While technical rules of procedure are not designed to frustrate the ends of justice, they are provided to effect the proper and orderly disposition of cases and effectively prevent the clogging of court dockets.[18]

Be that as it may, this Court has examined the records if only to dispel any doubt on the propriety of the dismissal of the case, and we found no abuse of discretion, much more a grave one, on the part of the labor commission in reversing the ruling of the LA.

It is crystal clear that the closure of the Sto. Tomas farm was made in bad faith. Badges of bad faith are evident from the following acts of the petitioner: it unjustifiably refused to recognize the STFWU's and the other unions' affiliation with PULO; it concluded a new CBA with another union in another farm during the agreed indefinite suspension of the collective bargaining negotiations; it surreptitiously transferred and continued its business in a less hostile environment; and it suddenly terminated the STFWU members, but retained and brought the non-members to the Malvar farm. Petitioner presented no evidence to support the contention that it was incurring losses or that the subject farm's lease agreement was pre-terminated. Ineluctably, the closure of the Sto. Tomas farm circumvented the labor organization's right to collective bargaining and violated the members' right to security of tenure.[19]

The Court reiterates that the petition for certiorari under Rule 65 of the Rules of Court filed with the CA will prosper only if there is clear showing of grave abuse of discretion or an act without or in excess of jurisdiction on the part of the NLRC.[20] It was incumbent, then, for petitioner to prove before the appellate court that the labor

commission capriciously and whimsically exercised its judgment tantamount to lack of jurisdiction, or that it exercised its power in an arbitrary or despotic manner by reason of passion or personal hostility, and that its abuse of discretion is so patent and gross as to amount to an evasion of a positive duty enjoined or to act at all in contemplation of law.[21] Here, as aforesaid, no such proof was adduced by petitioner. We, thus, declare that the NLRC ruling is not characterized by grave abuse of discretion. Accordingly, the same is also affirmed.

However, this Court makes the following observations and modifications:

We deem as proper the award of moral and exemplary damages. We hold that the sudden termination of the STFWU members is tainted with ULP because it was done to interfere with, restrain or coerce employees in the exercise of their right to self-organization. Thus, the petitioner company is liable for the payment of the aforesaid damages.[22] Notable, though, is that this award, while stated in the body of the NLRC decision, was omitted in the dispositive portion of the said ruling. To prevent any further confusion in the implementation of the said decision, we correct the dispositive portion of the ruling to include the payment of P500,000.00 as moral and exemplary damages to the illegally dismissed STFWU members.

As to the order of reinstatement, the Court modifies the same in that if it is no longer feasible considering the length of time that the employees have been out of petitioner's employ,[23] the company is ordered to pay the illegally dismissed STFWU members separation pay equivalent to one (1) month pay, or one-half (1/2) month pay for every year of service, whichever is higher.[24]

The releases and quitclaims, as well as the affidavits of desistance,[25] signed by the concerned employees, who were then necessitous men at the time of execution of the documents, are declared invalid and ineffective. They will not bar the workers from claiming the full measure of benefits flowing from their legal rights.[26]

WHEREFORE, premises considered, the petition for review on certiorari is DENIED. The October 25, 2001 and the November 22, 2001 Resolutions of the Court of Appeals in CA-G.R. SP No. 66871 are AFFIRMED. The March 16, 2001 Decision of the National Labor Relations Commission in NLRC-NCR-00-07-05159-95 (CA No. 022059-00) is AFFIRMED with the MODIFICATION that petitioner company is ordered to: (1) reinstate the illegally dismissed STFWU members and pay them full backwages from the time of illegal termination up to actual reinstatement; (2) if reinstatement is no longer feasible, pay the illegally dismissed STFWU members their separation pay equivalent to one month pay, or one-half month pay for every year of service, whichever is higher; and (3) pay moral and exemplary damages in the aggregate amount of P500,000.00 to the said illegally dismissed STFWU members.

SO ORDERED.

Ynares-Santiago, (Chairperson), Austria-Martinez, Chico-Nazario, and Reyes, JJ., concur.

[1] Rollo, pp. 130-131.

[2] Id. at 116-117.

[3] Id. at 117.

[4] Id. at 117-118.

[5] Id. at 70-80.

[6] Id. at 107-110.

[7] Id. at 114-127. The dispositive portion of the Labor Arbiter's decision reads:

CONFORMABLY WITH THE FOREGOING, judgment is hereby rendered declaring that the respondents did not commit unfair labor practice against complainants and that there was no illegal dismissal committed.

SO ORDERED.

[8] Id. at 149.

[9] Penned by Associate Justice Rodrigo V. Cosico, with Associate Justices Eubulo G. Verzola and Eliezer R. De Los Santos, concurring; id. at 176-177.

[10] Id. at 187-188.

[11] Rule 65, Section 1 of the Rules of Court reads:

Section 1. Petition for certiorari.--When any tribunal, board or officer exercising judicial or quasi-judicial functions has acted without or in excess of its or his jurisdiction, or with grave abuse of discretion amounting to lack or excess of jurisdiction, and there is no appeal, or any plain, speedy, and adequate remedy in the ordinary course of law, a person aggrieved thereby may file a verified petition in the proper court, alleging the facts with certainty and praying that judgment be rendered annulling or modifying the proceedings of such tribunal, board or officer, and granting such incidental reliefs as law and justice may require.

The petition shall be accompanied by a certified true copy of the judgment, order or resolution subject thereof, copies of all pleadings and documents relevant and pertinent thereto, and a sworn certification of non-forum shopping as provided in the third paragraph of section 3, Rule 46. (*Italics supplied.*)

[12] *Fuentebella v. Castro*, G.R. No. 150865, June 30, 2006, 494 SCRA 183, 190-191; *Philippine Airlines, Inc. v. Flight Attendants and Stewards Association of the Philippines*, G.R. No. 143088, January 24, 2006, 479 SCRA 605, 608; *Expertravel & Tours, Inc. v. Court of Appeals*, G.R. No. 152392, May 26, 2005, 459 SCRA 147, 157; *Eslaban, Jr. v. Vda. de Onorio*, 412 Phil. 667 (2001).

[13] *San Pablo Manufacturing Corporation v. Commissioner of Internal Revenue*, G.R. No. 147749, June 22, 2006, 492 SCRA 192, 197.

[14] *Philippine Airlines, Inc. v. Flight Attendants and Stewards Association of the Philippines*, *supra* note 12.

[15] *Shipside Incorporated v. Court of Appeals*, 404 Phil. 981, 995 (2001).

[16] *United Paragon Mining Corporation v. Court of Appeals*, G.R. No. 150959, August 4, 2006, 497 SCRA 638, 647-648; *Philippine Valve Manufacturing Company v. National Labor Relations Commission*, G.R. No. 152304, November 12, 2004, 442 SCRA 383, 387. Cf. *Estrebillon v. Department of Agrarian Reform*, G.R. No. 159674, June 30, 2006, 494 SCRA 218; *LDP Marketing, Inc. v. Monter*, G.R. No. 159653, January 25, 2006, 480 SCRA 137; *China Banking Corporation v. Mondragon International Philippines, Inc.*, G.R. No. 164798, November 17, 2005, 475 SCRA 332; *Vicar International Construction, Inc. v. FEB Leasing and Finance Corporation*, G.R. No. 157195, April 22, 2005, 456 SCRA 588, in which the Court relaxed in these cases the application of procedural rules in the interest of justice.

[17] *Spouses Ortiz v. Court of Appeals*, 360 Phil. 95, 101 (1998).

[18] *Santos v. Court of Appeals*, 413 Phil. 41, 53-54 (2001).

[19] See *St. John Colleges, Inc. v. St. John Academy Faculty and Employees Union*, G.R. No. 167892, October 27, 2006, 505 SCRA 764, in which the Court found the company to have acted in bad faith when it suddenly

closed its high school department during collective bargaining.

[20] *Palomado v. National Labor Relations Commission*, G.R. No. 96520, June 28, 1996, 257 SCRA 680, 689.

[21] *Machica v. Roosevelt Services Center, Inc.*, G.R. No. 168664, May 4, 2006, 489 SCRA 534, 547.

[22] *Quadra v. Court of Appeals*, G.R. No. 147593, July 31, 2006, 497 SCRA 221, 228.

[23] *Jardine Davies, Inc. v. National Labor Relations Commission*, 370 Phil. 310, 322 (1999).

[24] *Philippine Carpet Employees Association (PHILCEA) v. Sto. Tomas*, G.R. No. 168719, February 22, 2006, 483 SCRA 128, 152.

[25] *Rollo*, pp. 68-69, 212-213.

[26] *Mindoro Lumber and Hardware v. Bacay*, G.R. No. 158753, June 8, 2005, 459 SCRA 714, 722-733; *Peftok Integrated Services, Inc. v. National Labor Relations Commission*, 355 Phil. 247, 253 (1998).

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