FRANCISCO A. LABAO, PETITIONER, VS. LOLITO N. FLORES, AMADO A. DAGUISONAN, PEPE M. CANTAR, JULIO G. PAGENTE, JESUS E. ARENA, CRISPIN A. NAVALES, OSCAR M. VENTE, ARTEMIO B. ARAGO...

G.R. No. 187984. November 15, 2010

Ponente: BRION, J.

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BRION, J.:

We resolve the petition for review on certiorari[1] filed by petitioner Francisco A. Labao (petitioner) to challenge the decision[2] and resolution[3] of the Court of Appeals (CA) in CA-G.R. SP No. 01472-MIN.[4]

The Factual Antecedents

The facts of the case, gathered from the records, are briefly summarized below.

The petitioner is the proprietor and general manager of the San Miguel Protective Security Agency (SMPSA), a licensed security-service contractor. Respondents Lolito N. Flores, Amado A. Daguisonan, Pepe M. Cantar, Julio G. Pagente, Jesus E. Arena, Crispin A. Navales, Oscar M. Vente, Artemio B. Aragon, Arnold M. Cantar, Alberto T. Cuadero, Rasmi E. Ronquillo, Pedro R. Gabutan, Elpedio E. Mentang, Wilfredo R. Miñosa, Roderick P. Nambatac, Marcial D. Rivera, Sande E. Castil, Crisostomo B. Esic, Ambrosio M. Cantar (respondents) and Jimmy O. Bicoy, were SMPSA security guards assigned to the National Power Corporation, Mindanao Regional Center (NPC-MRC), Ditucalan, Iligan City. Each of the respondents had a monthly salary of P7,020.00.

On July 27, 2004, the petitioner issued a memorandum requiring all security guards to submit their updated personal data files, security guard professional license, and other pertinent documents by July 30, 2004 for reevaluation in connection with the SMPSA's new service contract with the NPC-MRC.[5]

When respondents failed to comply with the petitioner's directive, despite several notices to do so, the petitioner relieved them from NPC-MRC duty starting September and October 2004, and ordered them to report to the Senior Operations Officer, Nemesio Sombilon, for new assignments.

Sometime in March and April 2005, the respondents filed individual complaints with the Iligan City Sub-Regional Arbitration Branch of the National Labor Relations Commission (NLRC) for illegal dismissal and money claims, claiming they were constructively dismissed when they were not given new assignments for a period of over 6 months, despite repeated requests for NPC-MRC redeployment and for new assignments. The complaints were consolidated.

The petitioner and SMPSA denied the charge of constructive dismissal. They countered that the respondents' relief from NPC-MRC duty was a valid exercise of its management prerogative. Furthermore, they issued a notice (dated January 17, 2005)[6] directing the respondents to report to SMPSA's main office for new assignments, but the latter failed or refused to comply without any valid reasons.

The Labor Arbiter Ruling

In a December 27, 2005 decision, Labor Arbiter (LA) Noel Augusto S. Magbanua dismissed the consolidated complaints for lack of merit. He held that the respondents' relief from NPC-MRC duty was due to their failure to comply with SMSPA's requirement for its employees to submit updated documents to meet NPC-MRC contract renewal requirements. According to the LA, this was a legitimate exercise of NPC-MRC's management prerogative, in light of the information it received that some security guards carried falsified documents.[7]

The respondents appealed the dismissal of their complaints to the NLRC.

The NLRC Ruling

In a July 31, 2006 resolution, the NLRC affirmed the LA decision. It noted that the respondents' relief was in good faith, without grave abuse of discretion, and in the best interest of the business enterprise since SMPSA merely exercised its management prerogative and discretion to protect its business interest.[8]

It also noted that the respondents' temporary off-detail did not exceed the 6-month period permitted by law, since the respondents were directed, through the January 17, 2005 notice, to report for a new assignment on January 25, 2005, but they failed or refused to do so.

In a September 29, 2006 resolution, the NLRC denied the respondents' subsequent motion for reconsideration.[9] The respondents' counsel, Atty. Demosthenes R. Plando, received the September 29, 2006 resolution on October 13, 2006.

Eighty-eight (88) days later, or on January 9, 2007, the respondents, through their new counsel, filed with the CA a petition for certiorari under Rule 65 of the Rules of Court, alleging that they were informed of the September 29, 2006 resolution on December 6, 2006, while Bicoy received a copy of the resolution on November 6, 2006.

The CA Ruling

In its September 5, 2008 decision, the CA set aside the NLRC resolution, finding that the respondents were constructively dismissed when they were not given new assignments for more than 6 months, from September and October 2004, when the respondents were "off-detailed," until March and April 2005, when they filed their individual complaints for illegal dismissal. The appellate court noted that the January 17, 2005 notice to report for new assignments did not toll the 6-month "floating status" period since the respondents failed to receive the notice before the appointed date, as SMPSA sent the notice by registered mail, which normally takes at least 5 working days to reach the intended recipients.[10]

Finding that reinstatement was no longer viable under the circumstances, the CA awarded the respondents separation pay at one (1) month's salary for every year of service, plus full backwages, allowances and other statutory benefits under the law.

The petitioner and SMPSA moved for reconsideration, arguing that the CA should have dismissed the petition outright for late filing, and that there was no compelling reason for the reversal of the LA and the NLRC's factual findings.[11]

In its April 22, 2009 resolution, the CA modified its September 5, 2008 decision by dismissing Bicoy's petition for having been filed out of time. However, it considered the respondents' petition as timely filed. It also opined that disregarding any procedural lapses best served substantial justice.[12]

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The petitioner then filed the present petition. Bicoy, with respondents Castil, Esic, and Ambrocio M. Cantar filed a separate appeal, docketed as G.R. No. 190848. The Court denied this appeal in its April 5, 2010 resolution for late filing and for non-compliance with Rules 45 and 46 of the Rules of Court.

The Petition

The petitioner argues that: (a) the respondents' CA petition for certiorari was filed 28 days late; (b) the respondents' new counsel concealed Atty. Plando's October 13, 2006 receipt of the September 26, 2006 resolution and relied on the respondents' December 6, 2006 notice of the resolution; and (c) the evidence on record supports the LA and NLRC decisions.

The Case for the Respondents

In contrast, the respondents submit that: (a) December 6, 2006 is the reckoning date of the 60-day period; (b) Atty. Plando's October 13, 2006 receipt did not bind them because his secretary, Sonia M. Barnachea, misplaced the September 29, 2006 resolution and they should not suffer for her negligence; and (c) the evidence on record does not support the LA and NLRC rulings.

Issue
The core issues boil down to whether the CA erred in acting on the respondents' petition despite its late filing, and in reversing the LA and NLRC decisions.

The Court's Ruling

We find the petition meritorious.

Timeliness of the CA petition for certiorari

Under Section 4 of Rule 65 of the 1997 Rules of Civil Procedure,[13] certiorari should be instituted within a period of 60 days from notice of the judgment, order, or resolution sought to be assailed.[14] The 60-day period is inextendible to avoid any unreasonable delay that would violate the constitutional rights of parties to a speedy disposition of their case.[15]

Time and again, we have stressed that procedural rules do not exist for the convenience of the litigants; the rules were established primarily to provide order to, and enhance the efficiency of, our judicial system.[16] While procedural rules are liberally construed, the provisions on reglementary periods are strictly applied, indispensable as they are to the prevention of needless delays, and are necessary to the orderly and speedy discharge of judicial business.[17] The timeliness of filing a pleading is a jurisdictional caveat that even this Court cannot trifle with.[18]

Viewed in this light, procedural rules are not to be belittled or dismissed simply because their non-observance may have prejudiced a party's substantive rights; like all rules, they are required to be followed.

However, there are recognized exceptions to their strict observance, such as: (1) most persuasive and weighty reasons; (2) to relieve a litigant from an injustice not commensurate with his failure to comply with the prescribed procedure; (3) good faith of the defaulting party by immediately paying within a reasonable time from the time of the default; (4) the existence of special or compelling circumstances; (5) the merits of the case; (6) a cause not entirely attributable to the fault or negligence of the party favored by the suspension of the rules; (7) a lack of any showing that the review sought is merely frivolous and dilatory; (8) the other party will not be unjustly prejudiced thereby; (9) fraud, accident, mistake or excusable negligence without appellant's fault; (10) peculiar legal and equitable circumstances attendant to each case; (11) in the name of substantial justice and fair play; (12)

importance of the issues involved; and (13) exercise of sound discretion by the judge guided by all the attendant circumstances.[19] Thus, there should be an effort on the part of the party invoking liberality to advance a reasonable or meritorious explanation for his/her failure to comply with the rules.

Negligence of former counsel binds the respondents

In the present case, the respondents' petition for certiorari was filed twenty-eight (28) days late from Atty. Plando's October 13, 2006 receipt of the September 29, 2006 resolution. The respondents insist that they should not suffer for Atty. Plando's negligence in failing to inform them of the September 29, 2006 resolution, and the reckoning date for the 60-day period should be their December 6, 2006 notice.

The general rule is that a client is bound by the acts, even mistakes, of his counsel in the realm of procedural technique.[20] The exception to this rule is when the negligence of counsel is so gross, reckless and inexcusable that the client is deprived of his day in court.[21] The failure of a party's counsel to notify him on time of the adverse judgment, to enable him to appeal therefrom, is negligence that is not excusable. We have repeatedly held that notice sent to counsel of record is binding upon the client, and the neglect or failure of counsel to inform him of an adverse judgment resulting in the loss of his right to appeal is not a ground for setting aside a judgment valid and regular on its face.[22]

We cannot sustain the respondents' argument that they cannot be bound by Atty. Plando's negligence since this would set a dangerous precedent. It would enable every party-litigant to render inoperative any adverse order or decision of the courts or tribunals, through the simple expedient of alleging his/her counsel's gross negligence.

We thus find that the CA erred in acting on the respondents' petition for certiorari despite its late filing. The NLRC resolution was already final and executory, and the CA had no jurisdiction to entertain the petition, except to order its dismissal.

Immutability of NLRC resolution

The NLRC's resolution became final ten (10) days after counsel's receipt, and the respondents' failure to file the petition within the required (60)-day period rendered it impervious to any attack through a Rule 65 petition for certiorari. Thus, no court can exercise jurisdiction to review the resolution.[23]

Needless to stress, a decision that has acquired finality becomes immutable and unalterable and may no longer be modified in any respect, even if the modification is meant to correct erroneous conclusions of fact or law and whether it will be made by the court that rendered it or by the highest court of the land.[24] All the issues between the parties are deemed resolved and laid to rest once a judgment becomes final and executory; execution of the decision proceeds as a matter of right as vested rights are acquired by the winning party.[25]Just as a losing party has the right to appeal within the prescribed period, the winning party has the correlative right to enjoy the finality of the decision on the case.[26] After all, a denial of a petition for being time-barred is tantamount to a decision on the merits.[27] Otherwise, there will be no end to litigation, and this will set to naught the main role of courts of justice to assist in the enforcement of the rule of law and the maintenance of peace and order by settling justiciable controversies with finality.[28]

WHEREFORE, the present petition is GRANTED. The assailed decision and resolution of the Court of Appeals in CA-G.R. SP No. 01472-MIN are REVERSED and SET ASIDE. The decision of the Labor Arbiter is REINSTATED. No pronouncement as to costs.

SO ORDERED.

Carpio Morales, Bersamin, Villarama, Jr., and Sereno, JJ., concur.

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[*] Known as "Elpedito Mentang" in other parts of the record.

[**] Known as "Wilfredo R. Miñoza" in other parts of the record.

[***] Known as "Sandy A. Castil" in other parts of the record.

[****] Known as "Ambrocio M. Cantar, Jr." and "Ambrosio M. Cantar, Jr." in other parts of the record.

[1] Pursuant to Rule 45 of the Rules of Court; rollo, pp.74-95.

[2] Dated September 5, 2008; penned by Associate Justice Jane Aurora C. Lantion, with the concurrence of Associate Justices Edgardo A. Camello and Edgardo T. Lloren; id. at 100-123.

[3] Dated April 22, 2009; id. at 154-158.

[4] Entitled "Jimmy O. Bicoy, et al. v. San Miguel Protective Security Agency and/or Francisco A. Labao; Lolito N. Flores, et al. v. SMPSA and/or Francisco A. Labao; Pedro Gabutan, et al. v. SMPSA and/or Francisco A. Labao."

[5] Rollo, p. 211.

[6] Id. at 266-284.

[7] Id. at 289-294.

[8] Id. at 319-326.

[9] Id. at 340-342.

[10] Supra note 2.

[11] Id. at 124-145.

[12] Supra note 3.

[13] SEC. 4. Where petition filed. -- The petition may be filed not later than sixty (60) days from notice of the judgment, order or resolution sought to be assailed in the Supreme Court or, if it relates to the acts or omissions of a lower court or of a corporation, board, officer or person, in the Regional Trial Court exercising jurisdiction over the territorial area as defined by the Supreme Court. It may also be filed in the Court of Appeals whether or not the same is in aid of its appellate jurisdiction, or in the Sandiganbayan if it is in aid of its jurisdiction. If it involves the acts or omissions of a quasi-judicial agency, and unless otherwise provided by law or these Rules, the petition shall be filed in and cognizable only by the Court of Appeals.

[14] Philemploy Servicesand Resources, Inc. v. Rodriguez, G.R. No. 152616, March 31, 2006, 486 SCRA 302, 324, citing Abbott Laboratories Phils., Inc. v. Abbott Laboratories Employees Union, 380 Phil. 364 (2000), and St. Martin Funeral Home v. NLRC, 356 Phil. 811 (1998).

[15] Laguna Metts Corporation v. Court of Appeals, G.R. No. 185220, July 27, 2009, 594 SCRA 139, 143, citing De Los Santos v. Court of Appeals, G.R. No. 147912, April 26, 2006, 488 SCRA 351; Yutingco v. Court of Appeals, 435 Phil. 83, 91 (2002).

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[16] Mejillano v. Lucillo, G.R. No. 154717, June 19, 2009, 590 SCRA 1, 9; Ko v. Philippine National Bank, G.R. Nos. 169131-32, January 20, 2006, 479 SCRA 298, 303.

[17] Villa v. Heirs of Enrique Altavas, G.R. No. 162028, July 14, 2008, 558 SCRA 157, 166; Moneytrend Lending Corporation v. Court of Appeals, G.R. No 165580, February 20, 2006, 482 SCRA 705, 714. Prudential Guarantee and Assurance, Inc. v. Court of Appeals, 480 Phil. 134 (2004); FJR Garments Industries v. Court of Appeals, 130 SCRA 216, 218 (1984).

[18] National Power Corporation v. Laohoo, G.R. No. 151973, July 23, 2009, 593 SCRA 564, 579-580; Bank of America, NT & SA v. Gerochi, Jr., G.R. No. 73210, February 10, 1994, 230 SCRA 9, 15.

[19] Lim v. Delos Santos, G.R. No. 172574, July 31, 2009, 594 SCRA 607, 616-617; Villena v. Rupisan, G.R. No. 167620, April 3, 2007, 520 SCRA 346, 358-359.

[20] Philux, Inc. v. National Labor Relations Commission, G.R. No. 151854, September 3, 2008, 564 SCRA 21, 33; Producers Bank of the Phils. v. Court of Appeals, 430 Phil. 812, 830 (2002).

[21] Ibid.

[22] Rivera v. Court of Appeals, G.R. No. 157040, February 12, 2008, 544 SCRA 434, 451-452; Manaya v. Alabang Country Club Incorporated, G.R. No. 168988, June 19, 2007, 525 SCRA 140; Trust International Paper Corporation v. Pelaez, G.R. No. 164871, August 22, 2006, 499 SCRA 552, 561-562; Azucena v. Foreign Manpower Services, 484 Phil. 316, 327 (2004); Mercury Drug Corporation v. Court of Appeals, 390 Phil. 902, 913-914 (2000).

[23] Philippine Commercial and Industrial Bank v. Court of Appeals, 391 Phil. 145, 153 (2000).

[24] Peña v. Government Service Insurance System, G.R No.159520, September 19, 2006, 502 SCRA 383, 404.

[25] Rules of Court, Rule 39, Sec. 1. Execution upon judgments or final orders. - Execution shall issue as a matter of right, on motion, upon a judgment or order that disposes of the action or proceedings upon the expiration of the period to appeal therefrom if no appeal has been duly perfected. x x x

[26] Bello v. National Labor Relations Commission, G.R. No. 146212, September 5, 2007, 532 SCRA 234, 242.

[27] National Power Corporation v. Laohoo, supra note 18, at 590; Videogram Regulatory Board v. Court of Appeals, G.R. No. 106564, November 28, 1996, 265 SCRA 50, 56.

[28] Estinozo v. Court of Appeals, G.R. No. 150276, February 12, 2008, 544 SCRA 422, 432.

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