

JOBEL ENTERPRISES AND/OR MR. BENEDICT LIM, PETITIONERS, VS. NATIONAL LABOR RELATIONS COMMISSION (SEVENTH DIVISION, QUEZON CITY) AND ERIC MARTINEZ, SR., RESPONDENTS.

G.R. No. 194031. August 08, 2011

Ponente: BRION, J.

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BRION, J.:

We resolve the petition for review on certiorari[1] before us, seeking the reversal of the resolutions dated June 9, 2010[2] and October 5, 2010[3] of the Court of Appeals (CA) in CA-G.R. SP No. 113980.

The Antecedents

The petitioner Jobel Enterprises (the company) hired respondent Eric Martinez, Sr. as driver in 2004. Martinez allegedly performed well during the first few months of his employment, but later became stubborn, sluggish and often came late to work.

On January 27, 2005, Martinez had a fight with one of his co-employees and nephew, Roderick Briones. The company's proprietor, Benedict Lim, pacified the two and instructed Martinez to come early the next day for an important delivery. Martinez allegedly did not report for work the following day. The company's efforts to contact Martinez, through Briones, failed.

On March 6, 2006, the company received a notice of hearing from the Department of Labor and Employment in Region IV-A (DOLE-RO-IV-A) in relation to an illegal dismissal complaint filed by Martinez. The DOLE-RO-IV-A failed to effect an amicable settlement between the parties; Martinez allegedly asked for P300,000.00 as settlement and manifested that he did not want to work anymore. Thereafter, Martinez formally filed an illegal dismissal complaint, with money claims, against the company and Lim.

The Compulsory Arbitration Rulings and Related Incidents

On compulsory arbitration, Labor Arbiter Danna M. Castillon ruled that Martinez had been illegally dismissed.[4] She awarded him backwages and separation pay amounting to P479,529.49, and wage differentials and 13[th] month pay in the combined amount of P53,363.44.

On May 16, 2008, the petitioners appealed to the National Labor Relations Commission (NLRC), filing a notice of appeal, a memorandum of appeal and a motion to reduce bond. They likewise deposited a Rizal Commercial Banking Corporation manager's check for P100,000.00.[5] In its order of September 15, 2008,[6] the NLRC denied the company's motion to reduce bond and directed the posting of an additional cash or surety bond for P432,892.93 within ten (10) days.

The company complied by posting a surety bond in the required amount,[7] but Martinez moved for the immediate dismissal of the appeal; he questioned the effectivity of the surety bond and the legal standing of the

surety company.[8] In answer, the company asked for a denial of the motion and submitted a copy of the joint declaration by the company's authorized representative and the Executive Vice-President of the surety company[9] that the posted surety bond is genuine and shall be effective until final disposition of the case. It also submitted a copy of a certificate of authority issued by the Insurance Commission,[10] and a certificate of accreditation and authority issued by this Court.[11]

The NLRC dismissed the appeal[12] and denied the company's subsequent motion for reconsideration.[13] The company, thereafter, elevated the case to the CA through a petition for certiorari under Rule 65 of the Rules of Court.

The CA Decision

The CA issued a resolution dismissing the petition on June 9, 2010 for the petitioners' failure to attach to the petition a duplicate original or certified true copy of the assailed NLRC decision;[14] the submitted copy was a mere photocopy, in violation of Section 3, Rule 46, in relation to Section 1, Rule 65 of the Rules of Court. The CA also denied the petitioners' plea for a liberal interpretation of the rules in their motion for reconsideration,[15] to which the petitioners attached a certified true copy of the assailed NLRC decision.

The Petition

The company now asks the Court to set aside the CA rulings on the ground that the dismissal of the petition was for purely technical reason, which it rectified when it attached a certified true copy of the assailed NLRC decision to its motion for reconsideration. The company pleads for understanding, claiming that its failure to initially comply with the rules was unintentional and was due purely to the oversight of its counsel who was then rushing the preparation of the final print of the petition and its attachments, while also working on other cases.

The Case for Martinez

In his comment dated April 1, 2011,[16] Martinez prays for a dismissal of the petition. He submits that the filing of an appeal is a privilege and not a right; the appealing party must comply with the requirements of the law, specifically the submission of a cash or surety bond to answer for the monetary award. He points out that the award in the present case is more than P500,000.00, but the company posted a cash bond of only P100,000.00. He adds that although the company filed a motion to reduce bond, it must be approved by the NLRC within the same period to perfect an appeal or ten (10) days from receipt of a copy of the labor arbiter's decision. He argues that the company already lost the right to appeal, since the NLRC's denial of the motion came after the 10-day appeal period. He stresses that the filing of a motion to reduce bond does not suspend the running of the period to appeal.

Martinez did not comment on the CA resolutions dismissing the petition for certiorari.

The Court's Ruling

We find merit in the petition.

We note that this case was dismissed on purely technical grounds at both the NLRC and the CA levels, in total disregard of the merits of the case. The NLRC dismissed the company's appeal for non-perfection for its failure "to substantially address the issue of failure to post the required appeal bond pursuant to Section 6, Rule VI of the 2005 Revised Rules of Procedure of the NLRC." [17] In summarily throwing out the appeal, the NLRC apparently forgot that earlier, or on September 15, 2008, it gave the company "ten (10) unextendible days xxx within which to file an additional cash or surety bond in the amount of FOUR HUNDRED THIRTY TWO THOUSAND EIGHT HUNDRED NINETY TWO PESOS and 93/100 (P432,892.93)" [18] when it denied the company's motion

to reduce bond. The NLRC even warned that "[t]heir failure to post the required bond shall result in the dismissal of the appeal for non-perfection." [19]

As earlier mentioned, the company complied with the NLRC directive by posting a surety bond in the required amount [20] within the 10-day period; it received a copy of the NLRC resolution directing it to post an additional cash or surety bond on October 13, 2008 and posted the bond on October 23, 2008. The company likewise submitted a joint declaration between the company representative and the surety company on the period of effectivity of the bond, [21] and the documents on the legal status of the surety company. [22] The NLRC grossly erred, therefore, in declaring that the company failed to address the issue of its failure to post the required bond. The CA grossly failed to consider this lapse.

We note, too, that the CA's refusal to consider the petition was the absence of a duplicate original or certified true copy of the assailed NLRC decision, in violation of Section 3, Rule 46 of the Rules of Court (in relation to Section 1, Rule 65). The company though corrected the procedural lapse by attaching a certified copy of the NLRC decision to its motion for reconsideration. At this point, the CA should have at least considered the merits of the petitioners' case as we did in *Gutierrez v. Secretary of the Department of Labor and Employment*. [23] We held in that case that while "what [were] submitted were mere photocopies[,] there was substantial compliance with the Rules since petitioner attached to her Supplemental Motion for Reconsideration certified true copies of the questioned DOLE Orders." [24]

Our own examination of the records shows that the company's case is not, on its face, unmeritorious and should have been considered further to determine what really transpired between the parties. For instance, the company argued that it did not dismiss Martinez. It claimed that Martinez refused to return to work and, during conciliation, demanded outright that he be paid P300,000.00, manifesting at the same time that he no longer wanted to work for the company. Before the labor arbiter, the company even manifested its willingness to accept Martinez back to work as no dismissal actually took place. [25] Thus, the concrete issue posed was whether Martinez had been dismissed or had simply walked out of his job.

Under these circumstances, we find that the CA precipitately denied the petition for certiorari based on an overly rigid application of the rules of procedure. In effect, it sacrificed substance to form in a situation where the petitioners' recourse was not patently frivolous or meritless. This is a matter of substantial justice - in fact, a lack of it - that we should not allow to remain uncorrected.

WHEREFORE, premises considered, the petition is granted. The assailed resolutions of the Court of Appeals are SET ASIDE. The case is REMANDED to the National Labor Relations Commission for its resolution of the petitioners' appeal with utmost dispatch. Costs against respondent Eric Martinez, Sr.

SO ORDERED.

Carpio, (Chairperson), [*]Bersamin, Perez, and Sereno, JJ., concur.

[*] Designated as Additional Member of the Second Division per Special Order No. 1053 dated July 29, 2011.

[1] Rollo, pp. 8-19; filed pursuant to Rule 45 of the Rules of Court.

[2] Id. at 25-26; penned by Associate Justice Jane Aurora C. Lantion, and concurred in by Associate Justices Portia Aliño-Hormachuelos and Japar B. Dimaampao.

[3] Id. at 22-23.

[4] Decision dated March 12, 2008; CA rollo, pp. 36-43.

[5] Id. at 66.

[6] Id. at 106-108.

[7] Id. at 111.

[8] Id. at 130-134.

[9] Id. at 113.

[10] Id. at 117.

[11] Id. at 116.

[12] Decision dated October 7, 2009; id. at 27-31.

[13] Rollo, pp. 61-62.

[14] Supra note 2.

[15] Supra note 3.

[16] Rollo, pp. 71-78.

[17] CA rollo, p. 154.

[18] Id. at 107.

[19] Id. at 107.

[20] Supra note 7.

[21] Supra note 9.

[22] CA rollo, p. 14, pars. 5.5, 5.6 & 5.7.

[23] 488 Phil. 110 (2004).

[24] Id. at 123.

[25] Rollo, p. 32.

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