

THE HERITAGE HOTEL MANILA, PETITIONER, VS. NATIONAL LABOR RELATIONS COMMISSION, RUFINO C. RAÑON II, AND ISMAEL C. VILLA, RESPONDENTS.

G.R. Nos. 180478-79. September 03, 2009

Ponente: CARPIO MORALES, J.

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CARPIO MORALES, J.:

Respondents Rufino C. Rañon II (Rañon) and Ismael C. Villa (Villa) were hired by the Thai Training and Manpower Services (Thai Training [formerly Jyca Training and Manpower Services]) and were deployed to work as extra-waiters at the food and beverage section of the Casino Gaming Area of Heritage Hotel Manila (petitioner).

On January 8, 1998, respondents filed a complaint[1] for illegal dismissal against petitioner, alleging as follows:

On or before each month ends, the employees of the hotel are regularly informed of their next month shift assignment in appropriate memoranda posted in the hotel's bulletin boards for their guidance and compliance.

RUFINO RAÑON II (Raffy) who already knew of his shift assignment for December 1997 contracted a boil (piksa) on November 28, 1997 and went to see Mr. Tony Co, Food and Beverage Casino Service Manager, to secure permission to go on leave. On this occasion, RAFFY DISCOVERED that his schedule for December which has been previously posted was cancelled. Alarmed greatly, he inquired from Mr. Co, and the latter said, the cancellation was management decision. Undaunted, he still managed to talk with General Manager Richard Teo who conformed [sic] him saying "I'LL CALL FOR YOU AFTER WORKING FOR YOUR STAY" and got his telephone number. Nothing more came in connection with his promise to work for his stay. He attempted to several times [to] reach Mr. Richard Teo but could not because of tight security. So he filed this case on January 8, 1998.

ISMAEL C. VILLA (Allan) was likewise dismissed in a similar manner - without previous formal written notice and investigation. He discovered to [his] amazement that his name was no longer included in the December 1997 assignment schedule of the Hotel. Having learned from RAFFY of his unfruitful efforts to be included in the December schedule, he joined Raffy to file the instant complaint in this Office.[2] (Underscoring supplied)

Petitioner, in its Position Paper, denied the existence of an employer-employee relationship with respondents,[3] alleging that their employer is Thai Training.

By Decision[4] of May 27, 1999, the Labor Arbiter, finding that there was an employer-employee relationship between petitioner and respondents, held that respondents were illegally dismissed and accordingly ordered petitioner to reinstate them and pay them backwages, unpaid service charges, and attorney's fees.

In compliance with the Labor Arbiter's decision, petitioner reinstated respondents. In the meantime, it appealed on June 22, 1999 to the National Labor Relations Commission (NLRC)[5] and filed on June 28, 1999 a Motion for Reduction of Appeal Bond.[6]

By Resolution[7] of September 30, 1999, the NLRC dismissed the appeal for petitioner's failure to post a cash or surety bond. Petitioner's Motion for Reconsideration having been denied,[8] it filed a petition for certiorari before the Court of Appeals, docketed as CA-G.R. No. 56218.[9]

Respondent Rañon later manifested before the Labor Arbiter that he was not reinstated to his former position in the Casino Gaming Area food and beverage section, but to the hotel's Riviera Restaurant which to him entailed a diminution of his benefits.[10] He thus moved to be restored to his former position. By Order[11] of September 10, 2001, the Labor Arbiter ordered petitioner to immediately reinstate Rañon to his former position. Petitioner appealed this Order to the NLRC[12] which denied the same[13] as it did petitioner's Motion for Reconsideration,[14] prompting petitioner to file a petition for certiorari before the Court of Appeals.[15] The petition was docketed as CA G.R. No. 73836 which petition was consolidated with CA-G.R. No. 56218.

By Consolidated Decision[16] of March 5, 2007, the Court of Appeals dismissed both petitions, drawing petitioner to file the present petition for review on certiorari[17] which faults the appellate court in upholding the NLRC dismissal of the appeal for failure to post a cash or surety bond in CA-G.R. No. 56218, and in affirming the rulings of both the Labor Arbiter and the NLRC directing it to reinstate Rañon to his former position.

Petitioner contends that it timely filed before the NLRC its appeal of the Labor Arbiter's Decision subject of CA-G.R. SP No. 56218, and that it later filed a Motion for Reduction of Bond as it was "suffering from the effects of financial recessions (sic)" and was in fact questioning the computation of the monetary award upon which the amount of the bond was based. It thus posits that the NLRC should have just resolved said motion, instead of summarily dismissing its appeal, and it was thus error for the appellate court to have affirmed the dismissal.

Respecting the issue of Rañon's reinstatement to his former position, petitioner faults both the NLRC and the appellate court in holding that he and his co-respondent Villa were entitled to reinstatement and the other benefits claimed. It maintains that no employer-employee relationship existed between it and the two, insisting that they were employees of Thai Training as shown by the documentary evidence it submitted to the labor tribunal.

The petition is bereft of merit.

Section 6, Rule VI of the 2005 Revised Rules of Procedure of the National Labor Relations Commission states the rule respecting motions to reduce appeal bonds.

No motion to reduce bond shall be entertained except on meritorious grounds, and only upon the posting of a bond in a reasonable amount in relation to the monetary award.

The mere filing of a motion to reduce bond without complying with the requisites in the preceding paragraphs shall not stop the running of the period to perfect an appeal. (Emphasis and underscoring supplied)

This rule, however, admits exceptions. *Sy v. ALC Industries, Inc.*[18] reflects so:

Although the NLRC Rules of Procedure may be liberally construed in the determination of labor disputes, there is, however, a caveat to this policy. Liberal construction of the NLRC rules is allowed only in meritorious cases, where there is substantial compliance with the NLRC Rules of Procedure or where the party involved demonstrates a willingness to abide by the rules by posting a partial bond. In *Bunagan v. Sentinel Watchman and Protective Agency, Inc.*, we held:

Although the NLRC is not bound by the technical rules of procedure and is allowed to be liberal in the interpretation of the rules in deciding labor cases, such liberality should not be applied where it would render futile the very purpose for which the principle of liberality is adopted; the liberal interpretation stems from the mandate that a workingman's welfare should be the primordial and paramount consideration.

Respondents have not shown any reason to warrant a liberal interpretation of the NLRC Rules of Procedure. For one, their failure to post an appeal bond during the reglementary period was directly violative of Article 223 of the Labor Code. In a long line of cases, we have ruled that the payment of the appeal bond is a jurisdictional requisite for the perfection of an appeal to the NLRC. The lawmakers intended to make the posting of a cash or surety bond by the employer the exclusive means by which an employer's appeal may be perfected. The rationale for this rule is:

The requirement that the employer post a cash or surety bond to perfect its/his appeal is apparently intended to assure the workers that if they prevail in the case, they will receive the money judgment in their favor upon the dismissal of the employers' appeal. It was intended to discourage employers from using an appeal to delay, or even evade, their obligation to satisfy their employee's just and lawful claims. (Emphasis and underscoring supplied; citations omitted)

From the immediately quoted pronouncement of the Court in *Sy*, petitioner's mere filing of the Motion for Reduction of Bond did not suffice to perfect his appeal. As correctly found by the appellate court, petitioner filed a Motion for Reduction of Bond dated June 24, 1999 (which was received by the appellate court on June 28, 1999) alleging financial constraints without showing "substantial compliance with the Rules" or demonstrating a willingness to abide by the [R]ules by posting a partial bond." That petitioner questioned the computation of the monetary award — basis of the computation of the amount of appeal bond did not excuse it from posting a bond in a reasonable amount or what it believed to be the correct amount.

Since no exceptional circumstances obtain in the present case warranting the relaxation of the Rules, the Labor Arbiter's Decision had become final and executory. This leaves it unnecessary to still pass on the issue of whether employer-employee relationship existed between petitioner and respondents.

As to the propriety of the appellate court's ruling respecting Rañon's reinstatement to his former position, the same has become moot and academic, Rañon having in the meantime resigned.[19]

WHEREFORE, the petition is DENIED.

SO ORDERED.

Quisumbing, (Chairperson), Brion, Del Castillo, and Abad, JJ., concur.

[1] NLRC records, p. 2.

[2] *Id.* at 11-12.

[3] *Id.* at 21-22.

[4] *Id.* at 106-113.

[5] *Id.* at 127-134.

[6] *Id.* at 168.

[7] *Id.* at 194-196.

[8] *Id.* at 197-201.

[9] CA rollo, pp. 1-11.

[10] NLRC records, pp. 208-215.

[11] Id. at 347-349.

[12] Id. at 353-379.

[13] Id. at 415-418.

[14] Id. at 431-432.

[15] CA rollo, pp. 2-12.

[16] Penned by Court of Appeals Associate Justice Celia C. Librea-Leagogo, with the concurrence of Associate Justices Portia Aliño-Hormachuelos and Regalado E. Maambong. Rollo, pp. 36-53.

[17] Id. at 10-34.

[18] G.R. No. 168339, October 10, 2008, 568 SCRA 367, 372.

[19] Vide rollo, pp. 73-74.

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