SUPREME COURT
FIRST DIVISION

EL TORO SECURITY AGENCY, INC.,
***Petitioner*,**

-versus-

G.R. No. 114308
April 18, 1996

NATIONAL LABOR RELATIONS COMMISSION, RODRIGO REBAYA, LYDIO ELBAO and REYNALDO RECTO,
***Respondents*.**
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D E C I S I O N

BELLOSILLO, *J.*:

On 19 June 1990 Trade Unions of the Philippines Allied Services (TUPAS) Local Chapter 136 El Toro Security Labor Organization) — FSM, and private respondents Rodrigo Rebaya, Lydio Elbao and Reynaldo Recto filed with the Labor Arbiter a complaint for illegal dismissal and unfair labor practice against petitioner El Toro Security Agency, Inc. (EL TORO), and Go Soc & Sons and Sy Gui Huat, Inc.

(GO SOC), both juridical entities duly organized and existing under the laws of the Philippines.

After several conciliation and arbitration conferences, private respondents through TUPAS Local Chapter No. 136-FSM and GO SOC entered into a compromise agreement dated 24 July 1991 whereby in consideration of the latter's payment of the amount due the former private respondents withdrew any and all pending claims, challenges, cases, lawsuits or complaints that have been filed or caused to be filed against GO SOC, its affiliates, subsidiaries, parent companies, stockholders, directors, officers, employees, agents or representatives, or successors-in-interest.[1] Consequently, private respondents moved for the dismissal — with prejudice — of their complaint against GO SOC.

Finding the compromise agreement not contrary to law, morals and public policy, Labor Arbiter Cresencio J. Ramos granted on 30 July 1991 the private respondents' motion to dismiss. Labor Arbiter Ramos, instead of dismissing the case only against GO SOC, likewise dismissed private respondents' complaint against petitioner EL TORO. Copy of the order of dismissal was received by private respondents on 12 August 1991.

On 13 August 1991 private respondents filed a motion for reconsideration of the Labor Arbiter's order claiming that the motion to dismiss based on the compromise agreement was only with regard to GO SOC and did not include petitioner EL TORO which was not a party to the compromise agreement. Hence, the dismissal of the complaint against petitioner was erroneous.

On 29 August 1991 petitioner filed an opposition to private respondents' motion for reconsideration on the ground that the motion was not the appropriate remedy. It contended that under Art. 233 of the Code decision, awards or orders of the Labor Arbiter must be appealed to the National Labor Relation Commission (NLRC) within ten (10) calendar days from receipt thereof otherwise the same would become final and executory. Having filed a mere motion instead of an appeal the challenged order of the Labor Arbiter became final and could no longer be refuted.

Notwithstanding such procedural infirmity, public respondent NLRC gave due course to private respondents' motion for reconsideration and treated the same as an appeal. Corollarily, on 13 January 1994 the NLRC issued the assailed resolution setting aside the Labor Arbiter's order and remanding the case to the Labor Arbiter for further proceeding insofar as petitioner was concerned.

A motion for reconsideration was subsequently filed by petitioner assailing public respondent's resolution for want of jurisdiction. Parenthetically, public respondent in a minute resolution dated 10 March 1994 denied petitioner's motion for lack of merit.

Now alleging grave abuse of discretion petitioner institutes the present petition for certiorari under Rule 65 of the Rules of Court asserting that the order of the Labor Arbiter dismissing private respondents' complaint has long become final and executory no appeal having been interposed within the reglementary period. Petitioner argues that private respondents' motion should not have been given due course it being pro forma hence did not toll the running of the period to appeal. Ergo, public respondent NLRC acted without or in excess of jurisdiction when it took cognizance of private respondents' motion for reconsideration.

We find no compelling reason to grant the extraordinary writ of certiorari without doing violence to the constitutional mandate affording full protection to labor. In a long line of decisions this Court consistently ruled that the application of technical rules of procedure in labor cases may be relaxed to serve the demands of substantial justice. As exemplified in Art. 221 of the Labor Code, "rules of evidence prevailing in courts of law or equity shall not be controlling and it is the spirit and intention of the Code that the Commission and its members and the Labor Arbiters shall use every and all reasonable means to ascertain the facts in each case speedily and objectively and without regard to technicalities of law or procedure, all in the interest of due process." It is therefore improper to nullify public respondent's resolution on a mere technicality. Petitioner's averments should be given scant consideration to give way to the more substantial matter of equitably determining the rights and obligations of the parties.

With respect to the propriety of treating private respondents' motion for reconsideration as an appeal, this Court in a number of cases has ruled that whenever a motion for reconsideration of the decision of the Labor Arbiter is filed it will be properly treated or considered as an appeal.[2] This is in line with Art. 218 of the Labor Code granting the NLRC broad powers which include among others the prerogative to correct, amend or waive any error, defect or irregularity whether in substance or in form. Petitioner however posits the view that although public respondent is clothed with such power or authority it nonetheless exceeded the exercise of such power by disregarding its own internal rules of procedure.

We do not see it the way petitioner does. It must be emphasized that rules of procedure must be interpreted in a manner that will help secure and not defeat justice. It is therefore within the broad powers of the NLRC to treat private respondents' motion for reconsideration as an appeal in order to prevent a manifest injustice. Clearly, no grave abuse of discretion may be imputed against public respondent.

Petitioner finally contends that public respondent acted with grave abuse of discretion when it substituted its own judgment for that of private respondents who opted to settle the case by compromise.

A cursory reading of the compromise agreement readily reveals that petitioner EL TORO was neither a party nor a signatory thereto. Nowhere in the agreement did private respondents manifest their intention to release EL TORO from any liability. Public respondent merely rectified an obvious error committed by the Labor Arbiter. In fact, on 1 August 1991 private respondents filed an opposition to the motion to dismiss stating therein that the motion to dismiss signed by them referred only to respondent GO SOC; that they had no intention to dismiss the case as against EL TORO; and, that they had a valid cause of action against it. [3]

WHEREFORE, finding no grave abuse of discretion committed by public respondent National Labor Relations Commission, the instant petition is **DISMISSED**. The questioned resolutions of public respondent dated 13 January 1994 and 10 March 1994 are **AFFIRMED** in toto. Costs against petitioner.

SO ORDERED.

Padilla, Vitug, Kapunan and Hermosisima, Jr., *JJ.*, concur.

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[1] Compromise Agreement dated 24 July 1991, Records, p. 50.
[2] See Egypt Air Local Employees Association NTUAI-TRANSPHIL-TUPAS vs. NLRC, G.R. No. 98933, 1 March 1993 219 SCRA 314; Cayena vs. NLRC, G.R. No. 76137, 18 February 1991, 194 SCRA 134; Insular Life Assurance Co., Ltd. vs. NLRC, G.R. No. 74191, 21 December 1987, 156 SCRA 740.
[3] Opposition to Motion to Dismiss, Records, p. 54.
