

CHANROBLES PUBLISHING COMPANY

**SUPREME COURT
THIRD DIVISION**

**TEOFILO GENSOLI & CO., GLORIA
GENSOLI, ET AL.,**

Petitioners,

-versus-

**G.R. No. 113051
April 22, 1998**

**NATIONAL LABOR RELATIONS
COMMISSION and NFSW-
FGT/RODRIGO MONARCA, ET AL.,**

Respondents.

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DECISION

PURISIMA, J.:

This special civil action for certiorari seeks to set aside and annul the Order dated August 11, 1993 of the National Labor Relations Commission (NLRC) dismissing petitioners' appeal, and its

subsequent Order of September 23, 1993 denying their motion for reconsideration for failure to post the required surety bond.

Private respondents are farm workers of Hacienda Vista Alegre and Gloria, two (2) sugar farms formerly owned by Teofilo Gensoli and Company, a registered partnership. In 1988, after the death of original partner Mercedes Gensoli Siasat, the remaining partners agreed to dissolve the partnership. After the partnership was liquidated, petitioner Gloria F. Gensoli informed private respondents of the dissolution of the partnership and cessation of its operations, and offered to pay them separation pay equivalent to fifteen (15) days for every year of service rendered, and to give them a relocation site at Calumangan, Bago City, and a relocation allowance of One Thousand (P1,000.00) Pesos for each family.

Some of the workers accepted such offer but the others, including the herein private respondents, demanded a higher separation pay.

Dissatisfied with what was offered to them, the private respondents filed with NLRC a Complaint for illegal dismissal against the herein petitioners, praying for reinstatement with backwages and damages.

During a preliminary conference, petitioners reiterated the same offer to private respondents but again, the latter rejected it. So, on December 1, 1992, at the subsequent preliminary mandatory conference between the parties, the Labor Arbiter ruled, thus:

“During the mandatory conference, the parties agreed to submit as an issue the validity of the complainants’ separation from work.

Respondents are ordered to show valid cause for the complainants’ separation from work.

SO ORDERED.” (p. 9, Rollo)

In compliance therewith, the parties submitted their respective position papers, pleadings, and arguments. Petitioners’ pleadings focused on the validity of private respondents’ separation from work.

On May 26, 1993, the Labor Arbiter rendered a decision, holding that the dismissal of private respondents was legal and valid, and ordered petitioners to pay separation pay equivalent to fifteen (15) days salary for every year of service or a total amount of Four Hundred Thirty Four Thousand Seven Hundred Fifty Two and 50/100 (P434,752.50) Pesos, plus ten percent (10%) of the award, as attorney's fees. (p. 10, Rollo)

Petitioners appealed the aforesaid decision to the NLRC; assailing the computation of private respondents' separation pay and award of attorney's fees, for having no factual and legal basis, and for having been made by the Labor Arbiter without due process. More specifically, petitioners complain that they were never afforded an opportunity to be heard and to present evidence on the actual length of service of private respondents, which is material to the determination of the amount of separation pay.

In perfecting their appeal, petitioners filed with NLRC a supersedeas bond to cover only the amount of One Hundred Eighty One Thousand Nine Hundred Sixty Nine and 10/100 (P181,969.10) Pesos, the excess amount disputed on appeal.

To the appeal of petitioners, private respondents interposed their opposition on the ground that the supersedeas bond posted by petitioners did not equal the monetary award of Four Hundred Thirty Four Thousand Seven Hundred Fifty Two and 50/100 (P434,752.50) Pesos and attorney's fees.

As the appeal from subject Decision was not perfected within the 10-day reglementary period; on August 11, 1993, the NLRC dismissed the appeal, holding, thus —

“The Commission (Fourth Division) after due deliberation, RESOLVED to DISMISS the instant appeal for failure of respondent-appellants to comply with the requirement for the perfection of an appeal specifically the posting of the required cash or surety bond equivalent to the monetary award. The monetary award in the judgment appealed from is P434,752.50, whereas the supersedeas bond posted is only P181,969.10, and therefore, deficient by P252,783.40. The law and the present

Rules of Procedure of the NLRC are very explicit in the matter of posting a cash or surety bond equivalent to the monetary award in order to perfect an appeal by an employer (Article 223 of the Labor Code of the Philippines, as amended, and Sections 3 (a) and 6, Rule VI of the New Rules of Procedure of the NLRC, as amended). As held by the Supreme Court, “perfection of an appeal in the manner prescribed by law is not only mandatory but jurisdictional and failure to perfect an appeal as required by the Rules has the effect of rendering the judgment final and executory.” (Filcon Manufacturing Corp. vs. NLRC, 199 SCRA 814). This appeal was not perfected in accordance with law and the Rules.

SO ORDERED.” (pp. 186-187, Rollo)

Petitioners moved for reconsideration of the aforesaid Order, and submitted an Ex-Parte Manifestation, to inform NLRC of their willingness to put up an additional cash bond of Two Hundred Fifty Two Thousand Seven Hundred Eighty Three and 40/100 (P252,783.40) Pesos, to fully cover the monetary award of Four Hundred Thirty Four Thousand Seven Hundred Fifty Two Pesos and 50/100 (P434,752.50) Pesos.

On September 22, 1993, however, the NLRC denied petitioners’ motion for reconsideration for lack of merit. (p. 28, Rollo)

Undaunted, petitioners found their way to this Court via the present petition, contending that the NLRC gravely abused its discretion in dismissing their appeal.

The petition is impressed with merit.

Salutory and prevailing is the rule that technical rules be not strictly followed and the spirit and intent of the Labor Code be taken into account. (Oriental Mindoro Electric Cooperative, Inc. vs. NLRC 246 SCRA 801 [1995]).

True it is, Article 223 of the Labor Code, as amended by Republic Act No. 6715, requires a cash or surety bond in an amount equal to the monetary award in the judgment appealed from. But for the

perfection of the appeal on the merits, to be threshed out by the NLRC, the requirements of the law should be given a liberal interpretation. (Blancaflor vs. NLRC , 218 SCRA 371 [1993], YBL (Your Bus Line), et al. vs. NLRC, et al., 190 SCRA 160 [1990], Erectors, Inc. vs. NLRC , 202 SCRA 605-606 [1991], Manila Mandarin Employees Union vs. NLRC, 264 SCRA 331 [1996], Star Angel Handicraft vs. NLRC 236 SCRA 580 [1994], UERM-Memorial Medical Center vs. NLRC 269 SCRA 70 [1997].

This policy of liberal interpretation was unequivocally ratiocinated and amply settled in the case of Oriental Mindoro Cooperative, Inc. vs. NLRC (246 SCRA 801 [1995]), to wit:

“The intention of the lawmakers to make the bond an indispensable requisite for the perfection of an appeal by the employer is underscored by the provision that an appeal by the employer may be perfected ‘only upon the posting of a cash or surety bond.’ The word ‘only’ makes it perfectly clear, that the lawmakers intended the posting of a cash or surety bond by the employer to be the exclusive means by which an employer’s appeal may be perfected. That requirement is intended to discourage employers from using an appeal to delay, or even evade, their obligation to satisfy their employees’ just and lawful claims.

Considering, however, that the current policy is not to strictly follow technical rules but rather to take into account the spirit and intention of the Labor Code, it would be prudent for us to look into the merits of the case, especially since petitioner disputes the allegation that private respondent was illegally dismissed.”

Indeed, well entrenched is the principle of liberal interpretation of the Labor Code, as amended.

The circumstances under which petitioners posted a deficient bond justify a liberal application of the provision of law. Petitioners had repeatedly offered to private respondents, Two Hundred Fifty Two Thousand Seven Hundred Eighty Three and 40/100 (P252,783.40) Pesos, in payment of their separation pay, the said amount not being

controverted. And in good faith, petitioners posted a supersedeas bond enough to cover the excess amount of One Hundred Eighty One Thousand Nine Hundred Sixty Nine and 10/100 (P181,969.10) Pesos, being disputed on appeal, and petitioners did later evince willingness to comply with the rules, by offering to give an additional cash bond to take care of the undisputed amount, not appealed from.

To repeat; there is a clear distinction between the filing of an appeal within the reglementary period, and its perfection. Perfection may take place after the end of the reglementary period for appealing. (Star Angel Handicraft vs. NLRC, supra)

It is beyond cavil that petitioners' appeal was filed on time although not perfected by reason of the deficient amount of the bond, a defect which may be corrected by the simple expedient of posting the additional bond required.

In Sun Insurance Office, Ltd. vs. Maximiano C. Asuncion, 170 SCRA 274 [1989], this Court relaxed the ruling in Manchester Development Corporation vs. Court of Appeals, 149 SCRA 562 [1987], by permitting a liberal interpretation of the rule that payment of docket fee is jurisdictional. More so, when the party involved demonstrated his willingness to abide by the rules by paying the docket fee needed.

Applying this principle of liberal interpretation to the payment of docket fee, the petitioners, in the case of YBL (Your Bus Line), et al. vs. NLRC (supra), were given a chance to post the requisite bond and to avail of the remedy of appeal.

Considering that in their appeal below, the herein petitioners posed the issue of due process — as to whether or not they (petitioners) were given adequate opportunity to adduce evidence on the frequency of private respondents' work, to be used as the basis for the computation of separation pay, it would be prudent for NLRC to look into the merits of the case — to the end that petitioners be not deprived arbitrarily of their property in the cash amount of One Hundred Eighty One Thousand Nine Hundred Sixty Nine and 10/100 (P181,969.10) Pesos. We therefore hold that petitioners should be allowed to provide the requisite bond, and to avail of the remedy of appeal.

WHEREFORE, the petition is **GRANTED**; the Orders of NLRC dated August 11, 1993 and September 23, 1993, respectively, are set aside, and NLRC is hereby ordered to give due course to the appeal of petitioners. No pronouncement as to costs.

SO ORDERED.

Narvasa, C.J., Romero and Kapunan, JJ., concur.

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