

CHANROBLES PUBLISHING COMPANY

**SUPREME COURT
FIRST DIVISION**

**HUNTINGTON STEEL PRODUCTS,
INC. & SERAFIN NG,**
Petitioners,

-versus-

**G.R. No. 158311
November 17, 2004**

**NATIONAL LABOR RELATIONS
COMMISSION, JAIME ORBASE,
REGINO JARDIN, PAULINO
JAVIERTO, EDGAR JARDIN, RAMON
N. BANA, ANTONIO MAGNO, RICO
JARDIN, CELESTINO JARDIN, JR.,
PEDRO JARDIN, JR., AGUSTIN
GASTON, NAZARIO JAVIERTO, JR.,
and MARCIANO GLINOGO,**
Respondents.

X-----X

D E C I S I O N

QUISUMBING, J.:

For review on certiorari is the Decision,^[1] dated January 22, 2003, in CA-G.R. SP No. 72665, and the Resolution,^[2] dated May 14, 2003, denying petitioners' Motion for Reconsideration. The Court of Appeals affirmed the Order dated April 15, 2002 of the National

Labor Relations Commission (NLRC) Second Division reversing the Labor Arbiter's Resolution dated June 13, 2001, which had dismissed herein private respondents' complaint for lack of a certificate of non-forum shopping.

The facts of the case are as follows:

The instant petition stemmed from the illegal dismissal complaint with claim for damages initiated by respondent Jaime Orbase and eleven others against petitioners Huntington Steel Products, Inc. and its President, Serafin Ng. Private respondents filed an amended complaint to include Everson Metal Works as a party, being the original employer of private respondents before it changed its business name to Huntington Steel Products, Inc. Thereafter, private respondents filed their position paper.

Petitioners also filed their Position Paper with Motion to Dismiss assailing the private respondents' failure to comply with the requirements of Revised Circular No. 28-91^[3] as implemented by Supreme Court Administrative Circular No. 04-94.^[4] They averred that the Complaint which private respondents filed in the Arbitration Branch of the NLRC lacked a certification of non-forum shopping. Petitioners' Motion to Dismiss was granted by the Labor Arbiter in his Decision^[5] dated June 13, 2001.

Private respondents appealed before the NLRC. On April 15, 2002, the NLRC promulgated an Order which reversed the Decision of the Labor Arbiter as follows:

We are of the considered view therefore that defects should be corrected in the proceedings below, for which reason, the instant case should be remanded to the Arbitration Branch of origin.

WHEREFORE, the instant case is hereby remanded to the Labor Arbiter of origin for further appropriate proceedings.

SO ORDERED.^[6]

Aggrieved, petitioners moved for a reconsideration of the Order, but public respondent in its Resolution dated July 11, 2002, denied the motion.

Petitioners filed a petition for certiorari before the Court of Appeals, alleging that the NLRC gravely abused its discretion amounting to a lack or an excess of jurisdiction when the NLRC remanded the case for further proceedings, in effect reversing the Labor Arbiter's Order, dated July 13, 2001. Petitioners insisted that the requirement of certification of non-forum shopping is mandatory, and non-compliance with said requirement warrants the dismissal of the case.

On January 22, 2003, the Court of Appeals promulgated its Decision denying the petition, to wit:

WHEREFORE, FOREGOING PREMISES CONSIDERED, this petition is DENIED. The Order dated April 15, 2002 of public respondent in NLRC CA No. 028847-01 (NLRC NCR-00-03-02297-99) entitled "Jaime Orbase, Et Al. vs. Huntington Steel Product and/or Serafin Ng – President" is affirmed in toto.

SO ORDERED.^[7]

The Court of Appeals reasoned that the NLRC correctly applied Article 221 of the Labor Code.^[8] The appellate court said that decisions in labor cases must be supported by substantial evidence, and disregarding technical rules of procedure, will not sacrifice the fundamental requisites of due process.^[9]

Citing the landmark case of *The New Valley Times Press vs. NLRC*,^[10] the Court of Appeals held that technical rules are not binding in labor cases and are not to be applied strictly if the result would be detrimental to the working-man. The Court of Appeals declared that private respondents should not be faulted because in filing their complaint, they merely filled up the blanks in the complaint form provided for them in the docket section of the Arbitration Branch. The Court of Appeals added that private respondents should not be punished for whatever defects found in the form provided by the Commission.^[11]

Dissatisfied, petitioners filed the instant petition praying that we resolve the question:

WHETHER OR NOT THE HONORABLE COURT OF APPEALS COMMITTED A REVERSIBLE ERROR IN DISREGARDING SUPREME COURT CIRCULAR NO. 04-94.^[12]

Simply stated, the issue is whether the case should be dismissed for failure to comply with Supreme Court Administrative Circular No. 04-94 on certification of non-forum shopping.

Petitioners claim that although technical rules of procedure in labor cases are not to be strictly applied, such cases must nevertheless be prosecuted in accordance with the prescribed procedure to ensure an orderly and speedy administration of justice. Petitioners contend that the certification of non-forum shopping as required by Supreme Court Administrative Circular No. 04-94 is mandatory even in labor cases. It should accompany pleadings filed before the NLRC, since the NLRC is a quasi-judicial agency. According to the petitioners, failure to comply with the Circular warrants dismissal because the defect cannot be cured by amendment of the complaint, and the proper remedy was to file another complaint instead of an appeal. Although jurisprudence allowed substantial compliance with the requirement, the inclusion of the statement of non-forum shopping in the respondents' position paper, according to petitioners, was not substantial compliance. Petitioners further contend that the failure to comply with the requirement rendered the complaint a mere scrap of paper, and the Labor Arbiter could not have acquired jurisdiction over the case.

Private respondents, for their part, claim that they had complied with the requirement of certification of non-forum shopping upon filing of their Position Paper. The inclusion of the certificate of non-forum shopping in the Position Paper was the best way to comply with the required undertaking under the Circular because the complaint form supplied by the Labor Arbiter did not contain such undertaking. When they filed the complaint they merely filled up the blanks therein.

We note that the cited complaint was filed before the NLRC Resolution No. 01-02 amended the NLRC Rules of Procedure.^[13] The NLRC Rules of Procedure now requires a declaration of non-forum shopping in the complaint. But this is not to say that the certificate of non-forum shopping was not required then. At the time the complaint was filed, the same was subject to Supreme Court Administrative Circular No. 04-94, now Section 5 of Rule 7 of the Rules of Court.^[14] We have established in previous cases^[15] that compliance with the Circular was mandatory even in labor cases. In the landmark case of *Maricalum Mining Corp. vs. NLRC*^[16] we held that:

The certificate of non-forum shopping as provided by this Court Circular 04-94 is mandatory and should accompany pleadings filed before the NLRC. Court Circular No. 04-94 is clear and needs no further interpretation, viz:

“x x x the following requirements, in addition to those in pertinent provisions of the Rules of Court and other existing circulars, shall be strictly complied with in the filing of complaints, petitions, applications or other initiatory pleadings in all courts and agencies other than the Supreme Court and the Court of Appeals, and shall be subject to the sanctions provided hereunder:

- “1. The plaintiff, petitioner, applicant or principal party seeking relief in the complaint, petition, application or other initiatory pleading shall certify under oath in such original pleading, or in a sworn certificate annexed thereto and simultaneously therewith, to the truth of the following facts and undertakings: (a) he has not heretofore commenced any other action or proceeding involving the same issues in the Supreme Court, the Court of Appeals, or any other tribunal or agency; (b) to the best of his knowledge, no such action or proceeding is pending in the Supreme Court, the Court of Appeals, or any other tribunal or agency; (c) if there is any such action or proceeding which is either pending or may have been terminated, he must state the status thereof; and (d) if he should thereafter learn that a similar action or proceeding

has been filed or is pending before the Supreme Court, the Court of Appeals, or any other tribunal or agency, he undertakes to report the fact within five (5) days therefrom to the court or agency wherein the original pleading and sworn certification contemplated herein have been filed.

- “2. Any violation of this Circular shall be a cause for the dismissal of the complaint, petition, application or other initiatory pleading, upon motion and after hearing.”

The NLRC is a quasi-judicial agency, hence, initiatory pleadings filed before it should be accompanied by a certificate of non-forum-shopping.

Nevertheless, in *Loyola vs. Court of Appeals*,^[17] we held that substantial compliance with the requirement of certificate of non-forum shopping is sufficient. Here, we find that the certification of non-forum shopping was not filed simultaneously with the initiatory pleading. But we held that the filing of the certification within the reglementary period of filing the initiatory pleading was substantial compliance. The fact that the Circular requires strict compliance merely underscores its mandatory nature that it cannot be dispensed with or its requirements altogether disregarded, but it does not thereby interdict substantial compliance with its provisions under justifiable circumstances.^[18]

Additionally, Supreme Court Administrative Circular No. 04-94, now Section 5, Rule 7 of the Rules of Civil Procedure, must be construed and applied to achieve its purpose. The Supreme Court promulgated the Circular to promote and facilitate the orderly administration of justice. It should not be interpreted with such absolute literalness as to subvert its own ultimate and legitimate objective which is the goal of all rules of procedure - that is, to achieve substantial justice as expeditiously as possible.^[19]

Meanwhile, in the case of *Melo vs. Court of Appeals*,^[20] we said that in those cases where we excused non-compliance with the requirements of Supreme Court Administrative Circular No. 04-94, there were

special circumstances or compelling reasons that made the strict application of said Circular clearly unjustified. The rule is crystal clear and plainly unambiguous that the certification is a mandatory part of an initiatory pleading, i.e., the complaint, and its omission may be excused only upon manifest equitable grounds proving substantial compliance therewith.^[21]

In the present case, the respondents reasoned that they failed to comply with the Circular because the complaint form supplied by the Labor Arbiter did not contain the required undertaking. They simply filled up the blanks therein. Hence, we agree with the Court of Appeals' conclusion that respondents should not be faulted for not having the certification of non-forum shopping in their complaint.^[22]

The strict application of the Circular in the instant case, in our view, would be contrary to the goals of the Rules of Civil Procedure – that is, “just, speedy and inexpensive disposition of every action and proceeding.”^[23] Technical rules of procedure in labor cases are not to be strictly applied if the result would be detrimental to the working-man.^[24] Thus, the NLRC did not err in ordering that the corrections be made at the Arbitration Branch, since the NLRC has also the power to order corrections in case of irregularities in the proceedings before it.^[25]

Anent petitioners' contention that the Labor Arbiter did not acquire jurisdiction over the case for failure to include the certificate of non-forum shopping in the complaint, this contention finds no support in law and in jurisprudence. Supreme Court Administrative Circular No. 04-94 is mandatory but not jurisdictional, as jurisdiction over the subject or nature of the cause of action is conferred by law.^[26]

WHEREFORE, the petition is **DENIED**. The Court of Appeals' Decision dated January 22, 2003 and its Resolution dated May 14, 2003 as well as the Order of National Labor Relations Commission (Second Division) dated April 15, 2002 and its Resolution dated July 11, 2002 are hereby **AFFIRMED**. Costs against petitioners.

SO ORDERED.

Davide, Jr., C.J., (Chairman), Quisumbing, Ynares-Santiago, Carpio, and Azcuna, JJ., concur.

- [1] Rollo, pp. 18-23. Penned by Associate Justice Mercedes Gozo-Dadole, with Associate Justices B.A. Adefuin-De la Cruz, and Mariano C. Del Castillo concurring.
- [2] Id. at 24.
- [3] Additional Requisites for Petitions Filed with the Supreme Court and the Court of Appeals to Prevent Forum Shopping or Multiple Filing of Petitions and Complaints.
- [4] Additional Requisites for Civil Complaints, Petitions and Other Initiatory Pleadings Filed in All Courts and Agencies, Other Than the Supreme Court and the Court Of Appeals, to Prevent Forum Shopping or Multiple Filing of Such Pleadings.
- [5] Rollo, p. 82.
- [6] Id. at 72-73.
- [7] Id. at 22.
- [8] ART. 221. TECHNICAL RULES NOT BINDING AND PRIOR RESORT TO AMICABLE SETTLEMENT.- In any proceeding before the Commission or any of the Labor Arbiters, the rules of evidence prevailing in courts of law or equity shall not be controlling and it is the spirit and intention of this 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.
- [9] Rollo, pp. 21-22.
- [10] G.R. No. 100482, 15 July 1992, 211 SCRA 509.
- [11] Rollo, pp. 21-22.
- [12] Id. at 8.
- [13] Rule III, Section 1 (a) - The Rules of Procedure of the National Labor Relations Commission.
- [14] Sec. 5. Certification against forum shopping. – The plaintiff or principal party shall certify under oath in the complaint or other initiatory pleading asserting a claim for relief, or in a sworn certification annexed thereto and simultaneously filed therewith: (a) that he has not theretofore commenced any action or filed any claim involving the same issues in any court, tribunal or quasi-judicial agency and, to the best of his knowledge, no such other action or claim is pending therein; (b) if there is such other pending action or claim, a complete statement of the present status thereof; and (c) if he should thereafter learn that the same or similar action or claim has been filed or is pending, he shall report that fact within five (5) days therefrom to the court wherein his aforesaid complaint or initiatory pleading has been filed.

Failure to comply with the foregoing requirements shall not be curable by mere amendment of the complaint or other initiatory pleading but shall be cause for the dismissal of the case without prejudice, unless otherwise provided, upon motion and after hearing. The submission of a false certification or non-compliance with any of the undertakings therein shall constitute indirect contempt of court, without prejudice to the corresponding administrative and criminal actions. If the acts of the party or his counsel clearly constitute willful and deliberate forum shopping, the same shall be ground for summary dismissal with prejudice and shall constitute direct contempt, as well as a cause for administrative sanctions.

- [15] Canuto, Jr. vs. National Labor Relations Commission, G.R. No. 110914, 28 June 2001, 360 SCRA 52; MC Engineering, Inc. vs. National Labor Relations Commission, G.R. No. 142314, 28 June 2001, 360 SCRA 183; Melo vs. Court of Appeals, G.R. No. 123686, 16 November 1999, 318 SCRA 94.
- [16] G.R. No. 124711, 3 November 1998, 298 SCRA 378, 384. Reiterated in the case of Roxas vs. Court of Appeals, G.R. No. 139337, 15 August 2001, 363 SCRA 207.
- [17] G.R. No. 117186, 29 June 1995, 245 SCRA 477, 483.
- [18] Id. at 483-484. Reiterated in the case of Young vs. Keng Seng, G.R. No. 143464, 5 March 2003, 398 SCRA 629, 641; Donato vs. Court of Appeals, G.R. No. 129638, 8 December 2003, 417 SCRA 216, 224-225.
- [19] Barcelona vs. Court of Appeals, G.R. No. 130087, 24 September 2003, 412 SCRA 41,53.
- [20] Melo vs. Court of Appeals, supra, note 15.
- [21] Ong vs. Court of Appeals, G.R. No. 144581, 5 July 2002, 384 SCRA 139, 146.
- [22] Rollo, p. 21.
- [23] Rule 1, Sec. 6 of the Rules of Court.
- [24] Damasco vs. National Labor Relations Commission, G.R. Nos. 115755 and 116101, 4 December 2000, 346 SCRA 714, 721.
- [25] Labor Code, Article 218(c). Powers of the Commission.
(c) To conduct investigation for the determination of a question, matter or controversy within its jurisdiction, proceed to hear and determine the disputes in the absence of any party thereto who has been summoned or served with notice to appear, conduct its proceedings or any part thereof in public or in private, adjourn its hearings to any time and place, refer technical matters or accounts to an expert and to accept his report as evidence after hearing of the parties upon due notice, direct parties to be joined in or excluded from the proceedings, correct, amend, or waive any error, defect or irregularity whether in substance or in form, give all such direction as it may deem necessary or expedient in the determination of the dispute before it, and dismiss any matter or refrain from further hearing or from determining the dispute or part thereof, where it is trivial or where further proceedings by the Commission are not necessary or desirable. (Emphasis supplied.)
- [26] Robern Development Corporation vs. Quitain, G.R. No. 135042, 23 September 1999, 315 SCRA 150, 160.

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