

CHANROBLES PUBLISHING COMPANY

**SUPREME COURT
THIRD DIVISION**

**NOVELTY PHILIPPINES, INC.,
*Petitioner,***

-versus-

**G.R. No. 146125
September 17, 2003**

**COURT OF APPEALS; PANEL OF
VOLUNTARY ARBITRATORS,
Represented by Its Chairman, RAMON
T. JIMENEZ; and REFORM THE UNION
MOVEMENT IN NOVELTY (RUMN),
*Respondents.***

X-----X

DECISION

PANGANIBAN, J.:

As much as practicable, litigations should be decided on their merits and not on procedural technicalities. This statement holds true especially in labor cases like the present one, in which the defect has been cured by the motion for reconsideration.

The Case

Before us is a Petition for Review^[1] under Rule 45 of the Rules of Court, assailing the July 12, 2000^[2] and the November 21, 2000^[3]

Resolutions of the Court of Appeals (CA) in CA-GR SP No. 59544. The first Resolution dismissed petitioner's original action for certiorari as follows:

"This instant petition is hereby DISMISSED outright:

a.) For failure to comply with Sec. 1, Rule 65 in relation to Sec. 3, Rule 46 of the 1997 Rules of Civil Procedure.

Mr. Steven Young,^[4] allegedly the personnel officer of petitioner, who signed the petition did not attach the alleged authority from petitioner to institute the same.

b.) For failure to comply with Sec. 13, Rule 13 of the same Rules, there being no attachment of the required affidavit proof of service."^[5]

Petitioner's Motion for Reconsideration was denied in the second assailed Resolution, pertinent portions of which are reproduced hereunder:

"In the case at bench, petitioner failed to attach the required authority to file the instant petition. It was only submitted when the instant motion was filed and the Special Power of Attorney was executed only on July 26, 2000 while the instant petition was filed on July 6, 2000. Sadly, at the time the case was filed, no authority was given to Mr. Ventura when the petition was filed. Hence, we had to dismiss the instant petition.

"Anent the issue of failure to attach the required affidavit of proof of service, a close scrutiny of the records reveal that the affidavit of service was attached after the annexes. Nevertheless, despite such compliance, the instant motion must still be denied for reasons above-stated.

"WHEREFORE, in view of the foregoing, the instant motion for reconsideration is hereby DENIED for lack of merit. Our resolution dated July 18, 2000 is REITERATED."^[6]

The Facts

The dispute between Novelty Philippines, Inc. (Novelty) and Reform the Union Movement in Novelty (RUMN) arose when the latter started assessing penalties against its erring members. On June 26, 1997, RUMN's executive board adopted a Resolution^[7] sanctioning union officers and members who had failed to join big rallies, with a penalty equivalent to their salary for one day.

On November 19, 1997, petitioner issued a Memorandum announcing that, for the payroll period November 16 to 22, 1997, it would deduct from the salaries of union members who had failed to attend the mobilization on July 28, 1997, amounts equivalent to their one-day salary. According to it, the checkoff was being done pursuant to the Resolution of the RUMN executive board and existing individual checkoff authorizations.

When some members of the union allegedly complained of the salary deduction, petitioner temporarily held in abeyance the implementation of the checkoff on the special assessment made by RUMN. Petitioner also requested from the Office of the Secretary of the Department of Labor and Employment (DOLE) its opinion on the matter.

This move notwithstanding, RUMN continued to insist on the implementation of the checkoff on the special assessments. Nevertheless, citing an Opinion rendered by the legal office of the DOLE, petitioner rejected RUMN's persistent demand for a checkoff. Consequently, RUMN raised the matter for grievance. Since no settlement was reached during the grievance procedure, the case was elevated to the National Conciliation and Mediation Board, which referred the controversy to voluntary arbitration.

After the submission of the necessary pleadings by the parties, the Panel of Voluntary Arbitrators rendered a Decision^[8] dated April 26, 2000, the dispositive portion of which reads:

“WHEREFORE, the Panel hereby declares that there has been sufficient compliance [with] the provisions of the Labor Code, the CBA provisions between the parties and the check-off

authorization form executed by the Union members or, more specifically, special assessments effected by authority of the Union's resolution duly adopted and approved by the majority of the Union in a general membership meeting. The Panel therefore confirms the right of the Union to demand from Management the check-off of one day's pay against erring members who had violated the Union directive for members to attend and participate in the protest rally during the [State of the Nation Address] SONA of July 1997."^[9]

Petitioner filed with the Panel of Voluntary Arbitrators a Motion for Reconsideration, which was denied in a Resolution^[10] dated June 19, 2000. Thereafter, the former elevated the matter to the CA by way of a Petition for Certiorari under Rule 65.

Ruling of the Court of Appeals

The CA denied due course to the Petition for failure of the personnel officer of petitioner to attach (1) his authority to institute the action and (2) the required proof of service. The Motion for Reconsideration was likewise denied by the appellate court, because the required authority to file it had been executed only after 20 days from its filing.

Hence, this recourse.^[11]

Issues

Petitioner submits the following issues for our consideration:

"I. The Honorable Respondent Court of Appeals committed grave abuse of discretion when it dismissed the Petition for Certiorari despite petitioner's substantial compliance with the requirements of the rules.

II. The Panel of Voluntary Arbitrators committed grave abuse of discretion when it rendered the assailed majority Decision and assailed Resolution without factual or legal basis and patently contrary to law."^[12]

The Court's Ruling

The Petition is meritorious.

Main Issue:

Substantial Compliance with the Procedural Requirements

Petitioner avers that it has substantially complied with the requirements of Section 1 of Rule 65 in relation to Section 3 of Rule 46 of the 1997 Rules of Civil Procedure. It has allegedly done so particularly with regard to the authority of Ventura,^[13] its personnel officer, to file the Petition for Certiorari before the CA. According to petitioner, when Ventura represented the company at the voluntary arbitration level, his authority to act for and on its behalf was never questioned.

It further claims that the pertinent provisions of the aforementioned rules do not specify any requirement pertaining to the authority of the representative of the company to file the Petition. Moreover, it contends that its subsequent submission of a Special Power of Attorney constituted substantial compliance with the subject rules and, in effect, ratified Ventura's authority to file the Petition for and on behalf of the company.

On the other hand, private respondent counters that Ventura had no authority to file the Petition before the CA or to sign the Verification and Certificate of Non-Forum Shopping. It argues that such authority should have been conferred to him through an appropriate board resolution of Novelty or a special power of attorney, since he was neither the president nor a corporate officer of the company. Moreover, private respondent insists that the authority to verify and certify is an essential requirement in the filing of a petition for certiorari, especially when petitioner is a corporation that can act only through its president or any other officer authorized by a board resolution.

Finally, respondent claims that petitioner's subsequent submission of a Special Power of Attorney was still defective, because the document

had been executed by the general manager and not by the president of Novelty.

Based on the second assailed Resolution, the alleged lack of authority of petitioner's personnel officer to sign the Verification and Certificate of Non-Forum Shopping became the CA's sole basis for dismissing the certiorari action. The appellate court refused to give due course to the Petition, even after petitioner had submitted a Special Power of Attorney granting such authority to Ventura. The CA reasoned that this authorization should have been submitted together with the initiatory pleading, not as an annex or attachment to the Motion for Reconsideration.

The policy of our judicial system is to encourage full adjudication of the merits of an appeal. In the exercise of its equity jurisdiction, this Court may reverse the dismissal of appeals that are grounded merely on technicalities.^[14] Moreover, procedural niceties should be avoided in labor cases in which the provisions of the Rules of Court are applied only in a suppletory manner.^[15] Indeed, rules of procedure may be relaxed to relieve a part of an injustice not commensurate with the degree of noncompliance with the process required.^[16]

The foregoing judicial policy acquires greater significance where there has been subsequent compliance with the requirements of the rules, as in this case in which petitioner has submitted the Special Power of Attorney together with its Motion for Reconsideration.

In *Jaro vs. Court of Appeals*,^[17] this Court held that the subsequent submission of requisite documents constituted substantial compliance with procedural rules. It explained:

“There is ample jurisprudence holding that the subsequent and substantial compliance of an appellant may call for the relaxation of the rules of procedure. In *Cusi-Hernandez vs. Diaz* and *Piglas-Kamao vs. National Labor Relations Commission*, we ruled that the subsequent submission of the missing documents with the motion for reconsideration amounts to substantial compliance. The reasons behind the failure of the petitioners in these two cases to comply with the required attachments were no longer scrutinized. What we found

noteworthy in each case was the fact that the petitioners therein substantially complied with the formal requirements. We ordered the remand of the petitions in these cases to the Court of Appeals, stressing the ruling that by precipitately dismissing the petitions ‘the appellate court clearly put a premium on technicalities at the expense of a just resolution of the case.’”^[18]

We find equally untenable private respondent’s argument that the Special Power of Attorney authorizing Ventura to file the Petition was still defective, since it had been signed by the general manager and not by the president of petitioner company. This Court, in *Mactan-Cebu International Airport Authority vs. Court of Appeals*,^[19] recognized the authority not only of a general manager but even of an acting general manager to sign a verification and certificate against non-forum shopping.

“We are not persuaded by CHIONGBIAN’s claim that the Verification and Certification against forum shopping accompanying MCIAA’s petition was insufficient for allegedly having been signed by one who was not qualified to do so. As pointed out by the MCIAA, Colonel Cordova signed the Verification and Certification against forum shopping as Acting General Manager of the MCIAA, pursuant to Office Order No. 5322-99 dated September 10, 1999 issued by the General Manager of MCIAA, Alfonso Allere.”^[20]

The authority of the general manager to sue on behalf of the corporation and to sign the requisite verification and certification of non-forum shopping may be delegated to any other officer of the company through a board resolution or a special power of attorney. In this case, it was Ventura, the personnel officer of petitioner company, who was authorized to file the Petition through a Special Power of Attorney. This was a logical and practical decision of management, considering that the person who was in the best position to ascertain the truthfulness and the correctness of the allegations in the Petition was its personnel officer, who knew the status of any personnel and any labor-related suit of the company.

In *Pfizer vs. Galan*,^[21] this Court, speaking through Chief Justice Hilario G. Davide Jr., explained the nature and purpose of a

verification. It then upheld the validity of a verification signed by an “employment specialist” who had not even presented any proof of her authority to represent the petitioner company.

“Verification is intended to assure that the allegations in the pleading have been prepared in good faith or are true and correct, not mere speculations. Generally, lack of verification is merely a formal defect that is neither jurisdictional nor fatal. The court may order the correction of the pleading or act on the unverified pleading if the attending circumstances are such that strict compliance with the rule may be dispensed with in order to serve the ends of justice.

“We firmly believe that the purpose of verification was served in the instant case wherein the verification of the petition filed with the Court of Appeals was done by Ms. Cleofe R. Legaspi. It remains undisputed that Ms. Legaspi was an Employment Specialist of petitioner Pfizer, Inc., who ‘coordinated and actually took part in the investigation’ of the administrative charges against respondent Galan. As such, she was in a position to verify the truthfulness and correctness of the allegations in the petition. Besides, as pointed out by petitioners, Pfizer, being a corporate entity, can only act through an officer. Ms. Legaspi, who was an officer having personal knowledge of the case, was, therefore, merely acting for and in behalf of petitioner Pfizer when she signed the verification. Thus, the disputed verification is in compliance with the Rules.”^[22]

“Likewise, in *Shipside vs. Court of Appeals*,^[23] we elucidated on the necessity of a certificate of non-forum shopping. We then ruled that the subsequent submission of a proof of authority to act on behalf of petitioner corporation justified the relaxation of the Rules of the purpose of allowing its Petition to be given due course.

“On the other hand, the lack of certification against forum shopping is generally not curable by the submission thereof after the filing of the petition. Section 5, Rule 45 of the 1997 Rules of Civil Procedure provides that the failure of the

petitioner to submit the required documents that should accompany the petition, including the certification against forum shopping, shall be sufficient ground for the dismissal thereof. The same rule applies to certifications against forum shopping signed by a person on behalf of a corporation which are unaccompanied by proof that said signatory is authorized to file a petition on behalf of the corporation.

X X X

“In the instant case, the merits of petitioner’s case should be considered special circumstances or compelling reasons that justify tempering the requirement in regard to the certificate of non-forum shopping. Moreover, in *Loyola, Roadway, and Uy*, the Court excused non-compliance with the requirement as to the certificate of non-forum shopping. With more reason should we allow the instant petition since petitioner herein did submit a certification on non-forum shopping, failing only to show proof that the signatory was authorized to do so. That petitioner subsequently submitted a secretary’s certificate attesting that Balbin was authorized to file an action on behalf of petitioner likewise mitigates this oversight.

“It must also be kept in mind that while the requirement of the certificate of non-forum shopping is mandatory, nonetheless the requirements must not be interpreted too literally and thus defeat the objective of preventing the undesirable practice of forum-shopping. Lastly, technical rules of procedure should be used to promote, not frustrate justice. While the swift unclogging of court dockets is a laudable objective, the granting of substantial justice is an even more urgent ideal.”^[24]

Indeed, while the right to appeal is a statutory and not a natural right, it is nonetheless an essential part of our judicial system. Courts are therefore advised to proceed with caution, so as not to deprive a party of the right to appeal. Litigants should have the amplest opportunity for a proper and just disposition of their cause — free, as much as possible, from the constraints of procedural technicalities.^[25]

WHEREFORE, the Petition is hereby **GRANTED** and the assailed Resolutions **SET ASIDE**. The case is **REMANDED** to the Court of Appeals for further proceedings on the merits. No pronouncement as to costs.

SO ORDERED.

Puno, Sandoval-Gutierrez, Corona and Carpio-Morales, JJ., concur.

[1] Rollo, pp. 9–30.

[2] *Id.*, p. 32. Penned by Justice Jose L. Sabio Jr., with the concurrence of Justices Ramon Mabutas Jr. (Division chairman) and Demetrio G. Demetria (member) of the Eighth Division.

[3] *Id.*, pp. 35–37. Penned by Justice Jose L. Sabio Jr., with the concurrence of Justices Ramon Mabutas Jr. (Division chairman) and Eliezer R. de los Santos (member) of the Special Former Eighth Division.

[4] This should be “Mr. Steven M. Ventura”; the CA erroneously wrote “Mr. Steven Young.” See petitioner’s Memorandum, p. 8; rollo, p. 263.

[5] *Id.*, p. 32.

[6] CA Resolution dated November 21, 2000, pp. 2–3; rollo, pp. 36–37.

[7] Resolusyon Blg. 05, Serye ng Taong 1997.

[8] *Id.*, pp. 59–66.

[9] Decision of the Panel of Arbitrators, p. 7; rollo, p. 65.

[10] Rollo, p. 67.

[11] The case was deemed submitted for decision on October 3, 2001, upon this Court’s receipt of petitioner’s Memorandum signed by Atty. Edgardo R. Abaya. Private Respondent’s Memorandum, signed by Atty. Pedro U. Cortez Jr., was received by this Court on August 13, 2001.

[12] Petitioner’s Memorandum, p. 7; rollo, p. 262.

[13] See note 4.

[14] *Piglas-Kamao (Sari-Sari Chapter) vs. NLRC*, 357 SCRA 640, May 9, 2001.

[15] *Philippine Rabbit Bus Lines, Inc. vs. NLRC*, 306 SCRA 151, April 21, 1999.

[16] *Rodil Enterprises, Inc. vs. Court of Appeals*, 371 SCRA 79, November 29, 2001.

[17] 377 SCRA 282, February 19, 2002.

[18] *Id.*, p. 297, per Carpio, J.

[19] 346 SCRA 126, November 27, 2000.

[20] *Id.*, p. 133, per Gonzaga-Reyes, J.

[21] 358 SCRA 240, May 25, 2001.

[22] *Id.*, at p. 247.

[23] 352 SCRA 334, February 20, 2001.

[24] *Id.*, pp. 346–347, per Melo, J.

[25] Labad vs. University of Southeastern Philippines, 362 SCRA 510, August 9, 2001.

Philippine Copyright © 2005
ChanRobles Publishing Company
www.chanrobles.com