SUPREME COURT
THIRD DIVISION

PIGLAS-KAMAO (SARI-SARI CHAPTER), RONNIE S. TAMAYO, JOSE DEL CARMEN, JOCYLENE PADUA, VICKY BERMEO and ELIZABETH MATUTINA,
***Petitioners*,**

-versus-

G.R. No. 138556
May 9, 2001

NATIONAL LABOR RELATIONS COMMISSION, MARIKO NOVEL WARES INC., NANETTE SAMONTE, NANETTE ALEJANDRO, FERDINAND GUARDIANO, ROSEMARIE ABESAMIS, CLEOFE LACSAMANA, RICA MADERA, ROMULO PALLORAN JR. and PRISCILA GUSTILO,
***Respondents*.**
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D E C I S I O N

PANGANIBAN, *J.*:

Rules of procedure should not to be applied in a very technical sense, for they are adopted "to help secure, not override, substantial justice."

In this case, the Petition and the annexes submitted before the CA clearly show that petitioners complied with the rule that a petition "shall be accompanied by such material portions of the record as are referred to therein and other documents relevant or pertinent thereto." Furthermore, while the appellate court found that certain documents were fatally lacking in the Petition, their subsequent submission, together with the Motion for Reconsideration, leaves no doubt that there was substantial compliance with the aforecited Rule.

The Case

Before us is a Petition for Review on Certiorari under Rule 45 of the Rules of Court, assailing the March 8, 1999 and April 26, 1999 Resolutions[1] of the Court of Appeals (CA) in CA-GR SP No. 51381. The dispositive part of the first Resolution reads as follows:

> "WHEREFORE, foregoing considered, the instant petition for certiorari is hereby DENIED DUE COURSE and is ordered DISMISSED."[2]

The second Resolution[3] denied petitioners' Motion for Reconsideration.

The Facts

The facts as stated in the Resolution of the National Labor Relations Commission (NLRC) are as follows:

> "Sometime in January and February 1994, complaints for unfair labor practice, illegal dismissal, non-payment of premium pay for holiday and rest day for the years 1992 and 1993 and non-payment of 13th month pay for the year 1994 as well as moral and exemplary damages were filed by the complainant against respondent.
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> x x x
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> "Several conferences scheduled for the purpose of arriving at an amicable settlement proved futile. Thus, trial on the merits

ensued, after which parties were required to submit their respective position papers/memoranda.

"Complainants allege among others that they charged respondents with unfair labor practice when it effected the closure of the Robinson's Galleria branch to prevent the formation of a union; that respondent contracted out services to casuals; that accordingly, they organized a union on November 30, 1993; that the president of respondent tried to interfere in the formation of a union in its premises; that on December 14, 1993, the union filed a petition for certification election; that on December 15, 1993, respondent's Personnel Department issued a policy statement relative to 'Employee's Complaint/Grievance Procedure; that they were told of its intention to close the Basement Level I store in Galleria to give way to its opening at the third floor and that they would be absorbed in other Sari-Sari Store branches; that on January 9, 1994, respondent advertised for personnel such as accountant, inventory and sales clerks; that during the month of January 1994, managerial employees of the respondent approached certain union members and expressed their disapproval of the latter's union membership; that on January 26, 1994, they filed an unfair labor practice case against the respondent for harassment, coercion and interference with the workers' right to self-organization; that on January 27, 1994, respondent responded to the filing of the Union Petition for Certification Election by notifying both the Department of Labor and Employment and the employees of the closure of the Galleria branch allegedly due to irreversible losses necessitating closure thereof and the non-extension of the lease contract of the store premises; that the notice of termination specifically mentioned its effectivity that was: February 28, 1994; that the notice also mentioned that the employees could not be absorbed by any branch because it would result in redundancy; that the premium pay for rest day and holiday for the calendar years 1992 and 1993 and the 13th month pay for 1994 of the individual complainants remained unpaid to date; that respondent employed casuals after the closure thereof.

"On the other hand, respondents allege inter alia: that the closure was not done to prevent the formation of the union; that sometime in December 1990, it began its operation of a retail outlet under the name Sari-Sari at the Robinson Galleria located along EDSA and Ortigas, Quezon City; that the complainants were among those employed at the aforesaid outlet; that the initial lease amount was for P282,446.60 a month with an automatic annual increase in rent of 10%; that by December 1993 it paid a monthly rental of P341,760.38 excluding other charges for the use of the common areas not to mention water and electric consumption; that since its operation at the Robinson Galleria it suffered losses; that it consistently failed to reach the sales quota and was forced to pay penalties thereon; that in a meeting held sometime in 1993 when the lease contract was about to expire, its Board of Directors decided to close the aforesaid outlet at the Robinson Galleria; that when the lease contract expired on January 31, 1994, the same was not renewed considering the fact that it failed to meet the sales quota, thus, the operations at the Robinson Galleria outlet ceased and accordingly all the employees of the respondent could not be absorbed by it in their other branches because otherwise, it would result in redundancy; that notices were sent to all employees as well as to the Department of Labor and Employment; that sometime in December 1993 the union filed a petition for certification election with the National Conciliation and Mediation Board (NCMB) but it was not aware about said petition because it was pre-occupied with the closure of its branch and it seems that some officers of the union were retrenched/terminated.

"After the case was heard on the merits, a decision was rendered by the Labor Arbiter which is now the subject of the present appeal.

"During the pendency of the appeal, a Manifestation and Motion To Dismiss were filed by complainants Vicky Bermeo, Elizabeth Matutina and Jocylene Padua on different dates. They prayed that the appeal as far as they were concerned be dismissed. Besides, the Motion To Dismiss, they individually

executed Receipt, Release and Quitclaim in favor of the respondent.

"Complainants argue that respondent failed to show proof that their termination was due to irreversible losses necessitating the closure of the establishment and non-extension of the lease. If these were the reasons for the closure, respondent should have presented sufficient proof or justification. But sad to say, respondent did not. They stress that the 'Labor Arbiter should have taken into consideration the four-fold test laid down in the Lopez Sugar Corporation case in deciding the instant case.

"As narrated by the Labor Arbiter a quo, the following are his findings and conclusion:

> 'We cannot agree with complainants' claim that the closure of Robinson's Galleria branch was motivated by respondents' alleged desire to bust the union because three (3) officers were assigned thereat. To us the presence of three (3) officers at the Galleria branch was merely coincidental. As records will bear out, it was the expiration of the contract and the increasing expenses incurred in maintaining the branch that led respondents to decide on its closure. Furthermore, we also note that all employees assigned to said branch without regard to rank-and-file or affiliation, were affected by the decision. Surely, it would be unreasonable to suppose that respondents would close an entire branch merely to get rid of three (3) employees. Besides, we have noted that a collective bargaining agreement (Exhibit '3') was already signed by the union and the respondents. This belies the claim that respondents are anti-union or that the closure of the branch was intended to prevent the formation of a union.'"

The NLRC affirmed the labor arbiter. Petitioners then filed with the Court of Appeals a Petition for Certiorari under Rule 65.

Ruling of the Court of Appeals

The Court of Appeals dismissed the Petition outright on the ground that in contravention of Section 3, Rule 46 of the 1997 Rules of Civil Procedure, petitioners had failed to submit copies of their Amended Complaint, the six (6) supplemental Complaints, the Notice and Memorandum of Appeal and, allegedly Exhibits A to G-1 referred to in the Petition before it.

Hence, this recourse.[4]

The Issues

In their Memorandum, petitioners submit these issues for the consideration of the Court:[5]

> "3.1 Were the Court of Appeals Resolutions dismissing petitioners' Rule 65 Petition based on technicalities in accord with law and within the accepted and usual course of judicial proceedings?
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> 3.2 Did the Respondent NLRC commit grave abuse of discretion when it ruled that petitioners were lawfully retrenched?
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> 3.3 Did the Respondent NLRC commit grave abuse of discretion when it absolved the employer and its individual private respondents for commission of unfair labor practices?
>
> 3.4 Did Respondent NLRC commit grave abuse of discretion when it ruled that petitioners were not entitled to moral and exemplary damages and attorney's fees?
>
> 3.5 Did the Respondent NLRC commit grave abuse of discretion when it ruled that the quitclaims pertaining to Petitioners Padua, Bermeo and Matutina constituted a bar to their inclusion in the instant action?"

In the main, the issue is whether the CA erred in dismissing the Petition on mere technicalities.

The Court's Ruling

The Petition is meritorious.

Main Issue:

Compliance with Section 3, Rule 46

As earlier noted, the CA dismissed the Petition before it for failure of petitioners to submit copies of their Amended and Supplemental Complaints, the Notice and Memorandum of Appeal and, allegedly, Exhibits A to G-1 referred to in the Petition.

Exhorting the Court to give the rules a liberal interpretation, petitioners contend that technicalities have no room in labor cases, where the application of the Rules of Court are only for effectuating the objectives of the Labor Code. Notably, they further argue that there was substantial compliance with Section 3, Rule 46 of the 1997 Rules of Civil Procedure, which requires that copies of material portions of the record mentioned in a petition shall accompany the same.

Pertinent portions aforecited rule are reproduced hereunder:

> "SECTION 3. Contents and filing of petition; effect of noncompliance with requirements. — x x x
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> "It shall be filed in seven (7) clearly legible copies together with proof of service thereof on the respondent with the original copy intended for the court indicated as such by the petitioner, and shall be accompanied by a clearly legible duplicate original or certified true copy of the judgment, order, resolution or ruling subject thereof, such material portions of the record as are referred to therein and other documents relevant or pertinent thereto.

x x x

> "The failure of the petitioner to comply with any of the foregoing requirement shall be sufficient ground for the dismissal of the petition."*(Emphasis supplied)*

We agree with petitioners. In Atillo vs. Bombay,[6] the Court held that the "the crucial issue to consider is whether or not the documents accompanying the petition before the CA sufficiently supported the allegations therein."

In this case, annexed to the Petition before the CA were the following documents: (a) certified true copy of the NLRC Resolution denying petitioners' Motion for Reconsideration; (b) certified true copy of the NLRC Resolution dismissing petitioners' appeal; (c) certified true copy of the labor arbiter's Decision; (d) petitioners' Position Paper submitted before the labor arbiter, together with its annexes; (e) Marilou Banaga's Affidavit; (f) Susan Celi's Affidavit; (g) private respondents' store plantilla; (h) Minutes of the managers' meeting in August and September 1993; and (i) private respondents' Position Paper before the labor arbiter.

Under the circumstances, we hold that these documents sufficiently supported the allegations in the Petition before the CA. Attached to the Petition, we stress, were certified true copies of the labor arbiter's Decision and of the assailed NLRC Resolutions and, embodying their respective theories of the case, the parties' Position Papers filed before the labor arbiter.

Significantly, the attachments to the CA Petition obviated the need for the other documents that the appellate court found fatally omitted The attached labor arbiter's Decision laid down the substance of the Amended and Supplemental Complaints. Likewise, the NLRC Resolutions discussed the grounds for the appeal and the arguments raised therein, thereby negating the need for the Notice and Memorandum of Appeal.

Worse, in dismissing the Petition before it for the purported absence of Exhibits A to G-1, the appellate court overlooked the glaring fact that these documents had actually been attached. Verily, these

Exhibits were in fact annexed to petitioners' Position Paper, which was Annex D of their Petition before the CA.[7]

In any event, petitioners subsequently attached to their Motion for Reconsideration before the CA the supposedly lacking documents. Hence, pursuant to Cusi-Hernandez vs. Diaz,[8] the submission of such documents with the Motion for Reconsideration constitutes substantial compliance with the aforecited Rule.

In this light, we reiterate in this case our earlier ruling that "the appellate court clearly put a premium on technicalities at the expense of a just resolution of the case."[9] After all, the CA could have required the parties to submit additional documents as might have been necessary in the interest of substantial justice.[10]

We stress that the policy of courts is to encourage the full adjudication of the merits of an appeal.[11] As held in Pacific Life Assurance Corp. vs. Sison,[12] "dismissal of appeals purely on technical grounds is frowned upon and the rules of procedure ought not to be applied in a very rigid, technical sense, for they are adopted to help secure, not override, substantial justice, and thereby defeat their very aims." Verily, this Court, in the exercise of its equity jurisdiction, may even stay the dismissal of appeals grounded merely on technicalities,[13] especially in this case where petitioners' appeal appears prima facie worthy of the CA's full consideration on the merits.

WHEREFORE, the assailed Resolutions of the Court of Appeals are **SET ASIDE**. The case is hereby **REMANDED** to the CA for further proceedings and appropriate action. No costs.

SO ORDERED.

Melo, Vitug, Gonzaga-Reyes and Sandoval-Gutierrez, *JJ.*, concur.

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[1] Penned by Justice Quirino D. Abad Santos Jr. (Division chairman); with the concurrence of Justices Candido V. Rivera and Presbitero J. Velasco Jr., members.

[2] Rollo, p. 41.
[3] Rollo, pp. 37-38.
[4] The case was deemed submitted for resolution on June 1, 2000, upon receipt by this Court of private respondents' Memorandum signed by Attorneys Dionisio A. Tejero and Leopoldo P. Moselina Jr. of De la Rosa Tejero Nograles. On April 11, 2000, public respondent submitted its Memorandum signed by Solicitor General Ricardo P. Galvez, Assistant Solicitor General Magdangal M. de Leon and Solicitor Eric Remegio O. Panga. On April 28, 2000, petitioners filed their Memorandum, which was signed by Attorney Hans Leo J. Cacdac of Sentro ng Alternatibong Lingap Panlegal.
[5] Petitioners' Memorandum, pp. 10-11; rollo, pp. 406-407. Upper case used in the original.
[6] GR No. 136096, February 7, 2001, p. 8, per Gonzaga-Reyes, J. Involved in this case was a similar provision, Section 2 (d), Rule 42, which also requires that a petition shall "be accompanied by clearly legible duplicate originals or true copies of the judgments or final orders of both lower courts, certified correct by the clerk of court of the Regional Trial Court, the requisite number of plain copies thereof and of the pleadings and other material portions of the record as would support the allegations of the petition."
[7] Petitioners explain:
"a) Footnote 14 of the Rule 65 petition states that Exhibits 'A' and 'A-1' are attached as Annex 'G-1' of the Position Paper attached, in turn, as Annex 'D' of the petition;
b) Footnote 10 of the Rule 65 petition states that Exhibits 'B' and 'B-1' constituted Annex 'E' of the Position Paper attached, in turn, as Annex 'D' of the petition;
c) Footnote 12 of the Rule 65 petition states that Exhibits 'C' and 'C-1' were attached as Annex 'G' of the Position Paper attached, in turn, as Annex 'D' of the petition;
d) Footnote 7 of the Rule 65 petition states that Exhibits 'D' and 'D-1' were attached as Annex 'A' of the Position Paper attached, in turn, as Annex 'D' of the petition;
e) Footnote 10 states that Exhibits 'E' and 'E-1' were attached as Annex 'D' of the Position Paper attached, in turn as Annex 'D' of the Rule 65 petition;
f) Footnote 11 states that Exhibits 'F' and 'F-1' were attached as Annex 'C' of the Position Paper attached, in turn, as Annex 'D' of the Rule 65 petition;
g) Footnote 16 states that Exhibits 'G' and 'G-1' were attached as Annex 'G-2' of the Position Paper attached, in turn, as Annex 'D' of the Rule 65 petition."
[8] GR No. 140436, July 18, 2000, per Panganiban, J . See also Atillo vs. Bombay, supra.
[9] Ibid., p. 9.
[10] Section 3(d), Rule 3 of the Revised Internal Rules of the Court of Appeals, provides as follows:

"d. When a petition does not have the complete annexes or the required number of copies, the Chief of the Judicial Records Division shall require the petitioner to complete the annexes or file the necessary number of copies of the petition before docketing the case. Pleadings improperly filed in court shall be returned to the sender by the Chief of the Judicial Records Division."

[11] See Magsaysay Lines vs. CA, 260 SCRA 513, August 12, 1996; Siguenza vs. CA, 137 SCRA 570, July 16, 1985; Insular Bank of America vs. CA, 228 SCRA 420, December 14, 1993.

[12] 299 SCRA 16, 22, November 20, 1998, per Mendoza, J .

[13] See Parañaque Kings Enterprises vs. CA, 268 SCRA 727, February 26, 1997; Empire Insurance Company vs. National Labor Relations Commission, 294 SCRA 263, August 14, 1998; People's Security vs. NLRC, 226 SCRA 146, September 8, 1993; Soriano vs. CA, 222 SCRA 545, May 25, 1993.