

SECOND DIVISION

[G.R. No. 221411, September 28, 2020]

**ITALKARAT 18, INC. PETITIONER, VS. JURALDINE N. GERASMIO,
RESPONDENT.**

DECISION

HERNANDO, J.:

This Petition for Review [on *Certiorari*],^[1] filed under Rule 45 of the Rules of Court seeks to reverse and set aside the February 22, 2012 Decision^[2] and September 30, 2015 Resolution^[3] of the Court of Appeals (CA) in CA-G.R. SP No. 04910.

The facts of the case are as follows:

On January 13, 2009, respondent Juraldine N. Gerasraio (Juraldine) filed a complaint for illegal dismissal, reinstatement, backwages, separation pay, declaration of the quitclaim and release as null and void, 13th month pay, litigation expenses, damages and attorney's fees, against petitioner Italkarat 18, Inc. (Company).^[4]

Juraldine alleged that the Company hired him on June 1, 1990. In 1993, he was designated as the Maintenance Head and Tool and Die Maker until his dismissal on November 20, 2008 on the ground of serious business losses.^[5] He claimed that during and prior to the last quarter of 2008, the Company had repeatedly informed its employees of its proposed retrenchment program because it was suffering from serious business losses.^[6] In particular, Juraldine claimed that Noel San Pedro (San Pedro), the then Officer-In-Charge (OIC)/Manager of the Company, informed him sometime in November 2008 that the Company was planning to retrench a substantial number of workers in the Maintenance and Tool and Die Section; and that if he opts to retire early, he will be given a sum of P170,000.00.^[7] San Pedro then allegedly cautioned Juraldine that if he will not accept the offer to retire early, the Company would eventually retrench or terminate him from his employment, in which case, he might not even receive anything.^[8]

In light of the foregoing, Juraldine executed and signed a resignation letter and quitclaim on November 20, 2008.^[9] He was then informed to return on November 25, 2008 to get his check worth P170,000.00.^[10] However, to his dismay, Juraldine was later informed by San Pedro that he would be receiving only the amount of P26,901.34.^[11] Thus, Juraldine, through his lawyer, sent a letter dated November 25, 2008, essentially demanding the amount of P170,000.00 he was allegedly promised earlier. Since the Company did not respond, Juraldine filed the instant complaint for illegal dismissal.^[12]

On the other hand, the Company essentially alleged that Juraldine voluntarily

resigned from his job, thus, his claims are baseless. The Company admitted that it hired Juraldine as maintenance personnel on December 1, 1989. It further alleged that during the last year of his employment, Juraldine took leaves of absence in order to process his papers for a possible seaman's job.^[13]

Moreover, the Company stated that on October 20, 2008, Juraldine tendered his resignation and demanded from the Company the payment of his separation pay on account of his long years of service.^[14] On November 6, 2008 and on November 20, 2008 respectively, he executed and signed a waiver and quitclaim which shows, inter alia, the computation of his receivables.^[15] He then signed the voucher for this purpose and thereafter received the check issued to him representing his last pay.^[16] Surprisingly, he send a demand letter, through his lawyer, on November 28, 2008, for the payment of P170,000.00 in addition to the amount already received by him. The Company refused to pay him the additional amount for lack of basis in law and in fact.^[17]

Ruling of the Labor Arbiter:

On April 3, 2009, the Labor Arbiter (LA) rendered a Decision^[18] declaring the complainant to have been unlawfully dismissed. The dispositive portion thereof reads as follows:

WHEREFORE, foregoing considered, judgment is hereby rendered DECLARING the complainant to have been unlawfully dismissed from his job in violation of his right to mandatory statutory due process, coupled with bad faith and malice aforethought to humiliate his lowly status in the society. Thus, the respondents are hereby ordered jointly and severally to reinstate the complainant to his previous work or its equivalent immediately from notice hereof under Article 223 in [relation] to Article 279 of the Labor Code, and to pay him of his partial back wages from December 2008 to the present in the amount of PHP53,456.00 at PHP13,364.00 per month; moral damages in the amount of PHP100,000.00; and exemplary damages in the amount of PHP50,000.00 each plus ten percent (10%) attorney's fees. Further, the respondents are hereby ordered jointly and severally to deposit the said amounts to the Cashier of this Arbitration Branch within ten (10) days from receipt hereof.

SO ORDERED.^[19]

The LA ruled that Juraldine was only forced to resign because of San Pedro's misrepresentation that he would be paid P170,000.00 as separation pay. The LA likewise noted that in his quitclaim, Juraldine still asserted his entitlement to the payment of whatever benefits that may be due him. In fine, the LA ruled that Juraldine was illegally dismissed.

Ruling of the National Labor Relations

Commission (NLRC):

The Company appealed the Decision to the NLRC. Juraldine also interposed a partial appeal to the NLRC, questioning the non-inclusion of his separation pay in the LA Decision. On August 28, 2009, the NLRC granted the appeal of the Company, set aside and effectively reversed the LA's Decision dated April 3, 2009. Juraldine filed a motion for reconsideration but the same was denied by the NLRC in a Resolution dated October 30, 2009.^[20]

The NLRC found that Juraldine voluntarily resigned from his job. It also noted that San Pedro could not have persuaded Juraldine to resign since the resignation happened on October 20, 2008 while the alleged promise of San Pedro was made on November 20, 2008, or one month after. Also, the NLRC found that Juraldine's quitclaim was valid and executed for a reasonable consideration.

The dispositive portion of the NLRC Decision reads as follows:

WHEREFORE, the challenged decision is SET ASIDE and a new one entered DISMISSING the complaint for lack of merit.

SO ORDERED.^[21]

Ruling of the Court of Appeals:

Aggrieved, Juraldine filed a Petition for *Certiorari* with the CA. In a Decision^[22] dated February 22, 2012, the CA granted the Petition for *Certiorari* and found that the NLRC committed grave abuse of discretion. Thus, the CA reversed the NLRC Decision and reinstated the LA's Decision dated April 3, 2009.^[23] The Company filed a motion for reconsideration but it was denied by the appellate court in a Resolution dated September 30, 2015.^[24]

The CA found that Juraldine's resignation was not unconditional since he was demanding payment for his separation pay in accordance with the alleged company practice. The CA opined that Juraldine latched on San Pedro's promise that he would be paid P170,000.00 if he would resign. The appellate court further held that the quitclaim will not serve as a bar for Juraldine to demand the amount of P170,000.00 since he clearly stated therein that he is only executing the quitclaim because he was in need of money.

The dispositive portion of the CA Decision reads:

WHEREFORE, the petition is GRANTED. The assailed Decision and Resolution of the NLRC, are hereby REVERSED and SET ASIDE, and a new judgement is hereby rendered entitling petitioner to:

(1) [P]ayment of separation pay computed from December 1, 1989, petitioner's first day of employment up to November 20, 2008, at the rate of one month pay per year of service inclusive of allowances and other benefits and emoluments less the amount he already received;

(2) [A]s ordered by the Labor Arbiter, to pay petitioner moral damages in

the amount of P100,000.00 and exemplary damages in the amount of P50,000.00;

(3) [T]en percent (10%) attorney's fees based on the total amount of the awards under (2) and (3) above.

SO ORDERED.^[25]

Hence, the Company filed the instant Petition for Review on *Certiorari* with this Court, raising the following issues:

1. WHETHER OR NOT THE [CA] COMMITTED ERROR WHEN IT DID NOT DISMISS THE PETITION FOR HAVING BEEN FILED AFTER THE NLRC DECISION HAD BECOME FINAL AND EXECUTORY.

2. WHETHER OR NOT THE [CA] COMMITTED ERROR WHEN IT RULED THAT THE RESIGNATION LETTER IS NOT UNCONDITIONAL AND THAT IT WAS CONDITIONED ON THE PAYMENT OF SEPARATION PAY IN ACCORDANCE WITH THE COMPANY POLICY AND THIS IS NOT SUPPORTED BY EVIDENCE.

3. WHETHER OR NOT THE [CA] COMMITTED ERROR WHEN IT RULED THAT SAN PEDRO PROMISED THAT GERASMIO XXX WOULD BE GIVEN A SEPARATION PAY IN THE AMOUNT EQUIVALENT TO FIFTEEN (15) DAYS SALARY FOR EVERY YEAR OF SERVICE, THE REASON WHY HE ACCEPTED [THE COMPANY'S] OFFER OF RESIGNATION AND EXECUTED AND SIGNED HIS RESIGNATION LETTER AND QUITCLAIM DESPITE NOT BEING SUPPORTED BY ANY EVIDENCE.

4. WHETHER OR NOT THE APPELLATE COURT COMMITTED ERROR WHEN IT RULED THAT GERASMIO IS ENTITLED TO SEPARATION PAY DESPITE THE FACT THAT THE CLAIM IS NOT SUPPORTED BY EVIDENCE AND THE RULING IS CONTRARY TO LAW.^[26]

Our Ruling

The fact that a decision of the NLRC is final and executory does not mean that a special civil action for *certiorari* may not be filed with the CA.

The Company insists that the CA should have dismissed Juraldine's Petition for *Certiorari* because the NLRC Decision had already become final and executory.^[27] In fact, according to the Company, an Entry of Judgment was already issued by the

NLRC.^[28]

Notwithstanding this, jurisprudence is replete with rulings that final and executory NLRC decisions may be subject of a petition for *certiorari*.^[29] It is precisely this final and executory nature of NLRC decisions that makes a special civil action of *certiorari* applicable to such decisions, considering that appeals from the NLRC to this Court were eliminated.^[30]

In *St. Martin Funeral Home v. National Labor Relations Commission*,^[31] we have explained that;

The Court is, therefore, of the considered opinion that ever since appeals from the NLRC to the Supreme Court were eliminated, the legislative intendment was that the special civil action of *certiorari* was and still is the proper vehicle for judicial review of decisions of the NLRC. The use of the word "appeal" in relation thereto and in the instances we have noted could have been a *lapsus plumae* because appeals by *certiorari* and the original action for *certiorari* are both modes of judicial review addressed to the appellate courts. The important distinction between them, however, and with which the Court is particularly concerned here is that the special civil action of *certiorari* is within the concurrent original jurisdiction of this Court and the Court of Appeals; whereas to indulge in the assumption that appeals by *certiorari* to the Supreme Court are allowed would not subserve, but would subvert, the intention of Congress as expressed in the sponsorship speech on Senate Bill No. 1495.^[32]

Consequently, we ruled in *Panuncillo v. CAP Philippines, Inc.*^[33] that even if the NLRC decision has become final and executory, the adverse party is not precluded from availing of the remedy of *certiorari* under Rule 65 of the Rules of Court, to wit:

In sum, while under the sixth paragraph of Article 223 of the Labor Code, the decision of the NLRC becomes final and executory after the lapse of ten calendar days from receipt thereof by the parties, the adverse party is not precluded from assailing it *via* Petition for *Certiorari* under Rule 65 before the Court of Appeals and then to this Court via a Petition for Review under Rule 45. x x x.^[34]

Indeed, the doctrine of immutability of judgment is not violated when a party elevates a matter to the CA which the latter decided in favor of said party.^[35]

Parenthetically, petitions for *certiorari* to the CA are more often than not filed after the assailed NLRC decisions have already become final and executory. It must be noted that under Article 229 [223] of the Labor Code, as amended, a decision of the NLRC already becomes final after ten (10) calendar days from receipt thereof by the parties; on the other hand, the reglementary period with respect to a petition for *certiorari* under Rule 65 of the Rules of Court is sixty (60) days.

Certainly, given that the special civil action for *certiorari* was filed within the reglementary period, the CA committed no error and was acting in accordance with the law when it took cognizance of Juraldine's petition.