

THIRD DIVISION

[G.R. No. 190876, June 15, 2016]

**YELLOW BUS LINE EMPLOYEES UNION (YBLEU), PETITIONER,
VS. YELLOW BUS LINE, INC. (YBLI), RESPONDENT.**

DECISION

PEREZ, J.:

The primary issue for resolution pivots on the validity of the dismissal of two drivers working for petitioner Yellow Bus Line, Inc. (YBL).

This petition for review seeks to reverse the Decision^[1] dated 31 July 2009 of the Court of Appeals in CA-G.R. SP No. 00284, which set aside the decision of the Panel of Voluntary Arbitrators declaring the dismissal of Jimmy Gardonia (Gardonia) and Francisco Querol (Querol) illegal.

The facts, as culled from the records, are as follow:

Gardonia and Querol were hired by YBL as drivers on 17 December 1993 and 14 February 1995, respectively.

In October 2002, Gardonia was driving along the National Highway in Polomolok, South Cotabato when his bus bumped into a motorcycle while trying to overtake it. The collision resulted in the death of the motorcycle driver and his passenger. YBL shouldered the hospitalization bills amounting to P290,426.91 and paid P135,000.00 as settlement of the claim of the heirs of the motorcycle riders.

Three (3) months later, the bus that Querol was driving suffered a mechanical breakdown. A mechanic and a towing truck arrived to pick up Querol. He was ordered by the mechanic to drive the bus while the towing truck would trail behind. Querol was apparently driving too fast and he rammed the bus into a sugar plantation in Barangay Talus, Malungon, South Cotabato.

YBL conducted separate hearings on the two incidents. Thereafter, Gardonia and Querol were found to be negligent. Termination letters were sent to them on 16 December 2002 and 16 January 2003, respectively.

Yellow Bus Line Employees Union (Union), representing its members Gardonia and Querol, filed a complaint for illegal dismissal against YBL through the grievance machinery, as stipulated in their Collective Bargaining Agreement. The Union and YBL failed to resolve their dispute, thus the case was elevated to the National Conciliation and Mediation Board (NCMB) Satellite Regional Office in Koronadal City, South Cotabato.

During the initial conference, YBL's representative Norlan Yap allegedly agreed to

reinstate Gardonia and Querol. The management of YBL however refused to abide by the said agreement. Thus, another conference was conducted in order for the parties to resolve their dispute but no agreement was reached.

On 25 August 2004, the Panel of Accredited Voluntary Arbitrators^[2] (Panel) found that Gardonia and Querol were illegally dismissed and ordered their reinstatement. The dispositive portion of the decision reads:

WHEREFORE, PREMISES CONSIDERED, Judgment is hereby rendered in favor of the Complainants/employees against the respondents/employer and order is hereby issued:

1. Declaring the termination of services of the two (2) drivers illegal;
2. Ordering the respondents to reinstate complainants and pay backwages computed at the time of their separation from the service, which is December 20, 2002 for Jimmy Gardonia and January 19, 2003 for Francisco Querol, until actual reinstatement in the payroll.^[3]

The Panel also ruled that the parties already arrived at a compromise agreement during the initial conference with respect to the reinstatement of the drivers. Thus, this agreement is final and binding on the parties pursuant to Article 227 of the Labor Code, which provides that "any compromise settlement, including those involving labor standard laws, voluntarily agreed upon by the parties with the assistance of the Bureau or the regional office of the Department of Labor, shall be final and binding upon the parties."

YBL filed a motion for reconsideration but it was informed by the Panel that its decision is not subject to reconsideration in accordance with the Revised Procedural Guidelines in the Conduct of Voluntary Arbitration Proceedings.^[4]

YBL's petition for *certiorari* questioning the decision of the Panel was given due course by the Court of Appeals which eventually ruled in favor of YBL. First, the Court of Appeals held that Article 227 of the Labor Code is not applicable in this case. Instead, the case falls under Articles 260, 261, 262-A and 262-B because it involves the grievance machinery and voluntary arbitration. Second, the Court of Appeals found that no compromise settlement was actually reached because a second round of conference had to be conducted in the NCMB office. Third, Norlan Yap, the representative of YBL, had no authority to enter into a compromise. Fourth, the Court of Appeals reversed the findings of the Panel with respect to the cause of the drivers' dismissal. The Court of Appeals found that the accidents were not caused by *force majeure*, rather they were brought about by the negligence of the drivers.

The Union filed a motion for reconsideration but it was denied by the Court of Appeals in a Resolution^[5] dated 24 November 2009.

In support of its petition for review on *certiorari*, the Union assigned the following alleged errors committed by the Court of Appeals, to wit:

The Honorable Court of Appeals erred in granting the petition filed by the respondent YBL considering that the technical infirmities and procedural lapses would render nugatory the public welfare and policy favoring labor and in effect, violate the very substantial justice it supposedly upholds in relaxing the rules of procedure in favor of respondent company.^[6]

The Court of Appeals erred in disagreeing with the findings of fact of the Panel of Voluntary Arbitrators, there being no showing that the decision was arbitrary or in utter disregard to the evidence on record, and as such, findings of facts of quasi-judicial agencies are accorded not only with respect, but with finality.^[7]

The Union essentially argues that the Court of Appeals should have dismissed the petition for *certiorari* outright on the ground of the failure of YBL's counsel to file the correct mode of appeal, *i.e.* petition for review under Rule 43 of the Rules of Court. The Union asserts that the Court of Appeals failed to provide a justifiable reason to exempt YBL from strictly complying with the rules. The Union adds that in this case, no broader interest of justice requires a liberal interpretation of the rules.

The Union maintains there was no showing that the findings of the Panel of Voluntary Arbitrators are arbitrary constitutive of grave abuse of discretion. The Union points out that the decision of the Panel is not merely based on the premise of a compromise agreement but that the Panel found that there was no just cause to terminate the two drivers considering that the incidents they were involved in are mere accidents. The Union insists the case was settled at the level of conciliation-mediation proceedings when the parties entered into an amicable settlement. The Union contends that the amount of indemnity granted by the Court of Appeals, assuming *arguendo* that there is just cause for termination, should be P50,000.00 and not P30,000.00 in accordance with jurisprudence.

In its Comment,^[8] YBL defends the Court of Appeals in its decision to entertain the petition. YBL stresses that for the broader interest of justice, the appellate court took cognizance of the case and reversed the holding of the Panel of Arbitrators which anchored its decision on an alleged compromise agreement. YBL claims that the two drivers were found to be negligent.

YBL also emphasizes that the statement of the conciliator-mediator that "the case is settled into amicable settlement and the same is considered closed" is merely a remark regarding the development of the matter before him. YBL avers that this should not in any way be deemed final because it can be inferred from the Submission Agreement, the parties expressly agreed to submit the matter of the drivers' dismissal for adjudication before the Panel of Voluntary Arbitrators. Lastly, YBL maintains that the drivers were dismissed for just cause on the ground of gross negligence.

Preliminarily, we note that YBL filed a special civil action for *certiorari* before the Court of Appeals. The general rule is that the correct remedy to reverse or modify a Voluntary Arbitrator's or a panel of Voluntary Arbitrators' decision or award is to appeal the award or decision before the Court of Appeals via Rule 43 of the Rules of Court, thus:

Section 1. *Scope.*

This Rule shall apply to appeals from judgments or final orders of the Court of Tax Appeals and from awards, judgments, final orders or resolutions of or authorized by any quasi-judicial agency in the exercise of its quasi-judicial functions. Among these agencies are the Civil Service Commission, Central Board of Assessment Appeals, Securities and Exchange Commission, Office of the President, Land Registration Authority, Social Security Commission, Civil Aeronautics Board, Bureau of Patents, Trademarks and Technology Transfer, National Electrification Administration, Energy Regulatory Board, National Telecommunications Commission, Department of Agrarian Reform under Republic Act No. 6657, Government Service Insurance System, Employees Compensation Commission, Agricultural Inventions Board, Insurance Commission, Philippine Atomic Energy Commission, Board of Investments, Construction Industry Arbitration Commission, and voluntary arbitrators authorized by law.

In *Philippine Electric Corporation v. Court of Appeals, et al.*,^[9] we discussed at length the nature of a special civil action for *certiorari* and the instances where we allowed such a petition to be filed in lieu of appeal, thus:

A petition for *certiorari* is a special civil action "adopted to correct errors of jurisdiction committed by the lower court or quasi-judicial agency, or when there is grave abuse of discretion on the part of such court or agency amounting to lack or excess of jurisdiction." An extraordinary remedy, a petition for *certiorari* may be filed only if appeal is not available. If appeal is available, an appeal must be taken even if the ground relied upon is grave abuse of discretion.

As an exception to the rule, this court has allowed petitions for *certiorari* to be filed in lieu of an appeal "(a) when the public welfare and the advancement of public policy dictate; (b) when the broader interests of justice so require; (c) when the writs issued are null; and (d) when the questioned order amounts to an oppressive exercise of judicial authority."

In *Unicraft Industries International Corporation, et al. v. The Hon. Court of Appeals*, petitioners filed a petition for *certiorari* against the Voluntary Arbitrator's decision. Finding that the Voluntary Arbitrator rendered an award without giving petitioners an opportunity to present evidence, this court allowed petitioners' petition for *certiorari* despite being the wrong remedy. The Voluntary Arbitrator's award, this court said, was null and void for violation of petitioners' right to due process. This court decided the case on the merits.

In *Leyte IV Electric Cooperative, Inc. v. LEYECO IV Employees Union-ALU*, petitioner likewise filed a petition for *certiorari* against the Voluntary Arbitrator's decision, alleging that the decision lacked basis in fact and in law. Ruling that the petition for *certiorari* was filed within the reglementary period for filing an appeal, this court allowed petitioner's petition for *certiorari* in the broader interests of justice.

In *Mora v. Avesco Marketing Corporation*, this court held that petitioner Noel E. Mora erred in filing a petition for certiorari against the Voluntary Arbitrator's decision. Nevertheless, this court decided the case on the merits "in the interest of substantial justice to arrive at the proper conclusion that is conformable to the evidentiary facts."

In this case where the evidentiary facts do not jive with the conclusion of the Panel, it is valid reasoning that it is in the interest of justice that the Court of Appeals gave cognizance to a certiorari petition.

We now go to the merits.

The ruling of the Panel delves into two issues: the validity of the alleged compromise agreement and the validity of the drivers' dismissal.

We shall discuss the issues successively.

The Union claims that a settlement at the conciliation level has already been forged with YBL, while YBL claims otherwise.

The pertinent portion of the Conciliation Report is reproduced below:

During the conference, both parties appeared where[in] two of the complainants in the names of Mr. Quero S. Francisco and Jimmy C. Gardonia manifested that they want [to] be returned back to their posts in the company and Management representative Mr. Norlan A. Yap, the Personnel Manager of the Company, accepted the appeal of the above complainants.

x x x x

So, this case is settled into Amicable settlement and the same hereby considered closed.^[10]

We cannot consider this Conciliation Report as the complete settlement between the parties. As reasoned by the Court of Appeals, and we agree, that:

x x x The Conciliation Report. . . did not write *finis* the issues between the parties as manifested by a second round of conference in the NCMB office and the subsequent submission of the dispute to the Panel. If indeed, a compromise had been reached, there should have been no need for further negotiations and the case would not have reached the Panel. Clearly, the Panel viewed the grievance machinery and voluntary arbitration underwent [sic] by the parties in piecemeal instead of looking at it as one process which culminated in the decision of the Panel now assailed by Yellow Bus.

The facts of the case reveal that private respondents moved for the execution of what was embodied in the *Conciliation Report* before the NCMB. This simply cannot be done. The handwritten report of Conciliator-Mediator Nagarano M. Mascara al Haj could not, by any stretch of imagination, be considered as a final arbitration award nor a decision of a voluntary arbitrator within the purview of Article 262-A of the Labor Code