

## SECOND DIVISION

[ G.R. No. 188514, August 28, 2013 ]

**MARIA LOURDES D. CASTELLS AND SHALIMAR CENTI-MANDANAS, PETITIONERS, VS. SAUDI ARABIAN AIRLINES, RESPONDENT.**

### RESOLUTION

**PERLAS-BERNABE, J.:**

Assailed in this petition for review on *certiorari*<sup>[1]</sup> are the Resolutions<sup>[2]</sup> dated August 28, 2008 and June 16, 2009 of the Court of Appeals (CA) in CA-G.R. SP No. 101971 which dismissed the petition for *certiorari* (subject petition) filed by petitioners Maria Lourdes D. Castells (Castells) and Shalimar Centi-Mandanas (Centi-Mandanas), for being filed out of time.

#### The Facts

On August 24, 2004, respondent Saudi Arabian Airlines (SAUDIA) issued a memo regarding the transfer of 10 flight attendants, including Castells and Centi-Mandanas (petitioners), from Manila to Jeddah, Saudi Arabia (Jeddah) due to "operational requirements" (transfer order). Centi-Mandanas complied with the transfer order while Castells did not.<sup>[3]</sup>

Centi-Mandanas alleged that upon her arrival in Jeddah, she was told that her contract would no longer be renewed and that she was asked to sign a pre-typed resignation letter. She averred that while she never wished to resign, SAUDIA left her with no other viable choice as it would terminate her services anyway. Thus, she filled out the resignation form handed to her.<sup>[4]</sup>

For her part, Castells alleged that upon her non-compliance with the transfer order, she prepared a resignation letter stating that she felt she was being forced to resign. She then alleged that the SAUDIA Manila Office Manager told her to amend the same to state that she was voluntarily resigning; this she reluctantly followed.<sup>[5]</sup>

In view of the foregoing, petitioners, along with a co-flight attendant, Maria Joy Teresa O. Bilbao (Bilbao), filed a complaint for illegal dismissal against SAUDIA, with prayer for reinstatement, full backwages, moral and exemplary damages, and attorney's fees. They alleged that they have been hearing stories that Jeddah-based flight attendants aged 39 to 40 years old, (the same age as them) were already processing their respective resignations and that the transfer order was made so that they would be terminated upon their arrival in Jeddah.<sup>[6]</sup>

For their defense, SAUDIA maintained that the resignations were intelligently and voluntarily made. It asserted, *inter alia*, that petitioners and Bilbao's resignation

letters (subject letters) were penned and duly signed by them and that they have voluntarily executed an undertaking (subject undertaking) acknowledging receipt of various sums of money and irrevocably and unconditionally releasing SAUDIA, its directors, stockholders, officers, and employees from any claim or demand whatsoever in law or equity which they may have in connection with their employment with SAUDIA.<sup>[7]</sup>

### **The LA Ruling**

In a Decision<sup>[8]</sup> dated August 31, 2006, the Labor Arbiter (LA) held SAUDIA guilty of illegal dismissal and ordered it to pay each of petitioners and Bilbao full backwages from the time of their illegal dismissal until finality of the decision and separation pay of one month salary for every year of service, less the amount they already received, including attorney's fees.<sup>[9]</sup> It found that petitioners and Bilbao did not voluntarily resign and that SAUDIA forced them to do so only because of their "old" age, as evidenced by its scheme of "transferring" them to Jeddah and by eventually coercing them to resign under the pain of actual termination. It further held that the subject undertaking, which was akin to a quitclaim, did not bar petitioners and Bilbao from filing a case against SAUDIA. However, it noted that their acceptance of the benefits pursuant thereto would merely result in the deduction of the monetary awards due to them.<sup>[10]</sup>

Dissatisfied, SAUDIA appealed to the National Labor Relations Commission (NLRC).

### **The NLRC Ruling**

In a Resolution<sup>[11]</sup> dated June 25, 2007, the NLRC reversed and set aside the LA's ruling and thereby dismissed the illegal dismissal complaint against SAUDIA.<sup>[12]</sup> Contrary to the findings of the LA, the NLRC held that the presence of words of gratitude in the subject letters negates the claim that they were products of any form of coercion or threat on SAUDIA's part. It equally held that the subject undertaking executed by petitioners and Bilbao was valid, observing that they were well-educated individuals and, hence, cannot be easily tricked or inveigled into signing it. Likewise, it noted that they have received "a more than sufficient consideration" upon execution of the same.<sup>[13]</sup>

Consequently, petitioners and Bilbao filed their respective motions for reconsideration which were all denied in a Resolution<sup>[14]</sup> dated October 26, 2007. Aggrieved, they separately elevated the matter to the CA.

### **The CA Proceedings**

On January 16, 2008, petitioners filed with the CA a Motion for Extension to File a Petition for *Certiorari*,<sup>[15]</sup> praying that they be given a period of 15 days from January 18, 2008, or until February 2, 2008, within which to file the subject petition. The said motion was granted in a Resolution<sup>[16]</sup> dated January 29, 2008. Since February 2, 2008 was a Saturday, petitioners filed the subject petition on the next working day, or on February 4, 2008, and the CA admitted the same.

On even date, SAUDIA filed a Motion for Reconsideration,<sup>[17]</sup> primarily contending

that A.M. No. 07-7-12-SC,<sup>[18]</sup> which took effect on December 27, 2007, no longer allowed the filing of an extension of time to file a petition for *certiorari*; thus, the CA should not have admitted the subject petition. In a Resolution<sup>[19]</sup> dated August 28, 2008, the CA reconsidered its earlier resolution and granted SAUDIA's motion. It deemed the subject petition not admitted due to petitioners' non-compliance with the reglementary period prescribed by Section 4, Rule 65 of the Rules of Court (Rules), as amended by A.M. No. 07-7-12-SC. Hence, it considered the case closed and terminated.

Petitioners filed a Motion for Reconsideration<sup>[20]</sup> dated September 26, 2008, which was, however, denied in a Resolution<sup>[21]</sup> dated June 16, 2009, prompting them to institute the instant petition.

### **The Issue Before the Court**

The primordial issue raised for the Court's resolution is whether or not the CA correctly refused admission of the subject petition.

Petitioners argue that despite the wording of A.M. No. 07-7-12-SC, it did not explicitly remove the court's discretion to grant extensions to file petitions for *certiorari*, especially when compelling reasons are present.<sup>[22]</sup>

On the other hand, SAUDIA maintains that by virtue of A.M. No. 07-7-12-SC, motions for extension to file petitions for *certiorari* are no longer allowed and, as such, the CA correctly refused admission of the subject petition and considered the case closed and terminated.<sup>[23]</sup>

### **The Court's Ruling**

The petition is meritorious.

It is well-settled that procedural rules should be treated with utmost respect and due regard, since they are designed to facilitate the adjudication of cases to remedy the worsening problem of delay in the resolution of rival claims and in the administration of justice. From time to time, however, the Court has recognized exceptions to the strict application of such rules, but only for the most compelling reasons where stubborn obedience to the Rules would defeat rather than serve the ends of justice.<sup>[24]</sup> These exceptions, as enumerated in the case of *Labao v. Flores*,<sup>[25]</sup> are as follows:

x x x (1) most persuasive and weighty reasons; (2) to relieve a litigant from an injustice not commensurate with his failure to comply with the prescribed procedure; (3) good faith of the defaulting party by immediately paying within a reasonable time from the time of the default; (4) the existence of special or compelling circumstances; (5) the merits of the case; (6) a cause not entirely attributable to the fault or negligence of the party favored by the suspension of the rules; (7) a lack of any showing that the review sought is merely frivolous and dilatory; (8) the other party will not be unjustly prejudiced thereby; (9) fraud, accident, mistake, or excusable negligence without appellant's fault; (10)