640 Phil. 682

THIRD DIVISION

[G.R. No. 187104, August 03, 2010]

SAINT LOUIS UNIVERSITY, INC., PETITIONER, VS. EVANGELINE C. COBARRUBIAS, RESPONDENT.

D E C I S I O N

BRION, J.:

We resolve the present petition for review on *certiorari*[1] filed by petitioner Saint Louis University, Inc. (*SLU*), to challenge the decision[2] and the resolution[3] of the Court of Appeals (*CA*) in CA-G.R. SP No. 101708.[4]

The Factual Background

The facts of the case, gathered from the records, are briefly summarized below.

Respondent Evangeline C. Cobarrubias is an associate professor of the petitioner's College of Human Sciences. She is an active member of the Union of Faculty and Employees of Saint Louis University (*UFESLU*).

The 2001-2006[5] and 2006-2011[6] Collective Bargaining Agreements (*CBAs*) between SLU and UFESLU contain the following common provision on forced leave:

> Section 7.7. For teaching employees in college who fail the yearly evaluation, the following provisions shall apply:
>
> > (a) Teaching employees who are retained for three (3) cumulative years in five (5) years shall be on forced leave for one (1) regular semester during which period all benefits due them shall be suspended.[7]

SLU placed Cobarrubias on forced leave for the first semester of School Year (*SY*) 2007-2008 when she failed the evaluation for SY 2002-2003, SY 2005-2006, and SY 2006-2007, with the rating of 85, 77, and 72.9 points, respectively, below the required rating of 87 points.

To reverse the imposed forced leave, Cobarrubias sought recourse from the CBA's grievance machinery. Despite the conferences held, the parties still failed to settle their dispute, prompting Cobarrubias to file a case for illegal forced leave or illegal suspension with the National Conciliation and Mediation Board of the Department of Labor and Employment, Cordillera Administrative Region, Baguio City. When circulation and mediation again failed, the parties submitted the issues between them for voluntary arbitration before Voluntary Arbitrator (*VA*) Daniel T. Fariñas.

Cobarrubias argued that the CA already resolved the forced leave issue in a prior case between the parties, CA-G.R. SP No. 90596,[8] ruling that the forced leave for teachers who fail their evaluation for three (3) times within a five-year period should be coterminous with the CBA in force during the same five-year period.[9]

SLU, for its part, countered that the CA decision in CA-G.R. SP No. 90596 cannot be considered in deciding the present case since it is presently on appeal with this Court (G.R. No. 176717)[10] and, thus, is not yet final. It argued that the forced leave provision applies irrespective of which CBA is applicable, provided the employee fails her evaluation three (3) times in five (5) years.[11]

The Voluntary Arbitrator Decision

On October 26, 2007, VA Daniel T. Fariñas dismissed the case.[12] He found that the CA decision in CA-G.R. SP No. 90596 is not yet final because of the pending appeal with this Court. He noted that the CBA clearly authorized SLU to place its teaching employees on forced leave when they fail in the evaluation for three (3) years within a five-year period, without a distinction on whether the three years fall within one or two CBA periods. Cobarrubias received the VA's decision on November 20, 2007.[13]

On December 5, 2007, Cobarrubias filed with the CA a petition for review under Rule 43 of the Rules of Court, but failed to pay the required filing fees and to attach to the petition copies of the material portions of the record.[14]

Thus, on January 14, 2008, the CA dismissed the petition outright for Cobarrubias' procedural lapses.[15] Cobarrubias received the CA resolution, dismissing her petition, on January 31, 2008.[16]

On February 15, 2008, Cobarrubias filed her motion for reconsideration, arguing that the ground cited is technical. She, nonetheless, attached to her motion copies of the material portions of the record and the postal money orders for P4,230.00. She maintained that the ends of justice and fair play are better served if the case is decided on its merits.[17]

On July 30, 2008, the CA reinstated the petition. It found that Cobarrubias substantially complied with the rules by paying the appeal fee in full and attaching the proper documents in her motion for reconsideration.[18]

SLU insisted that the VA decision had already attained finality for Cobarrubias' failure to pay the docket fees on time.

The CA Decision

The CA brushed aside SLU's insistence on the finality of the VA decision and annulled it, declaring that the "three (3) cumulative years in five (5) years" phrase in Section 7.7(a) of the 2006-2011 CBA means within the five-year effectivity of the CBA. Thus, the CA ordered SLU to pay all the benefits due Cobarrubias for the first semester of SY 2007-2008, when she was placed on forced leave.[19]

When the CA denied[20] the motion for reconsideration that followed,[21] SLU filed the present petition for review on *certiorari*.[22]

The Petition

SLU argues that the CA should not have reinstated the appeal since Cobarrubias failed to pay the docket fees within the prescribed period, and rendered the VA decision final and executory. Even if Cobarrubias' procedural lapse is disregarded, SLU submits that Section 7.7(a) of the 2006-2011 CBA should apply irrespective of the five-year effectivity of each CBA.[23]

The Case for Cobarrubias

Cobarrubias insists that the CA settled the appeal fee issue, in its July 30, 2008 resolution, when it found that she had substantially complied with the rules by subsequently paying the docket fees in full. She submits that the CA's interpretation of Section 7.7(a) of the 2006-2011 CBA is more in accord with law and jurisprudence.[24]

The Issues

The core issues boil down to whether the CA erred in reinstating Cobarrubias' petition despite her failure to pay the appeal fee within the reglementary period, and in reversing the VA decision. To state the obvious, the appeal fee is a threshold issue that renders all other issues unnecessary if SLU's position on this issue is correct.

The Court's Ruling

We find the petition meritorious.

Payment of Appellate Court Docket Fees

Appeal is not a natural right but a mere statutory privilege, thus, appeal must be made strictly in accordance with the provision set by law.[25] Rule 43 of the Rules of Court provides that appeals from the judgment of the VA shall be taken to the CA, by filing a petition for review within fifteen (15) days from the receipt of the notice of judgment.[26] Furthermore, upon the filing of the petition, the petitioner shall pay to the CA clerk of court the docketing and other lawful fees;[27] non-compliance with the procedural requirements shall be a sufficient ground for the petition's dismissal.[28] Thus, payment in full of docket fees within the prescribed period is not only mandatory, but also jurisdictional.[29] It is an essential requirement, without which, the decision appealed from would become final and executory as if no appeal has been filed.[30]

As early as the 1932 case of *Lazaro v. Endencia and Andres*,[31] we stressed that the payment of the full amount of the docket fee is an indispensable step for the perfection of an appeal. In *Lee v. Republic*,[32] we decided that even though half of the appellate court docket fee was deposited, no appeal was deemed perfected

where the other half was tendered after the period within which payment should have been made. In *Aranas v. Endona,*[33] we reiterated that the appeal is not perfected if only a part of the docket fee is deposited within the reglementary period and the remainder is tendered after the expiration of the period.

The rulings in these cases have been consistently reiterated in subsequent cases: *Guevarra v. Court of Appeals*,[34] *Pedrosa v. Spouses Hill*,[35] *Gegare v. Court of Appeals*,[36] *Lazaro v. Court of Appeals*,[37] *Sps. Manalili v. Sps. de Leon*,[38] *La Salette College v. Pilotin*,[39] *Saint Louis University v. Spouses Cordero*,[40] *M.A. Santander Construction, Inc. v. Villanueva*,[41] *Far Corporation v. Magdaluyo*,[42] *Meatmasters Int'l. Corp. v. Lelis Integrated Dev't. Corp.*,[43] *Tamayo v. Tamayo, Jr.*,[44] *Enriquez v. Enriquez,*[45] *KLT Fruits, Inc. v. WSR Fruits, Inc.*,[46] *Tan v. Link,*[47] *Ilusorio v. Ilusorio-Yap*,[48] and most recently in *Tabigue v. International Copra Export Corporation (INTERCO),*[49] and continues to be the controlling doctrine.

In the present case, Cobarrubias filed her petition for review on December 5, 2007, fifteen (15) days from receipt of the VA decision on November 20, 2007, but paid her docket fees in full only after seventy-two (72) days, when she filed her motion for reconsideration on February 15, 2008 and attached the postal money orders for P4,230.00. Undeniably, the docket fees were paid late, and without payment of the full docket fees, Cobarrubias' appeal was not perfected within the reglementary period.

Exceptions to the Rule on Payment of Appellate Court Docket Fees not applicable

Procedural rules do not exist for the convenience of the litigants; the rules were established primarily to provide order to and enhance the efficiency of our judicial system.[50] While procedural rules are liberally construed, the provisions on reglementary periods are strictly applied, indispensable as they are to the prevention of needless delays, and are necessary to the orderly and speedy discharge of judicial business.[51]

Viewed in this light, procedural rules are not to be belittled or dismissed simply because their non-observance may have prejudiced a party's substantive rights; like all rules, they are required to be followed. However, there are recognized exceptions to their strict observance, such as: (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 the appellant's fault; (10) peculiar, legal and equitable circumstances attendant to each case; (11) in the name of substantial justice and fair play; (12) importance of the issues involved; and (13) exercise of sound discretion by the judge, guided by all the attendant circumstances.[52] Thus, there should be an effort, on the part of the party invoking