

SECOND DIVISION

[G.R. No. 176748, September 01, 2010]

JUDY O. DACUITAL,^[1] EUGENIO L. MONDANO, JR., JOSEPH GALER,^[2] MARIANO MORALES, ROBERTO RUANCE, JOSEPH PORCADILLA, RAULITO PALAD, RICARDO DIGAMON, NONITO PRISCO , EULOGIO M. TUTOR, MELVIN PEPITO, HELYTO N. REYES,^[3] RANDOLF C. BALUDO, ALBERTO EPONDOL, RODELO A. SUSPER,^[4] EVARISTO VIGORI,^[5] JONATHAN P. AYAAY, FELIPE ERILLA, ARIS A. GARCIA, ROY A. GARCIA, AND RESTITUTO TAPANAN, PETITIONERS, VS. L.M. CAMUS ENGINEERING CORPORATION AND/OR LUIS M. CAMUS, RESPONDENTS.

DECISION

NACHURA, J.:

This is a Petition for Review on *Certiorari* under Rule 45 of the Rules of Court, assailing the Court of Appeals (CA) Decision^[6] dated September 25, 2006 and Resolution^[7] dated February 14, 2007 in CA-G.R. SP No. 90377.

The case stemmed from the following factual and procedural antecedents:

Respondent L.M. Camus Engineering Corporation (LMCEC) is a domestic corporation duly organized and existing under and by virtue of Philippine laws, engaged in construction, engineering, and air-conditioning business; while respondent Luis M. Camus (Camus) is the company president.

Petitioners Judy O. Dacuita (Dacuita), Eugenio L. Mondano, Jr., Joseph Galer (Galer), Mariano Morales, Roberto Ruance (Ruance), Joseph Porcadilla, Raulito Palad (Palad), Ricardo Digamon (Digamon), Nonito Prisco, Eulogio M. Tutor, Melvin Pepito, Helyto N. Reyes (Reyes), Randolph C. Baludo (Baludo), Alberto Epondol, Rodelo A. Susper, Evaristo Vigori, Jonathan P. Ayaay, Felipe Erilla, Aris A. Garcia (Aris), Roy A. Garcia (Roy), and Restituto Tapanan (Tapanan) were hired by LMCEC as welder, tinsmith, pipefitter, and mechanical employees.^[8]

During the months of January, February and March 2001, petitioners were required by LMCEC to surrender their identification cards and ATM cards and were ordered to execute contracts of employment. Most of the petitioners did not comply with the directive as they believed that it was only respondents' strategy to get rid of petitioners' regular status since they would become new employees disregarding their length of service. Petitioners were later dismissed from employment.^[9]

Hence, the complaint for illegal dismissal and non-payment of monetary benefits filed by petitioners and other LMCEC employees who were similarly situated, namely: Guillermo S. Lucas (Lucas), Alvin Bontugay, Rector Palajos, and Hermes B.

Pacatang (Pacatang), against respondents before the National Labor Relations Commission (NLRC). The employees alleged that they were illegally dismissed from employment and that their employer failed to pay them their holiday pay, premium pay for holiday, rest day, service incentive leave pay, and 13th month pay during the existence and duration of their employment. They also averred that they were not provided with sick and vacation leaves.^[10]

Respondents denied that petitioners were illegally dismissed from employment. They claimed that petitioners were project employees and, upon the completion of each project, they were served notices of project completion.^[11] They clarified that the termination of petitioners' employment was due to the completion of the projects for which they were hired.^[12]

Petitioners, however, countered that they were regular employees as they had been engaged to perform activities which are usually necessary or desirable in the usual business or trade of LMCEC. They denied that they were project or contractual employees because their employment was continuous and uninterrupted for more than one (1) year. Finally, they maintained that they were part of a work pool from which LMCEC drew its workers for its various projects.^[13]

On July 24, 2002, Labor Arbiter (LA) Lilia S. Savari rendered a decision,^[14] the dispositive portion of which reads:

WHEREFORE, a Decision is hereby rendered declaring the dismissal of the complainants illegal. Corollarily, except for complainant Helyto N. Reyes, who has voluntarily withdrawn his case against the respondents, all the other complainants are hereby ordered to report to respondents for reinstatement but without backwages.

All other claims are dismissed for lack of merit.

SO ORDERED.^[15]

The LA did not give credence to respondents' claim that petitioners were project employees because of the former's failure to present evidence showing that petitioners' contracts of employment reflected the duration of each project for which they were employed and that respondents duly reported to the Department of Labor and Employment every termination of employment and project. As petitioners' dismissal was without just and valid cause, the LA ruled that their termination from employment was illegal. However, the LA refused to award backwages and other monetary claims on the ground that petitioners' employment was not continuous as they belonged to the regular work pool of LMCEC.^[16]

The employees jointly filed a partial appeal to the NLRC, except Pacatang and Lucas who filed their separate appeal. On the other hand, the Administrative Officer of LMCEC issued individual communications to petitioners directing their reinstatement pursuant to the LA decision.^[17]

On June 9, 2004, the NLRC modified^[18] the LA decision, the dispositive portion of which reads:

WHEREFORE, the employees enumerated above are hereby ordered reinstated with limited backwages, without loss of seniority rights and other privileges.

The computation division of the RAB-NCR is hereby ordered to compute the award as herein established.

SO ORDERED.^[19]

The NLRC agreed with the LA that petitioners were illegally dismissed from employment. As a consequence of this pronouncement, the tribunal deemed it proper not only to reinstate them to their original position but also to give them their backwages. However, in view of the delayed resolution of the case that could not be attributed to respondents, the NLRC limited the award of backwages from the date of dismissal up to six (6) months after the case was elevated on appeal on September 23, 2002.^[20] The appeal filed by Pacatang and Lucas was dismissed for having been filed out of time.

Respondents and complainants Pacatang and Lucas moved for the reconsideration of the NLRC decision. In a Resolution^[21] dated April 11, 2005, the NLRC denied the motion for reconsideration filed by respondents, but granted that of Pacatang and Lucas, thereby entitling the latter to receive backwages.

Petitioners subsequently moved for the execution of the NLRC decision. Respondents, however, filed a Clarificatory Motion and Opposition to the Motion for Issuance of Entry of Judgment and Writ of Execution and for Recomputation of the Monetary Award^[22] in view of respondents' petition before the CA and the reinstatement of some of the employees.

In an Order^[23] dated August 23, 2005, the NLRC granted the motion. The NLRC took into consideration the fact that some of the employees who were earlier dismissed from employment had actually been reinstated. Hence, it limited the award of backwages from illegal dismissal up to the date of actual reinstatement. These employees who were actually reinstated were Galer, Ruance, Palad, Digamon, Aris, Roy, and Baludo.^[24]

In the meantime, in their petition before the CA, respondents obtained a favorable decision when the appellate court declared petitioners' termination from employment valid and legal and consequently set aside the award of backwages.^[25] The pertinent portion of the decision reads:

IN VIEW WHEREOF, the Petition is **GRANTED**. The assailed Decision (dated June 9, 2004) of the National Labor Relations Commission is hereby **MODIFIED**. The termination from employment of the public respondents herein are declared valid and legal. Their award of

backwages computed from the date of their termination are (sic) **SET ASIDE**.

SO ORDERED.^[26]

Contrary to the conclusions of the LA and the NLRC, the CA held that petitioners were project employees as their employment contracts provided that their respective tenures of employment were dependent on the duration of the construction projects. As such employees, their employment could lawfully be terminated upon the completion of the project for which they were hired. Consequently, there was no illegal dismissal.^[27] Petitioners' motion for reconsideration was denied on February 14, 2007.^[28]

Aggrieved, petitioners come to us seeking a review of the CA Decision, anchored on the following issues:

- I. Whether or not the Findings of the Honorable Labor Arbiter as affirmed by the Honorable National Labor Relations Commission should be accorded high respect and finality.
- II. Whether or not Petitioners were regular employees of respondent Corporation.
- III. Whether or not Complainants were illegally dismissed from their employment.^[29]

Petitioners aver that the CA erred in completely disregarding the findings of the LA, as affirmed by the NLRC, in view of the settled rule that findings of fact and conclusions of law of quasi-judicial agencies like the NLRC are generally entitled to great respect and even finality. They also insist that they were regular employees, considering that the services they rendered were not only necessary but also indispensable to LMCEC's business. They likewise claim that they had been in the service for a continuous period and a considerable length of time, and are in fact members of a work pool from which LMCEC draws its workers for its projects. Hence, even if they were initially hired as project employees, they eventually attained the status of regular employees. Petitioners also insist that they were illegally dismissed as their employment was terminated without just and valid cause, and without affording them due process of law. Lastly, petitioners claim that the NLRC had previously rendered decisions in favor of LMCEC employees who were similarly situated, hence, their case should also be decided in favor of labor.^[30]

The petition is meritorious.

We discuss first the procedural issues.

Respondents point out that the decision of the LA had attained finality, except as to Palad, because of their failure to appeal. They explain that the Memorandum on Appeal filed with the NLRC was verified only by Palad without stating therein that he did it in representation of the other petitioners. In view of the finality of the NLRC

decision, the instant petition should not prosper.

We do not agree.

Our pronouncement in *Pacquing v. Coca-Cola Philippines, Inc.*^[31] is instructive.

As to the defective verification in the appeal memorandum before the NLRC, the same liberality applies. After all, the requirement regarding verification of a pleading is formal, not jurisdictional. Such requirement is simply a condition affecting the form of pleading, the non-compliance of which does not necessarily render the pleading fatally defective. Verification is simply intended to secure an assurance that the allegations in the pleading are true and correct and not the product of the imagination or a matter of speculation, and that the pleading is filed in good faith. The court or tribunal may order the correction of the pleading if verification is lacking or act on the pleading although it is not verified, if the attending circumstances are such that strict compliance with the rules may be dispensed with in order that the ends of justice may thereby be served.

Moreover, no less than the Labor Code directs labor officials to use reasonable means to ascertain the facts speedily and objectively, with little regard to technicalities or formalities; while Section 10, Rule VII of the New Rules of Procedure of the NLRC provides that technical rules are not binding. Indeed, the application of technical rules of procedure may be relaxed in labor cases to serve the demand of substantial justice. Thus, the execution of the verification in the appeal memorandum by only two complainants in behalf of the other complainants also constitute substantial compliance.^[32]

Clearly, the NLRC properly took cognizance of the appeal of all the named complainants even though it was signed by only one of them. While the right to appeal is a statutory and not a natural right, it is nonetheless an essential part of our judicial system. Courts are, therefore, advised to proceed with caution, so as not to deprive a party of the right to appeal. Litigants should have the amplest opportunity for the proper and just disposition of their cause - free, as much as possible, from the constraints of procedural technicalities.^[33] Thus, contrary to respondents' claim, the decision had not attained finality even as to those who did not sign the appeal memorandum.

Now on the substantive aspect.

The issues boil down to whether the CA was correct in concluding that petitioners were project employees and that their dismissal from employment was legal.

We answer in the negative.

Even if the questions that need to be settled are factual in nature, this Court nevertheless feels obliged to resolve them due to the incongruent findings of the NLRC and the LA and those of the CA.^[34]