513 Phil. 642

THIRD DIVISION

[G.R. NO. 147623, December 13, 2005]

STOLT-NIELSEN MARINE SERVICES, INC. (NOW STOLT-NIELSEN TRANSPORTATION GROUP, INC.), PETITIONER, VS. NATIONAL LABOR RELATIONS COMMISSION, LABOR ARBITER ARIEL C. SANTOS, RICARDO O. ATIENZA AND RAMON ALPINO, RESPONDENTS.

D E C I S I O N

GARCIA, J.:

Before the Court is this petition for review under Rule 45 seeking the reversal of the decision[1] dated March 29, 2000 of the Court of Appeals in *CA-G.R. No. 51046* and its Resolution dated March 2, 2001, denying petitioner's motion for reconsideration.

The assailed decision affirmed the resolution[2] dated August 29, 1997 of the National Labor Relations Commission (NLRC) denying petitioner's *Urgent Motion to Reduce or be Exempted from Filing an Appeal Bond.*

The factual background of the case may be stated, as follows:

In 1978, herein private respondent Ramon Alpino was employed as motorman by petitioner Stolt Nielsen Marine Services, Inc., a corporation based in Connecticut, U.S.A., for the latter's vessel "M/T Stolt Sincerity." Respondent's employment with petitioner, albeit not continuous, lasted until 1984 when he was repatriated to the Philippines after being diagnosed with Cardiac Enlargement, Pulmonary Hypertension and Acute Psychotic Reaction and declared unfit for sea duty.

In early 1985, respondent filed a complaint before the Philippine Overseas and Employment Agency (POEA), docketed as POEA Case No. (M) 85-01-039, for *recovery of sickness and disability benefits and claim for personal belongings and underpayment of wages* against petitioner. Petitioner offered to amicably settle the money claims of respondent, which offer was accepted by respondent's sister and attorney-in-fact Anita Alpino by virtue of a Special Power of Attorney (SPA). Thus, on March 21, 1985, respondent, through his sister and attorney-in-fact, executed a "Receipt and Release" whereby he acknowledged receipt of the sum of P130,000.00 representing disability benefits, medical and hospitalization expenses, and damages. On the basis of said "Receipt and Release," POEA dismissed Case No. (M) 85-01-039.

In December 1987, another complaint against petitioner was lodged by respondent before the POEA for the same causes of action (*recovery of sickness and disability benefits and claim for personal belongings and underpayment of wages*). The case, docketed as POEA Case No. (M) 87-12-997, was dismissed by the POEA on ground of res judicata.

On March 14, 1989, respondent filed another complaint against petitioner, this time with the Regional Trial Court (RTC) at Quezon City, docketed as Civil Case No. Q-89-2009, for the *Annulment of the Receipt and Release*. In his complaint, respondent alleged that he was mentally incapacitated to execute the SPA in favor of his sister Anita Alpino. In an Order dated July 16, 1993, the RTC dismissed Civil Case No. Q-89-2009 for insufficiency of evidence. Therefrom, respondent went to the Court of Appeals which affirmed[3] the RTC's judgment of dismissal. In time, respondent moved for a reconsideration but his motion was denied by the appellate court.[4]

Undaunted, on July 26, 1994, respondent filed a case against petitioner with the POEA for *recovery of sickness and disability benefits,* allegedly arising from his sickness while under the latter's employ. The case was docketed as **POEA Case No. (M) 94-07-2223.**

By reason of the passage of Republic Act 8042, otherwise known as the *Migrant Workers and Overseas Filipinos Act of 1995,*[5] POEA Case No. (M) 94-07-2223 was transferred to the NCR-Arbitration Branch of the NLRC and assigned to herein public respondent, Labor Arbiter Ariel Santos.

On May 6, 1997, Labor Arbiter Santos rendered a decision declaring "invalid and ineffectual" the SPA executed by respondent in favor of his sister Anita and the subsequent *Receipt and Release* signed by the latter in behalf of her brother. In resolving the case, Labor Arbiter Santos ratiocinated as follows:

> The principal issue to be resolved is whether or not the special power of attorney executed by [respondent] in favor of [his] sister and the subsequent Receipt and Release are valid documents to forestall any claim by [respondent].
>
> After a careful and judicious study of the respective pleadings and pieces of evidence submitted by both parties, undersigned finds that the documents adverted and relied upon by [petitioner] to negate [respondent's] claim are shot with loopholes that would render it voidable and unenforceable.
>
> First, it is to be noted that [petitioner] did not controvert the merit of [respondent's] claim for sickness and disability benefits but relied mainly on the invalid Receipt and Release signed by [respondent's] sister as the basis for dismissing [respondent's] claim.
>
> A cursory look at the documents Receipt and Release and the Special Power of Attorney marked as Annex "1" and Annex "2," respectively, would readily indicate that they were prepared with haste and haphazardly to render it valid and lawful. Both documents were prepared on the same day. In fact, the Receipt and Release was not even executed under oath so that its due execution is put under a cloud of doubt.
>
> Secondly, even gratia argumenti that the documents adverted to are valid and were entered into voluntarily, the consideration thereof is oppressive, unreasonable and unconscionable. It is a public policy that

where the consideration in a public document is disproportionately unconscionable to the claims of [respondent] who was declared to be mentally unfit, the State should step in to protect the rights of the aggrieved party and declare the same document to be invalid and without force and effect.

Thirdly, the consideration of P130,000.00 paid by [petitioner] to [respondent's] attorney-in-fact corresponds only to [respondent's] claim for lost luggages and should not extinguish [respondent's] right to claim for sickness and disability benefits as recognized under insurance health cover before any seaman can board any foreign vessel.[6]

The dispositive portion of Labor Arbiter Santos' decision states:

WHEREFORE, finding the subject documents Annex "1" and Annex "2" of [petitioner's] Answer to be invalid and ineffectual, [petitioner] is hereby directed to pay [respondent's] claim for sickness and disability benefits.

The Research and Information Unit is hereby ordered to make the proper computation which will become part and parcel of this decision.

SO ORDERED.[7] [Words in brackets added].

In compliance with the above directive, herein other public respondent Ricardo Atienza, Acting Chief of Research and Information Unit of NLRC, made a computation of respondent Alpino's claim for sickness and disability benefits as follows:

Sickness benefit for October 1979 (Payment for sickness & operation)	=US$11,427.32
Injury and sickness for Sept. 1980 (Payment for last finger cut)	= 5,568.42
Sickness benefit for March 1985 (Payment for sickness of Acute Psychotic Reaction)	= 28,810.60
TOTAL AWARD	**=US$45,806.34**[8]

On July 25, 1997, or seven days after its receipt of the aforementioned Labor Arbiter's decision, petitioner filed with the respondent NLRC its *Appeal with Attached Urgent Motion to Reduce or be Exempted from Filing Appeal Bond.*[9] Petitioner argued therein that the money claims of respondent Alpino were already barred by prescription; that said claims should have been dismissed by the Labor Arbiter on ground of res judicata; and that the validity of the *Receipt and Release* and the Special Power of Attorney had already been passed upon by the RTC of Quezon City in Civil Case No. Q-89-2009 and affirmed by the Court of Appeals.

In a Resolution[10] dated August 29, 1997, respondent NLRC affirmed the Labor Arbiter's decision and denied *petitioner's Urgent Motion to Reduce or be Exempted from Filing an Appeal Bond* on account of petitioner's failure to post cash or surety bond within the reglementary period. In so ruling, the NLRC reasoned:

> The URGENT MOTION TO REDUCE OR BE EXEMPTED FROM FILING APPEAL BOND is denied.
>
> Sections 6 and 7, Rule VI of the New Rules of Procedure of the NLRC provides:
>
> > "SECTION 6. BOND. – In case the decision of a Labor Arbiter, POEA Administrator and Regional Director or his duly authorized hearing officer involves a monetary award, an appeal by the employer shall be perfected only upon the posting of a cash or surety bond issued by a reputable bonding company duly accredited by the Commission or the Supreme Court in an amount equivalent to the monetary award xxx."
> >
> > "SECTION 7. NO EXTENSION OF PERIOD. – No motion or request for the extension of the period within which to perfect an appeal shall be allowed."
>
> The aforequoted provisions are very clear, that all the requirements for the perfection of an appeal must be made and complied with within the reglementary period to appeal, that is: the filing of the appeal and the posting of a cash or surety bond must be made within the period of ten (10) days. The filing of a Motion to Reduce Bond will not suspend the running of the ten (10) days period. If at all, the movant should have secured the approval of the Commission for the reduction of bond within the same period allowed by law. Considering that the movant failed to comply with the requirements for perfecting an appeal, said motion is therefore denied.

The NLRC then decreed:

> WHEREFORE, the URGENT MOTION TO REDUCE OR BE EXEMPTED FROM FILING APPEAL BOND is DENIED for non-perfection of the appeal.
>
> Accordingly, the decision dated May 6, 1997 is AFFIRMED in toto.

Its motion for reconsideration having been denied by the NLRC in its decision dated October 28, 1997[11] petitioner went to this Court *via* a petition for *certiorari* which this Court referred to the Court of Appeals pursuant to its September 16, 1998 decision in *St. Martin Funeral Home vs. National Labor Relations Commission.*[12]

As stated at the threshold hereof, the appellate court, in its decision of March 29, 2000, affirmed the judgment of the NLRC, thus:

> The law is clear. An appeal, per article 223 of the Labor Code, shall be perfected only upon posting of a cash or surety bond in cases involving monetary award. On perfection of appeal, it is well entrenched in this jurisdiction that perfection of an appeal within the period and in the manner prescribed by law is jurisdictional and non-compliance with such requirement is fatal and has the effect of rendering the judgment final and executory.

In implementing article 223, respondent NLRC however laid down the rule allowing reduction of the amount of bond which it can approve in meritorious cases. There is a caveat however that the filing of the motion to reduce bond does not stop the running of the period to perfect appeal.

The plain import of article 223 of the Labor Code and the amended section 6, Rule VI of the New Rules of Procedure is that the reduction of the bond should be approved within the ten (10) day appeal period and the appellant should exert its utmost diligence to obtain the approval of respondent NLRC before the lapse of the period or else there is a big risk that the appeal will be dismissed for non-perfection of the appeal due to the absence of the appeal bond. This is evident form the last sentence of Section 6, Rule VI that "the filing xxx of the motion to reduce bond shall not stop the running of the period to perfect appeal." Thus the present rule is unequivocal that the filing of the motion does not toll the running of the period of appeal and the logical implication and inevitable result is the dismissal of the appeal if the reduction is denied. xxx. Thus respondent NLRC correctly affirmed the decision of Arbiter Santos since the appeal was not perfected due to lack of an appeal bond.

xxx xxx xxx

There being no capricious, arbitrary or whimsical exercise judgment on the part of respondent NLRC, this petition perforce must fall.

With its motion for reconsideration having been denied by the appellate court in its Resolution of March 2, 2001, petitioner is now with us on the following grounds:

I.

IN DISMISSING PETITIONER'S PETITION FOR CERTIORARI, IN EFFECT, AFFIRMING PUBLIC RESPONDENT NLRC, THE HONORABLE COURT OF APPEALS, IN EFFECT, SANCTIONED THE DECISION DATED MAY 6, 1997 OF PUBLIC RESPONDENT LABOR ARBITER WHICH ON ITS FACE WAS MANIFESTLY RENDERED IN EXCESS OF HIS JURISDICTION IN THAT –

A. AS SHOWN IN THE UNILATERAL COMPUTATION OF PUBLIC RESPONDENT ATIENZA WHICH FORMED PART OF PUBLIC RESPONDENT LABOR ARBITER'S DECISION DATED MAY 6, 1997, THE QUESTIONED AWARD IN THE AMOUNT OF US$45,806.34 ALLEGEDLY REPRESENTING DISABILITY AND SICKNESS BENEFITS FOR OCTOBER 1979, SEPTEMBER 1980, AND MARCH 1985 IS CLEARLY BARRED BY PRESCRIPTION AS PRIVATE RESPONDEN'S COMPLAINT WAS FILED ONLY ON JULY 26, 2994;

B. THE ALLEGED MONEY CLAIM IS ALREADY BARRED BY *RES JUDICATA*, NOT ONCE, BUT TWICE, AS THE SAME HAD ALREADY BEEN RULED UPON BY THE POEA, THE QUASI-JUDICIAL BODY WHICH THEN HAD THE JURISDICTION OVER SAID CLAIM IN ITS ORDERS, TO WIT –

    i. ORDER DATED APRIL 17, 1985 IN POEA CASE NO. (M) 85-01-039 DISMISSING THE CASE WITH