

## THIRD DIVISION

[ CA-G.R. SP. No. 132867, January 30, 2015 ]

### MA. GLADYS L. JADIE, PETITIONER, VS. NATIONAL LABOR RELATIONS COMMISSION AND PHILIPPINE AIRLINES, INC., RESPONDENTS.

#### DECISION

#### **GONZALES-SISON, M., J.:**

This Petition for Certiorari filed by Ma. Gladys L. Jadie assails the August 29, 2013 Decision<sup>[1]</sup> and October 8, 2013 Resolution<sup>[2]</sup> of the National Labor Relations Commission (NLRC) in NLRC-LER Case No. 08-227-13.

#### The Facts

The facts, as contained in the NLRC decision, are as follows:

On May 27, 2009, petitioner PAL received a letter from private respondent Jadie's counsel asking that it pay their client "*her backwages in the amount of P2,024,865.00 plus attorney's fees without prejudice to her other claims as are still pending with the Supreme Court, x x x, to obviate the tedious and time-consuming procedure for execution of the award x x x.*" Petitioner PAL claimed that it acceded and negotiated with private respondent Jadie on the payment of her monetary award. Petitioner PAL further maintained that it informed private respondent Jadie's counsel through email on August 24, 2009 of their willingness to pay her backwages and attorney's fees, net of withholding taxes, and that they have prepared the check payment for Php1,600,021.72 and the corresponding BIR Form for withholding tax.

Petitioner PAL alleged that thereafter they only heard from private respondent Jadie when they received on October 19, 2009 her motion for execution dated October 1, 2009 in NLRC NCR Case No. 00-06-06290-99 that she filed with the Commission seeking the payment of the award of backwages and attorney's fees, which petitioner PAL asserted they were earlier already willing to pay but net of withholding tax. In her motion for execution, private respondent Jadie manifested that, pursuant to Section 1, Rule XI of the Revised Rules of Procedure of the NLRC, the issuance of a writ is now proper considering that (1) the Commission's decision dated March 25, 2002 has been affirmed by the Court of Appeals in CA-G.R. SP No. 71213 and by the Supreme Court in G.R. No. 184132, and that (2) the Supreme Court's dismissal of the latter petition (G.R. No. 184132) had already become final on February 11, 2009.

Petitioner PAL recounted that when it was directed by Labor Arbiter

Romelita N. Rioflorido to comment on private respondent Jadie's motion for execution, it pointed out that the subject of the pending consolidated Supreme Court cases docketed as G.R. No. 178510 (where private respondent Jadie is also a respondent) and G.R. No. 178501 (where private respondent Jadie is one of the petitioners) is interconnected with the Commission's decision dated March 25, 2002. Petitioner PAL further maintained that as early as July 10, 2009 it in fact filed a manifestation and motion to dismiss with the Supreme Court in G.R. No. 178501 stressing that private respondent Jadie's claims had already been fully adjudicated in G.R. No. 184132. In her counter-manifestation and opposition to petitioner PAL's motion to dismiss therein, private respondent Jadie purportedly claimed that the Commission's decision dated March 25, 2002 was not yet final stressing that she and her co-pilots questioned said decision before the Court of Appeals in CA-G.R. SP No. 71190.

On February 3, 2010, Labor Arbiter Rioflorido denied private respondent Jadie's motion for execution holding that *"Out of judicial courtesy, since it appears that the question of whether or not the March 25, 2002 decision of the NLRC has attained finality insofar as Gladys L. Jadie is concerned is now before the Supreme Court as a related issue in G.R. Nos. 178501 and 178510, this Office deems it appropriate to await the ruling of the Supreme Court on such issue to avoid pre-empting the said ruling."* Private respondent Jadie appealed Labor Arbiter Rioflorido's denial of her motion for execution with the Commission in NLRC CA NO. 027348-01 (AE-03-10) but which the latter affirmed in its Resolution dated September 30, 2010 holding that *"it is more appropriate to wait for the ruling of the Supreme Court in that pending petition before it, in observance of judicial courtesy."*

Private respondent Jadie elevated the matter before the Court of Appeals through a petition for certiorari docketed as CA G.R. SP No. 118796. On February 10, 2012, the Court of Appeals granted private respondent Jadie's petition reversing and setting aside the Commission's Resolution dated September 30, 2010 in NLRC CA NO. 02-7348-01 (AE-03-10), thus paving the way for the issuance of a writ of execution as to private respondent Jadie's award of backwages. This was no longer appealed by petitioner PAL and thus became final on March 5, 2012, which was also not opposed by petitioner PAL. Petitioner PAL averred that private respondent Jadie was paid her backwages and attorney's fees on October 29, 2012.

Private respondent Jadie filed another motion for execution dated November 15, 2012, for the payment of legal interest on the money award of Php2,227,351.50 based on the March 25, 2002 decision of the Commission computed from its finality on February 11, 2009 until the satisfaction of said monetary award on October 29, 2012. This was opposed by petitioner PAL in its comment dated November 26, 2012.

On July 15, 2013, the assailed Order was promulgated which ordered the issuance of a Writ of Execution for the satisfaction of the amount of Php994,289.70 as legal interests due to private respondent Jadie.

On August 29, 2013, the NLRC promulgated the assailed decision, the *fallo* of which reads:

**WHEREFORE**, the petition filed under Rule XII (Extraordinary Remedies) of the 2011 NLRC Rules of Procedure is **GRANTED**.

Accordingly, the Order dated July 15, 2013 decreeing award of legal interests is hereby **SET ASIDE**.

**SO ORDERED.**<sup>[3]</sup>

The NLRC held that Jadie herself caused the delay in the enforcement of the decision for the payment of backwages amounting to P2,024,865.00 plus attorney's fees in her favor. The NLRC further ruled that the respective decisions of the Labor Arbiter, the NLRC and the Court of Appeals did not order the payment of legal interests.

Petitioner Jadie filed a motion for reconsideration but the NLRC denied the motion in a Resolution dated October 8, 2013.

Hence, this petition. Petitioner assigns the following errors on the part of the NLRC:

- I. THE NLRC COMMITTED GRAVE ABUSE OF DISCRETION AND/OR ACTED IN EXCESS OF OR WITHOUT JURISDICTION IN ISSUING ITS 29 AUGUST 2013 DECISION, AS REITERATED IN ITS 8 OCTOBER 2013 RESOLUTION, WITHOUT FIRST HEARING PETITIONER, IN VIOLATION OF SECTION 7, RULE XII OF ITS OWN 2011 RULES OF PROCEDURE GIVING PETITIONER A PERIOD OF 10 DAYS FROM RECEIPT OF PAL'S PETITION TO FILE AN ANSWER, AND IN VIOLATION OF PETITIONER'S RIGHT TO DUE PROCESS.
  
- II. THE NLRC COMMITTED GRAVE ABUSE OF DISCRETION AND/OR ACTED IN EXCESS OF OR WITHOUT JURISDICTION IN RULING THAT PAL IS NOT LIABLE TO PAY PETITIONER LEGAL INTEREST FOR DELAYED PAYMENT OF HER FINAL AND EXECUTORY MONETARY JUDGMENT, IN THAT:
  - A) LEGAL INTEREST IS IMPOSED BY LAW, AND BECOMES DUE AS SOON AS A JUDGMENT FOR A MONETARY AWARD BECOMES FINAL AND EXECUTORY. IT IS NOT REQUIRED TO BE PRAYED FOR, NOR SPECIFICALLY STATED IN THE JUDGMENT. NEITHER DOES IT CONSTITUTE AN "ADDITION" TO AN AWARD WHICH HAS ALREADY BECOME FINAL; NOR DOES IT VARY THE TERMS OF THE FINAL JUDGMENT.
  
  - B) THE NLRC COMMITTED GRAVE ERROR IN CONSIDERING THE 26 MAY 2009 LETTER OF PETITIONER'S COUNSEL SEEKING OUT-OF-COURT PAYMENT OF HER FINAL AND EXECUTORY MONETARY JUDGMENT IN ARRIVING AT ITS QUESTIONED 29 AUGUST 2013 DECISION, AS REITERATED IN ITS 8 OCTOBER 2013 RESOLUTION, SAID LETTER BEING INADMISSIBLE EVIDENCE UNDER SECTION 27, RULE 130 OF THE RULES OF COURT.

- C) THE HOLDING OF THE NLRC THAT THE WRIT OF EXECUTION ISSUED BY THE LABOR ARBITER DIRECTING THE PAYMENT OF LEGAL INTEREST DUE TO DELAY IN [THE] PAYMENT OF PETITIONER'S FINAL AND EXECUTORY MONETARY JUDGMENT IS NULL AND VOID, BECAUSE IT IS SUPPOSEDLY NOT BASED ON A FINAL JUDICIAL DETERMINATION, IS ILLOGICAL AND ABSURD, BEING UTTERLY WITHOUT BASIS IN FACT AND IN LAW.
- D) PAL'S BEING "(WILLING TO PAY (PETITIONER'S) BACKWAGES AND ATTORNEY'S FEES, NET OF WITHHOLDING TAX", IS NOT THE VALID AND LEGAL TENDER REQUIRED AND PROCEDURALLY OUTLINED BY LAW UNDER ARTICLES 1256, ET SEQ. OF THE CIVIL CODE THAT WOULD RELEASE PAL FROM ITS OBLIGATION TO PAY PETITIONER LEGAL INTEREST DUE TO DELAY IN [THE] PAYMENT OF PETITIONER'S FINAL AND EXECUTORY MONETARY JUDGMENT.
- E) PENALIZING PETITIONER FOR AVAILING OF A REMEDY GRANTED TO HER BY RULE 65 OF THE RULES OF COURT HAS NO LEGAL BASIS WHATSOEVER AND IS EXTREMELY UNJUST AND OPPRESSIVE AS WELL.

### **The Issues**

As presented, the issues submitted boil down to: a) whether the NLRC's August 29, 2013 Decision and October 8, 2013 Resolution were issued in violation of petitioner's right to due process, and b) whether petitioner is liable for the payment of legal interest after PAL supposedly tendered its payment of the judgment award.

Petitioner argues that it received a copy of PAL's Petition dated August 12, 2013 before the NLRC on August 22, 2013. Claiming that the 10<sup>th</sup> day of the reglementary period<sup>[4]</sup> within which to file an answer fell on a Sunday, petitioner filed its Answer with Opposition on September 2, 2013, a Monday and the first working day immediately following such Sunday<sup>[5]</sup>. The NLRC promulgated its decision on August 29, 2013. Further, petitioner asserts that it is entitled to the payment of legal interest from the finality of the NLRC Decision<sup>[6]</sup> dated March 25, 2002, directing PAL to pay backwages, separation pay and attorney's fees in favor of petitioner.

In its Comment<sup>[7]</sup>, PAL maintains that the March 25, 2002 NLRC Decision has not yet become final and executory with respect to petitioner because it is the subject of consolidated cases<sup>[8]</sup> pending before the Supreme Court. PAL insists that as early as August 20, 2009, it already informed petitioner of its willingness to pay the monetary awards net of withholding taxes. According to PAL, it constitutes a valid tender of payment that was refused by petitioner and thus, should not be faulted for the delay in the payment of the judgment obligation.

### **Our Ruling**