

## **FOURTH DIVISION**

**[ CA-G.R. SP NO. 119353, November 19, 2014 ]**

**FALCON MARITIME & ALLIED SERVICES, INC., HANJIN TRADING CO., AND/OR FLORIDA Z. JOSE, PETITIONERS, VS. QUIRINO B. OLA JR., ABRAHAM B. RAMOS, MELVIN R. PRUDENCIO, JEFFERSON I. SALUNGKIT, SALVADOR V. CORPUZ, AND ROWEL ROGER A. RUMBAOA, PRIVATE RESPONDENTS.**

**HON. NUMERIANO D. VILLENA, HON. ANGELO ANG PALANA AND HON. HERMINIO V. SUELO, IN THEIR CAPACITY AS COMMISSIONERS OF THE FOURTH DIVISION OF THE NATIONAL LABOR RELATIONS COMMISSION, QUEZON CITY, PUBLIC RESPONDENTS.**

### **DECISION**

**SORONGON, J.:**

Via this Petition for Certiorari under Rule 65 of the Rules of Court, petitioners seek the nullification of the September 30, 2010 Resolution<sup>[1]</sup> of the National Labor Relations Commission (NLRC), Fourth Division, for having been allegedly rendered with grave abuse of discretion amounting to lack or excess of jurisdiction.

In their Position Paper, private respondents alleged that they were hired by Falcon Maritime and Allied Services (Falcon for brevity) to work as utility men on board IN SUNG I, a vessel owned and operated by its foreign principal Hanjin Trading Co. (Hanjin) with a monthly salary of US\$215.00 for a period of one (1) year.

Private respondents departed sometime in 2008 for Montiviedo, Uruguay where IN SUNG I was docked. However, when they arrived thereat, they boarded IN SUNG 66 instead of IN SUNG I. In that vessel, they were required to work for seven (7) days a week and for eighteen (18) hours a day. Their salary for the first two months were withheld as a deposit fee subject to refund at the end of their contract. Notwithstanding the long and tedious hours of work, they were not paid their overtime pay and vacation leave credits as mandated by the POEA-Standard Employment Contract for Filipino Seafarers.

Private respondents finished their contract on December 24, 2009 and they returned home without getting the refund of their deposit fee. Hence, they instituted a complaint for money claims, specifically for payment of overtime pay differentials, leave benefits and refund of deposit fee.

For failure of petitioners to file their Position Paper despite due notice, the Labor Arbiter on June 29, 2010 proceeded to resolve the case without such pleading in this wise:

*"WHEREFORE, premises considered, respondents in solidum are ordered to pay complainants US\$430.00 each or its peso equivalent at the time of payment representing the refund of the "deposit", plus 10% of the total award as attorney's fees.*

**SO ORDERED."**<sup>[2]</sup>

Therefrom, petitioners appealed to the NLRC crying infringement of due process since they were deluded into believing that the case will be amicably settled as the parties were already brewing a compromise agreement alongside the Affidavit of Desistance to be executed by the private respondents prior to the rendition of judgment of the Labor Arbiter. Thus, they were surprised when the Labor Arbiter resolved the case without petitioners' position paper.

However, in lieu of the filing of the required supersedeas bond, petitioners instead filed a *Motion to Reduce Bond* praying that the bond equivalent to the monetary award granted by the Labor Arbiter in its decision be reduced due to financial difficulties. Petitioners insisted further that private respondents already received their suitable statutory remunerations and to grant these anew will doubly burden them.

Unconvinced, the NLRC dismissed the appeal for non-perfection<sup>[3]</sup>.

Petitioners sought reconsideration<sup>[4]</sup> but the NLRC remained adamant categorically saying that financial difficulties will not substitute the faithful compliance of a mandatory requirement such as the filing of a bond. Thus, it held:

*"WHEREFORE, respondents' Motion for Reconsideration is DENIED. The Resolution promulgated on 30 September 2010 STAYS. No further motion of similar nature shall be entertained.*

**SO ORDERED**<sup>[5]</sup>."

Hence, the instant recourse with petitioners alleging that:

**I.THE HONORABLE LABOR ARBITER ERRED IN NOT CONSIDERING THE ACTS OF THE RESPONDENTS IN MISLEADING THE PETITIONERS BY MAKING THE PETITIONERS BELIEVE THAT THE RESPONDENTS WOULD ENTER INTO A COMPROMISE AGREEMENT SO THAT PETITIONERS WERE NOT ABLE TO FILE THEIR POSITION PAPERS AS AN ACT OF UNDUE ENRICHMENT AMOUNTING TO A VIOLATION OF DUE PROCESS.**

**II.THE HONORABLE LABOR ARBITER COMMITTED GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OR EXCESS OF JURISDICTION AND SERIOUS ERROR WHEN SHE AWARDED ATTORNEY'S FEES TO RESPONDENTS.**

### **III.THE HONORABLE NLRC COMMITTED GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OR EXCESS OF JURISDICTION AND SERIOUS ERROR BY DISMISSING THE APPEAL ON MERE TECHNICALITY AND NOT ON THE MERITS.**

Fundamentally, the impugned decision of the NLRC merely touched on the procedural lapse of the appeal which is non-perfection warranting its outright dismissal without discussing the merits of the case. In support of such finding, the NLRC said that there is no more need to belabor on the substantive aspect of the case since the appeal at the outset is procedurally infirmed. For petitioners, the NLRC gravely abused its discretion when it dismissed their appeal based on technicality of law or procedure, *e.i.* non filing of supersedeas bond, which according to them is not only justifiable but also legal given their financial predicament.

We find nothing whimsical or capricious on the part of the NLRC in dismissing petitioner's appeal. True, the application of rules may be relaxed especially in labor conflicts to serve the demands of substantial justice, nevertheless, it should not be used to camouflage the negligence of the party praying for its leniency. Rules of procedure exist for a purpose, hence it should be followed religiously. Only in extraordinary and justifiable circumstance and where substantial rights are at stake that the strict application of the rules must concede. We find no such "circumstance" in the present case that would call for the application of the exemption.

For better enlightenment of petitioners, it is best to revisit the requisites of appeal in labor law. Article 223 of the Labor Code as well as Rule VI, Sections 4 and 6 of the 2004 NLRC Rules of Procedure provide the requirements of appeal, thus,

*"a) The appeal shall be: 1) filed within the reglementary period provided in Section 1 of this Rule; 2) verified by the appellant himself in accordance with Section 4, Rule 7 of the Rules of Court, as amended; 3) in the form of a memorandum of appeal which shall state the grounds relied upon and the arguments in support thereof, the relief prayed for, and with a statement of the date the appellant received the appealed decision, resolution or order; 4) in three (3) legibly typewritten or printed copies; and 5) accompanied by i) proof of payment of the required appeal fee; ii) posting of a cash or surety bond as provided in Section 6 of this Rule; iii) a certificate of non-forum shopping; and iv) proof of service upon the other parties.*

*b) A mere notice of appeal without complying with the other requisites aforestated shall not stop the running of the period for perfecting an appeal.*

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*Section 6. Bond. - In case the decision of the Labor Arbiter or the Regional Director involves a monetary award, an appeal by the employer may be perfected only upon the posting of a bond, which shall either be in the form of cash deposit or surety bond equivalent in amount to the monetary award, exclusive of damages and attorney's fees. In case of*