Republic of the Philippines
Supreme Court
Manila

SECOND DIVISION

PACIFIC ROYAL BASIC FOODS, INC., *Petitioner*,	**G.R. No. 202392**
	Present:
versus	PERLAS-BERNABE, *SAJ.*, *Chairperson*, HERNANDO, INTING, GAERLAN, and DIMAAMPAO, *JJ.*
VIOLETA NOCHE, JULIANA L. ABRIGUNDA, CRISANTA A. TALAVERA, MA. ASUNCION A. ARGUELLES, CIRIACA A. VELASCO, SEVERA B. QUITAIN, ROSALINDA BALAHADIA, ANICIA DAGLE, NORMA K. PLATA, ZENAIDA B. BULAHAN and SUSANA D. AMPARO, *Respondents*.	Promulgated: OCT 04 2021

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D E C I S I O N

HERNANDO, *J.*:

This Petition for Review on *Certiorari*[1] assails the December 28, 2011 Decision[2] and the June 25, 2012 Resolution[3] of the Court of Appeals (CA) in CA-G.R. SP No. 112840.

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1 *Rollo*, pp. 9-50.

2 Id. at 52-65. Penned by Associate Justice Jose C. Reyes, Jr. (now a retired Member of the Court) and concurred in by Associate Justices Priscilla J. Baltazar-Padilla (now a retired Member of the Court) and Agnes Reyes-Carpio.

3 Id. at 67.

The Antecedents:

Petitioner Pacific Royal Basic Foods, Inc. (PRBFI) is a business entity engaged in the manufacturing, processing, and distribution of coconut products for export.

PRBFI employed respondents Violeta Noche, Juliana L. Abrigunda, Crisanta A. Talavera, Ma. Asuncion A. Arguelles, Ciriaca A. Velasco,[4] Severa B. Quitain, Rosalinda Balahadia, Anicia Dagle, Norma K. Plata, Zenaida B. Bulahan, and Susana D. Amparo (herein individually referred to by their last names and collectively as respondents) as coconut parers.

On March 14, 2007, respondents filed a complaint for non-regularization with the Department of Labor and Employment (DOLE), Quezon Field Office.[5] They anchored their complaint for non-regularization on PRBFI's supposed failure to regularize their employment despite the length of time that they had been working for PRBFI.

On March 20, 2009, allegedly acting on product quality complaints and claims for reimbursement and damages from some of its clients, PRBFI sent letters signed by one R.V. Macaraig, PRBFI's Production Manager, to respondents. These letters were similarly-worded in the vernacular as follows:

> *Samantalang may mga kuling pangyayari ukol sa kontaminasyon ng ating produkto, mangyari sanang sa nalooban ng 24 oras pagkatanggap ng sulat na ito, iyong bigyang linaw kung bakit hindi ka dapat lapatan ng kaukulang aksyon ukol dito.*
>
> *Pansamantala ikaw ay hindi muna naming papapasukin sa loob ng Pagawaan ng labinlimang (15) araw simula sa araw na ito habang masusing pinag-aaralan ang mga nabanggit.*[6]

In their joint answer to PRBFI's letters,[7] respondents Abrigunda, Talavera, Arguelles, and Velasco denied involvement in the product contamination incident. They wrote in their March 21, 2007 letter:

> *Kami po x x x ay binibigyan o nais lapatan ng labinlimang araw (15) na* suspension *ng kontaminasyon ng ating produkto. Wala po kaming kinalaman o maaaring gawin na ganito dahil sa mga sumusunod na dahilan:*
>
> *Una, mahal ko po ang ating pabrikang ito sapagkat sa mahabang panahon ay dito ako kumukuha ng ikinabubuhay; sampu ng aking pamilya.*

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4 Referred to as Ceriaca Velasco in other parts of the case record.
5 *Rollo*, p. 177.
6 Id. at 104-115.
7 Id. at 197.

Ikalawa, sa amin pong pagkakaunawa hindi po sa aming seksyon nagmumula ang kontaminasyon sapagkat mula sa amin ay marami pang proseso ang pinagdadaanan ng produkto.

Ikatlo. Kung mayroon mang ganitong pangyayari, ito po ay pananagutan ng mga taong nakatalaga sa mga seksyong may kritikal o sensitibong gumagawa.

Kaya batay po sa mga dahilang ito ay hindi makatarungan ang pagsuspende sa amin sampu ng aming mga kasamahan.

Hinihiling naming ang isang masusing pag iimbestiga at palabasin ang mga tunay na dahilan sa mga pangyayaring ito.[8]

Velasco, Quitain, and Amparo sent a handwritten joint reply dated March 23, 2007, identically-phrased as the above letter but with the following additional assertions.

DAGDAG PALIWANAG:

Bakit po sa dami daming parer *dito sa pagawaan ay kami lamang tatlo (3) ang nabigyan ng* suspended [*sic*]. *Bakit at ano ang basihan kung bakit ang aming pangalan ang napili.*[9]

Respondents Noche, Balahadia, Dagle, Plata, and Bulahan were not shown to have responded to the accusations.

On April 27, 2007, PRBFI dismissed respondents from work. The termination letters, signed by one William Y. Gaw, PRBFI's Resident Manager, all stated:

Una na naming ipinabatid sa inyo ang reklamo tungkol sa kontaminasyon ng ating mga produkto sa ating Pagawaan. Isa kayo sa mga taong pinaghinalaan na may kagagawan nito na isang mabigat na pagkakamali na maaring ipataw sa inyo bilang kaparusahan ay pagkatiwalag sa Kompanya.

Masusi naming pinag-aralan ang iyong kaugnayan sa pinakahuling pangyayari ng kontaminasyon dito sa ating Pagawaan. Lubhang nabahala ang ating Kompanya ukol sa kawalang interes mong unawain ang mga pangyayari at makipagtulungan para bigyan ng linaw ito. Una na sanang nangyari na ikaw ay magbigay ng detalyeng paliwanag, subalit, pilit mong inilayo ang iyong kaugnayan at hindi din kusang nakipaugnayan sa aming tanggapan.

Tinanggap naming ang iyong liham paliwanag ukol sa iyong naging suspension *sa trabaho kaugnay ng mga pangyayaring kontaminasyon ng ating produkto at sa* one-on-one interview *na naganap sa iyo ng ating* HR & Admin Officer *ay nagpapatibay lamang na may kaugnayan ka sa masamang intensyon laban sa Kompanya, guluhin ang operasyon nito at malisyosong sinadya ang kontaminasyon at paninira sa ating mga produkto.*

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[8] Id.

[9] Id. at 198.

Dahil sa iyong kapabayaan, hindi paghain ng katibayan upang tumulong sa paglutas ng problema at hindi pagsunod sa alituntunin ng Kompanya ay napilitan ang Pangasiwaan na aksiyunan ang reklamo sa inyo sa pamamagitan ng isang masusing pag-aaral at mga pagtingin sa mga huling kaganapan.

Sanhi ng mga nabanggit, ang Kompanya ay nawalan na ng pagtitiwala at pananalig sa iyo. Sa layuning mapangalagaan ang interes ng higit sa nakararami dito sa ating Pagawaan, ikinalulungkot kong ipabatid sa iyo na ikaw ay aming itinitiwalag sa tungkuling simula sa araw na ito.[10]

On April 23, 2007, respondents filed a complaint against PRBFI for illegal dismissal, illegal suspension, regularization, damages, and reinstatement before the National Labor Relations Commission (NLRC), Regional Arbitration Branch IV.

In their Position Paper, respondents averred that they were dismissed from work without a prior investigation or an opportunity to air their side. Respondents claimed that their suspension and eventual dismissal from work was PRBFI's retaliatory measure against respondents' complaint for non-regularization and was violative of Article 118 of the Labor Code. They further asserted that PRBFI violated their security of tenure as regular employees, whose employment may only be terminated for just or authorized causes under the Labor Code.

Respondents also raised the lack of basis of their dismissal due to loss of trust and confidence, as this ground refers to managerial and confidential employees and respondents were only rank-and-file workers of PRBFI. They were also allegedly never paid the benefits extended to regular employees despite their entitlement thereto. Respondents sought reinstatement to their former positions in PRBFI with full backwages and without loss of seniority rights, and payment of the benefits enjoyed by regular employees. They also prayed for payment of actual, moral, and exemplary damages, and attorney's fees.

PRBFI maintained that respondents were properly and correctly dismissed from employment. It posited that its actions were propelled by a handwritten letter dated March 15, 2007, allegedly sent to them anonymously by one of their workers, which reads:

Sa Management ni Mr Gaw.

Pagbati ng magandang araw po. Bilang isa sa inyong manggagawa nais ko kayong bigyang babala sa ilang tauhan ninyo na nagpaplanong pa bagsakin ang kompanya. Minsan ko pong narinig ang usapang sirain and produksyon ng turno mi Visora. Isang grupo ng parer *na magkakapatid sa pangunguna ng kasamang balo tubong Sariaya, ay inyong manmanan.*

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[10] Id. at 116-126.

Mabuti na lamang at hindi sila sinang ayunan ng kapatid nila na asawa ng dati ninyong poremang namatay.

Sir, *nagmamalasakit lang po.*
Manggagawa din.[11]

Per PRBFI, thirteen (13) coconut parers, including the eleven (11) respondents herein, were thus subjected to an administrative investigation on the product contamination incident. PRBFI maintained that letters were sent to the suspected employees to explain their involvement in the incident. They have been allegedly interviewed by one Veronica Aquino, PRBFI's Human Resource and Administrative Officer. After investigation and upon respondents' failure to explain their side despite opportunities for them to do so, PRBFI terminated their employment. Respondents were sent their respective termination letters. PRBFI claimed that respondents were subsequently dismissed for just causes, *i.e.*, serious misconduct, willful disobedience, and fraud or willful breach of the trust reposed in them by PRBFI, since as coconut parers, they were employees who held positions of trust and confidence affecting the entire coconut processing system of PRBFI.

Ruling of the Labor Arbiter:

The Labor Arbiter ruled for the respondents. In finding respondents to have been illegally dismissed, the Labor Arbiter held that PRBFI had no just cause for their dismissal. PRBFI showed no factual bases for or specific circumstances of the infractions allegedly committed by respondents. The latter were likewise not afforded procedural due process. In the first set of letters sent to them, they were not informed of and given opportunity to explain their alleged violation of company policies and regulations on quality control, poor work performance, and repeated defiance of lawful orders of their supervisors.

Thus, the Labor Arbiter declared respondents entitled to reinstatement to their former positions in PRBFI, payment of full backwages and other benefits, and enjoyment of seniority rights and privileges. They were also awarded their wages corresponding to the period of their preventive suspension, the same having been found unlawful for respondents' lack of involvement in the accusations against them.

The Labor Arbiter further found respondents to be regular employees of PRBFI, agreeing with the DOLE Region IV-A's May 2, 2007 Order[12] on the complaint for non-regularization, since respondents "are regular extras, having rendered more than one (1) year of service"[13] for PRBFI.

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[11] Id. at 102.
[12] Per the Labor Arbiter's Decision dated April 28, 2008, *rollo*, p. 245; copy of the DOLE Region IV-A Order appended as Annex I to PRBFI's Memorandum of Appeal before the NLRC, *rollo*, p. 418.
[13] *Rollo*, p. 245.

The Labor Arbiter also granted attorney's fees to respondents as they were forced to litigate their cause. Respondents' claims for moral and exemplary damages, however, were denied for lack of substantiating proof.

The Labor Arbiter disposed of respondents' complaint in his April 28, 2008 Decision,[14] as follows:

> WHEREFORE, premises considered, Complainants Violeta Noche, Juliana L. Abrigunda, Crisanta A. Talavera. Ma. Asuncion A. Arguelles, Ciriaca A. Velasco, Severa Quitain, Rosalinda Balahadia, Anicia Dagle, Norma K. Plata, Zenaida B. Bulahan and Susana D. Amparo are declared illegally dismissed. Hence, Respondent Pacific Royal Basic Foods, Inc. is DIRECTED to reinstate them to their former positions without loss of seniority rights and privileges and to pay them full backwages and other benefits from the date of their dismissal up to the date of their actual reinstatement. Respondent Company is likewise ORDERED to pay Complainants their wages corresponding to the fifteen (15)-day period of their illegal preventive suspensions and attorney's fees equivalent to ten percent (10%) of their awarded monetary claims.
>
> Such awarded claims are computed as follow[s]:
>
> Violeta Noche
> Backwages:
> From 3/27/07 to 4/28/08
> P251 x 26 x 12 x 1.08 = P84,576.96
> 15 days wages (illegal suspension)
> P251 x 15 = P3,765.00 P88.341.96
>
> Juliana Abrigunda
> Backwages:
> From 3/21/07 to 4/28/08
> P251 x 26 x 12 x 1.02 = P79,878.24
> 15 days wages:
> P251 x 15 = P3,765.00 P83,643.24
>
> Crisanta Talavera
> [Backwages]:
> From 3/20/07 to 4/28/08
> P251 x 26 x 12 x 1.10 = P86,143.20
> 15 days wages:
> P251 x 15 = P3,765.00 P89,908.20
>
> Ma. Asuncion Arguelles:
> Backwages:
> From 3/20/07 to 4/28/08
> P251 x 26 x 12 x 1.10 = P86,143.20
> 15 days wages:
> P251 x 15 = P3,765.00 P89,908.20
>
> Ciriaca Velasco
> Backwages:

[14] Id. at 233-248.

From 3/23 to 4/28/08		
P251 x 26 x 12 x 1.09 =	P85,360.08	
15 days wages:		
P251 x 15 =	P3,765.00	P89,125.08
Severa Quitain		
Backwages:		
From 3/23/07 to 4/28/08		
P251 x 26 x 12 x 1.09 =	P85,360.08	
15 days wages:		
P251 x 15 =	P3,765.00	P85,360.08
Rosalinda Balahadia		
From 3/27/07 to 4/28/08		
P251 x 26 x 12 x 1.08 =	P84,576.96	
15 days wages:		
P251 x 15 =	P3,765.00	P88,341.96
Alicia Dagle		
Backwages		
From 3/27/07 to 4/28/08		
P251 x 26 x 12 x 1.08 =	P84,576.96	
15 days wages:		
P251 x 15 =	P3,765.00	P88,341.96
Norma Plata		
Backwages		
From 3/27/07 to 4/28/08		
P251 x 26 x 12 x 1.08 =	P84,576.96	
15 days wages:		
P251 x 15 =	P3,765.00	P88,341.96
Zenaida Bulahan		
Backwages		
From 3/27/07 to 4/28/08		
P251 x 26 x 12 x 1.08 =	P84,576.96	
15 days wages:		
P251 x 15 =	P3,765.00	P88,341.96
Susana Amparo		
Backwages		
From 3/23/07 to 4/28/08		
P251 x 26 x 12 x 1.01 =	P79,095.12	
15 days wages:		
P251 x 15 =	P3,765.00	P82,860.12
Subtotal		P966,279.72
Attorney's Fees	P966,279.72 x 10% =	P96,627.97
Total		P1,062,907.69

Complainant[s'] claims for moral and exemplary damages are DISMISSED for lack of merit.

SO ORDERED.[15]

PRBFI appealed to the NLRC. It also filed an Urgent Ex Parte Motion to Reduce Bond[16] (Motion to Reduce Bond) and tendered a cash bond in the amount of ₱100,000.00.[17] In addition to its earlier arguments before the Labor Arbiter, PRBFI accused respondents of forum shopping as to the issue of non-regularization, since the same had been decided by the DOLE Region-IV-A in its May 2, 2007 Order on respondents' complaint for non-regularization.[18]

Respondents, aside from reiterating their position and earlier arguments, assailed PRBFI's appeal for failure to post the required bond.[19]

Ruling of the National Labor Relations Commission:

The NLRC reversed the Labor Arbiter. It held that respondents left the fact of product contamination undisputed and failed to show any ill motive on PRBFI's part in accusing them of having caused such contamination. The NLRC discredited respondents' defense of mere denial of the allegations against them. It took into consideration the difficulties of a food product export industry, which demanded a higher degree of cooperation and concern from the employees.

According to the NLRC, respondents were indifferent to such difficulties of PRBFI. In fact, some of them would not even participate in the investigation when they opted not to file their answers. The NLRC classified respondents' conduct as gross negligence, as they were not new to their jobs and were expected to know fully well the consequences of food product contamination to the company, its employees, and the public health.

The NLRC declared in its May 29, 2009 Resolution:[20]

> WHEREFORE, the Decision of the labor arbiter dated 28 April 2008 is REVERSED and SET ASIDE. The complaint is hereby DISMISSED for lack of merit.
>
> **SO ORDERED.**[21]

In its October 30, 2009 Resolution,[22] the NLRC denied respondents' Motion for Reconsideration of its May 29, 2009 Resolution.[23]

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[15] Id. at 245-248.
[16] Id. at 569-575.
[17] Id. at 605.
[18] Id. at 314.
[19] Id. at 470-477.
[20] Id. at 478-486.
[21] Id. at 485.
[22] Id. at 507-508.
[23] Id. at 487-505.

Respondents filed a Petition for *Certiorari* before the CA.[24] They imputed grave abuse of discretion on the part of the NLRC for entertaining PRBFI's appeal, the requisite bond of which was posted only almost a month after the appeal period had lapsed. Respondents also maintained that there was no just or authorized cause for their dismissal, and that they were not given any opportunity to confront their accusers as PRBFI merely relied on the anonymous letter pointing at respondents to be the employees plotting the sabotage of the company's operations.

PRBFI, in its Comment[25] to respondents' Petition for *Certiorari*, asserted that it had filed a bond in the amount of ₱100,000.00 to perfect its appeal before the NLRC. In turn, PRBFI questioned respondents' Petition for *Certiorari* for being procedurally infirm due to its allegedly unnotarized Amended Verification and Certification of Non-Forum Shopping and non-submission of other documents required by the CA.[26] It also stood by the dispositions of the NLRC, stating that PRBFI presented substantial evidence in establishing respondents' concerted actions against the company that constituted serious misconduct. PRBFI also maintained that it proved the factual and legal bases for its loss of trust and confidence in respondents. Likewise, in dismissing the latter, PRBFI stated that it complied with the twin notice requirements. Thus, PRBFI posited that respondents were accorded procedural and substantial due process and were validly dismissed from employment as found by the NLRC.

Ruling of the Court of Appeals:

The CA granted respondents' Petition for *Certiorari*. It found that PRBFI did not present any proof of compliance as to the required posting of an appeal bond. Thus, PRBFI's appeal before the NLRC should have been deemed not perfected, and the NLRC did not acquire jurisdiction over PRBFI's appeal. While the NLRC did not resolve the procedural issue and gave due course to PRBFI's appeal, the CA held that PRBFI cannot rely on the presumption of regularity in the performance of official duties. On the merits, the CA found no satisfactory basis in fact or in law to affirm the factual findings of the NLRC.

The CA ruled in the following manner in its assailed December 28, 2011 Decision:

> **WHEREFORE**, the petition is hereby **GRANTED**. The assailed May 29, 2009 Resolution of the National Labor Relations Commission is hereby **REVERSED and SET ASIDE**. The April 28, 2008 Decision of the Labor Arbiter is **AFFIRMED**.

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[24] Id. at 509-534.
[25] Id. at 535-551.
[26] Id. at 535-537.

SO ORDERED.[27]

In its June 25, 2012 Resolution, the CA likewise denied PRBFI's Motion for Reconsideration of its December 28, 2011 Decision.

Hence, PRBFI's Petition for Review before this Court.

Issues

PRBFI raises the following issues –

A.

THE [CA] ERRED IN RULING THAT THE [NLRC] ACTED WITH GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OF JURISDICTION IN ENTERTAINING AN APPEAL WHICH WAS NOT DULY PERFECTED WHEN IN TRUTH AND IN FACT THE APPEAL WAS DULY PERFECTED WITH THE POSTING OF A CASH BOND.

B.

THE [CA] WAS CLEARLY BIASED IN FAVOR OF RESPONDENTS SUCH THAT IT SHOWED LIBERALITY TO THE LATTER BUT STRICTLY APPLIED THE RULES AGAINST PETITIONER.

C.

THE [CA] COMMITTED A SERIOUS ERROR OF LAW IN HOLDING THAT THE [NLRC] ACTED WITHOUT OR IN EXCESS OF JURISDICTION AMOUNTING TO GRAVE ABUSE OF DISCRETION IN REVERSING THE DECISION OF THE LABOR ARBITER.

D.

THE [CA] COMMITTED GRAVE ERROR IN NOT ADMITTING AND CONSIDERING THE EVIDENCE SUBMITTED BY PETITIONER SHOWING THAT THE RESPONDENTS WERE LEGALLY DISMISSED.

E.

THE [CA] ERRED IN REVERSING THE RESOLUTIONS OF THE [NLRC] AND FAILING TO FIND THE FINDINGS OF THE [NLRC] ARE BASED ON SUBSTANTIAL EVIDENCE AND SHOULD BE AFFIRMED [*sic*].[28]

Our Ruling

We affirm the CA's ruling.

A petition for review on *certiorari* under Rule 45 of the Rules of Court filed before the Supreme Court covers pure questions of law – questions on

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[27] Id. at 64-65.
[28] Id. at 22-23.

the application of the law on a certain set and state of *established* facts. Questions of fact, or those seeking to verify the truth or falsity of the *alleged* facts, will not be entertained. Essentially, a petition for review on *certiorari* excludes a reassessment of the disputed facts of the case.

Far Eastern Surety and Insurance Co., Inc. v. People[29] delineated the parameters in the determination of whether a legal question raised is of law or of fact:

> For a question to be one of law, its resolution must not involve an examination of the probative value of the evidence presented by the litigants, but must rely solely on what the law provides on the given set of facts. If the facts are disputed or if the issues require an examination of the evidence, the question posed is one of fact. The test, therefore, is not the appellation given to a question by the party raising it, but whether the appellate court can resolve the issue without examining or evaluating the evidence, in which case, it is a question of law; otherwise, it is a question of fact.[30]

In assailing the CA's actions on the respective procedural obedience of herein parties and its favorable appreciation of the arguments raised by respondents, PRBFI necessarily prays the reopening of the factual records of the case. PRBFI cannot do so in a Rule 45 proceeding. The Supreme Court is not a trier of facts. Such a noble task is better left to the competence of the trial courts and appellate courts.

Note, however, that this is not an inflexible rule. A factual probe into the case may be conducted in a Rule 45 petition if it falls under the exceptional circumstances laid out by jurisprudence: (1) when the conclusion is a finding grounded entirely on speculation, surmises or conjectures; (2) when the inference made is manifestly mistaken, absurd or impossible; (3) where there is a grave abuse of discretion; (4) when the judgment is based on a misapprehension of facts; (5) when the findings of fact are conflicting; (6) when the Court of Appeals, in making its findings, went beyond the issues of the case and the same is contrary to the admissions of both appellant and appellee; (7) when the findings of the Court of Appeals are contrary to those of the trial court; (8) when the findings of fact are conclusions without citation of specific evidence on which they are based; (9) when the facts set forth in the petition as well as in the petitioner's main and reply briefs are not disputed by the respondents; and (10) when the finding of fact of the Court of Appeals is premised on the supposed absence of evidence and is contradicted by the evidence on record.[31] The case at hand does not fall under any of these exceptions.

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[29] 721 Phil. 760 (2013).

[30] Id. at 767, citing *Heirs of Nicolas S. Cabigas v. Limbaco*, G.R. No. 175291, July 27, 2011, 654 SCRA 643, 655.

[31] *Miano v. Manila Electric Co.*, 800 Phil. 118, 123 (2016), citing *Medina v. Mayor Asistio, Jr.*, 269 Phil. 225, 232 (1990).

Even if the Court lends procedural lenience to PRBFI and reviews the factual circumstances of this case, the CA's judgment must still be upheld.

PRBFI first argues against the CA's act of allowing respondents' Petition for *Certiorari* despite the latter's alleged failure to fully comply with the CA's directive to submit additional supporting documents. Petitioner believes that the petition should have been dismissed, but the CA instead unfairly gave due course to the same.

The Court disagrees with petitioner.

Section 3, Rule 46 of the Rules of Court instructs that the failure of the petitioner to comply with any of the formal requirements of a petition for *certiorari* shall be sufficient ground for its dismissal. The CA, however, is not compelled to automatically order the dismissal of a formally-infirm pleading. Section 5, Rule 46 of the same Rules states:

> **SEC. 5.** *Action by the court.* – The court may dismiss the petition outright with specific reasons for such dismissal or require the respondent to file a comment on the same within ten (10) days from notice. x x x.

Two basic options are given to the CA under the foregoing provision: (1) to dismiss the petition outright, with specific reasons, or (2) to require the respondent to file a comment on the same within ten (10) days from notice.

The CA, however, holds a wide discretionary latitude in the disposition of the cases filed before it and is not restricted to those provided under Section 5, Rule 46. It may make an initial determination of the necessity for the submission of copies of pleading and other documents[32] under the guidelines provided by *Air Philippines Corp. v. Zamora*:[33]

> First, not all pleadings and parts of case records are required to be attached to the petition. Only those which are relevant and pertinent must accompany it. The test of relevancy is whether the document in question will support the material allegations in the petition, whether said document will make out a prima facie case of grave abuse of discretion as to convince the court to give due course to the petition.
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> Second, **even if a document is relevant and pertinent to the petition, it need not be appended if it is shown that the contents thereof can also be found in another document already attached to the petition**. Thus, if the material allegations in a position paper are summarized in a questioned judgment, it will suffice that only a certified true copy of the judgment is attached.
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> Third, **a petition lacking an essential pleading or part of the case record may still be given due course** or reinstated (if earlier dismissed) **upon showing that petitioner later submitted the documents required, or that it**

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[32] *Duremdes v. Jorilla*, G.R. No. 234491, February 26, 2020.
[33] 529 Phil. 718 (2006).

> **will serve the higher interest of justice that the case be decided on the merits.**[34] (Emphasis supplied, citations omitted)

In resolving respondents' Petition for *Certiorari*, the appellate court exercised such judicial discretion by first instructing respondents to complete the documentary attachments. Respondents did so, albeit inaccurately. While petitioner pointed out that respondents attached the allegedly wrong pleadings to their Compliance, the CA noted the same, directed PRBFI to file a Comment,[35] and proceeded to decide respondents' Petition for *Certiorari* on the merits.

Contrary to PRBFI's insinuations, the CA did not act arbitrarily. The CA correctly relied on the available documents already submitted by the parties; after all, litigants in a labor case must allege all their arguments and evidence in their position papers and pleadings before the labor arbiter, and no other argument or evidence will be considered other than those raised during the proceedings before the labor arbiter.

It needs noting that there is no record of the existence of the document alleged by PRBFI to have been omitted by respondents. Both the NLRC and the CA never made mention of any Opposition to Complainants-Appellees' Motion for Reconsideration supposedly filed by PRBFI. Neither did the NLRC and the CA rely on this document in their respective disposition of the cases before them. Only PRBFI claims to have actually filed the same before the NLRC – but even PRBFI itself had never bothered to append this document to its Petition for Review before this Court. The Court is inclined to view this missing document as a myth.

The Court affirms the CA's decision to gloss over the other technical issues raised by PRBFI against respondents' Petition for *Certiorari* before the CA, *i.e.*, allegedly unnotarized Amended Verification and Certification and lack of Affidavit of Service attached to respondents' Compliance[36] to the CA Resolution dated March 9, 2010.[37] These claims are unfounded. Per the CA records, the Amended Verification and Certification was notarized,[38] and the Affidavit of Service[39] required by the CA was attached to respondents' Compliance.

Even if PRBFI was correct, such lapses are mere formal not jurisdictional, errors. Labor cases have never been strictly bound by technicalities of form and procedure. Also, a grant of liberality to one does not automatically connote bias against the other party. An allegation of bias is a grave

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[34] Id. at 728.
[35] Per CA Resolution dated April 30, 2010 in CA-G.R. SP No. 112840; CA *rollo*, p. 196.
[36] Id. at 118-119.
[37] Id. at 116-117.
[38] Id. at 120-121.
[39] Id. at 133.

accusation that requires proof, and there can be no bias ascribable upon a tribunal if its actions were clearly done in accordance with the law.

PRBFI further insists that the CA erred in considering its appeal of the Labor Arbiter's Decision before the NLRC as not perfected for its failure to file a bond. Petitioner asserts the sufficiency of its payment of a cash bond in the amount of ₱100,000.00 and its filing of a Motion to Reduce Bond, in which claimed corporate financial difficulties, simultaneous with its appeal before the NLRC on May 14, 2008.

The Court still finds no reason to agree with PRBFI on this procedural point.

Appeals of decisions rendered by a labor arbiter that grant a monetary award in favor of an employee require the aggrieved employer to file a bond. Section 6, Rule VI of the 2011 NLRC Rules of Procedure, as amended (2011 NLRC Rules), provides the relevant rules, to wit:

> 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 the amount to the monetary award**, exclusive of damages and attorney's fees.
>
> x x x x
>
> No motion to reduce bond shall be entertained **except on meritorious grounds, and only upon the posting of a bond in a reasonable amount in relation to the monetary award.**
>
> **The mere filing of a motion to reduce bond without complying with the requisites of the preceding paragraphs shall not stop the running of the period to perfect an appeal.** (Emphasis supplied.)

The general rule is that appeals by an employer before the NLRC of decisions by a labor arbiter that involve monetary awards to an employee must be secured by a cash or surety bond in the full amount of the monetary award. By way of exception, the payment of this full amount may be excused if the appealing employer files a motion to reduce bond showing meritorious grounds, and upon posting of a bond in a reasonable amount.

Mcburnie v. Ganzon[40] *(Mcburnie)* has already set the "reasonable amount" of the provisional reduced bond at a percentage of 10% of the monetary award, excluding the amount of damages and attorney's fees, if any. Its *ratio* was stated in this wise:

> **To ensure that the provisions of Section 6, Rule VI of the NLRC Rules of Procedure that give parties the chance to seek a reduction of the**

[40] 719 Phil. 680 (2013).

> **appeal bond are effectively carried out, without however defeating the benefits of the bond requirement in favor of a winning litigant,** all motions to reduce bond that are to be filed with the NLRC shall be accompanied by the posting of a cash or surety bond equivalent to 10% of the monetary award that is subject of the appeal, which shall provisionally be deemed the reasonable amount of the bond in the meantime that an appellant's motion is pending resolution by the Commission. In conformity with the NLRC Rules, the monetary award, for the purpose of computing the necessary appeal bond, shall exclude damages and attorney's fees. Only after the posting of a bond in the required percentage shall an appellant's period to perfect an appeal under the NLRC Rules be deemed suspended.
>
> **The foregoing shall not be misconstrued to unduly hinder the NLRC's exercise of its discretion, given that the percentage of bond that is set by this guideline shall be merely provisional. The NLRC retains its authority and duty to resolve the motion and determine the final amount of bond that shall be posted by the appellant, still in accordance with the standards of "meritorious grounds" and "reasonable amount".** Should the NLRC, after considering the motion's merit, determine that a greater amount or the full amount of the bond needs to be posted by the appellant, then the party shall comply accordingly. The appellant shall be given a period of 10 days from notice of the NLRC order within which to perfect the appeal by posting the required appeal bond.[41] (Citations omitted and emphasis supplied.)

Mcburnie requires the concurrence of the following conditions before an aggrieved employer appealing before the NLRC may be allowed to post a bond in a reduced amount:

(1) The employer-appellant files a motion to reduce bond;

(2) The motion to reduce bond shall be based on meritorious grounds;

(3) The employer-appellant posts the provisional percentage of at least 10% of the monetary award, excluding therefrom the award of damages and attorney's fees;

(4) The provisional bond must be posted within the reglementary period for appeal; and

(5) If the NLRC eventually determines that a greater or the full amount of the bond shall be posted, the employer-appellant shall comply accordingly within ten (10) days from notice of the NLRC order directing the such posting of the increased or full amount of the bond.

Once these are complied with, the aggrieved employer's appeal of the labor arbiter's decision before the NLRC shall be deemed perfected. Notably,

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[41] Id. at 713-714.

the requisites laid out by *Mcburnie* also presupposes a sixth requirement: the NLRC issues an express ruling on the appellant's motion to reduce bond.

Records, however, show that PRBFI's Motion to Reduce Bond was never acted upon by the NLRC. Still, the NLRC resolved petitioner's appeal of the Labor Arbiter's Decision on the merits and issued its own resolutions thereon. Such final resolutions had been the subject of *certiorari* proceedings before the CA, during which petitioner argued for the first time that the NLRC's inaction on its Motion to Reduce Bond, coupled with its resolution of the case on all its substantial points, is tantamount to an implied affirmance of the perfection of PRBFI's appeal.

Now lies a quandary in procedure in the disposition of labor cases: for the perfection of appeals filed by an employer must the NLRC expressly rule on motions to reduce bond, or would an implied approval of a motion to reduce bond, *i.e.*, the NLRC's disposal of the appeal by final decision, order, or resolution, suffice as a grant of the appellant-employer's motion to reduce bond?

Section 6, Rule VI of the 2011 NLRC Rules provides that an appeal may be perfected by the appellant-employer *only* by the posting of a bond in the equivalent amount of the *full* monetary award granted to the appellee-employee. The perfection of an appeal in the manner and within the period set by law is not only mandatory but jurisdictional.[42] **Consequently, there should be no implied approval of a jurisdictional requirement that has not been complied with. Otherwise, the ground of lack of jurisdiction becomes a waivable defect in procedure.** Whether the NLRC accepts or rejects the appellant's motion to reduce bond, the ruling must be unequivocal, and such ruling must be issued before or at the time the NLRC resolves the appeal by final judgment. Failure to do so shall render the NLRC liable for grave abuse of discretion for having ruled on an appeal without acquiring jurisdiction over the same, and the judgment it had issued shall be vacated as null and void.

The CA was correct in granting respondents' Petition for *Certiorari* and finding grave abuse of discretion against the NLRC in this wise:

> [PRBFI] cannot rely on the mere presumption of regularity in the performance of official duties in favor of the NLRC when the latter gave due course to its appeal; not when it is faced with a serious imputation of non-compliance from [respondents]. Considering that the requirements provided under the Labor Code and its Implementing Rules are mandatory for purposes of perfecting an appeal, the rule on presumption of regularity cannot apply.
>
> Worse, the NLRC did not resolve the issue. It remained silent on the matter when [respondents] raised the lack of posting an appeal bond as a

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[42] *Boardwalk Business Ventures, Inc. v. Villareal*, 708 Phil. 443, 457 (2013).

> defense on appeal. In setting aside the ruling of the NLRC, this Court is merely exercising prudence in applying the provisions of the law.[43]

At any rate, a further review on the merits only aggravates the defeat of PRBFI's cause against respondents.

PRBFI alleges that it had established substantial evidence in terminating respondents' employment. It maintains that it had satisfied the evidentiary requirement required by law with the following undisputed circumstances: (1) that PRBFI's clients claimed reimbursement and damages for poor quality and contamination of products; (2) that PRBFI discovered that its products had been contaminated with plastic, rubber, and other foreign objects; (3) the letter sent by an anonymous employee warning PRBFI of some employees' intent to sabotage the company; (4) that PRBFI investigated respondents and found them liable for serious misconduct, violation of company rules, insubordination, and loss of confidence.

PRBFI also claims that respondents committed isolated acts, which, when taken together, showed concerted action against PRBFI and qualified as serious misconduct. Based on the foregoing, PRBFI terminated respondents' employment, a management prerogative that PRBFI insists was exercised with adequate support in fact and in law.

It is PRBFI, not the CA, that has turned a blind eye to the established facts and the applicable laws.

The strength of petitioner's case rests on its capacity to present the required quantum of proof, which is substantial evidence. Section 5, Rule 133 of the Rules of Court [now Section 6 under the 2019 Revised Rules on Evidence] defines substantial evidence as follows:

> Sec. 5. *Substantial evidence.* — In cases filed before administrative or quasi-judicial bodies, a fact may be deemed established if it is supported by substantial evidence, or that amount of relevant evidence which a reasonable mind might accept as adequate to justify a conclusion.

PRBFI puts heavy premium on the fact that respondents had never contested the accusations against them during the investigations. It avers that by way of default, respondents are deemed to have admitted the truth of the said allegations and therefore ultimately liable therefor.

There is absolutely no merit in this contention.

The silence of an employee against the allegations of an employer, by its lonesome, should not disadvantage to the former. It remains incumbent upon

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[43] *Rollo*, p. 60.

the employer as the party making the allegations to demonstrate the truth of the same by presenting substantial evidence.

PRBFI, however, had never really proved with substantial evidence the alleged involvement of respondents in the contamination of its products. The letter implicating respondents in the alleged plans to sabotage the PRBFI's operations did not specifically name respondents as the culprits. Neither did its anonymous writer surface to positively incriminate them. The process and results of the supposed investigations that PRBFI claims to have conducted on the contamination incident were unsubstantiated with any written report, document, or corroborating affidavit on the matter. There was not even any proof that PRBFI's clients had truly complained of poor product quality or that the PRBFI had actually suffered financial damage from the incident. These clients were not even identified by petitioner in the first place. The fact that PRBFI employed coconut parers other than respondents, together with the timing of the supposed product contamination incident, rings an alarm that respondents may have truly been singled out by PRBFI for having instituted a prior complaint for non-regularization.

In all, the Court is left with no basis to verify respondents' detrimental acts to the PRBFI other than the latter's utterly one-sided statements. As such, PRBFI cannot expect the Court to believe that respondents were validly dismissed.

The same observations are relevant to the other causes for dismissal that petitioner attributed to respondents, namely, serious misconduct and gross violation of company policy. The Court's declaration in *PNOC Development Management Corporation v. Gomez*[44] is on point:

> [Just causes for dismissal require] an underlying act, deed, or conduct from which a reasonable belief x x x may be inferred. **Without it, dismissals undertaken on mere belief are arbitrary and will be outlawed.**[45] (Emphasis supplied.)

Bare suspicion, like that harbored by PRBFI against respondents, is not a just cause to fire any employee. The employer need not present proof beyond reasonable doubt or clear and convincing evidence to justify the dismissal, but bare suspicion that the employee is doing something detrimental to the interests of the employer is just a hunch, a mere gut feeling that cannot amount to substantial evidence. A reasonable mind requires reason. Mere allegations are not legally compelling unless proved.

Likewise, loss of trust and confidence as a ground to dismiss an employee is inapplicable to herein respondents.

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[44] G.R. No. 220526-27, July 29, 2019.
[45] Id.

Following *Wesleyan University Philippines v. Reyes*,[46] two requisites must concur for a valid termination of employment due to loss of trust and confidence:

> [T]he *first* requisite is that the employee concerned must be one holding a position of trust and confidence, thus, one who is either: (1) a managerial employee; or (2) a fiduciary rank-and-file employee, who, in the normal exercise of his or her functions, regularly handles significant amounts of money or property of the employer. The *second* requisite is that the loss of confidence must be based on a willful breach of trust and founded on clearly established facts.[47]

Petitioner claims that respondents are dismissible for loss of trust and confidence since the latter's acts were inimical to the former's interest as a company engaged in the delicate nature of food export industry.

This attempt to squeeze respondents into the mold of managerial and fiduciary rank-and-file employees must fail.

M+W Zander Philippines, Inc. v. Enriquez[48] differentiates managerial and fiduciary rank-and-file employees within the purview of dismissals due to loss of trust and confidence, as follows:

> There are two classes of positions of trust: managerial employees and fiduciary rank-and-file employees.
>
> Managerial employees are defined as those vested with the powers or prerogatives to lay down management policies and to hire, transfer, suspend, lay-off, recall, discharge, assign or discipline employees or effectively recommend such managerial actions. They refer to those whose primary duty consists of the management of the establishment in which they are employed or of a department or a subdivision thereof, and to other officers or members of the managerial staff. Officers and members of the managerial staff perform work directly related to management policies of their employer and customarily and regularly exercise discretion and independent judgment.
>
> The second class or fiduciary rank-and-file employees consist of cashiers, auditors, property custodians, etc., or those who, in the normal exercise of their functions, regularly handle significant amounts of money or property. These employees, though rank-and-file, are routinely charged with the care and custody of the employer's money or property, and are thus classified as occupying positions of trust and confidence.[49] (Citations omitted.)

Respondents' positions as coconut parers are essential in PRBFI's business of coconut products, but in no case do they fit the job description of managerial employees and fiduciary rank-and-file employees. Manual work

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[46] 740 Phil. 297 (2014).
[47] Id. at 312.
[48] 606 Phil. 591 (2009).
[49] Id. at 607.

such as paring coconuts for commercial production is a task that does not entail being routinely entrusted with the care and custody of money and property belonging to the company like fiduciary rank-and-file employees. Much less can coconut parers be considered to be directly involved in the management and policy-making of their employer as managerial employees.

Indeed, trust is fundamental in every employer-employee relationship. Not all employees, however, are dismissible on the basis of loss of trust and confidence. Only managerial employees and fiduciary rank-and-file employees may be terminated from work on such ground. If PRBFI's theory would be sustained, then all employees shall be inequitably deemed as holding positions of fiduciary nature. Respondents having occupied ordinary rank-and-file posts with petitioner, their dismissal on the ground of loss of trust and confidence is illegal.

In *Unilever Philippines, Inc. v. Rivera*[50] the Court discusses in brief PRBFI's non-compliance with the guidelines for procedural due process that must be accorded to employees who are due for dismissal, *viz.*:

> [T]he following should be considered in terminating the services of employees:
>
> (1) The first written notice to be served on the employees should contain the specific causes or grounds for termination against them, and a directive that the employees are given the opportunity to submit their written explanation within a reasonable period. "Reasonable opportunity" under the Omnibus Rules means every kind of assistance that management must accord to the employees to enable them to prepare adequately for their defense. This should be construed as a period of at least five (5) calendar days from receipt of the notice to give the employees an opportunity to study the accusation against them, consult a union official or lawyer, gather data and evidence, and decide on the defenses they will raise against the complaint. Moreover, in order to enable the employees to intelligently prepare their explanation and defenses, **the notice should contain a detailed narration of the facts and circumstances that will serve as basis for the charge against the employees. A general description of the charge will not suffice. Lastly, the notice should specifically mention which company rules, if any, are violated and/or which among the grounds under Art. 282 is being charged against the employees.**
>
> (2) After serving the first notice, **the employers should schedule and conduct a hearing or conference** wherein the employees will be given the opportunity to: (1) explain and clarify their defenses to the charge against them; (2) present evidence in support of their defenses; and (3) rebut the evidence presented against them by the management. During the hearing or conference, the employees are given the chance to defend themselves personally, with the assistance of a representative or counsel of their choice. Moreover, this conference or hearing could be used by the parties as an opportunity to come to an amicable settlement.
>
> (3) After determining that termination of employment is justified, the employers shall serve the employees a written notice of termination indicating

[50] 710 Phil. 124 (2013).

> that: (1) all circumstances involving the charge against the employees have been considered; and (2) grounds have been established to justify the severance of their employment.[51] (Emphasis supplied.)

While the wordings of the termination letters appear to be in acceptable compliance with the third requisite, two out of the above three requirements have not been complied with. In PRBFI's first series of letters for respondents, the latter were informed that they were the suspected perpetrators of the supposed product contamination. This, however, is a statement too thin and sweeping to be considered as "a detailed narration of the facts and circumstances that will serve as basis for the charge against the employees" demanded by law[52] and jurisprudence. Also again, PRBFI failed to prove with substantial evidence that hearings and interviews of respondents were actually conducted. The records only confirm the fact that PRBFI trampled on respondents' rights to procedural due process.

The illegality of respondents' dismissal being established both in substance and procedure, respondents are entitled to all the consequent backwages and attorney's fees that they have duly proved before and granted by the Labor Arbiter.

The Court adds that, following *Nacar v. Gallery Frames*,[53] these monetary awards shall earn legal interest at the rate of six percent (6%) per *annum* from the date of finality of this Decision until fully paid by PRBFI to respondents.

WHEREFORE, the Petition for Review on *Certiorari* is **DENIED.** The assailed December 28, 2011 Decision and the June 25, 2012 Resolution by the Court of Appeals in CA-G.R. SP No. 112840 are **AFFIRMED, with the MODIFICATION** that the monetary awards to respondents shall earn legal interest at the rate of six percent (6%) per *annum* from the date of finality of this Decision until fully paid by PRBFI.

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[51] Id. at 136-137, citing *King of Kings Transport, Inc. v. Mamac*, 553 Phil. 108 (2007).

[52] Section 2 (I), Rule XXIII, Book V of the Omnibus Rules Implementing the Labor Code provides:

> Section 2. *Standards of due process; requirements of notice.* - In all cases of termination of employment, the following standards of due process shall be substantially observed:
>
> I. For termination of employment based on just causes as defined in Article 282 [now Article 297] of the Labor Code:
>
> (a) A written notice served on the employee specifying the ground or grounds for termination, and giving to said employee reasonable opportunity within which to explain his side;
>
> (b) A hearing or conference during which the employee concerned, with the assistance of counsel if the employee so desires, is given opportunity to respond to the charge, present his evidence, or rebut the evidence presented against him; and
>
> (c) A written notice of termination served on the employee indicating that upon due consideration of all the circumstances, grounds have been established to justify his termination.

[53] 716 Phil. 267 (2013).

SO ORDERED.

RAMON PAUL L. HERNANDO
Associate Justice

WE CONCUR:

ESTELA M. PERLAS-BERNABE
Senior Associate Justice
Chairperson

HENRI JEAN PAUL B. INTING
Associate Justice

SAMUEL H. GAERLAN
Associate Justice

JAPAR B. DIMAAMPAO
Associate Justice

ATTESTATION

I attest that the conclusions in the above Decision were reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

ESTELA M. PERLAS-BERNABE
Senior Associate Justice
Chairperson

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the Division Chairperson's Attestation, I certify that the conclusions in the above Decision were reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

ALEXANDER G. GESMUNDO
Chief Justice