

Republic of the Philippines
Supreme Court
 Manila

FIRST DIVISION

QUANTUM FOODS, INC.,
 Petitioner,

G.R. No. 213696

Present:

SERENO, C.J., Chairperson,
 LEONARDO-DE CASTRO,
 BERSAMIN,
 PEREZ, and
 PERLAS-BERNABE, JJ.

- versus -

MARCELINO ESLOYO and
GLEN MAGSILA,
 Respondents.

Promulgated:

DEC 09 2015

X-----X

DECISION

PERLAS-BERNABE, J.:

Assailed in this petition for review on *certiorari*¹ are the Decision² dated January 18, 2011 and the Resolution³ dated July 4, 2014 of the Court of Appeals, Cebu City (CA) in CA-G.R. CEB-SP No. 04622, which reversed and set aside the Decision⁴ dated February 20, 2009 and the Resolution⁵ dated July 10, 2009 of the National Labor Relations Commission (NLRC) in NLRC VAC No. 08-000526-2008, thereby reinstating the Decision⁶ dated December 27, 2007 of the Labor Arbiter (LA), finding respondents Marcelino Esloyo (Esloyo) and Glen Magsila (Magsila) to have been illegally dismissed.

¹ *Rollo*, pp. 9-31.

² Id. at 38-47. Penned by Associate Justice Agnes Reyes-Carpio with Associate Justices Edgardo L. delos Santos and Eduardo B. Peralta, Jr. concurring.

³ Id. at 50-51. Penned by Associate Justice Edgardo L. delos Santos with Associate Justices Marilyn B. Lagura-Yap and Jhosep Y. Lopez concurring.

⁴ Id. at 142-160. Penned by Commissioner Oscar S. Uy with Presiding Commissioner Violeta Ortiz-Bantug and Commissioner Aurelio D. Menzon concurring.

⁵ Id. at 174-175.

⁶ Id. at 111-128. Penned by Executive Labor Arbiter Danilo C. Acosta.

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The Facts

Petitioner Quantum Foods, Inc. (QFI) is a domestic corporation engaged in the distribution and selling of food products nationwide, with principal office located in Brgy. Merville, Parañaque City. It hired Esloyo as Major Accounts Representative on December 14, 1998, whose consistent good performance led to successive promotions, until his promotion to the position of Regional Sales Manager for Visayas and Mindanao in 2004.⁷ On the other hand, it hired Magsila as Key Accounts Representative for the Panay Area on March 1, 2005 on a probationary status and gave him a “permanent” status on August 31, 2005.⁸ In the course of their employment, Esloyo and Magsila were each required to post a cash bond in the amount of ₱10,000.00 and ₱7,000.00, respectively.⁹

In 2006, QFI decided to reorganize its sales force nationwide following a drastic drop in net income in 2005, and Magsila was among those retrenched.¹⁰ In a letter¹¹ dated February 13, 2006, Magsila was informed of his termination effective March 31, 2006, given the option not to report for work beginning February 27, 2006, and advised to turn over his responsibilities and clear his accountabilities to facilitate the release of his final pay. The corresponding Establishment Termination Report¹² of the retrenched employees was likewise submitted to the Department of Labor and Employment. However, Magsila’s final pay and other benefits were not released due to alleged discovery of unauthorized/undocumented deductions, which he purportedly failed to explain.¹³

Meanwhile, in response to several anonymous complaints against Esloyo for alleged misbehavior and violations of various company rules and regulations, such as sexual harassment, misappropriation of company funds/property, falsification/padding of reports and serious misconduct, QFI’s auditor, Vilma A. Almendrala, conducted an audit/investigation in Iloilo City on March 13 to 18, 2006,¹⁴ and submitted an Audit Report¹⁵ dated March 23, 2006 detailing her findings. A Show Cause Memorandum¹⁶ dated March 24, 2006 (March 24, 2006 Show Cause Memorandum) was thereafter issued by QFI Human Resources (HR) Manager Rogelio Ma. J. dela Cruz (dela Cruz), directing Esloyo to explain.

⁷ Id. at 52-53.

⁸ Id. at 97-98.

⁹ Id. at 113 and 119.

¹⁰ Id. at 98.

¹¹ Id. at 107.

¹² Id. at 105-106.

¹³ Id. at 123.

¹⁴ Id. at 53 and 65.

¹⁵ Id. at 60-64.

¹⁶ Id. at 65-67.

Esloyo submitted his written explanation denying the charges,¹⁷ which QFI found to be unsatisfactory.¹⁸ Consequently, in a letter¹⁹ dated March 31, 2006, Esloyo was informed of his termination from work effective April 3, 2006 on the ground of loss of trust and confidence due to his numerous violations of the company rules and regulations.

Aggrieved, Esloyo and Magsila (respondents) filed separate complaints for illegal dismissal with money claims against QFI, its President/General Manager, Robert N. Suarez, and its HR Manager, De la Cruz, before the NLRC, docketed as SRAB VI, Case Nos. 04-50116-2006 and 07-50239-2006, respectively, which were subsequently consolidated.²⁰ They also impleaded Dole Philippines, Inc. (Dole) as party to the case, claiming that said company required them to perform additional tasks that were necessary and desirable for its operations, and that Dole, as well as its Executive personnel had created and organized QFI, and thus, should be held jointly and solidarily liable with QFI for respondents' claims.²¹

Esloyo asserted that his dismissal was illegal, claiming that: (a) the charges were all fabricated; (b) no formal investigation was conducted; and (c) he was not given the opportunity to confront his accusers; adding too that prior to the March 24, 2006 Show Cause Memorandum, he received an e-mail memorandum directing him to report to the head office for re-assignment but was, instead, placed on floating status.²² Magsila, on the other hand, averred that there was no valid retrenchment as the losses claimed by QFI were unsubstantiated and that he was merely replaced.²³

For its part, QFI maintained that respondents' dismissals were valid, hence, it is not liable for their money claims.²⁴ On the other hand, Dole denied any employer-employee relationship with respondents.²⁵

The LA Ruling

In a Decision²⁶ dated December 27, 2007, the LA found respondents to have been illegally dismissed, and ordered QFI to pay them their respective backwages, 13th month pay, unpaid salaries, separation pay in lieu of reinstatement equivalent to one (1) month pay for every year of service, and refund of their cash bonds, or a total monetary judgment of

¹⁷ See letter dated March 25, 2006; *id.* at 68-70.

¹⁸ *Id.* at 53.

¹⁹ *Id.* at 71-74.

²⁰ *Id.* at 111.

²¹ *Id.* at 119.

²² *Id.* at 114.

²³ *Id.* at 119.

²⁴ *Id.* at 54-58 and 99-101.

²⁵ *Id.* at 120.

²⁶ *Id.* at 111-128.

₱1,817,856.71,²⁷ plus 10% attorney's fees.

The LA held that Esloyo's dismissal was tainted with malice and bad faith, finding that: (a) he was not given the opportunity to refute the charges leveled against him, as instead of conducting an administrative investigation, QFI ordered his re-assignment and thereafter placed him on "floating status"; and (b) the audit report submitted was based on unverified statements. The LA likewise found no substantial evidence to support the charges against Esloyo, and thus, ruled that the claim of loss of trust and confidence was without basis.²⁸

In the same vein, the LA declared Magsila's dismissal to be illegal, holding that there could be no valid retrenchment since a replacement was hired even before the effectivity of the latter's dismissal, noting too, that the dismissal was effected only after he had acted as witness for Esloyo in the sexual harassment charge.²⁹

On the other hand, Dole was deleted as party to the case, upon a finding that it has no employer-employee relationship with respondents; while the impleaded QFI officials were absolved from personal liability.³⁰

Dissatisfied, QFI filed its Notice of Appeal and Memorandum of Appeal³¹ before the NLRC on February 8, 2008, accompanied by: (a) a Motion to Reduce Bond³² averring that it was encountering difficulty raising the amount of the bond and finding an insurance company that can cover said amount during the short period of time allotted for an appeal; and (b) a cash bond in the amount of ₱400,000.00 (partial bond).³³

Respondents filed a motion to dismiss the appeal for QFI's failure: (a) to attach a Verification and Certification of Non-Forum Shopping as required by the New Rules and Procedure of the NLRC; and (b) to post a bond in an amount equivalent to the monetary judgment as mandated by law.³⁴

²⁷ Monetary award to	
Esloyo	₱1,451,464.22 (id. at 127)
Magsila	366,392.49 (id. at 128)
<i>Total monetary award</i>	₱1,817,856.71

²⁸ Id. at 125-126.

²⁹ Id. at 126.

³⁰ Id. at 127.

³¹ Id. at 129-138.

³² Id. at 139-140.

³³ Id. at 144.

³⁴ Id. at 143.

QFI thereafter moved to admit its Verification/Certification for Non-Forum Shopping and related documents, explaining that the failure to attach said documents was due to the inadvertence of its counsel who was just recovering from the open cholecystectomy performed on him, and that the appeal was based on meritorious grounds. Subsequently, but before the NLRC could act on the Motion to Reduce Bond, it posted a surety bond from an accredited insurance company fully covering the monetary judgment, which respondents vehemently opposed.³⁵

The NLRC Ruling

In a Decision³⁶ dated February 20, 2009, the NLRC denied respondents' motion to dismiss and gave due course to QFI's appeal, holding that: (a) the lack of verification was a formal defect that could be cured by requiring an oath;³⁷ (b) the belated filing of the certificate of non-forum shopping may be allowed under exceptional circumstances as technical rules of procedure should be used to promote, not frustrate justice;³⁸ and (c) there was substantial compliance with the bond requirement, and merit in QFI's appeal that would justify a liberal application of the requirement on the timely filing of the appeal bond.³⁹

Contrary to the LA's ruling, the NLRC held that respondents were not illegally dismissed.⁴⁰ It gave credence to the audit report which showed the various infractions committed by Esloyo in violation of the company rules and regulations, and in breach of the confidence reposed on him, warranting his dismissal.⁴¹ It also found substantial evidence to support the losses suffered by QFI, and thus, declared Magsila's dismissal to prevent losses as a valid exercise of the management's prerogative.⁴²

Consequently, the NLRC deleted the awards of backwages, 13th month pay, and attorney's fees in favor of respondents for lack of basis, but sustained: (a) the award of separation pay in favor of Magsila who was dismissed for an authorized cause; and (b) the refund of respondents' cash bonds in the absence of proof that the same had been returned by QFI.⁴³

Respondents filed a motion for reconsideration,⁴⁴ which was denied in a Resolution⁴⁵ dated July 10, 2009, prompting them to elevate the matter on

³⁵ Id. at 143-144.

³⁶ Id. at 142-160.

³⁷ Id. at 145.

³⁸ Id. at 145-146.

³⁹ Id. at 146.

⁴⁰ Id. at 153.

⁴¹ Id.

⁴² Id. at 158.

⁴³ Id. at 158-159.

⁴⁴ Dated May 21, 2009; id. at 161-172.

⁴⁵ Id. at 174-175.

certiorari before the CA.⁴⁶

The CA Ruling

In a Decision⁴⁷ dated January 18, 2011, the CA reversed and set aside the NLRC's ruling and reinstated the LA's Decision. It ruled that QFI's failure to post the required bond in an amount equivalent to the monetary judgment impeded the perfection of its appeal, and rendered the LA's Decision final and executory.⁴⁸ Thus, the NLRC was bereft of jurisdiction and abused its discretion in entertaining the appeal.⁴⁹ It also held that the posting of the partial bond together with the Motion to Reduce Bond did not stop the running of the period to perfect the appeal, considering that: (a) the grounds relied upon by QFI are not meritorious; and (b) the partial bond posted was not reasonable in relation to the monetary judgment.⁵⁰

The CA further observed that the appeal filed on February 8, 2008 was plagued with several infirmities that effectively prevented its perfection, noting that: (a) there was no showing that de la Cruz, who filed/signed the petition, was authorized to represent QFI and sign the verification; and (b) it was unaccompanied by a certificate of non-forum shopping. Accordingly, it found no compelling reason to justify the relaxation of the rules.⁵¹

Undeterred, QFI filed a motion for reconsideration⁵² which was denied in a Resolution⁵³ dated July 4, 2014; hence, this petition.

The Issue Before the Court

The central issue for the Court's resolution is whether or not the CA erred in ascribing grave abuse of discretion on the part of the NLRC in giving due course to QFI's appeal.

The Court's Ruling

There is merit in the petition.

In labor cases, the law governing appeals from the LA's ruling to the NLRC is Article 229⁵⁴ of the Labor Code which provides:

⁴⁶ See Petition for *Certiorari* dated October 16, 2009; id. at 176-203.

⁴⁷ Id. at 38-47.

⁴⁸ Id. at 43-44.

⁴⁹ Id. at 44.

⁵⁰ Id.

⁵¹ Id. at 43-46.

⁵² Dated February 15, 2011; id. at 246-262.

⁵³ Id. at 50-51.

⁵⁴ Formerly Article 223. Department Advisory No. 01, Series of 2015, on Renumbering of the Labor

ART. 229. **Appeal.** – Decisions, awards, or orders of the Labor Arbiter are final and executory unless appealed to the Commission by any or both parties within ten (10) calendar days from receipt of such decisions, awards, or orders. Such appeal may be entertained only on any of the following grounds:

(a) If there is a *prima facie* evidence of abuse of discretion on the part of the Labor Arbiter;

(b) If the decision, order or award was secured through fraud or coercion, including graft and corruption;

(c) If made purely on questions of law; and

(d) If serious errors in the findings of facts are raised which would cause grave or irreparable damage or injury to the appellant.

In case of a judgment involving a monetary award, an appeal by the employer may be perfected only upon the posting of a cash or surety bond issued by a reputable bonding company duly accredited by the Commission in the amount equivalent to the monetary award in the judgment appealed from.

x x x x (Emphasis and underscoring supplied)

In this relation, Section 4, Rule VI of the 2005 Revised Rules of Procedure of the NLRC⁵⁵ (the Rules) enumerates the requisites for the perfection of appeal, *viz.*:

Section 4. *Requisites For Perfection Of Appeal.* - 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.**

x x x x (Emphases supplied)

Notably, while QFI timely filed its Notice of Appeal and Memorandum of Appeal, it was only accompanied by a partial bond with a Motion to Reduce Bond, and not a bond in an amount equivalent to the

Code of the Philippines, as Amended.

⁵⁵ The applicable NLRC Rules of Procedure as QFI's Notice of Appeal was filed on February 8, 2008.

monetary judgment, the effects of which will be discussed later. The appeal likewise suffered from the following deficiencies, *inter alia*: (a) the verification was signed by QFI HR Manager dela Cruz, without the requisite board resolution authorizing him to sign for and in behalf of QFI; and (b) it was unaccompanied by a Certificate of Non-Forum Shopping. Nonetheless, QFI subsequently submitted its Verification/Certification of Non-Forum Shopping and related documents, explaining that the failure to attach said documents was due to the inadvertence of its counsel who was then recuperating from the open cholecystectomy performed on him, and that the appeal was based on meritorious grounds.⁵⁶

In *China Banking Corp. v. Mondragon Int'l. Phils., Inc.*,⁵⁷ the Court had the occasion to rule that the subsequent submission of proof of authority to act on behalf of a petitioner corporation justifies the relaxation of the Rules for the purpose of allowing its petition to be given due course.⁵⁸ Besides, the verification of a pleading is a formal, not a jurisdictional, requirement intended to secure the assurance that the matters alleged in a pleading are true and correct. Thus, the court or tribunal may simply order the correction of unverified pleadings or act on them and waive strict compliance with the rules,⁵⁹ as the NLRC did.

On the other hand, the certification requirement is rooted in the principle that a party-litigant shall not be allowed to pursue simultaneous remedies in different fora, as this practice is detrimental to an orderly judicial procedure. However, under justifiable circumstances, the Court has relaxed the rule requiring the submission of such certification considering that although it is obligatory, it is not jurisdictional.⁶⁰

In the present case, it is apparent that the plausible merit of the case was the “special circumstance” or “compelling reason”⁶¹ that prompted the NLRC to relax the certification requirement and give due course to QFI’s appeal as it, in fact, arrived at a contrary ruling from that of the LA. It is well to emphasize that technical rules are not binding in cases submitted before the NLRC. In fact, labor officials are enjoined to use every and reasonable means to ascertain the facts in each case speedily and objectively, without regard to technicalities of law or procedure, in the interest of due process.⁶² Consequently, the NLRC cannot be faulted for relaxing its own rules in the interest of substantial justice.

⁵⁶ *Rollo*, p. 143.

⁵⁷ 511 Phil. 760 (2005).

⁵⁸ *Id.* at 766, citing *Pascual and Santos, Inc. v. Members of the Tramo Wakas Neighborhood Assoc., Inc.*, 485 Phil. 113, 122 (2004).

⁵⁹ *Medado v. Heirs of the Late Antonio Consing*, 681 Phil. 536, 547 (2012).

⁶⁰ See *People v. De Grano*, 606 Phil. 547, 563 (2009).

⁶¹ See *Torres v. Specialized Packaging Development Corporation*, 477 Phil. 540, 554 (2004).

⁶² *Surigao del Norte Electric Cooperative, Inc. v. Gonzaga*, G.R. No. 187722, June 10, 2013, 698 SCRA 103, 117-118. See also Article 227 of the Labor Code, formerly Article 223. Department Advisory No. 01, Series of 2015; Section 10, Rule VI of the NLRC Rules of Procedure.

Coming now to the bond requirement, while it has been settled that the posting of a cash or surety bond is **indispensable** to the perfection of an appeal in cases involving monetary awards from the decision of the LA,⁶³ in several cases,⁶⁴ the Court has relaxed this stringent requirement whenever justified. Thus, the Rules – specifically Section 6, Rule VI – thereof, allow the reduction of the appeal bond upon a showing of: **(a) the existence of a meritorious ground for reduction, and (b) the posting of a bond in a reasonable amount in relation to the monetary award**, to wit:

SEC. 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.

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 in the preceding paragraphs shall not stop the running of the period to perfect an appeal.⁶⁵ (Emphasis and underscoring supplied)

In this regard, it bears stressing that the reduction of the bond provided thereunder is not a matter of right on the part of the movant and its grant still lies within the sound discretion of the NLRC upon a showing of meritorious grounds and the reasonableness of the bond tendered under the circumstances.⁶⁶ The requirement on the existence of a “meritorious ground” delves on the worth of the parties’ arguments, taking into account their respective rights and the circumstances that attend the case.⁶⁷

In *Nicol v. Footjoy Industrial Corp.*,⁶⁸ the Court summarized the guidelines under which the NLRC must exercise its discretion in considering an appellant’s motion for reduction of bond in this wise:

⁶³ *Philippine Touristers, Inc. v. MAS Transit Workers Union-Anglo-KMU*, G.R. No. 201237, September 3, 2014, 734 SCRA 298, 309-310.

⁶⁴ See *Beduya v. Ace Promotion and Marketing Corporation*, G.R. No. 195513, June 22, 2015, citing *Grand Asian Shipping Lines, Inc. v. Galvez*, G.R. No. 178184, January 29, 2014, 715 SCRA 1; *Mendoza v. HMS Credit Corporation*, G.R. No. 187232, April 17, 2013, 696 SCRA 794; *Pasig Cylinder Manufacturing, Corporation v. Rollo*, 644 Phil. 588 (2010); *Nicol v. Footjoy Industrial Corporation*, 555 Phil. 275 (2007); *Nueva Ecija I Electric Cooperative, Inc. v. NLRC*, 380 Phil. 44 (2000); *Rosewood Processing, Inc. v. NLRC*, 352 Phil. 1013 (1998); *Fernandez v. NLRC*, 349 Phil. 65 (1998); and *Manila Mandarin Employees Union v. NLRC*, 332 Phil. 354 (1996).

⁶⁵ *Philippine Touristers, Inc. v. MAS Transit Workers Union-Anglo-KMU*, supra note 63, at 310.

⁶⁶ Id.

⁶⁷ *McBurnie v. Ganzon*, G.R. Nos. 178034, 178117, and 186984-85, October 17, 2013, 707 SCRA 646, 679.

⁶⁸ 555 Phil. 275 (2007).

“[T]he bond requirement on appeals involving monetary awards has been and may be relaxed in meritorious cases. These cases include instances in which (1) there was substantial compliance with the Rules, (2) surrounding facts and circumstances constitute meritorious grounds to reduce the bond, (3) a liberal interpretation of the requirement of an appeal bond would serve the desired objective of resolving controversies on the merits, or (4) the appellants, at the very least, exhibited their willingness and/or good faith by posting a partial bond during the reglementary period.”⁶⁹

Here, QFI posted a partial bond in the amount of ₱400,000.00, or more than twenty percent (20%) of the monetary judgment, within the reglementary period to appeal, together with the Motion to Reduce Bond anchored on its averred difficulty in raising the amount of the bond and searching for an insurance company that can cover said amount within the short period of time to perfect its appeal. Before the NLRC could even act on the Motion to Reduce Bond, QFI posted a surety bond from an accredited insurance company covering fully the judgment award.

However, the CA held that the grounds relied upon by QFI are not meritorious, and that the partial bond posted was not reasonable in relation to the monetary judgment.

Case law has held that for purposes of justifying the reduction of the appeal bond, **the merit referred to may pertain to (a) an appellant’s lack of financial capability to pay the full amount of the bond, or (b) the merits of the main appeal** such as when there is a valid claim that there was no illegal dismissal to justify the award, the absence of an employer-employee relationship, prescription of claims, and other similarly valid issues that are raised in the appeal.⁷⁰

In this case, the NLRC held that a liberal application of the requirement on the timely filing of the appeal bond is justified, finding that (a) the posting of a ₱400,000.00 cash bond within the reglementary period to appeal and the subsequent posting of a surety bond constitute substantial compliance of the bond requirement; and (b) there is merit in QFI’s appeal.

As to what constitutes “a reasonable amount of bond” that must accompany the motion to reduce bond in order to suspend the period to perfect an appeal, the Court, in *McBurnie v. Ganzon*,⁷¹ pronounced:

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 appeal bond are effectively carried out, without however defeating the benefits of the bond requirement in favor of a winning litigant, **all**

⁶⁹ Id. at 292.

⁷⁰ *McBurnie v. Ganzon*, supra note 67 at 679-680.

⁷¹ Id.

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.⁷² (Emphasis and underscoring supplied)

Hence, the posting of a ₱400,000.00 cash bond equivalent to more than 20% of the monetary judgment, together with the Motion to Reduce Bond within the reglementary period was sufficient to suspend the period to perfect the appeal. The posting of the said partial bond coupled with the subsequent posting of a surety bond in an amount equivalent to the monetary judgment also signified QFI's good faith and willingness to recognize the final outcome of its appeal.⁷³

In determining the reasonable amount of appeal bonds, however, the Court primarily considers the merits of the motions and the appeals.⁷⁴ Thus, in *Rosewood Processing, Inc. v. NLRC*,⁷⁵ the Court considered the posting of a ₱50,000.00 bond together with the motion to reduce bond as substantial compliance with the legal requirements of an appeal from a ₱789,154.39 monetary award “[c]onsidering the clear merits which appear, *res ipsa loquitor*, in the appeal from the labor arbiter's Decision and the petitioner's substantial compliance with rules governing appeals.”⁷⁶

It should be emphasized that the NLRC has full discretion to grant or deny the motion to reduce bond,⁷⁷ and its ruling will not be disturbed unless tainted with grave abuse of discretion. Verily, an act of a court or tribunal can only be considered to be tainted with grave abuse of discretion when such act is done in a capricious or whimsical exercise of judgment as is equivalent to lack of jurisdiction,⁷⁸ which clearly is not extant with respect to the NLRC's cognizance of QFI's appeal. Far from having gravely abused its discretion, the NLRC correctly preferred substantial justice over the rigid and stringent application of procedural rules. This, by all means, is not a case of grave abuse of discretion calling for the issuance of a writ of *certiorari*,⁷⁹ warranting the reversal of the CA's ruling granting the *certiorari* petition and the remand of the case to the CA for appropriate action.

⁷² Id. at 678-679.

⁷³ See id. at 677.

⁷⁴ Id. at 684.

⁷⁵ 352 Phil. 1013 (1998).

⁷⁶ Id. at 1031.


⁷⁷ *Garcia v. KJ Commercial*, 683 Phil. 376, 389 (2012).

⁷⁸ *Philippine Touristers, Inc. v. MAS Transit Workers Union-Anglo-KMU*, supra note 63, at 313.


⁷⁹ See *Aujero v. Phil. Communications Satellite Corp.*, 679 Phil. 463, 477-478 (2012).

WHEREFORE, the petition is **GRANTED**. The Decision dated January 18, 2011 and the Resolution dated July 4, 2014 of the Court of Appeals, Cebu City in CA-G.R. CEB-SP No. 04622 are hereby **REVERSED** and **SET ASIDE**. The case is **REMANDED** to the CA for appropriate action.

SO ORDERED.



ESTELA M. PERLAS-BERNABE
Associate Justice

WE CONCUR:


MARIA LOURDES P. A. SERENO
Chief Justice
Chairperson

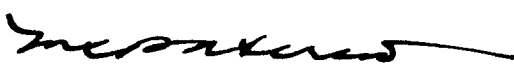

TERESITA J. LEONARDO-DE CASTRO
Associate Justice


LUCAS P. BERSAMIN
Associate Justice


JOSE PORTUGAL PEREZ
Associate Justice

CERTIFICATION

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


MARIA LOURDES P. A. SERENO
Chief Justice