

# Republic of the Philippines Supreme Court Manila

### **SECOND DIVISION**

## ALEJANDRO CEPRADO, JR., RONILO SEBIAL, NICANOR OLIVAR, ALVIN VILLEGAS, and EDGAR MANATO,

Petitioners,

CARPIO, J., Chairperson, VELASCO, JR.,\* PERALTA,\*\* DEL CASTILLO, and LEONEN, JJ.

G.R. No. 175198

Present:

-versus-

### DECISION

#### LEONEN, J.:

Motions for reconsideration not served on the adverse party do not toll the running of the reglementary period for filing an appeal. Upon lapse of the reglementary period, the judgment sought to be reconsidered becomes immutable.

\* Designated acting member per S.O. No. 2215 dated September 22, 2015.

<sup>\*\*</sup> Designated acting member per S.O. No. 2170 dated September 10, 2015.

This is a Petition for Review on Certiorari<sup>1</sup> of the Court of Appeals Decision<sup>2</sup> remanding the case to the Regional Director of the Department of Labor and Employment - Region IV for further proceedings. The Court of Appeals found that the Regional Director resolved respondent Nationwide Security and Allied Services' Motion for Reconsideration without giving the adverse parties, petitioners Alejandro Ceprado, Jr., Ronilo Sebial, Nicanor Olivar, Alvin Villegas, and Edgar Manato (Ceprado, et. al), their opportunity to be heard.<sup>3</sup>

Nationwide Security and Allied Services, Inc. (Nationwide Security) is a security agency with Romeo T. Nolasco as its president and general manager.<sup>4</sup> It provided security guard services to Uniden Philippines (Uniden), whose plant is located in Cabuyao, Laguna.<sup>5</sup>

On November 16, 2000, the Office of the Regional Director of the Department of Labor and Employment - Region IV (Regional Office) conducted a regular inspection of Uniden's Cabuyao plant pursuant to the visitorial and enforcement powers under Article 128(b) of the Labor Code.<sup>6</sup> In the Notice of Inspection Results,<sup>7</sup> the following violations of labor standards laws allegedly committed against the security personnel stationed at Uniden were noted:

- 1. Record keeping employment records such as payrolls and daily time records of guards were kept and maintained at their main office;
- 2. Underpayment of wages and salary[-]related benefits;
- 3. No [Department of Labor and Employment] registration per [Department Order] No. 10;

Art. 128. Visitorial and enforcement power. -

An order issued by the duly authorized representative of the Secretary of Labor and Employment under this article may be appealed to the latter. In case said order involves 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 Secretary of Labor and Employment in the amount equivalent to the monetary award in the order appealed from.

<sup>7</sup> *Rollo*, p. 48.

<sup>&</sup>lt;sup>1</sup> *Rollo*, pp. 10–31.

<sup>&</sup>lt;sup>2</sup> Id. at 33–43. The case was docketed as CA-G.R. SP No. 85963. The Decision was penned by Associate Justice Mario L. Guariña III and concurred in by Associate Justices Roberto A. Barrios and Lucenito N. Tagle of the Fourth Division, Court of Appeals Manila.

<sup>&</sup>lt;sup>3</sup> Id. at 42, Court of Appeals Decision dated September 12, 2006.

<sup>&</sup>lt;sup>4</sup> Id. at 34.

<sup>&</sup>lt;sup>5</sup> Id. at 33.

LABOR CODE, Art. 128 provides:

<sup>(</sup>b) Notwithstanding the provisions of Articles 129 and 217 of this Code to the contrary, and in cases where the relationship of employer-employee still exists, the Secretary of Labor and Employment or his duly authorized representatives shall have the power to issue compliance orders to give effect to the labor standards provisions of this Code and other labor legislation based on the findings of labor employment and enforcement officers or industrial safety engineers made in the course of inspection. The Secretary or his duly authorized representatives shall issue writs of execution to the appropriate authority for the enforcement of their orders, except in cases where the employer contests the findings of the labor employment and enforcement officer and raises issues supported by documentary proofs which were not considered in the course of inspection.

- 4. No organized safety committee/no safety committee reports;
- 5. No annual medical report;
- 6. No annual work accident/illness exposure data report; and
- 7. Non-submission of list of labor component.<sup>8</sup>

Finding that Nationwide Security and Uniden failed to rectify the alleged violations "despite the ample time given to both respondents,"<sup>9</sup> Regional Director Ricardo S. Martinez, Sr. (Regional Director Martinez) declared the labor inspector's findings "final and conclusive"<sup>10</sup> in the Order<sup>11</sup> dated April 19, 2001. He directed Nationwide Security and Uniden to solidarily pay 40 security personnel the aggregate amount of P1,600,134.40 representing wage differentials and other salary-related benefits, with each security personnel receiving  $P40,003.36.^{12}$  Failure to pay the required amount within 10 calendar days, according to the Regional Director, would result in Nationwide Security and/or Uniden paying double indemnity pursuant to Republic Act No. 8188.<sup>13</sup>

Nationwide Security filed a Motion for Reconsideration, arguing that its liability with Uniden is merely joint and not solidary, Uniden being the principal client.<sup>14</sup>

Regional Director Martinez heard Nationwide Security's Motion for Reconsideration and directed the company to submit payrolls and daily time records covering the period from November 17, 1998 to November 16, 2000.<sup>15</sup> Nationwide Security subsequently filed a Manifestation, contending for the first time that the Regional Office had no jurisdiction over the case. Citing Article 129 of the Labor Code,<sup>16</sup> which limited the jurisdiction of the

<sup>&</sup>lt;sup>8</sup> Id. at 48. *See also* the Order dated April 19, 2001 (Id. at 85).

<sup>&</sup>lt;sup>9</sup> Id. at 86, Department of Labor and Employment Order dated April 19, 2001.

<sup>&</sup>lt;sup>10</sup> Id.

<sup>&</sup>lt;sup>11</sup> Id. 85–88.

<sup>&</sup>lt;sup>12</sup> Id. at 86.  $^{13}$  Ap A et

An Act Increasing the Penalty and Imposing Double Indemnity For Violation of the Prescribed Increases or Adjustments in the Wage Rates, Amending for the Purpose Section Twelve of Republic Act Number Sixty-Seven Hundred Twenty-Seven, Otherwise Known as the Wage Rationalization Act, sec. 1 provides:

SECTION 1. Section 12 of Republic Act Numbered Sixty-seven hundred twenty-seven is hereby amended to read to as follows:

<sup>&</sup>quot;Sec. 12. Any person, corporation, trust, firm, partnership, association or entity which refuses or fails to pay any of the prescribed increases or adjustments in the wage rates made in accordance with this Act shall be punished by a fine not less than Twenty-five thousand pesos (P25,000.00) nor more than One hundred thousand pesos (P100,000) or imprisonment of not less than two (2) years nor more than four (4) years, or both such fine and imprisonment at the discretion of the court: *Provided*, That any person convicted under this Act shall not be entitled to the benefits provided for under the Probation Law.

<sup>&</sup>quot;The employer concerned shall be ordered to pay an amount equivalent to double the unpaid benefits owing to the employees: *Provided*, That payment of indemnity shall not absolve the employer from the criminal liability imposable under this Act[.]"

<sup>&</sup>lt;sup>14</sup> *Rollo*, p. 93, Department of Labor and Employment Resolution dated May 8, 2002.

<sup>&</sup>lt;sup>15</sup> Id.

<sup>&</sup>lt;sup>16</sup> LABOR CODE, Art. 129 provides:

Regional Director over money claims amounting to P5,000.00 or less, Nationwide Security argued that the Regional Director had no authority to order the payment of P1,600,134.40. Nationwide Security also alleged that some of the security personnel had already received the wage differentials as evidenced by quitclaims.<sup>17</sup>

In the meantime, five (5) of the security personnel—namely: Alejandro Ceprado, Jr., Ronilo Sebial, Nicanor Olivar, Alvin Villegas, and Edgar Manato—filed before the National Labor Relations Commission Regional Arbitration Branch No. IV a Complaint<sup>18</sup> for illegal dismissal. They alleged that Nationwide Security terminated their employment when they "persisted in seeking enforcement of the awards under the April 19, 2001 [O]rder."<sup>19</sup>

Acting on the Motion for Reconsideration previously filed by Nationwide Security, Regional Director Martinez reversed his April 19, 2001 Order in the Resolution<sup>20</sup> dated May 8, 2002. He ruled that the jurisdictional amount in Article 129 of the Labor Code had already been repealed by Republic Act No. 7730.<sup>21</sup> With respect to the alleged violations of Nationwide Security, Regional Director Martinez found that they had already been rectified. The wage differentials due to the security personnel

<sup>19</sup> Id. at 36, Court of Appeals Decision dated September 12, 2006.

ART. 129. Recovery of Wages, Simple Money Claims and Other Benefits. – Upon complaint of any interested party, the regional director of the Department of Labor and Employment or any of the duly authorized hearing officers of the Department is empowered, through summary proceeding and after due notice, to hear and decide any matter involving the recovery of wages and other monetary claims and benefits, including legal interest, owing to an employee or person employed in domestic or household service or househelper under this Code, arising from employer-employee relations: *Provided*, That such complaint does not include a claim for reinstatement; *Provided*, *further*, That the aggregate money claim of each employee or househelper does not exceed Five Thousand pesos (P5,000.00).

<sup>&</sup>lt;sup>17</sup> *Rollo*, p. 94, Department of Labor and Employment Resolution dated May 8, 2002.

<sup>&</sup>lt;sup>18</sup> Id. at 60–61.

<sup>&</sup>lt;sup>20</sup> Id. at 93–97.

<sup>&</sup>lt;sup>21</sup> An Act Further Strengthening the Visitorial and Enforcement Powers of the Secretary of Labor and Employment, Amending for the Purpose Article 128(b) of Presidential Decree Numbered Four Hundred Forty-Two as Amended, Otherwise Known as the Labor Code of the Philippines, sec. 1 provides:

Section 1. Paragraph (b) of Article 128 of the Labor Code, as amended, is hereby further amended to read as follows:

<sup>&</sup>quot;Art. 128. Visitorial and Enforcement Power. ----

<sup>&</sup>quot;(b) Notwithstanding the provisions of Articles 129 and 217 of this Code to the contrary, and in cases where the relationship of employer-employee still exists, the Secretary of Labor and Employment or his duly authorized representatives shall have the power to issue compliance orders to give effect to the labor standards provisions of this Code and other labor legislation based on the findings of labor employment and enforcement officers or industrial safety engineers made in the course of inspection. The Secretary or his duly authorized representatives shall issue writs of execution to the appropriate authority for the enforcement of their orders, except in cases where the employer contests the findings of the labor employment and enforcement officer and raises issues supported by documentary proofs which were not considered in the course of inspection.

<sup>&</sup>quot;An order issued by the duly authorized representative of the Secretary of Labor and Employment under this article may be appealed to the latter. In case said order involves 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 Secretary of Labor and Employment in the amount equivalent to the monetary award in the order appealed from."

were likewise recomputed. Specifically for Ceprado, Jr. et al., Regional Director Martinez ruled that they were collectively entitled to P46,218.10 representing the wage differentials and other benefits due them:

NAMES	AMOUNT
1. Ceprado, Alejandro M.	7,250.05
2. Sebial, Ronilo C.	27,480.00
3. Manato, Edgar	7,870.01
4. Olivar, Nicanor	1,598.67
5. Villegas, Alvin	<u>2,019.37</u>
Total Amount -	Php 46,218.10 <sup>22</sup>

Ceprado, Jr. et al. then wrote<sup>23</sup> the Secretary of Labor and Employment, praying that the Resolution dated May 8, 2002 be set aside. They alleged that upon verification of case records, Nationwide Security and Uniden neither appealed nor filed a motion for reconsideration of the April 19, 2001 Order. Thus, the April 19, 2001 Order already became final and executory and may no longer be disturbed.<sup>24</sup>

Former Secretary of Labor and Employment Patricia A. Sto. Tomas (Secretary Sto. Tomas) received a copy of Ceprado, Jr. et al.'s Letter on May 30, 2002. She treated the Letter as an appeal and, in the Order<sup>25</sup> dated March 12, 2003, set aside Regional Director Martinez's Resolution dated May 8, 2002. According to Secretary Sto. Tomas, Ceprado, Jr. et al. were not notified of the proceedings subsequent to the issuance of the April 19, 2001 Order. Thus, they were deprived of their right to due process, rendering the Resolution dated May 8, 2002 null and void.

With no motion for reconsideration having been filed by Nationwide or Uniden, the Order dated March 12, 2003 was deemed final and executory on April 28, 2003. An Entry of Judgment was, thus, issued by the Department of Labor and Employment.<sup>26</sup>

Accordingly, the Regional Office issued a Writ of Execution<sup>27</sup> to implement the Order dated March 12, 2003. The aggregate amount payable to Ceprado, Jr. et al. was recomputed to P400,033.60, inclusive of the penalties provided under Republic Act No. 8188.

A Motion to Quash and Recall Writ of Execution<sup>28</sup> was filed by Nationwide Security. It argued that the Order dated March 12, 2003 was

<sup>&</sup>lt;sup>22</sup> *Rollo*, p. 96, Department of Labor and Employment Resolution dated May 8, 2002.

<sup>&</sup>lt;sup>23</sup> Id. at 98–100, Letter dated May 27, 2002.

<sup>&</sup>lt;sup>24</sup> Id. at 98.

<sup>&</sup>lt;sup>25</sup> Id. at 102–105.

<sup>&</sup>lt;sup>26</sup> Id. at 132–133.

<sup>&</sup>lt;sup>27</sup> Id. at 134–137.

<sup>&</sup>lt;sup>28</sup> Id. at 138–148.

null and void, having been rendered without proof of service on the company of Ceprado, Jr. et al.'s Letter-Appeal to Secretary Sto. Tomas. It added that it already paid Ceprado, Jr. et al. ₱46,218.10 as required in the April 19, 2001 Order. Therefore, there was nothing left to execute.

Still, in the Order<sup>29</sup> dated March 23, 2004, Secretary Sto. Tomas denied the Motion to Quash and Recall Writ of Execution, ruling that there was no denial of due process. According to the Secretary, the findings in the Notice of Inspection Results have long become final and executory. Consequently, the issuance of a Writ of Execution was in order.

Nationwide Security filed a Motion for Reconsideration,<sup>30</sup> which former Acting Secretary of Labor and Employment Manuel G. Imson denied in the Order<sup>31</sup> dated July 19, 2004.

Alleging grave abuse of discretion on the part of the Department of Labor and Employment, Nationwide Security filed a Petition for Certiorari<sup>32</sup> before the Court of Appeals. It argued that Secretary Sto. Tomas' Order dated March 12, 2003, which treated Ceprado, Jr. et al.'s Letter dated May 27, 2002 as an appeal and subsequently granted it, was null and void for lack of due process. Nationwide Security was allegedly not furnished a copy of the Letter-Appeal.<sup>33</sup> Thus, it was deprived of the opportunity to file a reply or opposition as provided under Rule IV, Section 4(b) of the Rules on the Disposition of Labor Standards Cases in the Regional Offices.<sup>34</sup>

Worse, Nationwide Security already paid the judgment amount of  $\mathbb{P}46,218.10$  as ordered in the Resolution dated May 8, 2002. The payment was evidenced by Official Receipt No. 2396419 issued by the Regional Office as proof of compliance with the Resolution. It was, therefore, grave abuse of discretion for the Regional Office to issue a Writ of Execution to implement the Order dated March 12, 2003.<sup>35</sup>

The Court of Appeals granted Nationwide Security's Petition for Certiorari upon finding that Nationwide Security filed its Motion for Reconsideration before Regional Director Martinez without furnishing

Section 4. Requisites of appeal.

<sup>&</sup>lt;sup>29</sup> Id. at 175–176. <sup>30</sup> Id. at 177–183

 <sup>&</sup>lt;sup>30</sup> Id. at 177–183.
<sup>31</sup> Id. at 188–189.

 $<sup>^{32}</sup>$  Id. at 106–131.

<sup>&</sup>lt;sup>33</sup> Id. at 123–124, Petition for Certiorari.

<sup>&</sup>lt;sup>34</sup> Rules on the Disposition of Labor Standards Cases in the Regional Offices, Rule IV, sec. 4(b) provides:

<sup>(</sup>b) The appellee may file with the Regional Office his reply or opposition to the appeal within ten (10) calendar days from receipt thereof. Failure on the part of the appellee to file his reply or opposition within the said period shall be construed as a waiver on his part to file the same.

<sup>&</sup>lt;sup>35</sup> *Rollo*, p. 110, Petition for Certiorari.

Ceprado, et al. a copy of the Motion.<sup>36</sup> It likewise found that Ceprado, et al. filed their Letter-Appeal before the Department of Labor and Employment without furnishing Nationwide Security a copy of the Letter-Appeal.<sup>37</sup>

Consequently, the Court of Appeals voided for lack of due process both the Regional Director's Resolution dated May 8, 2002 granting Nationwide Security's Motion for Reconsideration and the Department of Labor and Employment's Order dated March 12, 2003 granting Ceprado, et al.'s appeal. The Court of Appeals likewise voided the Department of Labor and Employment's Order dated March 23, 2004 denying the Motion to Quash and Recall Writ of Execution, as well as the Order dated July 19, 2004 denying Nationwide Security's Motion for Reconsideration.

In the Decision<sup>38</sup> dated September 12, 2006, the Court of Appeals set aside the Resolution dated May 8, 2002, the Order dated March 12, 2003, the Order dated March 23, 2004, and the Order dated July 19, 2004. It remanded the case to the Regional Director "for action on the motion for reconsideration and/or appeal filed by [Nationwide Security], with prior notice to and opportunity to be heard on the part of [Ceprado, et al.], subject to further proceedings as the rules and the circumstances may warrant."<sup>39</sup>

Ceprado, et al. filed a Motion for Reconsideration, which the Court of Appeals denied in the Resolution<sup>40</sup> dated October 30, 2006.

Assailing the Court of Appeals' Decision and Resolution, Ceprado, et al. filed before this court their Petition for Review on Certiorari.<sup>41</sup> Nationwide Security filed its Comment,<sup>42</sup> after which Ceprado, et al. filed their Reply.<sup>43</sup>

Petitioners Alejandro Ceprado, Jr., Ronilo Sebial, Nicanor Olivar, Alvin Villegas, and Edgar Manato allege that respondent Nationwide Security and Allied Services, Inc. failed to file an appeal of the Department of Labor and Employment's Order dated March 12, 2003 within the reglementary period. Therefore, the Order had already become final and executory, and the Court of Appeals erred in setting it aside.<sup>44</sup>

<sup>&</sup>lt;sup>36</sup> Id. at 39–40, Court of Appeals Decision dated September 12, 2006.

<sup>&</sup>lt;sup>37</sup> Id. at 40.

<sup>&</sup>lt;sup>38</sup> Id. at 33–43. The Decision was penned by Associate Justice Mario L. Guariña III and was concurred in by Associate Justices Roberto A. Barrios and Lucenito N. Tagle.

<sup>&</sup>lt;sup>39</sup> Id. at 42, Court of Appeals Decision dated September 12, 2006.

<sup>&</sup>lt;sup>40</sup> Id. at 47.

<sup>&</sup>lt;sup>41</sup> Id. at 10–31.

<sup>&</sup>lt;sup>42</sup> Id. at 213–225.

<sup>&</sup>lt;sup>43</sup> Id. at 227–233.

<sup>&</sup>lt;sup>44</sup> Id. at 27, Petition for Review on Certiorari.

As for respondent Nationwide Security and Allied Services, it alleges that petitioners Ceprado, et. al deprived it of its right to due process when the latter failed to furnish it a copy of their Letter-Appeal to the Department of Labor and Employment. Considering that any judgment rendered without due process is null and void, the Order dated March 12, 2003 was, likewise, null and void. Therefore, the Court of Appeals did not err in setting aside the Order dated March 12, 2003 and the subsequent Orders implementing it.<sup>45</sup>

The sole issue for our resolution is whether the Department of Labor and Employment's Orders dated March 12, 2003, March 23, 2004, and July 19, 2004 are void.

We grant the Petition.

This case is a labor standards case involving "the minimum requirements prescribed by existing laws, rules and regulations and other issuances relating to wages, hours of work, cost of living allowances and other monetary and welfare benefits, including those set by occupational safety and health standards."<sup>46</sup> When this case was commenced, the Rules on the Disposition of Labor Standards Cases in the Regional Offices governed labor inspections.<sup>47</sup>

Rule II, Section 19 of the Rules on the Disposition of Labor Standards Cases in the Regional Offices allows an aggrieved party to file a motion for reconsideration of the Order of the Regional Office.<sup>48</sup> In this case, respondent filed a Motion for Reconsideration of Regional Director Martinez's April 19, 2001 Order.

However, as found by the Department of Labor and Employment and the Court of Appeals, respondent failed to furnish petitioners a copy of its Motion for Reconsideration. This is contrary to Rule II, Section 12 of the Rules on the Disposition of Labor Standards Cases in the Regional Offices,<sup>49</sup> which requires parties to comply with due process requirements.

<sup>&</sup>lt;sup>45</sup> Id. at 218–219, Comment.

<sup>&</sup>lt;sup>46</sup> Rules on the Disposition of Labor Standards Cases in the Regional Offices, Rule I, sec. 7.

<sup>&</sup>lt;sup>47</sup> The Rules on the Disposition of Labor Standards Cases in the Regional Offices became effective on September 16, 1987. Labor inspection procedure is now governed by Sections 3 and 4 of the Basic Labor Inspection Manila, Revised 2003 Edition.

<sup>&</sup>lt;sup>48</sup> Rules on the Disposition of Labor Standards Cases in the Regional Offices, Rule II, sec. 19 provides: Section 19. *Motion for reconsideration*. – The aggrieved party may file a motion for reconsideration of the Order of the Regional Office within seven (7) calendar days from receipt by him of a copy of said Order.

<sup>&</sup>lt;sup>49</sup> Rules on the Disposition of Labor Standards Cases in the Regional Offices, Rule II, sec. 12 provides: Section 12. *Nature of proceedings*. –The proceedings before the Regional Office shall be summary and non-litigious in nature. Subject to the requirements of due process, the technicalities of law and procedure and the rules governing admissibility and sufficiency of evidence obtaining in the courts of

The Rules of Court, which applies suppletorily in labor standards cases,<sup>50</sup> requires a written notice of every motion for reconsideration to be served on the adverse party as compliance with the requirement of due process.<sup>51</sup> Motions for reconsideration not served on the other party are *pro forma*<sup>52</sup> and are "mere scrap[s] of paper"<sup>53</sup> not to be acted upon by the court.<sup>54</sup> Motions for reconsideration not served on the other party do not toll the running of the reglementary period for filing an appeal,<sup>55</sup> and the judgment sought to be reconsidered becomes final and executory upon lapse of the reglementary period.<sup>56</sup>

As respondent failed to furnish petitioners a copy of its Motion for Reconsideration of the April 19, 2001 Order, Regional Director Martinez had no jurisdiction to act on the Motion for Reconsideration. The Resolution dated May 8, 2002 granting the Motion for Reconsideration is null and void for want of jurisdiction.

Moreover, the filing of the Motion for Reconsideration did not toll the running of the seven-day reglementary period under Rule II, Section 19 of the Rules on the Disposition of Labor Standards Cases in the Regional Offices. Thus, the April 19, 2001 Order became final and executory after seven (7) days from the filing of the Motion, i.e., on May 16, 2001.<sup>57</sup>

<sup>54</sup> RULES OF COURT, Rule 15, sec. 6 provides:
SEC. 6. *Proof of service*. – No written motion set for hearing shall be acted upon by the court without proof of service thereof.

<sup>55</sup> RULES OF COURT, Rule 37, sec. 2 provides:
SEC. 2. Contents of motion for new trial or reconsideration and notice thereof. - . . . .
A pro forma motion for new trial or reconsideration shall not toll the reglementary period of appeal.

<sup>56</sup> RULES OF COURT, Rule 39, sec. 1 provides: SECTION 1. *Execution upon judgments or final orders*. – Execution shall issue as a matter of right, on motion, upon a judgment or order that disposes of the action or proceeding upon the expiration of the period to appeal therefrom if no appeal has been duly perfected.

law shall not strictly apply thereto. The Regional Office may, however, avail itself of all reasonable means to ascertain the facts or the controversy speedily and objectively, including ocular inspection and examination of well informed persons. Substantial evidence, whenever necessary shall be sufficient to support a decision or order.

<sup>&</sup>lt;sup>50</sup> Rules on the Disposition of Labor Standards Cases in the Regional Offices, Rule I, sec. 6 provides: Section 6. Suppletory application of Rules of Court. – In the absence of any applicable provisions of the Rules of Court may be applied in a suppletory character.

<sup>&</sup>lt;sup>51</sup> RULES OF COURT, Rule 37, sec. 2 provides: SEC. 2. Contents of motion for new trial or reconsideration and notice thereof. - The motion shall be made in writing stating the ground or grounds therefor, a written notice of which shall be served by the movant on the adverse party.

<sup>&</sup>lt;sup>52</sup> See Philippine Commercial and Industrial Bank v. Court of Appeals, 391 Phil. 145, 152 (2000) [Per J. Quisumbing, Second Division].

<sup>&</sup>lt;sup>53</sup> Id.

<sup>&</sup>lt;sup>57</sup> The Motion for Reconsideration was filed on May 9, 2001. See Order dated March 12, 2003 (*rollo*, p. 103). Counting seven (7) days from the filing of the Motion for Reconsideration on May 9, 2001, the Resolution dated April 19, 2001 thus became final and executory on May 16, 2001.

The Court of Appeals, therefore, correctly set aside all the orders subsequent to the April 19, 2001 Order, specifically: the Regional Director's Resolution dated May 8, 2002 granting respondent's Motion for Reconsideration; the Department of Labor and Employment's Order dated March 12, 2003 granting petitioners' appeal; the Order dated March 23, 2004 denying the Motion to Quash and Recall Writ of Execution; and the Order dated July 19, 2004 denying respondent's Motion for Reconsideration.

However, the Court of Appeals erred in remanding the case to the Regional Director for further proceedings on the Motion for Reconsideration. The proper course of action is to issue a writ of execution to implement the April 19, 2001 Order.

Further, we note that similar to respondent, petitioners violated the requirements of due process. They never denied that they failed to furnish respondent a copy of their Letter-Appeal to the Secretary of Labor. Worse, their appeal did not strictly comply with the rules on appeal as provided in the Rules on the Disposition of Labor Standards Cases in the Regional Offices.

Appeal is a purely statutory privilege that "may be exercised only in the manner and in accordance with the provisions of law."<sup>58</sup> If an appellate court or tribunal takes cognizance of an appeal that does not comply with the rules, the appellate court or tribunal acts without jurisdiction.<sup>59</sup> The decision on the appeal is null and void.

Rule IV, Section 3 of the Rules on the Disposition of Labor Standards Cases in the Regional Offices requires that "[t]he appeal [to the Secretary of Labor] . . . be filed in five (5) legibly typewritten copies with the Regional Office which issued the Order." Section 4 adds that the appeal "shall be accompanied by a Memorandum of Appeal which shall state the date appellant received the Order and the grounds relied upon and arguments in support thereof[.]"

These provisions use "shall," indicating that these rules are mandatory and compulsory.<sup>60</sup> To perfect an appeal, it is the appellant's duty to submit a memorandum of appeal.<sup>61</sup>

<sup>&</sup>lt;sup>58</sup> Boardwalk Business Ventures, Inc. v. Villareal, G.R. No. 181182, April 10, 2013, 695 SCRA 468, 477 [Per J. Del Castillo, Second Division].

<sup>&</sup>lt;sup>59</sup> Id. at 481.

<sup>&</sup>lt;sup>60</sup> Gonzales v. Gonzales, 518 Phil. 223, 235 (2006) [Per J. Chico-Nazario, Second Division], *citing* Enriquez v. Court of Appeals, 444 Phil. 419, 428 (2003) [Per J. Quisumbing, Second Division].

<sup>&</sup>lt;sup>61</sup> Id.

Throughout the proceedings in this case, petitioners never disputed that they merely filed a letter before Secretary Sto. Tomas to set aside Regional Director Martinez's Resolution dated May 8, 2002. They did not avail themselves of the proper appeal pleading—a memorandum of appeal filed before the Department of Labor and Employment.

11

Secretary Sto. Tomas, thus, acted without jurisdiction in treating petitioners' Letter dated May 27, 2002 as an appeal. Although the Rules on the Disposition of Labor Standards Cases in the Regional Offices provide that the rules "shall be liberally construed,"<sup>62</sup> still, courts and tribunals are "limited by the legislative will and intent, *as expressed in the law itself*."<sup>63</sup> In this case, the law consists of rules issued under the quasi-legislative power delegated by the legislative branch to the Secretary of Labor and Employment.<sup>64</sup> The Secretary of Labor should have strictly followed the rules on appeal under the Rules on the Disposition of Labor Standards Cases in the Regional Offices.

In any case, the April 19, 2001 Order is already final and executory and may no longer be disturbed. It has become "immutable and unalterable."<sup>65</sup> The April 19, 2001 Order "may no longer be modified in any respect, even if the modification is meant to correct what is perceived to be an erroneous conclusion of fact or law[.]"<sup>66</sup>

WHEREFORE, the Petition for Review on Certiorari is GRANTED. The Court of Appeals Decision dated September 12, 2006 and the Resolution dated October 30, 2006 in CA-G.R. SP No. 85963 are SET ASIDE.

The Order dated April 19, 2001 of the Department of Labor and Employment Region IV in RO400-1108-RI-018-087 is hereby declared **FINAL and EXECUTORY**. The Regional Director of the Department of Labor and Employment Region IV is **DIRECTED** to issue a Writ of Execution in RO400-1108-RI-018-087.

The Department of Labor and Employment Region IV's Resolution dated May 8, 2002 in RO400-1108-RI-018-087 and the Department of Labor

<sup>64</sup> LABOR CODE, Art. 5 provides:

<sup>&</sup>lt;sup>62</sup> Rules on the Disposition of Labor Standards Cases in the Regional Offices, Rule I, sec. 5 provides: Section 5. *Construction*. – In order to carry out the objectives of the Constitution and the Labor Code and to aid the parties in arriving at a fair, just, expeditious and economical settlement of labor disputes, these Rules shall be liberally construed.

<sup>&</sup>lt;sup>63</sup> Gonzaga v. The Secretary of Labor, 254 Phil. 528, 545 (1989) [Per J. Feliciano, En Banc].

ARTICLE 5. *Rules and regulations.* — The Department of Labor and other government agencies charged with the administration and enforcement of this Code or any of its parts shall promulgate the necessary implementing rules and regulations. Such rules and regulations shall become effective fifteen days after announcement of their adoption in newspapers of general circulation.

<sup>&</sup>lt;sup>65</sup> Philippine Veterans Bank v. Estrella, 453 Phil. 45, 51 (2003) [Per J. Callejo, Sr., Second Division].

<sup>&</sup>lt;sup>66</sup> Id.

and Employment's Orders dated March 12, 2003, March 23, 2004, and July 19, 2004 are all **SET ASIDE**.

SO ORDERED.

Associate Justice

WE CONCUR:

ANTONIO T. CARPIO Associate Justice Chairperson

PRESBITERO J. VELASCO, JR. Associate Justice

DIOSDADO M. PERALTA Associate Justice

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MARIANO C. DEL CASTILLO Associate Justice

### ATTESTATION

I attest 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.

ANTONIO T. CARPÍO Associate Justice Chairperson, Second Division

#### 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 had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

mankens **MARIA LOURDES P. A. SERENO** Chief Justice