Republic of the Philippines
Supreme Court
Manila

SECOND DIVISION

FAR EAST BANK AND TRUST COMPANY, Petitioner,	**G.R. No. 187491** Present:
-versus-	PERALTA, *J.*[*] BERSAMIN,[**] DEL CASTILLO, *Acting Chairperson*[***] MENDOZA, and LEONEN, *JJ.*
LILIA S. CHUA, Respondent.	**Promulgated:** 08 JUL 2015

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DECISION

LEONEN, *J.*:

Respondent Lilia S. Chua (Chua) was dismissed by petitioner Far East Bank and Trust Co. (Far East Bank) due to a finding that she engaged in multiple kiting transactions which was a serious violation of Far East Bank's Code of Conduct. The Labor Arbiter ruled that there was illegal dismissal. This was reversed by the National Labor Relations Commission. Chua participated in the appeal proceedings before the National Labor Relations Commission.

The Court of Appeals reversed the National Labor Relations

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[*] Designated Acting Member per S.O. No. 2088 dated July 1, 2015.
[**] Designated Acting Member per S.O. No. 2079 dated June 29, 2015.
[***] Designated Acting Chairperson per S.O. No. 2087 (Revised) dated July 1, 2015.

Commission's ruling, stating that Far East Bank's appeal before the National Labor Relations Commission was not perfected.

We are asked in this Petition to reverse the ruling of the Court of Appeals.

Chua was employed as a bank executive by Far East Bank, rising through the latter's ranks and holding the position of Assistant Vice President from October 1, 1997 until the termination of her employment.[1]

It is not disputed that on July 1, 1999, Chua's employment was terminated as Far East Bank found Chua to have engaged in multiple kiting transactions,[2] which are fraudulent transactions "involv[ing the] drawing out [of] money from a bank account that does not have sufficient funds [in order] to cover [a] check."[3]

Assailing Far East Bank's basis for terminating her employment, Chua filed a Complaint for illegal dismissal and monetary claims before the Regional Arbitration Branch XII, Cotabato City of the National Labor Relations Commission.[4]

In the course of the proceedings before the Regional Arbitration Branch, the parties were ordered to submit their respective Position Papers. Despite an extension having been given to Far East Bank, it failed to timely file its Position Paper.[5]

On April 25, 2000, Executive Labor Arbiter Quintin B. Cueto III (Executive Labor Arbiter Cueto) rendered a Decision[6] finding Chua to have been illegally dismissed. The dispositive portion of the Decision reads:

> **WHEREFORE**, in view of the foregoing, judgment is hereby rendered declaring the dismissal of the complainant **Lilia S. Chua** by respondent **FAR EAST BANK AND TRUST COMPANY (FEBTC) ILLEGAL**, thereby entitling her to reinstatement and full backwages inclusive of allowances and other benefits computed from the time her compensation was withheld from her up to the time of her actual reinstatement.
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> Respondent FEBTC is hereby ordered to pay the backwages of the complainant until April 25, 2000 (date of this decision) and her other benefit [sic] as above-discussed for the interim total of **ONE MILLION**

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1 *Rollo*, pp. 33–34.
2 Id. at 42.
3 Id. at 35.
4 Id. at 42.
5 Id. at 42–43.
6 Id. at 322–350.

ONE HUNDRED EIGHTY-ONE THOUSAND EIGHT HUNDRED FOUR PESOS & 19/100 (P1,181,804.19).

All other additional claims of the complainant as discussed above are still to be substantiated inorder [sic] for Us to arrive at an accurate computation.

SO ORDERED.[7]

On the same date, Far East Bank filed a Motion to admit its Position Paper. On May 15, 2000, this Motion was denied.[8]

On May 25, 2000, Far East Bank directly filed its Notice of Appeal and Memorandum of Appeal before the National Labor Relations Commission.[9]

On April 30, 2001, the National Labor Relations Commission Fifth Division issued a Resolution[10] reversing and setting aside the April 25, 2000 Decision of Executive Labor Arbiter Cueto.[11] It held that Far East Bank's delay of "a few days"[12] in filing its Position Paper was excusable, especially considering that it and its counsel were based in different cities, Cotabato City and General Santos City, respectively.[13] It added that it was successfully shown by Far East Bank that Chua "had indeed committed irregular acts in relation to his [sic] position as Assistant Vice President[,]"[14] "acts that would constitute for [sic] loss of trust and confidence[,]"[15] thereby justifying the termination of her employment.

Chua then filed a Motion for Reconsideration[16] dated May 25, 2001, relying on the following grounds:

A

ALTHOUGH THE HONORABLE COMMISSION WAS CORRECT IN THE ORDER OF THE PRESENTATION OF THE ISSUES IN THAT THE 1ST WAS "WHETHER OR NOT RESPONDENTS ARE GUILTY OF INEXCUSABLE DELAY AND NEGLECT FOR FAILURE TO SUBMIT THEIR POSITION PAPER BEFORE THE ARBITRATION BRANCH OF ORIGIN[,]" BECAUSE IF THE ANSWER IS IN THE

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7 Id. at 349–350.
8 Id. at 43–44.
9 Id. at 44.
10 Id. at 68–149. The Resolution was penned by Presiding Commissioner Salic B. Dumarpa and concurred in by Commissioners Oscar Abella and Leon G. Gonzaga, Jr.
11 Id. at 149.
12 Id. at 121.
13 Id. at 121–122.
14 Id. at 123.
15 Id.
16 Id. at 177–195.

> NEGATIVE, THEN THE APPEAL SHOULD BE CONFINED ONLY TO THE APPEALED DECISION OF THE RAB XII, YET, NOT ONLY WAS THIS ISSUE SKIPPED BY THE HONORABLE COMMISSION, BUT IN RESOLVING THIS ISSUE, THE HONORABLE COMMISSION DEPENDED ON THE POSITION PAPER OF APPELLANTS, WHICH WAS THE VERY FIRST ISSUE UNDER CONSIDERATION.[17]
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> B
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> SINCE WHAT IS THE SUBJECT OF THE APPEAL IS THE DECISION OF THE RAB XII, IT OUGHT TO HAVE BEEN WHAT THE HONORABLE COMMISSION SHOULD HAVE REVIEWED AS AN APPELLATE BODY YET NOT ONLY WAS THE DECISION OF RAB XII SKIPPED BY THE HONORABLE COMMISSION BUT IN DETERMINING THE FACT [sic] OF THE CASE THE HONORABLE COMMISSION ENTIRELY DEPENDED ON THE MATTERS PRESENTED IN THE POSITION PAPER OF RESPONDENTS, THE ADMISSION OR THE DENIAL OF ADMISSION OF THE SAME WAS NOT ONLY THE FIRST ISSUE BUT THE RESOLUTION OF WHICH WAS SKIPPED BY THE HONORABLE COMMISSION.[18]
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> C
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> EVERY MATERIAL POINT RAISED BY RESPONDENTS IN ITS POSITION PAPER THE ADMISSION AND DENIAL OF WHICH HAS NOT BEEN RESOLVED BY THE HONORABLE COMMISSION HAS BEEN TOUCHED IN THE DECISION OF THE RAB XII, WHICH IS THE CENTERPIECE OF REVIEW, AND THE POSITION PAPER OF APPELLEE WHICH LEGALLY, FORMS PART OF THE RECORD[S] OF THE CASE, AND THE LEAST THAT THE HONORABLE COMMISSION COULD HAVE DONE WAS TO REVIEW BOTH THEN COMPARE IT WITH THE FACTS AS PRESENTED BY THE RESPONDENTS IN THEIR POSITION PAPER WITH THE DOCUMENTS AVAILABLE ON HAND AS CONFIRMATORY EVIDENCE, AND HAD THIS BEEN DONE, UNDOUBTEDLY, THE CONCLUSION THAT WOULD HAVE BEEN ARRIVED AT WAS THAT THE CASE OF APPEALLEE [sic] IS MERITORIOUS.[19]

In the Resolution dated December 21, 2001, the National Labor Relations Commission denied Chua's Motion for Reconsideration.[20]

Aggrieved, Chua filed a Petition[21] for Certiorari under Rule 65 of the 1997 Rules of Civil Procedure before the Court of Appeals. Chua averred the following issue in this Petition:

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17 Id. at 178.
18 Id. at 180.
19 Id. at 182.
20 Id. at 18.
21 Id. at 196–266.

ISSUE

> WHETHER OR NOT PUBLIC RESPONDENT ACTED WITHOUT OR IN EXCESS OF JURISDICTION OR WITH GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OR IN EXCESS OF JURISDICTION IN TAKING COGNIZANCE OF THE DIRECTLY FILED UNPERFECTED APPEAL OF RESPONDENTS[22]

Specifically, Chua claimed that the National Labor Relations Commission should not have entertained Far East Bank's appeal for the following reasons: first, it failed to "pay the appeal fee of □100.00;"[23] second, it failed to "post the appeal bond equivalent to the amount of the monetary award;"[24] third, it failed to "attach a certification of non-forum shopping[;]"[25] and fourth, it "**directly filed** its appeal with public respondent [National Labor Relations Commission] contrary to the requirements of Rule VI, Section 3[26] of the New Rules of Procedure of the National Labor Relations Commission."[27]

In its assailed June 30, 2008 Decision,[28] the Court of Appeals Twenty-third Division declared the April 30, 2001 and December 21, 2001 Resolutions of the National Labor Relations Commission null and void and reinstated Executive Labor Arbiter Cueto's April 25, 2000 Decision.[29]

Citing Rule VI, Sections 3 and 4[30] of the 1999 Rules of Procedure of

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22 Id. at 240.
23 Id. at 45.
24 Id.
25 Id., emphasis and underscoring in the original.
26 Section 3. Requisites for Perfection of Appeal. — (a) The appeal shall be filed within the reglementary period as provided in Section 1 of this Rule; shall be under oath with proof of payment of the required appeal fee and the posting of a cash or surety bond as provided in Section 5 of this Rule; shall be accompanied by a memorandum of appeal which shall state the grounds relied upon and the arguments in support thereof; the relief prayed for; and a statement of the date when the appellant received the appealed decision, order or award and proof of service on the other party of such appeal.
A mere notice of appeal without complying with the other requisite aforestated shall not stop the running of the period for perfecting an appeal.
(b) The appellee may file with the Regional Arbitration Branch, Regional Office or in the POEA where the appeal was filed, his answer or reply to appellant's memorandum of appeal, not later than ten (10) calendar days from receipt thereof. Failure on the part of the appellee who was properly furnished with a copy of the appeal to file his answer or reply within the said period may be construed as a waiver on his part to file the same.
(c) Subject to the provisions of Article 218, once the appeal is perfected in accordance with these rules, the Commission may limit itself to reviewing and deciding specific issues that were elevated on appeal.
27 *Rollo*, p. 45. Emphasis and underscoring in the original.
28 Id. at 32–57. The Decision was penned by Associate Justice Rodrigo F. Lim, Jr. (Chair) and concurred in by Associate Justices Michael P. Elbinias and Ruben C. Ayson.
29 Id. at 56.
30 Section 4. Where Filed. — The appeal in five (5) legibly typewritten copies shall be filed with the respective Regional Arbitration Branch, the Regional Office, or the Philippine Overseas Employment Administration where the case was heard and decided.

the National Labor Relations Commission[31] which were then in effect, the Court of Appeals stated that it "is clear and unambiguous that the memorandum on appeal must be filed with the **Regional Arbitration Branch which rendered the decision sought to be appealed**."[32] As Far East Bank's Notice of Appeal and Memorandum of Appeal were both directly filed before the National Labor Relations Commission (rather than being filed before the Regional Arbitration Branch XII, Cotabato City), the Court of Appeals concluded that "no appeal before public respondent [National Labor Relations Commission] could have been perfected."[33] Thus, Executive Labor Arbiter Cueto's April 25, 2000 Decision "has attained finality[.]"[34]

In its assailed March 20, 2009 Resolution,[35] the Court of Appeals denied Far East Bank's Motion for Reconsideration.[36]

Hence, this Petition[37] was filed.

For resolution is the sole issue of whether Executive Labor Arbiter Quintin B. Cueto III's April 25, 2000 Decision attained finality in light of petitioner Far East Bank and Trust Co.'s direct filing of its appeal before the National Labor Relations Commission, rather than before the Regional Arbitration Branch XII, Cotabato City.

I

Petitioner admits to directly filing its Memorandum of Appeal before the National Labor Relations Commission.[38] However, it banks on what it claims was the National Labor Relations Commission's "discretion to admit appeal[s] directly filed with it on reasonable and meritorious grounds[.]"[39] It argues thus that "[i]n accepting the appeal memorandum which petitioner directly filed with it, the [National Labor Relations Commission] was guided by its own policy that, in line with the jurisprudence set by the Supreme Court, technicalities in labor cases must yield to substantial justice."[40]

Apart from this, petitioner faults respondent for raising the issue of

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31 *Rollo*, pp. 46 and 49.
32 Id. at 49, emphasis and underscoring in the original.
33 Id.
34 Id. at 49–50.
35 Id. at 65–67. The Resolution was penned by Associate Justice Rodrigo F. Lim, Jr. (Chair) and concurred in by Associate Justices Michael P. Elbinias and Ruben C. Ayson of the Twenty-third Division.
36 Id. at 66.
37 Id. at 14–27.
38 Id. at 22.
39 Id. at 23.
40 Id.

jurisdiction for the first time in her Rule 65 Petition before the Court of Appeals. It asserts that because of respondent's failure to timely raise this matter while petitioner's own appeal was still pending before the National Labor Relations Commission, estoppel set in and respondent could not belatedly repudiate the adverse decision by only then invoking the issue of jurisdiction.[41]

Petitioner's contentions are well-taken. A mere procedural lapse in the venue where petitioner filed its Memorandum of Appeal is not fatal to its cause. This is especially so in light of how respondent estopped herself in failing to raise the issue of jurisdiction while petitioner's appeal was pending before the National Labor Relations Commission. Respondent is bound by her inaction and cannot belatedly invoke this issue on certiorari before the Court of Appeals.

II

In a long line of cases, this court has held that "[a]lthough the issue of jurisdiction may be raised at any stage of the proceedings as the same is conferred by law, it is nonetheless settled that a party may be barred from raising it on ground of laches or estoppel."[42]

The rule is stated in *La'O v. Republic of the Philippines and the Government Service Insurance System*:[43]

> While it is true that jurisdiction over the subject matter of a case may be raised at any stage of the proceedings since it is conferred by law, it is nevertheless settled that a party may be barred from raising it on the ground of estoppel. After voluntarily submitting a cause and encountering an adverse decision on the merits, it is improper and too late for the losing party to question the jurisdiction of the court. A party who has invoked the jurisdiction of a court over a particular matter to secure affirmative relief cannot be permitted to afterwards deny that same jurisdiction to escape liability.[44] (Citations omitted)

The wisdom that underlies this was explained at length in *Tijam, et al. v. Sibonghanoy, et al.*:[45]

> A party may be estopped or barred from raising a question in

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41 Id. at 24–26.

42 *Heirs of Bertuldo Hinog v. Hon. Melicor*, 495 Phil. 422, 438 (2005) [Per J. Austria-Martinez, Second Division].

43 515 Phil. 409 (2006) [Per J. Corona, Second Division].

44 Id. at 416.

45 131 Phil. 556 (1968) [Per J. Dizon, En Banc].

> different ways and for different reasons. Thus we speak of estoppel in pais, of estopped by deed or by record, and of estoppel by *laches*.
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> Laches, in a general sense, is failure or neglect, for an unreasonable and unexplained length of time, to do that which, by exercising due diligence, could or should have been done earlier; it is negligence or omission to assert a right within a reasonable time, warranting a presumption that the party entitled to assert it either has abandoned it or declined to assert it.
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> The doctrine of laches or of "stale demands" is based upon grounds of public policy which requires, for the peace of society, the discouragement of stale claims and, unlike the statute of limitations, is not a mere question of time but is principally a question of the inequity or unfairness of permitting a right or claim to be enforced or asserted.
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> It has been held that a party cannot invoke the jurisdiction of a court to secure affirmative relief against his opponent and, after obtaining or failing to obtain such relief, repudiate or question that same jurisdiction. In the case just cited, by way of explaining the rule, it was further said that the question whether the court had jurisdiction either of the subject matter of the action or of the parties was not important in such cases because the party is barred from such conduct not because the judgment or order of the court is valid and conclusive as an adjudication, but for the reason that such a practice cannot be tolerated — obviously for reasons of public policy.
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> Furthermore, it has also been held that after voluntarily submitting a cause and encountering an adverse decision on the merits, it is too late for the loser to question the jurisdiction or power of the court. And in Littleton vs. Burgess, 16 Wyo. 58, the Court said that it is not right for a party who has affirmed and invoked the jurisdiction of a court in a particular matter to secure an affirmative relief, to afterwards deny that same jurisdiction to escape a penalty.
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> Upon this same principle is what We said in the three cases mentioned in the resolution of the Court of Appeals of May 20, 1963 (supra) — to the effect that we frown upon the "undesirable practice" of a party submitting his case for decision and then accepting the judgment, only if favorable, and attacking it for lack of jurisdiction, when adverse — as well as in Pindañgan etc. vs. Dans et al., G. R. L-14591, September 26, 1962; Montelibano et al. vs. Bacolod-Murcia Milling Co., Inc., G. R. L-15092; Young Men Labor Union etc. vs. the Court of Industrial Relations et al., G. R. L-20307, Feb. 26, 1965, and Mejia vs. Lucas, 100 Phil. p. 277.[46] (Citations omitted)

III

The rationale that animates the rule on estoppel vis-à-vis jurisdiction applies with equal force to quasi-judicial agencies as it does to courts. The public policy consideration that frowns upon the undesirable practice of submitting a case for decision only to subsequently decry the supposed lack

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[46] Id. at 563–565.

of jurisdiction is as compelling in cases concerning the National Labor Relations Commission as it is to courts of law.

In this respect, it is of no consequence that distinctions may be drawn between administrative agencies, on the one hand, and judicial bodies, on the other.

Courts derive their authority from the Constitution's recognition that they shall be the sole and exclusive investees of judicial power. This, even as the Constitution leaves to the legislature the authority to establish lower courts, as well as "to define, prescribe, and apportion the jurisdiction of the various courts[,]"[47] except of this court. Article VIII, Section 1 of the 1987 Constitution provides that "[t]he judicial power shall be vested in one Supreme Court and in such lower courts as may be established by law."

For their part, administrative agencies are statutory constructs. Thus, they are limited by the statutes which created them and which spelled out their powers and functions. "It is a fundamental rule that an administrative agency has only such powers as are expressly granted to it by law and those that are necessarily implied in the exercise thereof[.]"[48] Administrative agencies may exercise quasi-judicial powers, but only to the extent warranted by administrative action. They may not exercise judicial functions. This is illustrated in *Philex Mining Corporation v. Zaldivia, et al.*,[49] which distinguished between judicial questions and "questions of fact."[50] It is only the latter — questions of fact — which was ruled to be within the competence of the Director of Mines to resolve:

> *We see nothing in sections 61 and 73 of the Mining Law that indicates a legislative intent to confer real judicial power upon the Director of Mines*. The very terms of section 73 of the Mining Law, as amended by Republic Act No. 4388, in requiring that the adverse claim must "state in full detail the nature, boundaries and extent of the adverse claim" show that the conflicts to be decided by reason such adverse claim refer primarily to questions of fact. This is made even clearer by the explanatory note to House Bill No. 2522, later to become Republic Act 4388, that "sections 61 and 73 that refer to the overlapping of claims are amended to expedite resolutions of mining conflicts. . . ." *The controversies to be submitted and resolved by the Director of Mines under*

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47 CONST., art. VIII, sec. 2 provides:
Section 2. The Congress shall have the power to define, prescribe, and apportion the jurisdiction of the various courts but may not deprive the Supreme Court of its jurisdiction over cases enumerated in Section 5 hereof.
No law shall be passed reorganizing the Judiciary when it undermines the security of tenure of its Members.

48 *Guerzon v. Court of Appeals*, 247 Phil. 142, 152 (1988) [Per J. Cortes, Third Division], *citing Makati Stock Exchange, Inc. v. Securities and Exchange Com., et al.*, 121 Phil. 1412, 1415 (1965) [Per C.J. Bengzon, En Banc] and *Sy v. Central Bank of the Phils.*, 162 Phil. 764, 786 (1976) [Per J. Martin, First Division].

49 150 Phil. 547 (1972) [Per J. J. B. L. Reyes, En Banc].

50 Id. at 553.

> *the sections refer therefore only to the overlapping of claims, and administrative matters incidental thereto*.
>
> As already shown, petitioner's adverse claim is not one grounded on overlapping of claims nor is it a mining conflict arising out of mining locations (there being only one involved) but one originating from the alleged fiduciary or contractual relationship between petitioner and locator Scholey and his transferees Yrastorza and respondent Zaldivia. As such, the adverse claim is not within the executive or administrative authority of the mining director to resolve, but in that of the courts, as it has been correctly held, on the basis of the doctrine stated in Espinosa vs. Makalintal, 79 Phil. 134.[51] (Emphasis supplied)

Unlike courts, the National Labor Relations Commission's existence is not borne out of constitutional fiat. It owes its existence to Article 213 of the Labor Code:

> **Art. 213. National Labor Relations Commission.** There shall be a National Labor Relations Commission which shall be attached to the Department of Labor and Employment for program and policy coordination only, composed of a Chairman and fourteen (14) Members. (Emphasis in the original)

So, too, its jurisdiction (as well as those of Labor Arbiters) is spelled out by Article 217 of the Labor Code:

> **Art. 217. Jurisdiction of the Labor Arbiters and the Commission.**
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> 1. Except as otherwise provided under this Code, the Labor Arbiters shall have original and exclusive jurisdiction to hear and decide, within thirty (30) calendar days after the submission of the case by the parties for decision without extension, even in the absence of stenographic notes, the following cases involving all workers, whether agricultural or non-agricultural:
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>   1. Unfair labor practice cases;
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>   2. Termination disputes;
>
>   3. If accompanied with a claim for reinstatement, those cases that workers may file involving wages, rates of pay, hours of work and other terms and conditions of employment;
>
>   4. Claims for actual, moral, exemplary and other forms of damages arising from the employer-employee relations;

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[51] Id. at 553–554.

> 5. Cases arising from any violation of Article 264 of this Code, including questions involving the legality of strikes and lockouts; and
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> 6. Except claims for Employees Compensation, Social Security, Medicare and maternity benefits, all other claims arising from employer-employee relations, including those of persons in domestic or household service, involving an amount exceeding five thousand pesos (P5,000.00) regardless of whether accompanied with a claim for reinstatement.
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> 2. The Commission shall have exclusive appellate jurisdiction over all cases decided by Labor Arbiters.
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> 3. Cases arising from the interpretation or implementation of collective bargaining agreements and those arising from the interpretation or enforcement of company personnel policies shall be disposed of by the Labor Arbiter by referring the same to the grievance machinery and voluntary arbitration as may be provided in said agreements. (Emphasis in the original)

Nevertheless, there is no basis for distinguishing between courts and quasi-judicial agencies with respect to the effects of a party's failure to timely assail errors in jurisdiction. These effects have nothing to do with the distinction between the competencies of courts and quasi-judicial agencies as spelled out by the Constitution and statutes.

In a long line of cases, this court has held the rule on estoppel vis-à-vis jurisdiction, as initially articulated in 1968 in *Tijam* to be equally applicable to cases involving the National Labor Relations Commission (and its related agencies).

By way of example, in *Philippine Overseas Drilling and Oil Development Corporation v. Hon. Ministry of Labor*,[52] this court stated:

> Petitioner is now barred by estoppel from raising the issue of jurisdiction, regardless of its merits. In the case of *Tijam vs. Sibonghanoy*, April 15, 1968, 23 SCRA 29, the Court laid down the rule of estoppel to raise the question of jurisdiction. This rule was reiterated in numerous cases enumerated in the decision in the case of *Solicitor General vs. Coloma* promulgated on July 7, 1986. In the case of *Akay Printing Press vs. Minister of Labor and Employment*, the Court ruled as follows:
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> > When the illegal dismissal case was pending before the MOLE Regional Director, petitioner did not raise the issue of jurisdiction either during the hearing or in its subsequent motion for reconsideration. Its defense was a

[52] 230 Phil. 177 (1986) [Per J. Feria, Second Division].

> stout denial of the dismissal of private respondents, who were averred instead to have abandoned their work. After the adverse decision of the Regional Director and upon the elevation of the case on appeal to the Ministry of Labor and Employment, still no jurisdictional challenge was made. It was only when petitioner moved to reconsider the MOLE decision of affirmance that it assailed the jurisdiction of the Regional Director. But then, it was too late. Estoppel had barred him from raising the issue, regardless of its merits. (December 6, 1985, 140 SCRA 381, 384)[53]

Likewise, as stated in *M. Ramirez Industries v. Secretary of Labor and Employment*:[54]

> Moreover, petitioner is estopped from questioning the jurisdiction of the Regional Director, having previously invoked it by filing a motion to dismiss. As has been held:
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> > [A] party can not invoke the jurisdiction of a court to secure affirmative relief against his opponent and, after obtaining or failing to obtain such relief, repudiate or question that same jurisdiction.
> >
> > In the case just cited, by way of explaining the rule, it was further said that the question whether the court had jurisdiction either of the subject-matter of the action or of the parties is barred from such conduct not because the judgment or order of the court is valid and conclusive as an adjudication, but for the reason that such a practice can not be tolerated — obviously for reasons of public policy.
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> > Furthermore, it has also been held that after voluntarily submitting a cause and encountering an adverse decision on the merits, it is too late for the loser to question the jurisdiction or power of the court . . . And in Littleton vs. Burges, Wyo, 58, the Court said that it is not right for a party who has affirmed and invoked the jurisdiction of a court in a particular matter to secure an affirmative relief, to afterwards deny that same jurisdiction to escape a penalty.[55]

IV

Article 218 of the Labor Code vests in the National Labor Relations Commission the authority to adopt procedural rules:

> **Art. 218. Powers of the Commission.** The Commission shall have the power and authority:

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53 Id. at 185–186.

54 334 Phil. 97 (1997) [Per J. Mendoza, Second Division].

55 Id. at 113, *citing Tijam, et al. v. Sibonghanoy, et al.*, 131 Phil. 556, 563 (1968) [Per J. Dizon, En Banc] and *Quimpo v. De la Victoria, et al.*, 150-B Phil. 124, 133–134 (1972) [Per J. J. B. L. Reyes, En Banc].

> 1. To promulgate rules and regulations governing the hearing and disposition of cases before it and its regional branches, as well as those pertaining to its internal functions and such rules and regulations as may be necessary to carry out the purposes of this Code[.]

It is consistent with this power that the National Labor Relations Commission adopted the rules that are at the core of the present controversy. Rule VI, Section 3 of the 1999 Rules of Procedure of the National Labor Relations Commission that were in effect when petitioner appealed from Executive Labor Arbiter Cueto's Decision provides for the requisites that must be satisfied in order that an appeal from a decision of a Labor Arbiter may be perfected:

> **Section 3.** Requisites for Perfection of Appeal. — (a) The appeal shall be filed within the reglementary period as provided in Section 1 of this Rule; shall be under oath with proof of payment of the required appeal fee and the posting of a cash or surety bond as provided in Section 5 of this Rule; shall be accompanied by a memorandum of appeal which shall state the grounds relied upon and the arguments in support thereof; the relief prayed for; and a statement of the date when the appellant received the appealed decision, order or award and proof of service on the other party of such appeal.
>
> A mere notice of appeal without complying with the other requisite aforestated shall not stop the running of the period for perfecting an appeal.
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> (b) The appellee may file with the Regional Arbitration Branch, Regional Office or in the POEA where the appeal was filed, his answer or reply to appellant's memorandum of appeal, not later than ten (10) calendar days from receipt thereof. Failure on the part of the appellee who was properly furnished with a copy of the appeal to file his answer or reply within the said period may be construed as a waiver on his part to file the same.
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> (c) Subject to the provisions of Article 218, once the appeal is perfected in accordance with these rules, the Commission may limit itself to reviewing and deciding specific issues that were elevated on appeal. (Emphasis in the original)

Rule VI, Section 4 of the same rules stipulates where appeals must be filed:

> **Section 4.** Where Filed. — The appeal in five (5) legibly typewritten copies shall be filed with the respective Regional Arbitration Branch, the Regional Office, or the Philippine Overseas Employment Administration where the case was heard and decided. (Emphasis in the original)

This venue for filing appeals is unequivocal. The Court of Appeals was thus correct in stating that it "is clear and unambiguous that the memorandum on appeal must be filed with the Regional Arbitration Branch which rendered the decision sought to be appealed."[56]

It is not disputed that this rule was violated by petitioner. In the present Petition, petitioner categorically admitted that it "filed its memorandum of appeal directly with the [National Labor Relations Commission.]"[57]

Thus, there is basis for positing, as respondent and the Court of Appeals did, that "no appeal before [the National Labor Relations Commission] could have been perfected[.]"[58] The logical consequence of this position, assuming it is correct, is that Executive Labor Arbiter Cueto's April 25, 2000 Decision "has attained finality[.]"[59]

This conclusion, however, fails to consider that the error committed by petitioner pertains to the place for filing appeals and not the requisites for perfecting an appeal which Rule VI, Section 3 enumerates. The place where appeals must be filed is governed by a distinct provision (i.e., Section 4) and is thus a matter that is different from the requisites for perfecting appeals. Per Section 3, only the following are necessary in order that petitioner may perfect its appeal:

(1) Filing within the applicable reglementary period as provided by Section 1;[60]

(2) That the appeal was under oath;

(3) That the appeal fee must have been paid;

(4) That the appeal bond must have been posted;

(5) A memorandum of appeal which states:
   a. the grounds relied upon and the arguments in support of the appeal;
   b. the relief sought; and

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56 *Rollo*, p. 49.
57 Id. at 22.
58 Id.
59 Id. at 49–50.
60 Section 1. Periods of Appeal. — Decisions, awards or orders of the Labor Arbiter and the POEA Administrator shall be 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 of the Labor Arbiter or of the Administrator, and in case of a decision or of the Regional Director or his duly authorized Hearing Officer within five (5) calendar days from receipt of such decisions, awards or orders. If the 10th or 5th day, as the case may be, falls on a Saturday, Sunday or a holiday, the last day to perfect the appeal shall be the next working day.

c. a statement of the date when the assailed decision was received; and

(6) Proof of service of the appeal on the adverse party.

Likewise, this conclusion presupposes that procedural rules in labor cases must be adhered to with uncompromising exactitude. This is misguided. The same rules which respondent and the Court of Appeals rely on allow for the liberal application of procedural rules. In Rule VII, Section 10, it states:

> **Section 10.** Technical rules not binding. — The rules of procedure and evidence prevailing in courts of law and equity shall not be controlling and the Commission shall use every and all reasonable means to ascertain the facts in each case speedily and objectively, without regard to technicalities of law procedure, all in the interest of due process.
>
> In any proceeding before the Commission, the parties may be represented by legal counsel but it shall be the duty of the Chairman, any Presiding commissioner or Commissioner to exercise complete control of the proceedings at all stages.

The need for liberality in this case is underscored by how the National Labor Relations Commission acquiesced to the filing of an appeal directly before it. As pointed out by petitioner, not only did the National Labor Relations Commission admit its Memorandum of Appeal, it also "required petitioner to pay the appeal fee and to post the required bond."[61] As the agency statutorily vested with jurisdiction over petitioner's appeal, petitioner could very easily have mistaken that the filing of its Memorandum of Appeal was rightly made before the National Labor Relations Commission. If at all, the provision that filing of a Memorandum of Appeal must be made before the Regional Arbitration Branch is merely a delegation of a function more appropriately pertaining to the appellate body itself.

In any case, the National Labor Relations Commission could have very easily advised petitioner if there was anything irregular with its direct filing of a Memorandum of Appeal. Its silence on this matter would have induced in petitioner no other reasonable conclusion than that direct filing before the National Labor Relations Commission was in keeping with the procedural requirements for filing appeals.

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Not only did the National Labor Relations Commission acquiesce to the direct filing of an appeal before it, so did respondent. The matter of the

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[61] *Rollo*, p. 22.

propriety of the National Labor Relations Commission's assumption of jurisdiction was never raised by respondent before the Commission. Even after petitioner's appeal had been initially decided against her and she filed her Motion for Reconsideration, respondent totally overlooked this matter. As was evident from the recital of grounds[62] invoked in her Motion for Reconsideration, respondent's contentions centered merely on the National Labor Relations Commission's supposedly erroneous reliance on petitioner's Position Paper.

The Court of Appeals thus failed to account for the crucial fact that the issue of jurisdiction was invoked by respondent only upon her elevation to it of the case. It failed to recognize that respondent had all the opportunity to raise this issue before the very tribunal whom she claims to have had no competence to rule on the appeal, but that it was only after the same tribunal ruled against her twice — first, in its initial Resolution and second, in denying her reconsideration — that she saw it fit to assail its jurisdiction. The Court of Appeals failed to see through respondent's own failure to seasonably act and failed to realize that she was guilty of estoppel by laches, taking "an unreasonable . . . length of time, to do that which, by exercising due diligence, could or should have been done earlier[.]"[63]

Respondent cannot now profit from her own inaction. She actively participated in the proceedings and vigorously argued her case before the National Labor Relations Commission without the slightest indication that she found anything objectionable to the conduct of those proceedings. It is thus but appropriate to consider her as acceding to and bound by how the National Labor Relations Commission was to resolve and, ultimately did resolve, petitioner's appeal. Its findings that the requisites of substantive and procedural due process were satisfied in terminating respondent's employment now stand undisturbed.

WHEREFORE, the Petition for Review on Certiorari is **GRANTED**. The June 30, 2008 Decision and the March 20, 2009 Resolution of the Court of Appeals in CA-G.R. SP No. 69361-MIN are **REVERSED and SET ASIDE**. The April 30, 2001 Resolution of the National Labor Relations Commission is **REINSTATED**.

SO ORDERED.

MARVIC M.V.F. LEONEN
Associate Justice

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62 Id. at 178, 180, and 182.

63 *Tijam, et al. v. Sibonghanoy, et al.*, 131 Phil. 556, 563 (1968) [Per J. Dizon, En Banc].

WE CONCUR:

DIOSDADO M. PERALTA
Associate Justice

LUCAS P. BERSAMIN
Associate Justice

MARIANO C. DEL CASTILLO
Associate Justice
Acting Chairperson

JOSE CATRAL MENDOZA
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.

MARIANO C. DEL CASTILLO
Associate Justice
Acting Chairperson, Second Division

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the Division Acting 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.

MARIA LOURDES P. A. SERENO
Chief Justice