

CHANROBLES PUBLISHING COMPANY

**SUPREME COURT
SECOND DIVISION**

**FOOD TERMINAL, INC.,
*Petitioner,***

-versus-

**G.R. No. 143352
April 27, 2001**

**NATIONAL LABOR RELATIONS
(SECOND DIVISION) COMMISSION,
FIRST DIVISION, MA. REBECCA
ESCUTON, ANTONIO TAN, CARIDAD
SURLA, FERNANDO AMANDO,
DEMOCRITO MANAO, CONCHITA
BENGUA, ROWEE MERCADO, AGNES
QUERUBIN, NOEL NALAM, FELIX
LECHADORES, MARISSA
BOONGALING, VICTORIA
TOLENTINO, CRISTINA BILLONES,
ELIZABETH BENAMER, ELEUTERIO
FULO, JR., EPPER TENEDERO, DULCE
PRUDENTE, TERESITA BALQUIEDRA,
JOSE NARITO, JR., EMILIANO
BUNOY, JR., PEDRO FELIX, JR.,
FILBERT MACATO, ANTONIO SAGUN,
LORETO FERNANDEZ, DIONISIO
MANUEL, PONCIANO MANALO,
DANILO MEDINA, AMELIA CASTILLO,
ROSENDO DELA CRUZ, MARCELINO
OMUS, ROLLY AMORA, RODOLFO
FUNTANAR, RICARDO LUCENA,
EDGARDO NAVARRO, JUANITO
LOZADA, BENJAMIN GALO,**

FEDERICO MAGNAYE, EDUARDO GONZALES, JAIME EDIC, VIRGILIO FRANCISCO, AVELINO GARCIA, FLORENTINO PERNITO, EDWIN RODRIGUEZ, GUILLERMO SIBUNGA, JR., ROMUALDEZ TIQUE, RUBEN MANALASTAS, SERAFIN LADAGA, JR, ERNESTO LACISTE, CRISTOBAL EBAL, ANGELITO MATIPO, ANDRES BONA, ALBERTO MEJIA, NERRY MARTINEZ, APOLONIO MERCADO, MARCELO SANGIL, RAMON MACARAIG, CERIOLA QUERUBIN, HENRY HERNAN, LILIBETH BAUTISTA, MARIANO ARANCA, and FLORESTO OBSUNA,

Respondents.

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DECISION

BELLOSILLO, J.:

This is a Petition for Review on Certiorari of the Decision of the Court of Appeals dated 21 January 2000^[1] and its Resolution of 15 May 2000 denying reconsideration.^[2]

Petitioner Food Terminal, Inc. (FTI), is a government-owned and controlled corporation duly organized and existing under and by virtue of the laws of the Philippines. Private respondents, on the other hand, are rank-and-file employees of FTI holding various positions who seek to recover their salary differentials, traveling allowance differentials, 13th month pay, 14th month pay and other incremental increases as a result of an increase in their gross pay, plus interest, exemplary damages, attorney's fees and costs of the litigation.

Sometime between November 1991 and January 1992 Jaime S. dela Rosa, then President and General Manager of FTI, issued several

Special Orders in favor of private respondents upgrading their positions and correspondingly adjusting their salaries.

In a meeting of the newly-installed FTI Board of Directors on 17 February 1992, Board Resolution No. 0007-92 was passed providing that —

RESOLUTION NO. 0007-92

RESOLVED, That the Board hereby confirms the minimal salary increases of rank and file employees.

RESOLVED, further, that the promotions of FTI officials which violated existing policies/regulations or those which exceed the guidelines approved and issued by former President and General Manager Jaime dela Rosa shall be reverted to their former positions or levels as allowable under the guidelines.

RESOLVED, finally, that all other appointments/promotions not covered by the above preceding paragraphs shall be reviewed by the Board.^[3]

Despite several representations from private respondents, petitioner refused to implement the Special Orders of former FTI President and General Manager dela Rosa which upgraded their positions and increased their salaries.

On 6 March 1996, due to petitioner's failure to act favorably on their demands, private respondents filed a complaint before the Labor Arbiter praying for the upgrading of their salaries, payment of travel allowances, 13th month pay, 14th month pay, profit sharing and other incremental increases, exemplary damages, attorney's fees and cost of litigation.^[4]

On 13 August 1997 the Labor Arbiter^[5] rendered a decision in favor of private respondents upholding the validity of the Special Orders upgrading their positions and correspondingly increasing their salaries.^[6] The Labor Arbiter noted that the Board of Directors itself affirmed the upgrading of private respondents' positions as shown in Board Resolution No. 0007-92.^[7] Further, the Labor Arbiter opined

that considering that the aforesaid salary increase remained unimplemented, private respondents were therefore entitled to “salary differential as well as to the differential in their 13th and 14th month pay, traveling allowances resulting from the adjustment of their salary by one (1) step.”^[8]

Both parties appealed to the National Labor Relations Commission (NLRC). In essence, private respondents assailed the computation of the monetary awards given to them. On the other hand, petitioner questioned the findings of the Labor Arbiter on the validity of the Special Orders issued by Mr. dela Rosa.

Affirming the Labor Arbiter, the NLRC decreed that private respondents had no reason to complain as regards their monetary awards considering that the same were based on their own computations. The NLRC also ruled that the Special Orders issued by Mr. dela Rosa were valid and binding and the Special Orders subsequently issued by Mr. Rogelio M. Agcaoili, former General Manager of petitioner Food Terminal, Inc., did not in any way invalidate the earlier Special Orders as the subsequent Special Orders pertained solely to officials of the company and not to the rank-and-file employees.^[9]

On motion for reconsideration, the NLRC allowed the recomputation of the monetary awards given to private respondents based on their upgraded salaries under Special Orders Nos. 44 and 49 dated 4 November 1991 and 10 December 1991, respectively, and Special Order No. 3 dated 2 January 1992.^[10]

In their Petition for Certiorari under Rule 65 before the Court of Appeals, petitioner again assailed the validity of the Special Orders issued by Mr. dela Rosa claiming that the same had been revoked by Board Resolution No. 0007-92. But the appellate court was not persuaded. Agreeing with the Labor Arbiter and the NLRC, the Court of Appeals found petitioner’s contentions unmeritorious and lacking of any factual and legal basis.^[11] Petitioner’s motion for reconsideration was likewise denied for lack of merit.^[12] Hence, this petition.

Petitioner argues that the Labor Arbiter, the NLRC and the Court of Appeals all erred in upholding the validity of the Special Orders which upgraded the positions and salaries of private respondents. Petitioner claims that Mr. dela Rosa was not authorized by the Board to issue the subject Special Orders, ergo, these Special Orders produce no binding force and effect.

This contention is without merit. As already decreed by the Labor Arbiter, the NLRC and the Court of Appeals, petitioner failed to proffer any evidence to show that indeed Mr. dela Rosa acted without or in excess of his authority when he issued the Special Orders. Other than this self-serving statement, no evidence was presented to prove the former official's alleged want of authority. Petitioner did not even bother to enumerate the so-called "existing corporate policies" of the company that were supposedly contravened when the Special Orders were issued between November 1991 and January 1992.

This Court cannot subscribe to petitioner's pretensions that Board Resolution No. 0007-92 nullified the Special Orders issued by Mr. dela Rosa. On the contrary, the Resolution affirmed the subject Special Orders as regards rank-and-file employees. The first paragraph of the Resolution provides —

The Board hereby confirms the minimal salary increases of rank and file employees.

Not even petitioner could deny that herein private respondents are rank-and-file employees. Thusly, the aforecited provision applies squarely to them. Corollarily, petitioner cannot seek refuge in the second paragraph of Board Resolution No. 0007-92 as it deals only with officials whose "upgraded" positions violated existing company policies and guidelines. Assuming arguendo that the Special Orders were issued by Mr. dela Rosa without or in excess of authority, nonetheless, whatever defect there was, if any, was cured by the issuance of Board Resolution No. 0007-92 which "confirm(ed) the minimal salary increases of rank and file employees."

Petitioner next claims that out of the sixty-five (65) complainants only twenty-one (21) of them signed the verification which was

attached to the complaint filed with the Labor Arbiter. Hence, petitioner infers that only the twenty-one (21) signatories have the legal personality to prosecute the case until its termination. As for the rest of the complainants, petitioner insists that the complaint was dismissible as to them for lack of legal personality.

We cannot agree. A perusal of the complaint shows that complainants therein were being represented by their counsel of choice.^[13] The first sentence of their complaint states: “Complainants, by counsel, unto this Honorable Commission most respectfully state that” Further, the complaint itself was signed by Atty. Alex M. Ganitano as “counsel for the complainants.” Section 6 of the New Rules of Procedure of the NLRC provides —

SECTION 6. Appearances. — An attorney appearing for a party is presumed to be properly authorized for that purpose.

In addition, in the verification attached to the complaint, it is therein manifested that the twenty-one (21) complainant-signatories were not only signing in their own behalf but also in behalf of the other complainants thus —

WE, the UNDERSIGNED, for ourselves and in behalf of the above named Complainants, all of legal age, hereby depose and say.^[14]

Clearly, the twenty-one (21) complainants who signed the complaint before the Labor Arbiter were representing the rest of their co-complainants in signing the verification in accordance with Sec. 7 of the New Rules of Procedure of the NLRC —

SECTION 7. Authority to bind party. — Attorneys and other representatives of parties shall have authority to bind their clients in all matters of procedure; but they cannot, without a special power of attorney or express consent, enter into a compromise agreement with the opposing party in full or partial discharge of a client’s claim.^[15]

Surely, the signing of the verification is a matter of procedure which did not in any way diminish nor weaken the claim of the other

complainants against petitioner. On the contrary, the twenty-one (21) complainants safeguarded the rights of their fellow complainants. No special power of attorney was needed considering that no compromise agreement was being entered into in full or partial discharge of their claims. Besides, petitioner did not offer any objection when each of the complainants presented evidence pertaining to his or her monetary claim.

WHEREFORE, in view of the foregoing, the instant petition is **DENIED**. The assailed Decision of the Court of Appeals of 21 January 2000 affirming the Decision of the National Labor Relations Commission which upheld the validity of the subject Special Orders upgrading the positions and correspondingly increasing the salaries of private respondents, and its Resolution of 15 May 2000 denying reconsideration, are **AFFIRMED**. Costs against petitioner.

SO ORDERED.

Mendoza and Buena, JJ., concur.
Quisumbing and De Leon, Jr., JJ., are on leave.

[1] Decision penned by Associate Justices Bernardo P. Abesamis, concurred in by Associate Justices Delilah Vidallon-Magtolis and Mercedes Gozo-Dadole, Annex "A," Rollo, pp. 46-110.

[2] Annex "B," id., p. 63.

[3] Annex "G," id., p. 80.

[4] Annex "H," id., pp. 81-87.

[5] Labor Arbiter Fatima Jambaro-Franco.

[6] See Decision of Labor Arbiter Fatima Jambaro-Franco, pp. 4-5; Rollo, pp. 99-100.

[7] See Note 3.

[8] Id., p. 5; id., p. 100.

[9] See Decision of the NLRC; Rollo, pp. 126-135.

[10] See Resolution of the NLRC; id., pp. 148-151.

[11] See Note 1, id., pp. 46-61.

[12] Id., p. 63.

[13] Annex "H," Rollo, pp. 81-87.

[14] Id.; id., p. 86; emphasis supplied.

[15] Emphasis supplied.