

CHANROBLES PUBLISHING COMPANY

**SUPREME COURT
THIRD DIVISION**

**PEFTOK INTEGRATED SERVICES, INC.,
*Petitioner,***

-versus-

**G.R. No. 124841
July 31, 1998**

**NATIONAL LABOR RELATIONS
COMMISSION and EDUARDO
ABUGHO, ET AL.,
*Respondents.***

X-----X

D E C I S I O N

PURISIMA, J.:

Pacta privata juri publico derogare non possunt. Private agreements (between parties) cannot derogate from public right.

Filed on May 22, 1996, this Petition for *Certiorari* under Rule 65 of the Revised Rules of Court seeks to set aside the decision of the National Labor Relations Commission (NLRC) dismissing the appeal of petitioner. The case stemmed from the decision handed down by Labor Arbiter Noel Augusto S. Magbanua, disposing, as follows:

“WHEREFORE, in view of the foregoing premises, respondents-PEKTOK Security Agency and Timber Industries

of the Philippines, Inc. (TIPI) and Union Plywood Corporation are hereby ordered to pay, jointly and solidarity the claims of complainants as previously computed, as follows:

1. Eduardo Abugho	P49,397.83
2. Clenio Macanoquit	31,596.12
3. Claro Mendez	49,308.83
4. Leovemin Lumban	16,666.45
5. Crispin Balingkit	44,772.34
6. Ulysses Labis	43,812.64
7. Fidel Sabellina	23,666.90
8. Leonardo Daluperi	27,026.59
9. Valentine Adame	17,84.92
10. Gonzalo Ernero	18,18.56
11. Celso Niluag	18,670.00
12. Reynaldo Maasin	19,499.28 ^[1]
GRAND TOTAL	----- P342,598.52 =====

Other claims are hereby dismissed for failure to substantiate and for lack of merit.

SO ORDERED.”

Pertinent sheriff's return shows that the aforesaid decision was partly executed up to fifty percent (50%), Timber Industries of the Philippines (TIPI) having paid half of their solidary obligation to the security guards-employees, who quitclaimed and waived fifty percent

(50%) of the benefits adjudged in their favor. On October 13, 1989,^[2] Eduardo Abugho, Claro Mendez and Leonardo Daluperi executed a waiver^[3] of all their claims against Peftok Integrated Services, Inc. (PEFTOK, for brevity) for the period ending on June 30, 1989. Said waiver^[4] appeared to bar all claims they may have had against PEFTOK before June 30, 1989. Urged by their entitlement to full benefits as provided in the labor arbiter's decision, the private respondents sought the issuance of an alias writ of execution.

On May 29, 1992, Eduardo Abugho, Fidel Sabellina, Leonardo Daluperi, Claro Mendez and Reynaldo Maasin executed another waiver and quitclaim^[5] purportedly renouncing whatever claims they may have against PEFTOK for the period ending March 15, 1998. Such waiver or quitclaim was worded to preclude whatever claim they may have against PEFTOK on or before March 16, 1998. However, Eduardo Abugho, Fidel Sabellina, Leonardo Daluperi, Reynaldo Maasin and Claro Mendez subsequently executed affidavits^[6] stating that the aforementioned quitclaims were prepared and readied for their signature by PEFTOK and they were forced to sign the same for fear that they would not be given their salary on pay day, and worse, their services would be terminated if they did not sign the said quitclaims under controversy.

Private respondents asserted that the waivers of claims signed by them are contrary to public policy; the same being written in the English language which they do not understand and the contents thereof were not explained to them. On June 19, 1995, the prayer for alias writ of execution was granted by Labor Arbiter Henry F. Te.

In support of its prayer, petitioner PEFTOK theorizes that the quitclaims executed by the security guards suffer no legal infirmity. Like any other right, the claims in dispute can be waived and waiver thereof is not prohibited by law. No surety bond is required to perfect an appeal, in the same manner that no bond is necessary for the issuance of an alias writ of execution; petitioner maintains.

The comment sent in by the Solicitor General prays that the petition be dismissed outright for being premature and for non-compliance with the requisite motion for reconsideration of the NLRC decision

before elevating the same to this court. It stressed that quitclaims by employees are basically against public policy.

There is no quibble over the fact that subject decision of the labor arbiter appealed from was received by petitioner on June 30, 1995. The appeal therefrom should have been interposed within 10 days or not later than July 10, 1995. But unfortunately for petitioner, its appeal was only filed on July 17, 1995. Indeed, it is decisively clear that petitioner's appeal is flawed by late filing. The prescribed period for appeal is both mandatory and jurisdictional.

Then, too, the petition under consideration is likewise dismissable on the ground of prematurity. In consonance with the principle of exhaustion of administrative remedies, it was necessary for a motion for reconsideration of the decision of the National Labor Relations Commission to be filed in order to give NLRC a chance to correct its mistakes, if there be any. So also, under Rule 65 of the Revised Rules of Court, petitioner must establish that it has no plain, speedy and adequate remedy in the ordinary course of law for its perceived grievance.^[7]

It is decisively clear that they (guards) affixed their signatures to subject waivers and/or quitclaims for fear that they would not be paid their salaries on pay day or worse, still, their services would be terminated if they did not sign those papers. In short, there was no voluntariness in the execution of the quitclaim or waivers in question. It should be borne in mind that in this jurisdiction, quitclaims, waivers or releases are looked upon with disfavor.^[8] "Necessitous men are not free men."^[9] "They are commonly frowned upon as contrary to public policy and ineffective to bar claims for the full measure of the workers' legal rights."^[10]

With respect to the posting of cash or surety bond, the requirement therefor is mandatory. The bond is sine qua non to the perfection of appeal from the labor arbiter's monetary award.^[11] The posting of cash or surety bond is unconditional^[12] and cannot therefore be trifled with. It is the intendment of the law that employees be assured that if they finally prevail in the case, they will receive the monetary award granted them. The bond also serves to discourage employers

from using the appeal as a ploy to delay or evade payment of monetary obligations to their employees.

WHEREFORE, the petition is hereby **DISMISSED** for lack of merit; the decision of the NLRC dated February 26, 1995 is **AFFIRMED** and the questioned alias writ of execution **UPHELD**.

SO ORDERED.

Narvasa, C.J., Romero and Kapunan, JJ., concur.

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- [1] NLRC RABX Case No. 10-11-00555-90 Order, Rollo, p. 11.
 - [2] The document was notarized on November 8, 1989.
 - [3] Annex A, Rollo, p. 19.
 - [4] Article 6. Rights maybe waived, unless the waiver is contrary to law, public order, public policy, morals, or good customs or prejudicial to a third person with a right recognized by law.
 - [5] The document was notarized on June 10, 1992.
 - [6] Annex C, D, E, F and G, Rollo, pp. 21-25. Executed in July 1994, September 5, 1994, August 2, 1994, July 27, 1994 and August 9, 1994 respectively.
 - [7] Sunshine Transportation, Inc, vs. National Labor Relations Commission, 254 SCRA 51.
 - [8] Agoy vs. National Labor Relations Commission, 252 SCRA 588.
 - [9] JGV and Associates, Inc vs. National Labor Relations Commission, 254 SCRA 457.
 - [10] American Home Assurance Company vs. National Labor Relations Commission, 259 SCRA 280.
 - [11] Unicane Workers Union-CLUP vs. National Labor Relations Commission, 261 SCRA 573.
 - [12] Calabash Garments, Inc vs. National Labor Relations Commission, 260 SCRA 441.