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SUPREME COURT
FIRST DIVISION

PHILAMLIFE INSURANCE COMPANY,
***Petitioner*,**

-versus-

G.R. No. 83699
February 21, 1989

HON. EDNA BONTO-PEREZ, CONRADO B. MAGLAYA AND ROSARIO G. ENCARNACION AND/OR NATIONAL LABOR RELATIONS COMMISSION, EMPLOYEES ASSOCIATION OF PHILIPPINE AMERICAN LIFE INSURANCE COMPANY-FFW & GIL TAMAYO,
***Respondents*.**
x----------x

D E C I S I O N

NARVASA, *J.*:

This case presents the simple legal issue of whether or not the failure to timely pay the appeal fee in an appeal from a decision of a Labor Arbiter in a case of illegal dismissal forecloses the appeal and renders said decision, upon lapse of the reglementary period, final and executory.

The facts are not disputed. On August 1, 1983, the private respondents, Employees Association of Philippine American Life Insurance Company-FFW and Gil Tamayo, sued herein petitioner, Philamlife Insurance Company in the National Labor Relations Commission for alleged illegal dismissal of Tamayo.[1] The case, docketed as NLRC NCR-8-3481-83, went through the usual procedure of filing of position papers by the parties followed by hearing on the merits before a Labor Arbiter and the submission of memorandum.[2] Thereafter the Arbiter, Bienvenido S. Hernandez, issued a decision dated March 21, 1986, copy of which was served on counsel for Philamlife Insurance Company on April 16, 1986, finding that Tamayo had been illegally dismissed and ordering Philamlife to pay him his back wages and other benefits from the date of his separation, separation pay at the rate of fifteen days' pay for every year o f service computed on the basis of his latest monthly rate of pay, and ten percent (10%) of the total monetary award for attorney's fees.[3]

On April 26, 1986, within the period of appeal (which is ten (10) calendar days after notice of judgment), Philamlife Insurance Company filed by registered mail with the NLRC an "Appeal with Appeal Memorandum," taking issue with the Arbiter's decision and urging its reversal. The appeal docketing fee, however, was not paid with equal promptness.[4] It was in fact paid only on June 11, 1986.[5]

On May 2, 1986 the complainant Union and Gil Tamayo filed a motion for execution of the Arbiter's decision on the ground that, Philamlife not having timely appealed the same, said decision had already become final and executory. The motion was opposed by Philamlife, which obtained a stay of execution upon posting a bond of P122,991.99, and the Labor Arbiter thereafter elevated the matter to the NLRC for resolution.[6]

In due course, on May 6, 1988, the NLRC issued a Resolution holding that the decision in question "had long become final and executory," and ordering the case remanded to the Regional Branch of Administration of origin for execution of said decision.[7]

Petitioner Philamlife is now before the Court urging annulment of said Resolution on the ground that it was issued in excess of

jurisdiction, with grave abuse of discretion and in violation of law and applicable decisions of this Court.

The questioned Resolution invokes and is grounded on the familiar principle that payment of the requisite appeal fee within the statutory or reglementary period is essential to the perfection an appeal, failure of which renders the questioned decision final and executory and deprives the appellate tribunal of jurisdiction to entertain the appeal. Citing Acda vs. Minister of Labor,[8] where this Court brushed aside the Solicitor General's plea that technical rules are not binding in labor cases and ruled that "the payment of an appeal fee is by no means a mere technicality of law or procedure (but) an essential requirement without which the decision appealed from would become final and executory, as if no appeal was filed at all,"[9] the NLRC Resolution held that payment of the appeal fee fifty-six days from notice of the Arbiter's decision "did not make the decision any less final because the legal requirement is to pay the appeal fee on time."[10]

Acda, however, decided a case where no appeal fee appears to have been paid at all. A more liberal — and more applicable — doctrine was pronounced in Del Rosario & Son Logging Enterprises, Inc. vs. NLRC,[11] also involving an appeal in a labor case where the appeal fee was paid, though late, and this Court ruled that:

> "It may be that, as held in Acda vs. MOLE, 119 SCRA 306 (1982), payment of the appeal fee is 'by no means a mere technicality but is an essential requirement in the perfection of an appeal.' However, where as in this case, the fee had been paid, unlike in the Acda case, although payment was delayed, the broader interests of justice and the desired objective of resolving controversies on the merits demanded that the appeal be given due course as, in fact, it was so given by the NLRC. Besides, it was within the inherent power of the NLRC to have allowed late payment of the appeal fee.
>
> "Moreover, as provided for by Article 221 of the Labor Code 'in any proceeding before the Commission or any of the Labor Arbiters, the rules of evidence prevailing in Courts of law or equity shall not be controlling and it is the spirit and intention

> of this Code that the Commission and its members and the Labor Arbiters shall use every and all reasonable means to ascertain the facts in each case speedily and objectively and without regard to technicalities of law or procedure, all in the interest of due process.'"[12]

Parenthetically, the petitioner gave a not entirely implausible excuse for late payment of the appeal fee. It claimed that said fee was not paid at the time of filing the Appeal and Appeal Memorandum by registered mail on April 26, 1986 because that day a Saturday and the money order section of the Post Office was closed; that the Monday following, the appeal fee was tendered to the NLRC, but the employee in charge of receiving such payment refused to accept it because the Appeal with Appeal Memorandum was still in transit and had not yet been received at the Commission; that the fee was tendered or three other dates thereafter, but receipt was invariably refused on the same ground, although according to the records the appeal documents had already been collected from the Post Office by the authorized representative of the Ministry of Labor and Employment; that on May 29, 1986, petitioner's counsel inquired at the NLRC if the appeal documents had already been received there and was old that they had not; and that it was only or June 11, 1986, when counsel learned that said documents had already been turned o the Labor Arbiter, that the appeal fee was accepted.[13]

The respondents, as might be expected, question the veracity of these assertions, which are made in the verified Petition and also in a separate affidavit executed by two of petitioner's attorneys.[14] They point out that those statements do not even identify the NLRC employee who supposedly refused to accept tender of the appeal fee,[15] in reply to which the petitioner states that while said employee was not mentioned by name, the reference to him as "the employee in the Administrative Division in charge of receiving the fee" in the NLRC, National Capital Region, Isabel Building, España Avenue, Manila," was sufficient to identify him.[16]

Though it is no longer quite so material to the issue in view of the conclusion that so obviously follows from what has already been discussed concerning precedents on the matter, the Court is disposed to give credence to the petitioner's explanation for late payment of the

fee and consider it as ground to view that lapse, if lapse it is, with great liberality.

WHEREFORE, the petition is granted. The questioned NLRC Resolution of May 6, 1988 in Case NLRC-8-3481-83 is set aside and annulled. Respondent National Labor Relations Commission is directed to give due course to, and hear and decide the petitioner's appeal in said case. No pronouncement as to costs.

SO ORDERED.

Cruz, Gancayco, Griño-Aquino and Medialdea, *JJ.*, concur.

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[1] Rollo, p. 3.
[2] Id., p.5.
[3] Ibid.
[4] Id., p.5.
[5] Id., pp. 7-8.
[6] Id., pp. 5-6.
[7] Id., p. 6.
[8] 119 SCRA 306.
[9] Id., p. 313.
[10] Rollo, p. 19.
[11] 136 SCRA 669.
[12] Id., pp. 672-673; cf Manchester Development Corp. vs. CA, 149 SCRA 562, and Felix Guevarra et al. vs. CA et al., 157 SCRA 32, for the rule in civil actions.
[13] Rollo, pp. 9-10.
[14] Rollo, pp. 76-78.
[15] Id., pp. 115-116.
[16] Id., p. 122.

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