763 PHIL. 288

SECOND DIVISION

[G.R. No. 187491, July 08, 2015]

FAR EAST BANK AND TRUST COMPANY, PETITIONER, VS. LILIA S. CHUA, RESPONDENT.

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 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 "involving 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.

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 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 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]

B

> 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]

C

> 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:

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 P100.00;"[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 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 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 different ways and for different reasons. Thus we speak of estoppel in pais, of estoppel by deed or by record, and of estoppel by laches.
>
> 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.
>
> 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.
>
> 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