

SECOND DIVISION

[G.R. No. 193484, January 18, 2012]

HYPTE R. AUJERO, PETITIONER, VS. PHILIPPINE COMMUNICATIONS SATELLITE CORPORATION, RESPONDENT.

DECISION

REYES, J.:

This is a Petition for Review under Rule 45 of the Rules of Court from the November 12, 2009 Decision^[1] and July 28, 2010 Resolution^[2] of the Court of Appeals (CA) in CA-G.R. SP No. 107233 entitled "*Hypte R. Aujero v. National Labor Relations Commission and Philippine Communications Satellite Corporation.*"

In its November 12, 2009 Decision, the CA dismissed the petitioner's petition for *certiorari* under Rule 65 of the Rules of Court from the National Labor Relations Commission's (NLRC) July 4, 2008 and September 29, 2008 Resolutions, the dispositive portion of which states:

WHEREFORE, the petition is **DISMISSED**. The assailed Resolutions dated July 4, 2008 and September 29, 2008 of public respondent National Labor Relations Commission in NLRC NCR Case No. 00-07-08921-2004 [NLRC NCR CA No. 049644-06] are **AFFIRMED**.

SO ORDERED.^[3]

The petitioner filed a Motion for Reconsideration from the above Decision but this was likewise denied by the CA in its July 28, 2010 Resolution.

The Antecedent Facts

It was in 1967 that the petitioner started working for respondent Philippine Communications Satellite Corporation (Philcomsat) as an accountant in the latter's Finance Department. On August 15, 2001 or after thirty-four (34) years of service, the petitioner applied for early retirement. His application for retirement was approved, effective September 15, 2001, entitling him to receive retirement benefits at a rate equivalent to one and a half of his monthly salary for every year of service. At that time, the petitioner was Philcomsat's Senior Vice-President with a monthly salary of Two Hundred Seventy-Four Thousand Eight Hundred Five Pesos (P274,805.00).^[4]

On September 12, 2001, the petitioner executed a Deed of Release and Quitclaim^[5] in Philcomsat's favor, following his receipt from the latter of a check in the amount of Nine Million Four Hundred Thirty-Nine Thousand Three Hundred Twenty-Seven

and 91/100 Pesos (P9,439,327.91).^[6]

Almost three (3) years thereafter, the petitioner filed a complaint for unpaid retirement benefits, claiming that the actual amount of his retirement pay is Fourteen Million Fifteen Thousand and Fifty-Five Pesos (P14,015,055.00) and the P9,439,327.91 he received from Philcomsat as supposed settlement for all his claims is unconscionable, which is more than enough reason to declare his quitclaim as null and void. According to the petitioner, he had no choice but to accept a lesser amount as he was in dire need thereof and was all set to return to his hometown and he signed the quitclaim despite the considerable deficiency as no single centavo would be released to him if he did not execute a release and waiver in Philcomsat's favor.^[7]

The petitioner claims that his right to receive the full amount of his retirement benefits, which is equivalent to one and a half of his monthly salary for every year of service, is provided under the Retirement Plan that Philcomsat created on January 1, 1977 for the benefit of its employees.^[8] On November 3, 1997, Philcomsat and the United Coconut Planters Bank (UCPB) executed a Trust Agreement, where UCPB, as trustee, shall hold, administer and manage the respective contributions of Philcomsat and its employees, as well as the income derived from the investment thereof, for and on behalf of the beneficiaries of the Retirement Plan.^[9]

The petitioner claims that Philcomsat has no right to withhold any portion of his retirement benefits as the trust fund created pursuant to the Retirement Plan is for the exclusive benefit of Philcomsat employees and Philcomsat had expressly recognized that it has no right or claim over the trust fund even on the portion pertaining to its contributions.^[10] As Section 4 of the Trust Agreement provides:

Section 4 – The Companies, in accordance with the provisions of the Plan, hereby waive all their rights to their contributions in money or property which are and will be paid or transferred to the Trust Fund, and no person shall have any right in, or with respect to, the Trust Fund or any part thereof except as expressly provided herein or in the Plan. At no time, prior to the satisfaction of all liabilities with respect to the participants and their beneficiaries under the Plan, shall any part of the corpus or income of the Fund be used for or diverted to purposes other than for the exclusive benefit of Plan participants and their beneficiaries.

^[11]

The petitioner calls attention to the August 15, 2001 letter of Philcomsat's Chairman and President, Mr. Carmelo Africa, addressed to UCPB for the release of P9,439,327.91 to the petitioner and P4,575,727.09 to Philcomsat, which predated the execution of his quitclaim on September 12, 2001.^[12] According to the petitioner, this indicates Philcomsat's pre-conceived plans to deprive him of a significant portion of his retirement pay.

On May 31, 2006, Labor Arbiter Joel S. Lustria (LA Lustria) issued a Decision^[13] in the petitioner's favor, directing Philcomsat to pay him the amount of P4,575,727.09 and P274,805.00, representing the balance of his retirement benefits and salary for

the period from August 15 to September 15, 2001, respectively. LA Lustria found it hard to believe that the petitioner would voluntarily waive a significant portion of his retirement pay. He found the consideration supporting the subject quitclaim unconscionable and ruled that the respondent failed to substantiate its claim that the amount received by the petitioner was a product of negotiations between the parties. Thus:

It would appear from the tenor of the letter that, rather than the alleged agreement, between complainant and respondent, respondent is claiming payment for an "outstanding due to Philcomsat" out of the retirement benefits of complainant. This could hardly be considered as proof of an agreement to reduce complainant's retirement benefits. Absent any showing of any agreement or authorization, the deductions from complainant's retirement benefits should be considered as improper and illegal.

If we were to give credence to the claim of respondent, it would appear that complainant has voluntarily waived a total amount of [P]4,575,727.09. Given the purpose of retirement benefits to provide for a retiree a source of income for the remainder of his years, it defies understanding how complainant could accept such an arrangement and lose more than [P]4.5 million in the process. One can readily see the unreasonableness of such a proposition. By the same token, the Quitclaim and Waiver over benefits worth millions is apparently unconscionable and unacceptable under normal circumstances. The Supreme Court has consistently ruled that waivers must be fair, reasonable, and just and must not be unconscionable on its face. The explanation of the complainant that he was presented with a lower amount on pain that the entire benefits will not be released is more believable and consistent with evidence. We, therefore, rule against the effectivity of the waiver and quitclaim, thus, complainant is entitled to the balance of his retirement benefits in the amount of [P]4,575,727.09.

[14]

In its July 4, 2008 Resolution,^[15] the NLRC granted Philcomsat's appeal and reversed and set aside LA Lustria's May 31, 2006 Decision. The NLRC dismissed the petitioner's complaint for unpaid retirement benefits and salary in consideration of the Deed of Release and Quitclaim he executed in September 12, 2001 following his receipt from Philcomsat of the amount of P9,439,327.91, which constitutes the full settlement of all his claims against Philcomsat. According to the NLRC, the petitioner failed to allege, much less, adduce evidence that Philcomsat employed means to vitiate his consent to the quitclaim. The petitioner is well-educated, a licensed accountant and was Philcomsat's Senior Vice-President prior to his retirement; he cannot therefore claim that he signed the quitclaim without understanding the consequences and implications thereof. The relevant portions of the NLRC's July 4, 2008 Resolution states:

After analyzing the antecedent, contemporaneous and subsequent facts surrounding the alleged underpayment of retirement benefits, We rule

that respondent-appellant have no more obligation to the complainant-appellee.

The complainant-appellee willingly received the check for the said amount, without having filed any objections nor reservations thereto, and even executed and signed a Release and Quitclaim in favor of the respondent-appellant. Undoubtedly, the quitclaim the complainant-appellee signed is valid. Complainant-appellee has not denied at any time its due execution and authenticity. He never imputed claims of coercion, undue influence, or fraud against the respondent-appellant. His statement in his reply to the respondent-appellant's position paper that the quitclaim is void alleging that it was obtained through duress is only an afterthought to make his claim appear to be convincing. If it were true, complainant-appellee should have asserted such fact from the very beginning. Also, there was no convincing proof shown by the complainant-appellee to prove existence of duress exerted against him. His stature and educational attainment would both negate that he can be forced into something against his will.

It should be stressed that complainant-appellee even waited for a period of almost three (3) years before he filed the complaint. If he really felt aggrieved by the amount he received, prudence dictates that he immediately would call the respondent-appellant's attention and at the earliest opportune shout his objections, rather than wait for years, before deciding to claim his supposed benefits, [e]specially that his alleged entitlement is a large sum of money. Thus, it is evident that the filing of the instant case is a clear case of afterthought, and that complainant-appellee simply had a change of mind. This We cannot allow.

x x x x

In the instant case, having willingly signed the Deed of Release and Quitclaim dated September 12, 2001, it is hard to conclude that the complainant-appellee was merely forced by the necessity to execute the quitclaim. Complainant-appellee is not a gullible or unsuspecting person who can easily be tricked or inveigled and, thus, needs the extra protection of law. He is well-educated and a highly experienced man. The release and quitclaim executed by the complainant-appellee is therefore considered valid and binding on him and the respondent-appellant. He is already estopped from questioning the same.^[16]

Philcomsat's appeal to the NLRC from LA Lustria's May 31, 2006 Decision was filed and its surety bond posted beyond the prescribed period of ten (10) days. On June 20, 2006, a copy of LA Lustria's Decision was served on Maritess Querubin (Querubin), one of Philcomsat's executive assistants, as Philcomsat's counsel and the executive assistant assigned to her were both out of the office. It was only the following day that Querubin gave a copy of the said Decision to the executive assistant of Philcomsat's counsel, leading the latter to believe that it was only then that the said Decision had been served. In turn, this led Philcomsat's counsel to believe that it was on June 21, 2006 that the ten (10) day-period started to run.

Having in mind that the delay was only one (1) day and the explanation offered by Philcomsat's counsel, the NLRC disregarded Philcomsat's procedural lapse and proceeded to decide the appeal on its merits. Thus:

It appears that on June 20[,] 2006[,] copy of the Decision was received by one (Maritess) who is not the Secretary of respondents-appellants' counsel and therefore not authorized to receive such document. It was only the following day, June 21, 2006, that respondents-appellants['] counsel actually received the Decision which was stamped received on said date. Verily, counsel has until July 3, 2006 within which to perfect the appeal, which he did. In *PLDT vs. NLRC, et al.*, G.R. No. 60250, March 26, 1984, the Honorable Supreme Court held that: "where notice of the Decision was served on the receiving station at the ground floor of the defendant's company building, and received much later at the office of the legal counsel on the ninth floor of said building, which was his address of record, service of said decision has taken effect from said later receipt at the aforesaid office of its legal counsel."

Be that as it may, the provisions of Section 10, Rule VII of the NLRC Rules of Procedure, states, that:

"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 or procedure, all in the interest of due process. x x x"

Additionally, the Supreme Court has allowed appeals from decisions of the Labor Arbiter to the NLRC, even if filed beyond the reglementary period, in the interest of justice. Moreover, under Article 218 (c) of the Labor Code, the NLRC may, in the exercise of its appellate powers, correct, amend or waive any error, defect or irregularity whether in substance or in form. Further, Article 221 of the same provides that: In any proceedings 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 in each case speedily and objectively and without regard to technicalities of law or procedure, all in the interest of due process.^[17]

In his petition for *certiorari* under Rule 65 of the Rules of Court to the CA, the petitioner accused the NLRC of grave abuse of discretion in giving due course to the respondent's belated appeal by relaxing the application of one of the fundamental requirements of appeal. An appeal, being a mere statutory right, should be exercised in a manner that strictly conforms to the prescribed procedure. As of July 3, 2006, or when Philcomsat filed its appeal and posted its surety bond, LA Lustria's Decision had become final and executory and Philcomsat's counsel's failure to verify when the copy of said Decision was actually received does not constitute excusable