

FIRST DIVISION

[G.R. No. 163891, May 21, 2009]

**CHARTER CHEMICAL AND COATING CORPORATION,
PETITIONER, VS. HERBERT TAN AND AMALIA SONSING,
RESPONDENTS.**

D E C I S I O N

CARPIO, J.:

The Case

This is a petition for review^[1] of the 9 March 2004 Decision^[2] and 4 June 2004 Resolution^[3] of the Court of Appeals in CA-G.R. SP No. 72086. In the 9 March 2004 Decision, the Court of Appeals ruled that the National Labor Relations Commission (NLRC) acted with grave abuse of discretion when it reversed its earlier dismissal of and, subsequently, gave due course to the appeal of petitioner Charter Chemical and Coating Corporation (petitioner). The 4 June 2004 Resolution denied petitioner's motion for reconsideration.

The Facts

Respondents Herbert Tan and Amalia Sonsing (respondents) were employed as officer-in-charge and office secretary, respectively, at petitioner's Davao branch. On 4 March 2000, respondents were placed under preventive suspension for their failure to satisfactorily explain the discrepancies in the stock inventory at the Davao depot warehouse. Respondents were also asked to explain the alleged dishonesty in the punching of their time cards. On 24 March 2000, petitioner advised respondents that they were being terminated from the service. On 7 June 2000, respondents filed a complaint for illegal dismissal and money claims against petitioner.

On 18 January 2001, Labor Arbiter Nicolas S. Sayson ruled in favor of respondents. The dispositive portion of the 18 January 2001 Decision^[4] provides:

WHEREFORE, in view of all the foregoing, judgment is hereby rendered declaring the dismissal of complainants Herbert Tan and Amalia Sonsing as ILLEGAL.

Respondent Charter Chemical and Coating Corporation is hereby directed to pay herein complainants their separation pay, backwages, 13th month pay and damages, to wit:

1. Herbert Tan - P372,800.00; and
2. Amalia Sonsing - 136,800.00

or in the total amount of Five Hundred Nine Thousand Six Hundred Pesos (P509,600) plus ten (10%) per cent thereof as attorney's fees.

Total award: P560,560.00

SO ORDERED.^[5]

Petitioner received a copy of the Labor Arbiter's Decision on 7 February 2001. On 16 February 2001, petitioner sent its notice of appeal to the NLRC through Luzon Brokerage Corporation (LBC). The NLRC received the notice of appeal on 26 February 2001.

In its 11 October 2001 Resolution,^[6] the NLRC dismissed petitioner's appeal for having been filed beyond the 10-day reglementary period.

Petitioner filed a motion for reconsideration. In its 6 February 2002 Resolution,^[7] the NLRC granted the motion and gave due course to petitioner's appeal. Subsequently, the NLRC dismissed respondents' complaint for illegal dismissal.

Respondents filed a motion for reconsideration. In its 22 April 2002 Resolution, the NLRC denied respondents' motion.

Respondents then filed a petition for certiorari before the Court of Appeals. In its 9 March 2004 Decision, the Court of Appeals granted respondents' petition and ruled that the NLRC acted with grave abuse of discretion in admitting petitioner's belated appeal.

Petitioner filed a motion for reconsideration. In its 4 June 2004 Resolution, the Court of Appeals denied the motion.

Hence, this petition.

The 6 February 2002 Resolution of the NLRC

In its 6 February 2002 Resolution, the NLRC reversed its earlier dismissal of petitioner's appeal. According to the NLRC, in the ordinary course of events, the NLRC would have received petitioner's notice of appeal on time because of LBC's assurance that delivery shall be made within 24 hours. However, the NLRC transferred its office to another location and the DOLE refused to accept petitioner's notice of appeal when it was delivered by LBC. The NLRC said these unforeseen circumstances led to the failure of the NLRC to receive the notice of appeal on time. The NLRC added that strict observance of the period to appeal need not be exacted on petitioner since it exerted diligent efforts to file its notice of appeal on time but failed to do so through no fault of its own. The NLRC said the supervening events constitute excusable negligence which would vest the NLRC with discretion to admit the appeal which was filed out of time.

The Ruling of the Court of Appeals

According to the Court of Appeals, the NLRC acted with grave abuse of discretion in admitting petitioner's belated appeal. The Court of Appeals said that the NLRC