435 Phil. 395

FIRST DIVISION

[G.R. No. 143397, August 06, 2002]

SANTIAGO ALCANTARA, JR., PETITIONER, VS. THE COURT OF APPEALS AND THE PENINSULA MANILA, INC., RESPONDENTS.

D E C I S I O N

KAPUNAN, J.:

Petitioner Santiago Alcantara, Jr., an employee of respondent The Peninsula Manila, Inc., seeks the reversal of the decision and resolution of the Court of Appeals upholding his dismissal for willful disobedience. At the time of his dismissal, petitioner worked as Commis II of the Food and Beverage Department of the Peninsula Manila Hotel, Inc. He was also a Director of the National Union of Workers in Hotels Restaurants and Allied Industries (NUWHRAIN)-Manila Peninsula Chapter.

The controversy stems from a Memorandum dated August 7, 1998 issued by respondent Hotel prohibiting the union from using the union office from midnight until 6:00 in the morning. The union office was located in the hotel premises. The text of said memorandum reads:

> It has been observed that the Union Offices are being used for recreation and sleeping purposes. Please be informed that the subject premises must not be utilized for any other purpose other than legitimate union activities.
>
> We wish to serve notice that the Union Office/s shall be used for official union business only and for no other purpose without the written consent of the Management. Management reserves the right to inspect said premises for verification and checking for compliance to this directive.
>
> Effective immediately, you are hereby directed to transact official union business starting 6:00 in the morning until midnight of the same day. The union office/s must be closed from 12:00 midnight to 6:00 o'clock in the morning

For your guidance and strict compliance.[1]

On August 18, 1998, at about 1:30 in the morning, petitioner was seen inside the union office with Conrad Salanguit and a certain Ma. Theresa Cruz. They left the office at about 2:20 in the morning of the same day.

On August 20, 1998, petitioner and a male companion were seen entering the union office. Later that evening, petitioner was again seen in the office, seated with both legs resting on a table. His male companion, who turned out to be Mr. Salanguit, was lying on the bench. The office lights were off. DPO Lt. Caronan approached petitioner and reminded him of the Memorandum dated August 7, 1998. Petitioner and Mr. Salanguit refused to leave, however, and replied, "Consult that to our

President because we gave a reply to that memorandum." Both petitioner and Mr. Salanguit stayed in the office until 3:30 in the morning of August 21, 1998.

On August 28, 1998, Arsenio Olmedilla, Sous Chef-Production, sent a memorandum to petitioner informing him about the Security Department Report dated August 21, 1998. The memorandum stated that he was seen inside the union office between midnight until the morning of the following day and directed him to submit his written explanation within 24 hours from receipt thereof.

Petitioner submitted his letter-explanation dated August 28, 1998 intimating that the Memorandum prohibiting the use of the union office was inconsistent with the CBA and was necessarily ineffective. Petitioner argued that inasmuch as the Hotel operated 24 hours a day, the union office should be available whenever the union found it necessary. This was how the CBA had always been applied. Petitioner also pointed out that the charge against him did not pertain to his duties in the Hotel. He claimed he used the union office only during his breaks or when he was off duty.

On November 26, 1998, at around 12:50 until 5:50 in the morning, petitioner was again seen lying on the bench inside the union office. DPO Lt. Caronan politely informed him again about the existing Memorandum and asked him to leave. Petitioner refused and left the union office only at around 5:50 in the morning of November 26, 1998.

In a Memorandum to petitioner dated December 7, 1998, Mr. Noel Silva, Assistant Food and Beverage Manager informed petitioner that Security had reportedly seen him lying on the bench at the basement rank-and-file union office on November 26, 1998 in violation of the Memorandum dated August 7, 1998. Petitioner was required to explain in writing why no disciplinary action should be taken against him.

On December 9, 1998, petitioner sent a letter to Mr. Silva explaining that the union had contested the Memorandum dated August 7, 1998. He reiterated that the Memorandum was unreasonable and unlawful. Petitioner invoked Section 4, Article IV of the Collective Bargaining Agreement (CBA) between the Union and the Hotel, stating that the hotel shall provide the Union with an office for its exclusive use. He further argued that the Memorandum constituted unlawful interference with the employees' right to self-organization.

On January 4, 1999, private respondent sent petitioner a Notice of Termination for alleged willful and blatant refusal to comply with a lawful and valid order (HRD Memorandum dated August 7, 1998) issued by his employer.

Meanwhile, the Union threatened to go on strike unless the memorandum in question was lifted and petitioner reinstated. Respondent requested the National Conciliation and Mediation Board to intervene and conduct preventive mediation proceedings.

Subsequently, the Union and the Hotel forged a Memorandum of Agreement dated February 4, 1999 stating:

> IN THE INTEREST OF INDUSTRIAL PEACE AND HARMONY, the parties hereby agreed to the following:

1. That a committee composed of 6 members (3 from each Union; 3 from the Company) shall decide the HMO upon the expiration of the existing contract.

2. The union will use its Office strictly related to legitimate activities for twenty-four (24) hours;

3. The termination issue of Mr. Santiago Alcantara shall be referred to AVA NOEL G. SANCHEZ. In the meantime that the resolution of the issue is pending before the VA, he will receive his basic salary and service charge which shall be credited against the award of backwages, if any;

4. The parties will exert best efforts to facilitate the early resolution of VA case within one month.

> WHEREFORE, this Preventive Mediation case is considered SETTLED and DROPPED from the business calendar of this Office.[2]

On April 5, 1999, Voluntary Arbitrator Noel G. Sanchez, to whom the termination case was referred, rendered a decision the dispositive portion of which reads:

> WHEREFORE, judgment is hereby rendered declaring the dismissal of SANTIAGO ALCANTARA as ILLEGAL and directing the Company to reinstate him to his former position without loss of seniority right and other privileges. Considering the agreement between the parties dated February 4, 1999, which provides that pending resolution of this case, complainant shall continue to receive his basic pay and share in service charges, there is no need to award backwages on the assumption that said items have been and continue to be paid.
>
> SO ORDERED.[3]

The Hotel filed a motion for reconsideration of the decision of the Voluntary Arbitrator dated April 5, 1999. The motion was denied in a Resolution dated April 30, 1999.

On May 26, 1999, the Hotel brought the case to the Court of Appeals by way of a petition for review under Rule 43, alleging that the Voluntary Arbitrator erred in finding that the dismissal of petitioner was legal.

On November 24, 1999, the Court of Appeals rendered its Decision, the dispositive portion of which reads:

> WHEREFORE, premises considered, the instant petition is hereby GIVEN DUE COURSE and accordingly GRANTED. The Decision dated April 5, 1999 and the Resolution dated April 30, 1999, both rendered by public respondent Noel G. Sanchez, Voluntary Arbitrator in the case entitled " In Re: Voluntary Arbitration of the Labor Dispute at the Peninsula Manila National Union of Workers in Hotel Restaurant and Allied Industries (NUWHRAIN) - Manila Peninsula Chapter and Santiago Alcantara vs. The Peninsula Manila," docketed as NGS-VA-99-0216, are hereby ANNULLED and SET ASIDE.[4]

Petitioner moved for the reconsideration of the decision of the Court of Appeals. The Court of Appeals denied petitioner's motion for reconsideration in a Resolution dated May 16, 2000.

Hence, this petition.

Petitioner assigns two errors, namely:

> THE HONORABLE COURT OF APPEALS GRIEVOUSLY ERRED IN IGNORING SECTION 2, RULE 43 OF THE 1997 RULES OF CIVIL PROCEDURE.
>
> THE HONORABLE COURT OF APPEALS GRIEVOUSLY ERRED IN RULING THAT PETITIONER ALCANTARA'S DISMISSAL IS VALID, CONTRARY TO ESTABLISHED JURISPRUDENCE PERTAINING TO DISMISSALS BASED ON WILLFUL DISOBEDIENCE.[5]

Petitioner claims that Rule 43 of the 1997 Rules of Civil Procedure is inapplicable as a mode of appeal to the Court of Appeals from judgments issued by a voluntary arbitrator pursuant to Book Five, Title VII-A of the Labor Code, as amended. Rule 43, it is submitted, only allows appeals from judgments of particular quasi-judicial agencies and voluntary arbitrators authorized by law and not those judgments and orders issued under the Labor Code.

The Court of Appeals correctly rejected this argument. In *Luzon Development Bank vs. Association of Luzon Development Bank Employees*,[6] cited by respondent court, we held:

> In *Volkschel Labor Union, et al., v. NLRC, et al.,* on the settled premise that the judgments of courts and awards of quasi-judicial agencies must become final at some definite time, this Court ruled that the awards of voluntary arbitrators determine the rights of parties; hence, their decisions have the same legal effect, as judgments of a court. In *Oceanic Bic Division (FFW), et al. v. Romero, et al.,* this Court ruled that "a voluntary arbitrator by the nature of her functions acts in a quasi-judicial capacity." Under these rulings, it follows that the voluntary arbitrator, whether acting solely or in a panel, enjoys in law the status of a quasi-judicial agency but independent of, and apart from, the NLRC since his decisions are not appealable to the latter.
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> Section 9 of B.P. Blg. 129, as amended by Republic Act No. 7902, provides that the Court of Appeals shall exercise:
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> "x x x x x x x x x
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> (3) Exclusive appellate jurisdiction over all final judgments, decisions, resolutions, orders or awards of Regional Trial Courts and quasi-judicial agencies, instrumentalities, boards or commissions, including the Securities and Exchange Commission, the Employees' Compensation Commission and the Civil Service Commission, except those falling within the appellate jurisdiction of the Supreme Court in accordance with the Constitution, the Labor Code of the Philippines under Presidential Decree No. 442, as amended, the provisions of this Act and of subparagraph (1) of the third paragraph and subparagraph (4) of the fourth paragraph of Section 17 of the Judiciary Act of 1948.
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> x x x x x x x x x"
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> Assuming arguendo that the voluntary arbitrator or the panel of voluntary arbitrators may not strictly be considered as a quasi-judicial agency, board or commission, still both he and the panel are