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SO ORDERED.

Ynares-Santiago (Chairperson), Carpio,[*] *Azcuna,*[**] and *Nachura, JJ.,* concur.

THIRD DIVISION

[G.R. No. 154379. October 31, 2008]

PCI TRAVEL CORPORATION, *petitioner, vs.* **NATIONAL LABOR RELATIONS COMMISSION (3rd Division) & NUBE-AMEXPEA/PCI TRAVEL EMPLOYEES UNION,** *respondents.*

SYLLABUS

1. REMEDIAL LAW; CIVIL PROCEDURE; PLEADINGS; CERTIFICATION AGAINST FORUM-SHOPPING; A PRESIDENT OF A CORPORATION IS AUTHORIZED TO SIGN THE SAME WITHOUT NEED OF A BOARD RESOLUTION. — In the recent case of *Cagayan Valley Drug Corporation v. Commissioner of Internal Revenue*, the Court clarified the issue on whether the President of a corporation is authorized to sign the verification and certification against forum shopping, without need of a board resolution. We quote: It must be borne in mind that Sec. 23, in relation to Sec. 25, of the Corporation Code, clearly enunciates that all corporate powers are exercised, all business conducted, and all properties

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[*] Per Special Order No. 531, dated 20 October 2008, signed by Acting Chief Justice Leonardo A. Quisumbing, designating Associate Justice Antonio T. Carpio to replace Associate Justice Ma. Alicia Austria-Martinez, who is on leave.

[**] Per Special Order No. 521, dated 29 September 2008, signed by Chief Justice Reynato S. Puno, designating Associate Justice Adolfo S. Azcuna to replace Associate Justice Ruben T. Reyes, who is on official leave.

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controlled by the board of directors. A corporation has a separate and distinct personality from its directors and officers and can only exercise its corporate powers through the board of directors. Thus, it is clear that an individual corporate officer cannot solely exercise any corporate power pertaining to the corporation without authority from the board of directors. This has been our constant holding in cases instituted by a corporation. In a slew of cases, however, we have recognized the authority of some corporate officers to sign the verification and certification against forum shopping. In *Mactan-Cebu International Airport Authority v. CA (G.R. No. 139495, November 27, 2000, 346 SCRA 126, 132-133),* we recognized the authority of a general manager or acting general manager to sign the verification and certificate against forum shopping; in *Pfizer v. Galan* (*G.R. No. 143389, May 25, 2001, 358 SCRA 240, 246-248*), we upheld the validity of a verification signed by an "employment specialist" who had not even presented any proof of her authority to represent the company; in *Novelty Philippines, Inc. v. CA* (*G.R. No. 146125, September 17, 2003, 411 SCRA 211, 217-220),* we ruled that a personnel officer who signed the petition but did not attach the authority from the company is authorized to sign the verification and non-forum shopping certificate; and in *Lepanto Consolidated Mining Company v. WMC Resources International Pty. Ltd (Lepanto) (G.R. No. 153885, September 24, 2003, 412 SCRA 101, 109),* we ruled that the Chairperson of the Board and President of the Company can sign the verification and certificate against non-forum shopping even without the submission of the board's authorization. In sum, we have held that the following officials or employees of the company can sign the verification and certification without need of a board resolution: (1) the Chairperson of the Board of Directors, (2) the President of a corporation, (3) the General Manager or Acting General Manager, (4) Personnel Officer, and (5) an Employment Specialist in a labor case. While the above cases do not provide a complete listing of authorized signatories to the verification and certification required by the rules, the determination of the sufficiency of the authority was done on a case-to-case basis. The rationale applied in the foregoing cases is to justify the authority of corporate officers or representatives of the corporation to sign the verification or certificate against forum shopping, being "in a position to verify

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the truthfulness and correctness of the allegations in the petition."

2. ID.; ID.; ID.; REINSTATEMENT OF PETITION DISMISSED ON MERE TECHNICALITIES; CASE AT BAR.—With this issue settled, that the President of the corporation can sign the verification and certification without need of a board resolution, there thus exists a compelling reason for the reinstatement of the petition before the Court of Appeals. A perusal of the petition for *certiorari* would reveal that petitioner intended to show the grave abuse of discretion committed by the labor tribunals in not allowing the petitioner the ample opportunity to submit its position paper on the alleged violation of the CBA. The Labor Arbiter and the NLRC viewed it as a waiver on its part and hastened to rule that "since the complainant's allegations remain unrebutted, they are deemed correct and valid." Due process dictates that a person should be given the opportunity to be heard. Unfortunately, this was not accorded to the petitioner and such right was even foreclosed when the appellate court dismissed the petition before it on technical grounds. The policy of our judicial system is to encourage full adjudication of the merits of an appeal. Ends of justice are better served when both parties are heard and the controversy decided on its merits. Thus, in the exercise of its equity jurisdiction, the Court will not hesitate to reverse the dismissal of appeals that are grounded merely on technicalities.

APPEARANCES OF COUNSEL

Siguion Reyna Montecillo & Ongsiako for petitioner.
Jonathan P. Sale for private respondent.

R E S O L U T I O N

NACHURA, *J.*:

Before us is a petition for review seeking to nullify the Resolution[1] of the Court of Appeals, dated March 27, 2001,

[1] *Rollo*, p. 28.

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which dismissed the petition for *certiorari* on technical grounds; and the Resolution[2] dated July 10, 2002, denying reconsideration thereof in CA-G.R. SP No. 63635.

Sometime in 1994, respondent NUBE-AMEXPEA/PCI Travel Employees Union filed a Complaint for unfair labor practice against petitioner PCI Travel Corporation. It claimed that petitioner had been filling up positions left by regular rank-and-file with contractual employees, but were performing work which were usually necessary and desirable in the usual business or trade of the petitioner. Respondent prayed that the Labor Arbiter order the petitioner to pay the "contractual employees" the differentials between the wages/benefits of regular employees and the actual wages/benefits paid to them from the first day of their employment, plus moral and exemplary damages, and attorney's fees of not less than ₱300,000.00 per employee.

Petitioner moved to dismiss the complaint on the ground that the Union was not the real party-in-interest. Subsequently, petitioner manifested that while it was ready and willing to prove that said employees were provided by independent legitimate contractors and that it was not engaged in labor-only contracting in a position paper yet to be submitted, petitioner prayed that the Labor Arbiter first resolve the issues raised in their motion to dismiss.

Ruling that a motion to dismiss was a prohibited pleading, the Labor Arbiter rendered a decision on the merits dated October 16, 1998, in favor of the respondent. As culled from the NLRC Decision, the dispositive portion reads as follows:

WHEREFORE, premises considered, judgment is hereby rendered as follows:

1. Respondent is declared guilty of unfair labor practice;

2. The above-named "contractual employees" are declared regular employees;

3. Respondent is ordered to pay:

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[2] *Id*. at 30.

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a. "Contractual Employees" the differentials between the wages and benefits of regular employees and their actual wages and benefits, to be computed by the Socio-Economic Analyst of this Office;

b. Moral damages in the amount of Twenty Thousand (₱20,000.00) Pesos each "contractual employee";

c. Exemplary damages in the amount of Ten Thousand (₱10,000.00) Pesos each "contractual employee"; and

d. Ten percent (10%) of the total award as attorney's fees.[3]

On appeal, the NLRC affirmed with modification the decision of the Labor Arbiter deleting the awards of damages for lack of sufficient basis. It upheld the Labor Arbiter's ruling that a motion to dismiss was a prohibited pleading and that petitioner failed to rebut the respondent's contentions when it allegedly opted not to file a position paper. Aggrieved, petitioner filed a petition for *certiorari* with the Court of Appeals.

On March 27, 2001, the CA issued the assailed Resolution dismissing the petition outright for petitioner's failure to attach copies of pleadings and documents relevant and pertinent to the petition. More importantly, the verification and certification of non-forum shopping was signed by Elizabeth Legarda, President of the petitioner-corporation, without submitting any proof that she was duly authorized to sign for, and bind the petitioner-corporation in these proceedings.

Petitioner filed a motion for reconsideration, alleging that the Rules of Court does not require the submission of proof of due authorization to sign the verification and certification of non-forum shopping for a petition to prosper. Nonetheless, petitioner subsequently filed a manifestation stating that earnest efforts and diligence have been exerted in searching for said board resolution, but to no avail.[4]

Unperturbed, the CA denied the motion for reconsideration stating that without such board resolution or secretary's certificate,

[3] *Id*. at 52-53.

[4] *Id*. at 30.

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Elizabeth Legarda cannot be deemed fully clothed by the corporation to act for and on its behalf.

Hence, the instant petition. The respondent was required to comment.[5] As borne by the records, several Court resolutions addressed to the respondent, through its counsel, were either returned unserved or unheeded. Respondent then filed a Manifestation with Motion to Resolve[6] averring its inability to file a comment and its willingness to submit the case for resolution based on the records.

The following issues were raised by the petitioner for consideration:

I

THE FINDING OF THE COURT OF APPEALS THAT THE PRESIDENT OF PCI TRAVEL WAS NOT AN AUTHORIZED REPRESENTATIVE OF THE PETITIONER IS ERRONEOUS, AS THE TRUTH OF THE MATTER IS THAT THE ACT OF THE PRESIDENT IN EXECUTING AND SIGNING THE VERIFICATION AND CERTIFICATION AS TO THE CORRECTNESS OF THE MATERIAL DATE AND CERTIFICATION OF NON-FORUM SHOPPING HAS BEEN **AUTHORIZED AND EVEN RATIFIED BY PCI TRAVEL.**

II

CONTRARY TO THE RESOLUTION OF THE COURT OF APPEALS, PETITIONER DID, IN FACT, **SUBSTANTIALLY COMPLY WITH THE REQUIREMENTS** OF RULE 65 OF THE RULES OF COURT.

III

AS **THE PETITION FOR REVIEW IS HIGHLY IMPRESSED WITH MERIT**, COMPELLING REASONS OF JUSTICE AND EQUITY DICTATE THAT A SINGLE TECHNICALITY SHOULD NOT BE GIVEN PREMIUM OVER THE SUBSTANCE OF THE PETITION.[7]

We grant the petition.

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[5] Resolution dated November 27, 2002; *id*. at 103.

[6] *Rollo*, pp. 164-166.

[7] *Id*. at 13-14.

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In the recent case of *Cagayan Valley Drug Corporation v. Commissioner of Internal Revenue*,[8] the Court clarified the issue on whether the President of a corporation is authorized to sign the verification and certification against forum shopping, without need of a board resolution. We quote:

> It must be borne in mind that Sec. 23, in relation to Sec. 25, of the Corporation Code, clearly enunciates that all corporate powers are exercised, all business conducted, and all properties controlled by the board of directors. A corporation has a separate and distinct personality from its directors and officers and can only exercise its corporate powers through the board of directors. Thus, it is clear that an individual corporate officer cannot solely exercise any corporate power pertaining to the corporation without authority from the board of directors. This has been our constant holding in cases instituted by a corporation.
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> In a slew of cases, however, we have recognized the authority of some corporate officers to sign the verification and certification against forum shopping. In *Mactan-Cebu International Airport Authority v. CA (G.R. No. 139495, November 27, 2000, 346 SCRA 126, 132-133),* we recognized the authority of a general manager or acting general manager to sign the verification and certificate against forum shopping; in *Pfizer v. Galan (G.R. No. 143389, May 25, 2001, 358 SCRA 240, 246-248),* we upheld the validity of a verification signed by an "employment specialist" who had not even presented any proof of her authority to represent the company; in *Novelty Philippines, Inc. v. CA (G.R. No. 146125, September 17, 2003, 411 SCRA 211, 217-220),* we ruled that a personnel officer who signed the petition but did not attach the authority from the company is authorized to sign the verification and non-forum shopping certificate; and in *Lepanto Consolidated Mining Company v. WMC Resources International Pty. Ltd (Lepanto) (G.R. No. 153885, September 24, 2003, 412 SCRA 101, 109),* we ruled that the Chairperson of the Board and President of the Company can sign the verification and certificate against non-forum shopping even without the submission of the board's authorization.
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> In sum, we have held that the following officials or employees of the company can sign the verification and certification without need of a board resolution: (1) the Chairperson of the Board of

[8] G.R. No. 151413, February 13, 2008, 545 SCRA 10, 17-19.

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Directors, (2) the President of a corporation, (3) the General Manager or Acting General Manager, (4) Personnel Officer, and (5) an Employment Specialist in a labor case.

While the above cases do not provide a complete listing of authorized signatories to the verification and certification required by the rules, the determination of the sufficiency of the authority was done on a case-to-case basis. The rationale applied in the foregoing cases is to justify the authority of corporate officers or representatives of the corporation to sign the verification or certificate against forum shopping, being "in a position to verify the truthfulness and correctness of the allegations in the petition."

With this issue settled, that the President of the corporation can sign the verification and certification without need of a board resolution, there thus exists a compelling reason for the reinstatement of the petition before the Court of Appeals. A perusal of the petition for *certiorari* would reveal that petitioner intended to show the grave abuse of discretion committed by the labor tribunals in not allowing the petitioner the ample opportunity to submit its position paper on the alleged violation of the CBA. The Labor Arbiter and the NLRC viewed it as a waiver on its part and hastened to rule that "since the complainant's allegations remain unrebutted, they are deemed correct and valid."[9] Due process dictates that a person should be given the opportunity to be heard. Unfortunately, this was not accorded to the petitioner and such right was even foreclosed when the appellate court dismissed the petition before it on technical grounds. The policy of our judicial system is to encourage full adjudication of the merits of an appeal. Ends of justice are better served when both parties are heard and the controversy decided on its merits. Thus, in the exercise of its equity jurisdiction, the Court will not hesitate to reverse the dismissal of appeals that are grounded merely on technicalities.[10]

WHEREFORE, the petition is *GIVEN DUE COURSE*. The Resolutions of the Court of Appeals, dated March 27, 2001 and

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[9] NLRC Decision, p. 6; *rollo*, p. 57.

[10] *Piglas-Kamao (Sari-Sari Chapter) v. NLRC*, 409 Phil. 735, 745 (2001).

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July 10, 2002, are *SET ASIDE*. The case is *REMANDED* to the Court of Appeals for resolution on the merits.

SO ORDERED.

Ynares-Santiago (Chairperson), Carpio,[*] *Azcuna,*[**] and *Chico-Nazario, JJ.,* concur.

FIRST DIVISION

[G.R. No. 155758. October 31, 2008]

HEIRS OF JOSE ESPLANA, namely: YOLANDA BOTIN *VDA. DE* ESPLANA, TERESA B. ESPLANA, LIZA B. ESPLANA, SHIRLEY B. ESPLANA, ALMA B. ESPLANA, JACK B. ESPLANA, and LINA B. ESPLANA, *petitioners, vs.* **THE COURT OF APPEALS and HEIRS OF PEDRO DE LIMA, represented by JAIME DE LIMA,** *respondents.*

SYLLABUS

1. REMEDIAL LAW; CIVIL PROCEDURE; APPEAL; FROM THE REGIONAL TRIAL COURT, IN THE EXERCISE OF ITS APPELLATE JURISDICTION, TO THE COURT OF APPEALS. — Sec. 1, Rule 42 of the Rules of Court provides for the manner an appeal by petition for review from the Regional Trial Courts to the Court of Appeals is taken: SECTION 1. *How appeal taken; time for filing.* — A party desiring to appeal from a decision of the Regional Trial Court rendered

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[*] Additional member in lieu of Associate Justice Ma. Alicia Austria-Martinez per Special Order No. 531 dated October 20, 2008.

[**] Additional member in lieu of Associate Justice Ruben T. Reyes per Special Order No. 521 dated September 29, 2008.