

FIRST DIVISION

LAURO C. DEGAMO,
Petitioner,

G.R. No. 154460

- versus -

Present:
Davide, Jr., *C.J.*,
(Chairman),
Quisumbing,
Ynares-Santiago,
Carpio, and
Azcuna, *JJ.*

**AVANTGARDE SHIPPING CORP.,
and/or LEVY RABAMONTAN and
SEMBAWANG JOHNSON MGT.
PTE. LTD.,**
Respondents.

Promulgated:
November 22, 2005

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DECISION

QUISUMBING, J.:

Before us is a petition for review of the Resolutions dated May 23, 2002^[1] and July 9, 2002^[2] of the Court of Appeals in CA-G.R. SP No. 70663 denying petitioners motion for extension of time to file petition and his motion for reconsideration.

On November 8, 1994, respondent Avantgarde Shipping Corporation (Avantgarde), acting in behalf of its foreign principal, respondent Sembawang Johnson Management, Pte., Ltd. (Sembawang), hired petitioner Lauro C. Degamo as Oiler of the vessel Nippon Reefer for a period of ten months.^[3] While working in the vessels engine room, a spanner dropped and hit petitioner on his right thigh. He required surgery and hospitalization. When he returned to the ship after a few days, his medical condition got worse. Consequently, he was repatriated to the Philippines on March 4, 1995.

Immediately upon his arrival, petitioner reported to respondent Avantgardes office, but since it was a Saturday and there was no one to assist him, he went to his relatives in Cebu and was operated at Metro Cebu Community Hospital.

Avantgarde paid all his hospital bills and promised to work out his sickness benefit with Sembawang as soon as he was declared fit to work. Petitioner was required to rest, and he received treatment until early 1997. On September 11, 1997, petitioner was declared fit to work.

On December 24, 1997, petitioner asked Avantgarde to pay his sickness benefits. On January 6, 1998, Avantgarde replied that it could no longer act on petitioners claim as he had deviated from the legal procedure and, should he wish, he could personally follow-up with Sembawang. On March 4, 1998 and May 5, 1998, petitioner wrote a letter to Sembawang regarding his claim. Sembawang did not reply.

On March 2, 2001, petitioner lodged a complaint for payment of disability benefits and other money claims against the respondents with the Regional Arbitration Board. The labor arbiter dismissed the case without prejudice, stating that the action had already prescribed.^[4] On appeal, the National Labor Relations Commission (NLRC) likewise ruled that petitioners cause of action had prescribed as a mere letter of demand would not toll the prescriptive period for filing the complaint. Petitioners motion for reconsideration was denied.

Petitioner, after moving for extension of thirty days from April 16, 2002 to file a petition for *certiorari* before the Court of Appeals, filed the petition on May 15, 2002. On May 23, 2002, the appellate court denied the motion for extension on the ground that only a maximum of fifteen days extension is allowed under Section 4, Rule 65 of the Rules of Court and extreme work pressure is not a compelling reason. On July 9, 2002, it also denied petitioners motion for reconsideration.

Petitioner now comes before us raising the following issues:

I. WHETHER OR NOT THE COURT OF APPEALS ERRED IN ISSUING ITS FIRST CHALLENGED ORDER DATED MAY 27, 2002 [should be May 23, 2002], DENYING PETITIONERS URGENT MOTION FOR EXTENSION OF TIME TO FILE PETITION FOR CERTIORARI AND LATER DENYING HIS MOTION FOR RECONSIDERATION IN THE SECOND CHALLENGED ORDER DATED JULY 9, 2002 ON PURELY TECHNICAL GROUNDS.

II. WHETHER OR NOT THE COURT OF APPEALS ERRED WHEN IT REFUSED TO GIVE DUE COURSE TO THE PETITION, IN SO DOING DENYING THE RIGHT OF PETITIONER TO DUE PROCESS DESPITE THE INHERENT MERITS OF HIS CAUSE, THAT IS:

That, the NLRC committed grave error when it refused to grant the appeal filed by petitioner and/or reversing the dismissal of the complaint of petitioner by the Labor Arbiter on ground of prescription of actions.^[5]

Simply, we are asked now to resolve (1) whether petitioners cause of action had already prescribed, and (2) whether the Court of Appeals properly denied petitioners motion for extension.

Petitioner, citing Article 1155^[6] of the New Civil Code, contends that his cause of action had not prescribed as the running of the prescriptive period was tolled by his extrajudicial demand for unpaid sickness benefits on December 24, 1997.

Respondents counter that the Civil Code provision on extinctive prescription applies only to obligations that are intrinsically civil in nature and is inapplicable to labor cases. Respondents assert that petitioners demand was made more than one year from his date of arrival in the Philippines, contrary to what is prescribed in Section 28^[7] of the Philippine Overseas Employment Administration (POEA) Memorandum Circular No. 55, Series of 1996.^[8] They add that the institution of the action was beyond the three-year period prescribed in Article 291 of the Labor Code as his employment with the respondents ended on March 4, 1995 but the complaint was filed only on March 2, 2001.

We note that POEA Circular No. 55, Series of 1996 became effective only on January 1, 1997 while the employment contract between the parties was entered earlier on November 8, 1994. The earlier standard employment contract issued by the POEA did not have a provision on prescription of claims. Hence, the applicable provision in this case is Article 291 of the Labor Code which we shall now discuss.

In *Cadalin v. POEAs Administrator*,^[9] we held that Article 291 covers all money claims from employer-employee relationship and is broader in scope than claims arising from a specific law. It is not limited to money claims recoverable under the Labor Code, but applies also to claims of overseas contract workers.

Article 291 provides that all money claims arising from employer-employee relations shall be filed within three years from the time the cause of action accrued, otherwise, these shall be forever barred. A cause of action accrues upon the categorical denial of claim.^[10] Petitioners cause of action accrued only on January 6, 1998, when Avantgarde denied his claim and so breached its obligation to petitioner. Petitioner could not have a cause of action prior to this because his

earlier requests were warded off by indefinite promises. The complaint filed on March 2, 2001 is beyond the three-year period mandated by the Labor Code.

Moreover, we are also constrained to deny this appeal as the petition for *certiorari* before the Court of Appeals was filed late.

Petitioner invokes the indulgence of this Court and cites the principle of substantial justice in his bid for liberal application of the rules of procedure. He insists that his counsels heavy workload and extreme pressures from his other professional commitments are reasons good enough for us to grant his motion for extension of time.

Section 4, Rule 65 of the Rules of Court is explicit that a petition for certiorari shall be filed not later than sixty days from notice of the judgment. No extension of time to file the petition shall be granted except for compelling reason and in no case exceeding fifteen days. We have consistently held that the allowance or denial of a motion for extension of time is addressed to the sound discretion of the court, and such discretion vested in the courts must be exercised wisely and prudently, and never capriciously, with a view to substantial justice.^[11]

Though heavy workload and extreme pressures may be allowed under the principle of substantial justice as a reason for the grant of an extension of time, the Court of Appeals has no authority to grant an extension of thirty days, or beyond the fifteen days allowed under the Rules. We cannot fault the appellate court for faithfully complying with the rules of procedure which it has been mandated to observe.^[12] Save for the most persuasive of reasons, strict compliance is enjoined to facilitate the orderly administration of justice.^[13] In the present case, petitioner filed the petition on May 15, 2002 or thirty days after the reglementary period. Even if petitioner would have been given the maximum allowed extension of fifteen days, the petition would still be late. Bear in mind that the filing of the petition within the reglementary period is jurisdictional. The assailed NLRC resolutions became final upon the failure to file the petition within the prescribed period. It pains us to deny this appeal, but a final judgment is beyond the power of the Court of Appeals, or of this Court, to alter without compelling reason.

This case is a clear example of how a counsels inadvertence can defeat his clients cause. Basic is the rule that a client is bound by the mistake of his counsel.^[14] Hence, members of the bar must take utmost care of the cases they handle for they owe fidelity to the cause of their clients.^[15]

WHEREFORE, the petition is **DENIED**. The assailed Resolutions dated May 23, 2002 and July 9, 2002 of the Court of Appeals in CA-G.R. SP No. 70663 are **AFFIRMED**.

SO ORDERED.

LEONARDO A. QUISUMBING

Associate Justice

WE CONCUR:

HILARIO G. DAVIDE, JR.

Chief Justice

Chairman

CONSUELO YNARES-SANTIAGO ANTONIO T. CARPIO Associate Justice

Associate Justice

ADOLFO S. AZCUNA

Associate Justice

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, it is hereby certified that the conclusions in the above Decision were reached in consultation before the case was assigned to the writer of the opinion of the Courts Division.

HILARIO G. DAVIDE, JR.
Chief Justice

^[1] Rollo, p. 20. Penned by Associate Justice Delilah Vidallon-Magtolis, with Associate Justices Candido V. Rivera, and Sergio L. Pestao concurring.

^[2] *Id.* at 22.

^[3] *Id.* at 23.

^[4] *Id.* at 36.

^[5] *Id.* at 9.

^[6] Art. 1155. The prescription of action is interrupted when they are filed before the court, when there is a written extrajudicial demand by the creditors, and when there is any written acknowledgment of the debt by the debtor.

^[7] SECTION 28. JURISDICTION.

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Recognizing the peculiar nature of overseas shipboard employment, the employer and the seafarer agree that all claims arising from this contract shall be made within one (1) year from the date of seafarers return to the point of hire.

^[8] REVISED STANDARD EMPLOYMENT TERMS AND CONDITIONS GOVERNING THE EMPLOYMENT OF FILIPINO SEAFARERS ON BOARD OCEAN-GOING VESSELS.

^[9] G.R. Nos. 104776 & 104911-14, 5 December 1994, 238 SCRA 721.

^[10] *Serrano v. Court of Appeals*, G.R. No. 139420, 15 August 2001, 363 SCRA 223, 232.

^[11] *Videogram Regulatory Board v. Court of Appeals*, G.R. No. 106564, 28 November 1996, 265 SCRA 50, 58.

^[12] *Casim v. Flordeliza*, G.R. No. 139511, 23 January 2002, 374 SCRA 386, 393.

^[13] *El Reyno Homes, Inc. v. Ong*, G.R. No. 142440, 17 February 2003, 397 SCRA 563, 570.

^[14] *Villaruel, Jr. v. Fernando*, G.R. No. 136726, 24 September 2003, 412 SCRA 54, 65.

^[15] *Schulz v. Flores*, A.C. No. 4219, 8 December 2003, 417 SCRA 159, 166.