763 PHIL. 45

FIRST DIVISION

[G.R. No. 189262, July 06, 2015]

GBMLT MANPOWER SERVICES, INC., PETITIONER, VS. MA. VICTORIA H. MALINAO, RESPONDENT.

DECISION

SERENO, C.J.:

Before us is a Petition for Review on Certiorari under Rule 45 of the Rules of Court assailing the Court of Appeals (CA) Decision[1] dated 29 May 2009 and Resolution[2] dated 24 August 2009 in CA-G.R. SP No. 107378.

The CA found grave abuse of discretion on the part of the National Labor Relations Commission (NLRC) when the latter reversed the decision of the labor arbiter, which granted respondent's money claims under her complaint for illegal dismissal against petitioner. The CA Resolution denied petitioner's motion for reconsideration.

Facts

Sometime in May 2005, respondent applied to petitioner for a job as teacher for deployment abroad.[3] She went through the usual application process and was later called for an interview by the president of an Ethiopian university.[4] The interviewer endorsed her for the post of accounting lecturer.[5] Petitioner issued her a wage response slip,[6] which provided that she would receive a monthly salary of USD 900.

Respondent paid petitioner the processing and placement fees equivalent to her one-month salary.[7] She also signed a Contract of Employment for Foreign Academic Personnel[8] (Contract of Employment) covering a period of two academic years. The contract had been approved by the Philippine Overseas Employment Administration (POEA).

On 12 December 2005, respondent departed for Ethiopia. Upon her arrival, she was informed by the Vice Minister of the Ministry of Education that her credentials would have to be re-evaluated, because it appeared that she did not have a master's degree.[9] Respondent was given a new contract for signing, which at first she refused to sign. However, upon reading that it was a duplicate of the original contract, she affixed her signature.[10]

Respondent was assigned to teach at the Alemaya University.[11] On 10 January 2006, she unilaterally decided to discontinue teaching the course in cooperative accounting

that had been assigned to her.[12] The reason she gave was that auditing, not accounting, was her specialization. Another lecturer took over the course, and respondent spent the rest of the semester without a teaching load.

On 1 March 2006, Alemaya University Academic and Research Vice President Tena Alamirew (Vice President Alamirew) circulated a memorandum[13] addressed to the college faculties and Filipino teaching staff. It stated that the Ministry of Education required the university to evaluate the credentials of the Filipino teaching staff and suggest an academic rank for them pursuant to the national norm. Later, on 15 March 2006, another memorandum[14] was issued lowering the ranks of most of the Filipino teaching staff and asking them to sign a new contract reflecting a change in rank and salary.[15] In particular, respondent's designation was lowered from lecturer to assistant lecturer[16] with a monthly salary of USD 600.[17]

Respondent refused to sign a new contract. Together with her affected Filipino colleagues, she went to the Ministry of Education on 17 March 2006 to protest the re-ranking.[18] They also asked for an audience with Vice President Alamirew on 27 March 2006.[19] During the meeting, respondent raised her hand in order to be acknowledged to speak. However, Vice President Alamirew told her, "You are not allowed to speak before this meeting. Alemaya University does not need your services anymore, you are terminated, you are fired."[20]

Later that afternoon, Vice President Alamirew apologized to respondent for the retort, [21] saying that she thought the latter was the leader of the protest before the Ministry of Education. Nevertheless, in a letter[22] dated 28 March 2006, respondent requested Vice President Alamirew to issue a notice of termination to her "in order not to prolong [her] agony."[23]

A memorandum[24] dated 4 April 2006 was issued by Temesgen Keno, Head of the Department of Accounting (Mr. Keno). He informed the Faculty of Business and Economics that due to a students' petition, another instructor had been assigned to replace respondent in Auditing II. The latter was again left idle. Attached to the memorandum was the class compliance on the performance of respondent, together with the individual signatures of the students.[25] Respondent checked the signatures and found that some had signed twice, while two were not in her class.[26]

Another memorandum[27] of the same date was issued by Workneh Kassa, Dean of the Faculty of Business and Economics (Dean Kassa) addressed to Vice President Alamirew. Dean Kassa indicated that the qualification of respondent had been highly debated as the faculty had never approved the recruitment of expatriate staff who were bachelor's degree holders. He noted that this was the second time that the Department of Accounting had to replace respondent in her course assignment, because "she has never handled any course effectively."[28] Dean Kassa requested Vice President Alamirew to take the necessary action, because keeping an idle expatriate staff was unacceptable.

Respondent took great offense at being referred to as a bachelor's degree holder, insisting that she was a certified public accountant and a law graduate.[29] She responded[30] to the memorandum on the same day stating that in the Philippines, a person who had a law degree and passed the bar examinations has a degree more than a master's, but less than a doctorate. She recognized that the university had the right to terminate her at any time, but insisted that there was no need to discredit her.[31]

On 6 April 2006, Vice President Alamirew issued the notice of termination[32] to respondent. The notice alluded to the two instances when the Department of Accounting had to replace respondent in her course assignments. Part of the notice reads:

> Despite the efforts of the head of the Department, the dean of the faculty and myself to bring you on board, it seems that you are not fitting anywhere. On the contrary, to cover up your incompetence and personal problems, you are insulting students, the staff and the management in particular and Ethiopians in general in the class. In view of these facts, it will be difficult to expect any positive contribution by keeping you here any longer. But as per Article X Sub-article 2 of the contract, we are obliged to give you this three months advance notice as regards the contract termination. In the mean time, however, you are expected to duly carry the assignment which shall be given by your Department. Please note that if you continue insulting and abusing any of the students, the Department or the Faculty Community, we shall be forced either to invoke Article X Sub article 1 or bring you into the court of law. There is, therefore, to bring to your notice the fact that the University has decided to terminate your contract three months from now. In the mean time, however, you're strongly advised to have an iota of decency and behave rationally.[33]

To this notice, respondent replied in a letter dated 7 April 2006, which reads:

> Dear Dr. Tena:
>
> You did it first! I only defended myself from all the insults I received from the students, the staff and management. I believe this is within my constitutional rights. I did not insult anybody!
>
> I cannot resort to such vile tactics because I am not an incompetent person, as you perceived me to be. All the incidents that had happened were the aftermath of your evaluation and as a subsequence, the defamation committed against me when you insulted me and fired me from my job before my colleagues.
>
> Your accusations are merely based on hearsays, and hearsays are inadmissible in evidence under the law. They remain allegations unless proven by substantial evidence under administrative proceedings and beyond reasonable doubt under criminal procedure.

You cannot legally base your decision in terminating my contract on facts not proven. Your statement that it will be difficult to expect positive contribution by keeping me here is a mere speculation. In law, it must be conclusive, not speculative. It must be a fact that must be proved, substantially and procedurally, as required by due process.

If you really believe I am guilty as charged, what could have prevented you anyway from enforcing it before the court of law? I am ready to face any charges because I know I have not violated the rights of other people and the law. I could have appreciated it better had you filed the case in court; at least I could have been accorded my day in court.

I cannot understand why there is a need for you to open an old issue about Cooperative Accounting Course, and use this against me, when it has already been resolved a long time ago. And please be reminded that Auditing is an area in Accounting and you know very well that this was not my reason when I refused to handle the abovementioned course.

In addition, your incompetent statement that Auditing is my self-acclaimed specialization shows sarcasm; very damaging not only to my person, but also to my profession, and ultimately, to my government, and the Professional Regulations Commission itself which conferred to me the license of being a Certified Public Accountant.

For your further information, I am not only an expert in financial audit, but I am actually an expert in the audit of management systems.

Again, your last sentence on the notice of termination is provocative, malicious and defamatory. You mean, I am indecent and behaving irrationally? That is very hard to prove. I guess it is not only the undersigned that should behave rationally.

Giving three months prior notice to the other party is required only if the termination is for no cause. To reiterate, you are not under obligation to give me three months advance notice as per Art. X, par. 3 of the employment contract, unless you really believe that there exists no valid ground to terminate my contract.

Thank you very much.[34]

While waiting for the three-month period to expire, respondent was offered a post at the Internal Audit Department by Alemaya University President Belay Kassa (President Kassa). She accepted the job through a letter dated 19 April 2006.[35]

However, in another letter[36] dated 27 April 2006 addressed to President Kassa, respondent signified her change of mind and rejected the offered post at the Internal Audit Department. She narrated that on her first day on the job, she was made to wait

for several hours before attending a meeting. In that meeting, the Vice President for Administration Dr. Belaineh and two staff members from the department conversed in Amharic, which she did not understand. She was also assigned to work under the acting head, who was merely a holder of a diploma in accounting. Respondent manifested that "[she does] not deserve to be insulted."[37]

Respondent was repatriated on 27 June 2006.[38] She later signed a Quitclaim and Release dated 5 July 2006 in favor of petitioner. The waiver reads as follows:

> That for and in consideration of the sum of NINE HUNDRED DOLLARS ($900 USD), and for other invaluable considerations extended to me by GBMLT MANPOWER SERVICES, INC., receipt of which is hereby acknowledged to my full and complete satisfaction, I hereby forever release and discharge said GBMLT MANPOWER SERVICES, INC., all its Officers and Directors, from any and all claims by way of unpaid salaries, wages, and all other monetary claims or otherwise due me in connection with my deployment as lecturer/teacher in Ethiopia.
>
> I hereby state further x x x that this Quitclaim and Release is executed on my own free will and that I have no more claims [or] right of action [of] whatever nature and kind, whether past, present and/or contingent against GBMLT MANPOWER SERVICES, INC.[,] its Officers and Directors as a consequence of such deployment.[39]

On 18 July 2006, respondent filed a complaint before the labor arbiter against petitioner as local agency and Alemaya University as foreign principal.[40] She sought full payment of the unexpired portion of the two-year contract, moral and exemplary damages, and attorney's fees.

Ruling of the Labor Arbiter

In a Decision[41] dated 29 March 2007, the labor arbiter found respondent to have been unduly repatriated in breach of the employment contract.[42] Petitioner and Alemaya University were ordered to pay her *in solidum* the amounts of USD 4,500 as unrealized income - from which the amount paid to her under the Quitclaim and Release had already been deducted - Php 30,000 as moral damages, Php 20,000 as exemplary damages, plus costs.[43]

According to the labor arbiter, respondent did not hide the fact that she had no master's degree "in the strict sense of the word,"[44] because she was a holder of a bachelor of laws degree. Some law schools in the Philippines actually confer the degree of *Juris Doctor* on their graduates because a four-year undergraduate degree is one of the qualifications for acceptance.[45] Thus, it was incumbent upon Alemaya University to allow respondent to finish her two-year employment contract instead of forcing her to sign a new contract with lower pay, just because she did not have a master's degree.[46]

The labor arbiter also ruled that the protest of respondent and her colleagues before the Ministry of Education, as well as the question of whether she was the leader of that protest, should not be taken against her. The labor arbiter ruled that respondent had simply acted based on her right to protest changes in her contract.[47]

The labor arbiter gave no credence either to the allegation that respondent was dismissed for incompetence based on the students' petition. It was noted that the petition only came out after she was fired by Vice President Alamirew during the meeting.[48] Furthermore, the alleged petition contained double signatures and signatures of students not included in the class list.

In the end, the labor arbiter found that respondent had been constructively dismissed. She was supposedly forced to quit because continued employment became unbearable, not only due to demotion in rank and diminution in pay, but also due to the discrimination and disdain on the part of her employer.[49] Further, no procedural due process was accorded to respondent because no panel of her peers was ever formed to review her performance.[50] The only basis for the charge of unsatisfactory teaching was the alleged students' petition, which was found to be questionable.

The labor arbiter also declared that the Quitclaim and Release could not work to bar the claims of respondent, because when compared to the amount that she was entitled to receive under Section 10[51] of Republic Act No. (R.A.) 8042 (Migrant Workers and Overseas Filipinos Act of 1995), the amount of USD 900 was unreasonable and prejudicial to her.[52]

According to the labor arbiter, respondent was also entitled to moral damages in view of the verbal abuse she received during the meeting and the resulting humiliation.[53] The exemplary damages were awarded in order to deter others from emulating the acts of petitioner and Alemaya University.[54]

Petitioner filed an appeal before the NLRC.[55] For her part, respondent filed before the NLRC a pleading entitled "Omnibus Motion,"[56] which was divided into three parts.

In her Motion to Dismiss Appeal, respondent indicated that petitioner had received a copy of the Decision of the labor arbiter on 13 April 2007, giving it a period until 23 April 2007 within which to perfect its appeal.[57] When petitioner filed its memorandum of appeal on 20 April 2007, it issued a check as payment for the appeal bond. The check was presented for payment only on 23 April 2007. Considering that it takes three days for checks to clear - and that checks only produce the effect of payment when they have been cashed - the appeal bond was posted beyond the 10-day reglementary period.[58] Hence, according to respondent, petitioner's appeal was not perfected, and the labor arbiter's ruling had attained finality.[59]

In the Motion to Deny Due Course for Lack of Merit, respondent gave her counter-arguments on the allegations of petitioner in the latter's appeal.

In the final part, the Motion for Revision/Modification of Award, respondent requested that the NLRC revise the award made by the labor arbiter. She argued that in the dispositive portion of the decision, the labor arbiter had left out the full reimbursement of the placement fees plus 12% interest per annum, as mandated by Section 10[60] of R.A. 8042.[61] Respondent also prayed for the increase of the moral and exemplary damages to Php 250,000 each, and the award of attorney's fees equivalent to 10% of the total award.[62]

Ruling of the NLRC

The NLRC issued a Decision[63] dated 30 July 2008 dismissing respondent's complaint, because her claims had been the subject of a valid release, waiver and quitclaim.[64]

The NLRC ruled that respondent could no longer question the termination of her contract of employment after her acceptance of the new offer of President Kassa to work at the Internal Audit Department.[65] It found that the termination of the contract did not take effect when respondent and the university agreed to the continuance of her employment, albeit in another capacity. Thus, when respondent later wrote to President Kassa that she did not want the new post after all and requested to be repatriated, it was she who terminated the contract.[66] Contrary to the ruling of the labor arbiter, respondent was not constructively dismissed.

The NLRC also sustained the validity of the Quitclaim and Release. It held that respondent was a certified public accountant and bachelor of laws graduate who could hardly be "duped into signing any document that would be detrimental to her cause, if she was not willing [to agree] to the terms and conditions [provided in] what she was signing [or] entering into."[67]

After her motion for reconsideration[68] was denied in the Resolution dated 31 October 2008, respondent filed a petition[69] before the CA ascribing grave abuse of discretion on the part of the NLRC.

Ruling of the CA

In the assailed Decision[70] dated 29 May 2009, the CA reinstated the Decision of the labor arbiter with modifications. Aside from upholding the awards made by the labor arbiter, the appellate court ordered petitioner and Alemaya University to reimburse respondent for the full amount of the placement fee she had paid, with interest at the rate of 12% per annum, as well as her airfare from Dire Dawa to Addis Ababa in Ethiopia.[71] The awards of moral and exemplary damages were both increased to Php 50,000, plus attorney's fees equivalent to 10% of the monetary award.[72]

The CA ruled that the amount of USD 900 given to respondent by virtue of the Quitclaim and Release was unconscionable and not commensurate with the unexpired portion of the contract.[73] Hence, the waiver and quitclaim was invalid.

The CA also ruled that the educational attainment of respondent should not be taken against her, because she only signed the Quitclaim and Release by force of necessity, for she was in dire need of money.[74]

The appellate court observed that while respondent accepted the offer of President Kassa to work at the Internal Audit Department, such arrangement was in the purview of a new contract of employment.[75] A new contract was invalid without the approval of the POEA. According to the CA, Alemaya University was also guilty of substitution of contracts when it required respondent to sign a second contract upon her arrival in Ethiopia, and when it attempted in vain to have her sign a third contract demoting her in rank and lowering her salary.[76] Considering that a representative of the Ethiopian government went to the Philippines to screen respondent and check her qualifications, the review of her credentials in Ethiopia was "truly mind boggling."[77]

As regards the appeal bond before the NLRC, the CA ruled that since petitioner's check payment was encashed only after the reglementary period within which to appeal, the appeal was considered to have been filed out of time.[78] According to the CA, the rules provide that only a cash or surety bond may be considered as appeal bond, and noncompliance with the rule was fatal to petitioner's cause.

Petitioner provided the plane ticket from Addis Ababa to the Philippines. However, it did not reimburse the airfare of respondent from Dire Dawa, her place of work, to Addis Ababa. Thus, the CA ordered a reimbursement of the airfare for the latter route, but did not allow the claim for hotel accommodations for lack of sufficient evidence.[79]

After its Motion for Reconsideration[80] was denied in the challenged Resolution[81] dated 24 August 2009, petitioner filed the instant petition before us.

Issues

1. Whether respondent was illegally dismissed

2. Whether the Quitclaim and Release was valid

3. Whether petitioner's appeal was perfected on time

Our Ruling

Mode of Review

The instant petition is one for review of the CA Decision issued under a petition for certiorari, in which the CA found that the NLRC had committed grave abuse of discretion when the latter upheld the validity of the Quitclaim and Release. As in *Montoya v. Trammed Manila Corp.,*[82] we shall examine in the instant Rule 45 petition the correctness of the Rule 65 decision rendered by the CA by answering this question: Did the CA correctly determine whether the NLRC committed grave abuse of discretion

in ruling on the case?

I.

Respondent was not illegally dismissed.

In ruling that the Quitclaim and Release was ineffective to bar recovery by respondent, the CA reasoned that the consideration in the amount of USD 900 was unconscionable and not commensurate to the unexpired portion of the Contract of Employment. This reasoning presupposes that respondent is entitled to the salaries for the unexpired portion of her employment contract.

Under Section 10[83] of R.A. 8042, workers who are illegally terminated are entitled to their salaries for the unexpired portion of their employment contracts or for three months for every year of the unexpired term, whichever is less, in addition to the reimbursement of their placement fee with interest at the rate of 12% per annum.

A plain reading of the provision reveals that it applies only to an illegally dismissed overseas contract worker or a worker dismissed from overseas employment without just, valid or authorized cause as defined by law or contract.[84] The monetary award provided in Section 10 of R.A. 8042 finds no application to cases in which the overseas Filipino worker was not illegally dismissed.

In this case, we find that respondent was not illegally dismissed.

Article X of the POEA-approved Contract of Employment, as well as the second contract given to respondent for signing upon her arrival in Ethiopia, provides:

ARTICLE X-TERMINATION

> 1. This contract may be terminated by the Employer or by the Employee in the case of breach of the provisions of this Contract and not withstanding [sic]/fulfilling the terms and conditions set forth in Article III here of [sic]. In such an event[,] the Employee shall be entitled to his/her salary and allowances due up to the date of termination.
>
> 2. This contract may be terminated by the Employer in case of illness or disability satisfying the conditions set forth in Article VIII (1) here of [sic] and of a duration in excess of twenty days in any one year. In such an event[,] the Employee shall be entitled to his/her salary and allowances due up to the date of commencement of said illness or disability.
>
> 3. **This contract may be terminated by either party, at any time and for no cause by giving three months notice to the other party.** In such an event[,] the Employee shall be entitled to his/her salary and allowances only up to the date of termination specified in the said notice of termination. However, the employee shall be fully engaged in his/her duty in the period notified and up to the last date of termination.[85] (Emphasis supplied)

Based on the foregoing provisions, the Contract of Employment may be terminated by either party for cause or at any time for no cause, as long as a three-month notice is given to the other party. In the latter case, respondent shall still be fully engaged and entitled to her salary and allowances for the three-month period provided in the notice of termination.

The Contract of Employment signed by respondent is first and foremost a contract, which has the force of law between the parties as long as its stipulations are not contrary to law, morals, public order, or public policy. We had occasion to rule that stipulations providing that either party may terminate a contract even without cause are legitimate if exercised in good faith.[86] Thus, while either party has the right to terminate the contract at will, it cannot not act purposely to injure the other.[87]

There is no need to delve on the attempted demotion of respondent for the reason that she did not have a master's degree. We are more inclined to believe that the matter regarding respondent's master's degree or her lack thereof was a result of a mere misunderstanding. While respondent may be fully justified in claiming that she has a master's degree by virtue of her law degree here in the Philippines, it is clearly not the master's degree that the Ministry of Education of Ethiopia required. This matter was not clarified when the representative of the Ministry of Education of Ethiopia evaluated her qualifications prior to her deployment, and it only became apparent upon her arrival in Ethiopia. Thus, the misunderstanding was not the result of bad faith on the part of either party. It is for this reason that their acts regarding the matter should not be taken against either one of them. In any case, the demotion did not materialize, and respondent maintained her salary and benefits until she was repatriated.

Neither can we impute bad faith on the part of Alemaya University in the exercise of its right to terminate the Contract of Employment at will for several reasons.

First, we regard the alleged statements of Vice President Alamirew during the meeting on 27 March 2006 as an isolated personal incident that had nothing to do with the termination of respondent's employment. Vice President Alamirew later apologized to respondent for the blunder and confessed it was because she thought respondent led the group protest before the Ministry of Education.

Second, while it was Vice President Alamirew who eventually issued the notice of termination, the ground cited therein was respondent's supposed failure to handle her teaching load effectively. Respondent had previously caused some inconvenience to the management of Alemaya University when she decided to discontinue teaching the course assigned to her and spent the rest of the semester without any teaching load but still with pay. It also alluded to her tendency to insult students, staff, management and Ethiopians in general.

Third, respondent never denied the grounds cited in the notice of termination. In fact, in her letter dated 31 March 2006 addressed to Mr. Keno, she affirmed that the students "told [her] bluntly that they do not want [her] style [of teaching]."[88]

In the exercise of the right to terminate a contract without cause, one party need only

to give the other prior written notice as provided in the contract.[89] Despite the grounds cited in the notice of termination, Alemaya University opted to take the "no cause" route in terminating the Contract of Employment. In this case, the contract provided that the other party be given a three-month advance notice, a requirement that Alemaya University complied with.

It is well to note that the right to terminate the Contract of Employment at will was also available to respondent, who exercised that right when she signified her change of mind and rejected the job at the Internal Audit Department. This detail was appreciated even by the labor arbiter who found that respondent had quit her job.

It cannot be denied that when respondent accepted the post offered at the Internal Audit Department, the parties had decided to revert to the *status quo ante* of harmonious employment relationship and to do away with the previous termination of her employment. Respondent's letter to President Kassa is illuminative of this point:

> Dear Prof. Belay:
>
> I am glad to accept the job at the Internal Audit Department. It is an honor to work under the Office of the President. Be rest assured that I will try my very best to live up to your expectations.
>
> My only concern is the proximity of my residence in Harar to the campus. Convenience is necessary for the effective and efficient performance of my duties and responsibilities. The job is a tough one that will need my full attention and concentration. I may make use of Saturdays and Sundays for the job.
>
> Further, the Harar residence will be very crowded as there will be two families with children or a total of seventeen (17) persons who will be occupying the said residence when the family of Ms. Irene Ycoy arrives on the second week of May.
>
> In consideration thereof, may I request that I be provided with a separate housing unit inside the campus?
>
> Thank you very much.[90]

Nothing in the letter gives the impression that respondent understood that the engagement was temporary or effective only until the three-month grace period was through as provided in the termination letter. She even requested a separate housing unit inside the campus. As correctly found by the NLRC, the logical conclusion is that the parties had agreed to let her employment continue in the university under the Contract of Employment, albeit in a different capacity. When respondent later decided that she did not want the new job for personal reasons, she exercised her right to terminate the Contract of Employment.

Respondent made a belated unilateral declaration in her letter to President Kassa dated 27 April 2006. Indeed, her declaration therein that "the advance notice of termination

is still in force and effect"[91] cannot operate to transfer responsibility for the termination of the Contract of Employment to Alemaya University. Ultimately, it was she who terminated the Contract of Employment, and she cannot now claim that she was illegally dismissed.

II.

The Quitclaim and Release is valid.

We also find that the NLRC did not commit grave abuse of discretion when it sustained the validity of the Quitclaim and Release executed by respondent in favor of petitioner.

Where a person executing a waiver or quitclaim has done so voluntarily with a full understanding of its terms and conditions, coupled with the other person's payment of credible and reasonable consideration, we have no choice on the matter but to uphold the transaction as valid and binding.[92]

In this case, respondent admits that she had a full understanding[93] of the terms and conditions of the Quitclaim and Release and voluntarily signed it. The bone of contention is the reasonableness of the amount of USD 900 as consideration for the waiver of all other purported claims against petitioner. According to respondent, this amount is minimal compared to the USD 5,400 in salaries to which she is entitled for the unexpired portion of the Contract of Employment.[94]

To reiterate, the entitlement to the salaries for the unexpired portion of the employment contract obtains only for illegally dismissed employees. In view of our finding that respondent was not illegally dismissed, she is not entitled to such salaries.

Respondent's contentions that she "was in dire need of cash"[95] and that "[s]he was forced by circumstances of need to sign the document"[96] do not qualify as coercion or undue influence that give rise to a vice of consent. "Dire necessity" is an acceptable ground to nullify quitclaims only if the consideration is unconscionably low and the employee was tricked into accepting it.[97]

As aptly observed by the NLRC, respondent is a learned professional and a teacher no less. Anyone would be hard put to trick her into agreeing to something like signing a waiver. In this case, no proof was presented to show that petitioner had defrauded or deceived her into signing the document. Absent that proof, we are bound to uphold the Quitclaim and Release as valid and binding.

III.

Petitioner's appeal was perfected on time.

According to respondent, the check issued by petitioner for the appeal bond was presented for payment only on the last day of the period for appeal from the Decision of the labor arbiter. Given that checks have the effect of payment only when they have

been encashed - which takes three banking days from the time they are presented for payment - the appeal bond was actually posted beyond the reglementary period for appeal. That being the case, the appeal was not perfected, and the labor arbiter's ruling attained finality. This position was sustained by the CA.

Nonetheless, we find otherwise and rule that petitioner has complied with the requirements of the law with regard to the posting of the appeal bond.

The posting of a bond for the perfection of an appeal from a decision of the labor arbiter is required under Article 228[98] of the Labor Code, which provides:

> ARTICLE 228. *Appeal*. — Decisions, awards, or orders of the Labor Arbiter are final and executory unless appealed to the Commission by any or both parties within ten (10) calendar days from receipt of such decisions, awards, or orders.
>
> x x x x
>
> **In case of a judgment involving a monetary award, an appeal by the employer may be perfected only upon the posting of a cash or surety bond** issued by a reputable bonding company duly accredited by the Commission **in the amount equivalent to the monetary award in the judgment appealed from**. (Emphases supplied)

The requirement of an appeal bond is further emphasized in Section 6,[99] Rule VI of the 2011 NLRC Rules of Procedure. This provision clarifies that damages and attorney's fees awarded by the labor arbiter shall not be included in the computation of the bond to be posted.

In several pronouncements,[100] this Court has adopted a particular understanding of the word "only" in the phrase "an appeal by the employer may be perfected *only* upon the posting of a cash or surety bond." It has regarded the phrase as the legislative's unequivocal declaration that the posting of a cash or surety bond is the exclusive means by which an employer's appeal from a labor arbiter's decision may be perfected.

The reason for the requirement was also enunciated by the Court in *Viron Garments Manufacturing, Co., Inc. v. NLRC*,[101] in which we said:

> The requirement that the employer post a cash or surety bond to perfect its/his appeal is apparently intended to assure the workers that if they prevail in the case, they will receive the money judgment in their favor upon the dismissal of the employer's appeal. It was intended to discourage employers from using an appeal to delay, or even evade, their obligation to satisfy their employees' just and lawful claims.[102]

Proceeding from this rationale, the intention of the requirement is fulfilled when the employer is able to deposit with the NLRC an amount that is equivalent to the monetary award adjudged by the labor arbiter in the employee's favor, and that shall subsist until the final resolution of the appeal.

In *People's Broadcasting v. Secretary of the DOLE*,[103] we ruled that the Deed of Assignment of savings made by the employer in favor of the employee validly served the purpose of an appeal bond. We said that the posting of the bond in this manner insured, during the period of appeal, against any occurrence that would defeat or diminish the monetary judgment in favor of the employee if the judgment is eventually affirmed.[104]

In this case, there is no question that the NLRC accepted the appeal bond posted by petitioner through a current-dated check, as evidenced by Official Receipt No. 0701550 dated 20 April 2007.[105] That check was deposited to the bank account of the NLRC on 23 April 2007 without incident.[106] Furthermore, respondent has never disputed the sufficiency of the bond posted or petitioner's manifestation before us that "up to the present, the cash bond posted x x x is still in effect and remains in the coffers of the x x x NLRC and is susceptible to execution in the unfortunate event that this Petition fails."[107]

To our mind, the appeal of petitioner has been perfected on time by virtue of its compliance with the appeal bond requirement. We note that its payment of the appeal bond through the issuance of a check was not even an issue before the NLRC. The latter had given due course to petitioner's appeal without any indication of having found any defect in the appeal bond posted.

Nevertheless, we have had occasion to rule that the appeal bond requirement for judgments involving monetary awards may be relaxed in meritorious cases,[108] as in instances when a liberal interpretation would serve the desired objective of resolving controversies on the merits.[109] In the recent *Balite v. SS Ventures International, Inc.*, [110] we recognized that there was a need "to strike a balance between the constitutional obligation of the state to afford protection to labor on the one hand, and the opportunity afforded to the employer to appeal on the other."[111] In this kind of undertaking, the Court is justified in giving employers the amplest opportunity to pursue their cause while ensuring that employees will receive the money judgment should the case be ultimately decided in their favor.

We do not see why the same liberality - if at all needed - cannot be applied to this case in particular, in which it is clear that respondent's allegations of illegal dismissal and money claims are unfounded. In fine, the CA committed an error when it ascribed grave abuse of discretion on the part of the NLRC when the latter ruled in favor of petitioner.

WHEREFORE, the Court of Appeals Decision dated 29 May 2009 and Resolution dated 24 August 2009 in CA-G.R. SP No. 107378 are **REVERSED** and **SET ASIDE**. The Decision dated 30 July 2008 issued by the National Labor Relations Commission in NLRC CA No. 052466-07 (5), dismissing respondent's complaint, is **REINSTATED**.

SO ORDERED.

Leonardo-De Castro, Bersamin, Perez, and *Perlas-Bernabe, JJ.*, concur.

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[1] *Rollo*, pp. 40-66. The Decision issued by the Court of Appeals Special Fifth Division was penned by Associate Justice Remedios A. Salazar-Fernando, with Associate Justices Arturo G. Tayag and Ramon R. Garcia concurring.

[2] Id. at 82-83.

[3] CA *rollo*, p. 94.

[4] Id. at 95.

[5] Id.

[6] Id. at 128.

[7] Id. at 95.

[8] Id. at 131-137.

[9] Id. at 95.

[10] Id.

[11] Id.

[12] Id. at 173.

[13] Id. at 148.

[14] Id. at 149.

[15] Id. at 96.

[16] Id. at 150.

[17] Id. at 96.

[18] Id.

[19] Id.

[20] Id. at pp. 96, 158.

[21] Id. at 160.

[22] Id. at 160-162.

[23] Id. at 162.

[24] Id. at 165.

[25] Id. at 166-169.

[26] Id. at 97.

[27] Id. at 170.

[28] Id.

[29] Id. at 171.

[30] Id. at 171-172.

[31] Id. at 172.

[32] Id. at 173-174.

[33] Id. at 174.

[34] Id. at 175-176.

[35] Id. at 178.

[36] Id. at 179-180.

[37] Id. at 179.

[38] *Rollo*, p. 47.

[39] CA *rollo*, p. 203.

[40] Id. at 91-92.

[41] Id. at 62-78; NLRC NCR Case No. (L) 06-07-02153-00.

[42] Id. at 77.

[43] Id. at 77-78.

[44] Id. at 69.

[45] Id.

[46] Id. at 70.

[47] Id. at 70-71.

[48] Id. at 71.

[49] Id. at 72-73.

[50] Id. at 73.

[51] SECTION 10. Money Claims. — x x x

x x x x

In case of termination of overseas employment without just, valid or authorized cause as defined by law or contract, or any unauthorized deductions from the migrant worker's salary, **the worker shall be entitled to the full reimbursement of his placement fee and the deductions made with interest at twelve percent (12%) per annum, plus his salaries for the unexpired portion of his employment contract or for three (3) months for every year of the unexpired term, whichever is less**. (Emphasis supplied)

[52] CA *rollo*, pp. 74-75.

[53] Id. at 75-77.

[54] Id. at 77.

[55] Id. at 228-240.

[56] Id. at 249-267.

[57] Id. at 250.

[58] Id. at 250-253.

[59] Id. at 253.

[60] Supra note 51.

[61] CA *rollo*, pp. 263-265.

[62] Id. at 265.

[63] Id. at 79-87; NLRC CA No. 052466-07 (5).

[64] Id. at 87.

[65] Id. at 85.

[66] Id. at 85-86.

[67] Id. at 86.

[68] Id. at 274-282.

[69] Id. at 6-61.

[70] Id. at 345-371; CA-G.R. SP No. 107378.

[71] Id. at 369-370.

[72] Id. at 370.

[73] Id. at 357-358.

[74] Id. at 361.

[75] Id. at 362.

[76] Id. at 362-364.

[77] Id. at 364.

[78] Id. at 365-366.

[79] Id. at 368.

[80] Id. at 376-385.

[81] Id. at 391-392.

[82] 613 Phil. 696 (2009).

[83] Supra note 51.

[84] *International Management Services v. Logarta*, G.R. No. 163657, 18 April 2012, 670 SCRA 22.

[85] CA *rollo*, p. 136.

[86] *Avon Cosmetics, Inc. v. Luna*, 540 Phil. 389 (2006).

[87] *Petrophil Corporation v. CA*, 423 Phil. 182 (2001).

[88] CA *rollo*, p. 164.

[89] *Avon Cosmetics, Inc. v. Luna*, supra.

[90] CA *rollo*, p. 178.

[91] Id. at 180.

[92] *Poseidon International Maritime Services. Inc. v. Tamala*, G.R. No. 186475, 26 June 2013 700 SCRA 1.

[93] *Rollo*, p. 254.

[94] Id at 216.

[95] Id. at 255.

[96] Id.

[97] *Anjero v. Philippine Communications Satellite Corporation*, G.R. No. 193484, 18 January 2012, 663 SCRA 467, 484.

[98] As amended by R.A. 6715, Section 12; and further renumbered by R.A. 10151 dated 21 June 2011.

[99] SECTION 6. *Bond*. — In case the decision of the Labor Arbiter or the Regional Director involves a monetary award, an appeal by the employer may be perfected only upon the posting of a bond, which shall either be in the form Of cash deposit or surety bond equivalent in amount to the monetary award, exclusive of damages and attorney's fees.

[100] *Ramirez v. CA*, 622 Phil. 782 (2009); *Lopez v. Quezon City Sports Club, Inc.*, 596 Phil. 204 (2009); *Accessories Specialist, Inc. v. Alabama*, 581 Phil. 517 (2008); *AFP*

General Insurance Corporation v. Molina, 579 Phil. 116 (2008); *Ciudad Fernandina Food Corp. Employees Union v. CA*, 528 Phil. 415 (2006); *Mers Shoes Manufacturing, Inc. v. NLRC*, 350 Phil. 294 (1998); *Viron Garments Manufacturing, Co., Inc. v. NLRC*, G.R. No. 97357. 18 March 1992, 207 SCRA 339.

[101] Id.

[102] Id. at 342.

[103] 605 Phil. 801 (2009).

[104] Id.

[105] CA *rollo*, p. 268.

[106] Id. at 269.

[107] *Rollo*, p. 82.

[108] *Grand Asian Shipping Lines, Inc. v. Galvez*, G.R. No. 178184, 29 January 2014; *McBurnie v. Gamon*, G.R. Nos. 178034, 178117 & 186984-85, 17 October 2013, 707 SCRA 646; *Semblante v. CA*, G.R. No. 196426, 15 August 2011, 655 SCRA 444; *Miguel v. JCT Group, Inc.*, 493 Phil. 660 (2005); *Taberrah v. NLRC*, 342 Phil. 394 (1997).

[109] *Nicol v. Footjoy Industrial Corp.*, 555 Phil. 275 (2007).

[110] G.R. No. 195109, 4 February 2015, <http://sc.judiciary.gov.ph/pdf/web/viewer.html?file=/jurisprudence/2015/february2015/195109.pdf>

[111] Id at 8.
