Republic of the Philippines Supreme Court Manila

SECOND DIVISION

THE HERITAGE HOTEL
MANILA, acting through its owner,
GRAND PLAZA HOTEL
CORPORATION.

Petitioner,

- versus -

NATIONAL UNION OF WORKERS IN THE HOTEL, RESTAURANT AND ALLIED INDUSTRIES-HERITAGE HOTEL MANILA SUPERVISORS CHAPTER (NUWHRAIN-HHMSC),

Respondent.

G.R. No. 178296

Present:

CARPIO, *J.*, *Chairperson*,

NACHURA,

LEONARDO-DE CASTRO,*

ABAD, and

MENDOZA, *JJ*.

Promulgated:

January 12, 2011

X------

DECISION

NACHURA, J.:

Before the Court is a petition for review on *certiorari* of the Decision^{1[1]} of the Court of Appeals (CA) dated May 30, 2005 and Resolution dated June 4, 2007. The assailed Decision affirmed the dismissal of a petition for cancellation of union registration filed by petitioner, Grand Plaza Hotel Corporation, owner of Heritage Hotel Manila, against respondent, National Union of Workers in the Hotel, Restaurant and Allied Industries-Heritage Hotel Manila Supervisors

^{*} Additional member in lieu of Associate Justice Diosdado M. Peralta per Raffle dated January 12, 2011.
Penned by Associate Justice Ruben T. Reyes (now a retired member of this Court), with Associate Justices Josefina Guevara-Salonga and Fernanda Lampas Peralta, concurring; *rollo*, pp. 38-54.

Chapter (NUWHRAIN-HHMSC), a labor organization of the supervisory employees of Heritage Hotel Manila.

The case stemmed from the following antecedents:

On October 11, 1995, respondent filed with the Department of Labor and Employment-National Capital Region (DOLE-NCR) a petition for certification election. The Med-Arbiter granted the petition on February 14, 1996 and ordered the holding of a certification election. On appeal, the DOLE Secretary, in a Resolution dated August 15, 1996, affirmed the Med-Arbiter's order and remanded the case to the Med-Arbiter for the holding of a preelection conference on February 26, 1997. Petitioner filed a motion for reconsideration, but it was denied on September 23, 1996.

The preelection conference was not held as initially scheduled; it was held a year later, or on February 20, 1998. Petitioner moved to archive or to dismiss the petition due to alleged repeated non-appearance of respondent. The latter agreed to suspend proceedings until further notice. The preelection conference resumed on January 29, 2000.

Subsequently, petitioner discovered that respondent had failed to submit to the Bureau of Labor Relations (BLR) its annual financial report for several years and the list of its members since it filed its registration papers in 1995. Consequently, on May 19, 2000, petitioner filed a Petition for Cancellation of Registration of respondent, on the ground of the non-submission of the said documents. Petitioner prayed that respondent's Certificate of Creation of Local/Chapter be cancelled and its name be deleted from the list of legitimate

2[2]

Id. at 62-64.

Id. at 133.

labor organizations. It further requested the suspension of the certification election proceedings. 4[4]

On June 1, 2000, petitioner reiterated its request by filing a Motion to Dismiss or Suspend the [Certification Election] Proceedings, ^{5[5]} arguing that the dismissal or suspension of the proceedings is warranted, considering that the legitimacy of respondent is seriously being challenged in the petition for cancellation of registration. Petitioner maintained that the resolution of the issue of whether respondent is a legitimate labor organization is crucial to the issue of whether it may exercise rights of a legitimate labor organization, which include the right to be certified as the bargaining agent of the covered employees.

Nevertheless, the certification election pushed through on June 23, 2000. Respondent emerged as the winner. ^{6[6]}

On June 28, 2000, petitioner filed a Protest with Motion to Defer Certification of Election Results and Winner, ^{7[7]} stating that the certification election held on June 23, 2000 was an exercise in futility because, once respondent's registration is cancelled, it would no longer be entitled to be certified as the exclusive bargaining agent of the supervisory employees. Petitioner also claimed that some of respondent's members were not qualified to join the union because they were either confidential employees or managerial employees. It then prayed that the certification of the election results and winner be deferred until the petition for cancellation shall have been resolved, and that respondent's members who held confidential or managerial positions be excluded from the supervisors' bargaining unit.

..

^{4[4]} Id. at 67-74.

^{5[5]} Id. at 83-85.

^{6[6]} Id. at 100.

^{7[7]} Id. at 87-95.

Meanwhile, respondent filed its Answer 8 [8] to the petition for the cancellation of its registration. It averred that the petition was filed primarily to delay the conduct of the certification election, the respondent's certification as the exclusive bargaining representative of the supervisory employees, and the commencement of bargaining negotiations. Respondent prayed for the dismissal of the petition for the following reasons: (a) petitioner is estopped from questioning respondent's status as a legitimate labor organization as it had already recognized respondent as such during the preelection conferences; (b) petitioner is not the party-in-interest, as the union members are the ones who would be disadvantaged by the non-submission of financial reports; (c) it has already complied with the reportorial requirements, having submitted its financial statements for 1996, 1997, 1998, and 1999, its updated list of officers, and its list of members for the years 1995, 1996, 1997, 1998, and 1999; (d) the petition is already moot and academic, considering that the certification election had already been held, and the members had manifested their will to be represented by respondent.

Citing National Union of Bank Employees v. Minister of Labor, et al. [9] and Samahan ng Manggagawa sa Pacific Plastic v. Hon. Laguesma, [10] the Med-Arbiter held that the pendency of a petition for cancellation of registration is not a bar to the holding of a certification election. Thus, in an Order [11] dated January 26, 2001, the Med-Arbiter dismissed petitioner's protest, and certified respondent as the sole and exclusive bargaining agent of all supervisory employees.

8[8]

Id. at 76-81.

^{9[9]} 196 Phil. 441 (1981).

^{10[10] 334} Phil. 955 (1997). Rollo, pp. 100-103.

Petitioner subsequently appealed the said Order to the DOLE Secretary. 12[12] The appeal was later dismissed by DOLE Secretary Patricia A. Sto. Tomas (DOLE Secretary Sto. Tomas) in the Resolution of August 21, 2002. 13 [13] Petitioner moved for reconsideration, but the motion was also denied. 14[14]

In the meantime, Regional Director Alex E. Maraan (Regional Director Maraan) of DOLE-NCR finally resolved the petition for cancellation of registration. While finding that respondent had indeed failed to file financial reports and the list of its members for several years, he, nonetheless, denied the petition, ratiocinating that freedom of association and the employees' right to self-organization are more substantive considerations. He took into account the fact that respondent won the certification election and that it had already been certified as the exclusive bargaining agent of the supervisory employees. In view of the foregoing, Regional Director Maraan—while emphasizing that the non-compliance with the law is not viewed with favor—considered the belated submission of the annual financial reports and the list of members as sufficient compliance thereof and considered them as having been submitted on time. The dispositive portion of the decision ^{15[15]} dated December 29, 2001 reads:

WHEREFORE, premises considered, the instant petition to delist the National Union of Workers in the Hotel, Restaurant and Allied Industries-Heritage Hotel Manila Supervisors Chapter from the roll of legitimate labor organizations is hereby **DENIED**.

SO ORDERED. 16[16]

^{12[12]} Id. at 104-110.

^{13[13]} Id. at 133-136.

^{14[14]} Id. at 158.

^{15[15]} Id. at 113-118.

^{16[16]} Id. at 118.

Aggrieved, petitioner appealed the decision to the BLR. ^{17 [17]} BLR Director Hans Leo Cacdac inhibited himself from the case because he had been a former counsel of respondent.

In view of Director Cacdac's inhibition, DOLE Secretary Sto. Tomas took cognizance of the appeal. In a resolution ^{18[18]} dated February 21, 2003, she dismissed the appeal, holding that the constitutionally guaranteed freedom of association and right of workers to self-organization outweighed respondent's noncompliance with the statutory requirements to maintain its status as a legitimate labor organization.

Petitioner filed a motion for reconsideration, ^{19[19]} but the motion was likewise denied in a resolution ^{20[20]} dated May 30, 2003. DOLE Secretary Sto. Tomas admitted that it was the BLR which had jurisdiction over the appeal, but she pointed out that the BLR Director had voluntarily inhibited himself from the case because he used to appear as counsel for respondent. In order to maintain the integrity of the decision and of the BLR, she therefore accepted the motion to inhibit and took cognizance of the appeal.

Petitioner filed a petition for *certiorari* with the CA, raising the issue of whether the DOLE Secretary acted with grave abuse of discretion in taking cognizance of the appeal and affirming the dismissal of its petition for cancellation of respondent's registration.

In a Decision dated May 30, 2005, the CA denied the petition. The CA opined that the DOLE Secretary may legally assume jurisdiction over an appeal

^{17[17]} Id. at 119-130.

^{18[18]} Id. at 187-190.

^{19[19]} Id. at 192-202.

^{20[20]} Id. at 204-205.

from the decision of the Regional Director in the event that the Director of the BLR inhibits himself from the case. According to the CA, in the absence of the BLR Director, there is no person more competent to resolve the appeal than the DOLE Secretary. The CA brushed aside the allegation of bias and partiality on the part of the DOLE Secretary, considering that such allegation was not supported by any evidence.

The CA also found that the DOLE Secretary did not commit grave abuse of discretion when she affirmed the dismissal of the petition for cancellation of respondent's registration as a labor organization. Echoing the DOLE Secretary, the CA held that the requirements of registration of labor organizations are an exercise of the overriding police power of the State, designed for the protection of workers against potential abuse by the union that recruits them. These requirements, the CA opined, should not be exploited to work against the workers' constitutionally protected right to self-organization.

Petitioner filed a motion for reconsideration, invoking this Court's ruling in Abbott Labs. Phils., Inc. v. Abbott Labs. Employees Union, 21 [21] which categorically declared that the DOLE Secretary has no authority to review the decision of the Regional Director in a petition for cancellation of union registration, and Section 4, ^{22 [22]} Rule VIII, Book V of the Omnibus Rules Implementing the Labor Code.

^{21[21]} 380 Phil. 364 (2000).

Sec. 4. Action on the petition; appeals. — The Regional or Bureau Director, as the case may be, shall have thirty (30) days from submission of the case for resolution within which to resolve the petition. The decision of the Regional or Bureau Director may be appealed to the Bureau or the Secretary, as the case may be, within ten (10) days from receipt thereof by the aggrieved party on the ground of grave abuse of discretion or any violation of these Rules.

The Bureau or the Secretary shall have fifteen (15) days from receipt of the records of the case within which to decide the appeal. The decision of the Bureau or the Secretary shall be final and executory.

In its Resolution^{23[23]} dated June 4, 2007, the CA denied petitioner's motion, stating that the BLR Director's inhibition from the case was a peculiarity not present in the *Abbott* case, and that such inhibition justified the assumption of jurisdiction by the DOLE Secretary.

In this petition, petitioner argues that:

I.

The Court of Appeals seriously erred in ruling that the Labor Secretary properly assumed jurisdiction over Petitioner's appeal of the Regional Director's Decision in the Cancellation Petition x x x.

A. Jurisdiction is conferred only by law. The Labor Secretary had no jurisdiction to review the decision of the Regional Director in a petition for cancellation. Such jurisdiction is conferred by law to the BLR.

B. The unilateral inhibition by the BLR Director cannot justify the Labor Secretary's exercise of jurisdiction over the Appeal.

C. The Labor Secretary's assumption of jurisdiction over the Appeal without notice violated Petitioner's right to due process.

II.

The Court of Appeals gravely erred in affirming the dismissal of the Cancellation Petition despite the mandatory and unequivocal provisions of the Labor Code and its Implementing Rules. ^{24[24]}

The petition has no merit.

Jurisdiction to review the decision of the Regional Director lies with the BLR. This is clearly provided in the Implementing Rules of the Labor Code and enunciated by the Court in *Abbott*. But as pointed out by the CA, the present case involves a peculiar circumstance that was not present or covered by the ruling in *Abbott*. In this case, the BLR Director inhibited himself from the case

23[23]

^{8[23]}

Rollo, pp. 56-59.

^{24[24]} Id. at 535-536.

because he was a former counsel of respondent. Who, then, shall resolve the case in his place?

In *Abbott*, the appeal from the Regional Director's decision was directly filed with the Office of the DOLE Secretary, and we ruled that the latter has no appellate jurisdiction. In the instant case, the appeal was filed by petitioner with the BLR, which, undisputedly, acquired jurisdiction over the case. Once jurisdiction is acquired by the court, it remains with it until the full termination of the case. 25[25]

Thus, jurisdiction remained with the BLR despite the BLR Director's inhibition. When the DOLE Secretary resolved the appeal, she merely stepped into the shoes of the BLR Director and performed a function that the latter could not himself perform. She did so pursuant to her power of supervision and control over the BLR. 26[26]

Expounding on the extent of the power of control, the Court, in *Araneta*, et al. v. Hon. M. Gatmaitan, et al., 27[27] pronounced that, if a certain power or authority is vested by law upon the Department Secretary, then such power or authority may be exercised directly by the President, who exercises supervision and control over the departments. This principle was incorporated in the Administrative Code of 1987, which defines "supervision and control" as including the authority to act directly whenever a specific function is entrusted by law or regulation to a subordinate. ^{28[28]} Applying the foregoing to the present case, it is clear that the DOLE Secretary, as the person exercising the power of

^{25[25]} Republic v. Asiapro Cooperative, G.R. No. 172101, November 23, 2007, 538 SCRA 659, 670.

^{26[26]} Administrative Code of 1987, Book IV, Chapter 8, Sec. 39(1).

^{27[27]} 101 Phil. 328 (1957).

^{28[28]} Administrative Code of 1987, Book IV, Chapter 7, Sec. 38(1).

supervision and control over the BLR, has the authority to directly exercise the quasi-judicial function entrusted by law to the BLR Director.

It is true that the power of control and supervision does not give the Department Secretary unbridled authority to take over the functions of his or her subordinate. Such authority is subject to certain guidelines which are stated in Book IV, Chapter 8, Section 39(1)(a) of the Administrative Code of 1987. However, in the present case, the DOLE Secretary's act of taking over the function of the BLR Director was warranted and necessitated by the latter's inhibition from the case and the objective to "maintain the integrity of the decision, as well as the Bureau itself." However, in the present case and the objective to "maintain the integrity of the decision, as well as the Bureau itself."

Petitioner insists that the BLR Director's subordinates should have resolved the appeal, citing the provision under the Administrative Code of 1987 which states, "in case of the absence or disability of the head of a bureau or office, his duties shall be performed by the assistant head." The provision clearly does not apply considering that the BLR Director was neither absent nor suffering from any disability; he remained as head of the BLR. Thus, to dispel any suspicion of bias, the DOLE Secretary opted to resolve the appeal herself.

Petitioner was not denied the right to due process when it was not notified in advance of the BLR Director's inhibition and the DOLE Secretary's assumption of the case. Well-settled is the rule that the essence of due process is simply an opportunity to be heard, or, as applied to administrative proceedings,

Administrative Code of 1987, Book IV, Chapter 8, Sec. 39(1), paragraph (a) provides: Sec. 39. Secretary's Authority.— (1) The Secretary shall have supervision and control over the bureaus, offices, and agencies under him, subject to the following guidelines:

⁽a) "Initiative and freedom of action on the part of subordinate units shall be encouraged and promoted, rather than curtailed, and reasonable opportunity to act shall be afforded those units before control is exercised."

^{30[30]} *Rollo*, p. 205.

Administrative Code of 1987, Book IV, Chapter 6, Sec. 32.

an opportunity to explain one's side or an opportunity to seek a reconsideration of the action or ruling complained of. ^{32[32]} Petitioner had the opportunity to question the BLR Director's inhibition and the DOLE Secretary's taking cognizance of the case when it filed a motion for reconsideration of the latter's decision. It would be well to state that a critical component of due process is a hearing before an impartial and disinterested tribunal, for all the elements of due process, like notice and hearing, would be meaningless if the ultimate decision would come from a partial and biased judge. ^{33[33]} It was precisely to ensure a fair trial that moved the BLR Director to inhibit himself from the case and the DOLE Secretary to take over his function.

Petitioner also insists that respondent's registration as a legitimate labor union should be cancelled. Petitioner posits that once it is determined that a ground enumerated in Article 239 of the Labor Code is present, cancellation of registration should follow; it becomes the ministerial duty of the Regional Director to cancel the registration of the labor organization, hence, the use of the word "shall." Petitioner points out that the Regional Director has admitted in its decision that respondent failed to submit the required documents for a number of years; therefore, cancellation of its registration should have followed as a matter of course.

We are not persuaded.

221

^{32[32]} Sarapat v. Salanga, G.R. No. 154110, November 23, 2007, 538 SCRA 324, 332.

Busilac Builders, Inc. v. Aguilar, A.M. No. RTJ-03-1809, October 17, 2006, 504 SCRA 585, 597.

Articles 238 and 239 of the Labor Code read:

ART. 238. CANCELLATION OF REGISTRATION; APPEAL

The certificate of registration of any legitimate labor organization, whether national or local, shall be canceled by the Bureau **if it has reason to believe**, after due hearing, that the said labor organization **no longer meets one or more of the requirements** herein prescribed. ^{34[34]}

ART. 239. GROUNDS FOR CANCELLATION OF UNION REGISTRATION.

The following **shall constitute grounds** for cancellation of union registration:

X X X X

(d) Failure to submit the annual financial report to the Bureau within thirty (30) days after the closing of every fiscal year and misrepresentation, false entries or fraud in the preparation of the financial report itself;

X X X X

(i) Failure to submit list of individual members to the Bureau once a year or whenever required by the Bureau. $^{35[35]}$

These provisions give the Regional Director ample discretion in dealing with a petition for cancellation of a union's registration, particularly, determining whether the union still meets the requirements prescribed by law. It is sufficient to give the Regional Director license to treat the late filing of required documents as sufficient compliance with the requirements of the law. After all, the law requires the labor organization to submit the annual financial report and list of members in order to verify if it is still viable and financially sustainable as an organization so as to protect the employer and employees from fraudulent or fly-by-night unions. With the submission of the required documents by respondent, the purpose of the law has been achieved, though belatedly.

35[35]

Emphasis supplied.

Emphasis supplied.

We cannot ascribe abuse of discretion to the Regional Director and the DOLE Secretary in denying the petition for cancellation of respondent's registration. The union members and, in fact, all the employees belonging to the appropriate bargaining unit should not be deprived of a bargaining agent, merely because of the negligence of the union officers who were responsible for the submission of the documents to the BLR.

Labor authorities should, indeed, act with circumspection in treating petitions for cancellation of union registration, lest they be accused of interfering with union activities. In resolving the petition, consideration must be taken of the fundamental rights guaranteed by Article XIII, Section 3 of the Constitution, *i.e.*, the rights of all workers to self-organization, collective bargaining and negotiations, and peaceful concerted activities. Labor authorities should bear in mind that registration confers upon a union the status of legitimacy and the concomitant right and privileges granted by law to a legitimate labor organization, particularly the right to participate in or ask for certification election in a bargaining unit. ^{36 [36]} Thus, the cancellation of a certificate of registration is the equivalent of snuffing out the *life* of a labor organization. For without such registration, it loses - as a rule - its rights under the Labor Code. ^{37[37]}

It is worth mentioning that the Labor Code's provisions on cancellation of union registration and on reportorial requirements have been recently amended by Republic Act (R.A.) No. 9481, *An Act Strengthening the Workers' Constitutional Right to Self-Organization, Amending for the Purpose*

^{36[36]} S.S. Ventures International, Inc. v. S.S. Ventures Labor Union, G.R. No. 161690, July 23, 2008, 559 SCRA 435, 442.

Alliance of Democratic Free Labor Org. v. Laguesma, 325 Phil. 13, 28 (1996).

Presidential Decree No. 442, As Amended, Otherwise Known as the Labor Code of the Philippines, which lapsed into law on May 25, 2007 and became effective on June 14, 2007. The amendment sought to strengthen the workers' right to self-organization and enhance the Philippines' compliance with its international obligations as embodied in the International Labour Organization (ILO) Convention No. 87, ^{38[38]} pertaining to the non-dissolution of workers' organizations by administrative authority. Thus, R.A. No. 9481 amended Article 239 to read:

- ART. 239. *Grounds for Cancellation of Union Registration.*—The following may constitute grounds for cancellation of union registration:
- (a) Misrepresentation, false statement or fraud in connection with the adoption or ratification of the constitution and by-laws or amendments thereto, the minutes of ratification, and the list of members who took part in the ratification:
- (b) Misrepresentation, false statements or fraud in connection with the election of officers, minutes of the election of officers, and the list of voters;
 - (c) Voluntary dissolution by the members.
- R.A. No. 9481 also inserted in the Labor Code Article 242-A, which provides:
 - ART. 242-A. *Reportorial Requirements*.—The following are documents required to be submitted to the Bureau by the legitimate labor organization concerned:
 - (a) Its constitution and by-laws, or amendments thereto, the minutes of ratification, and the list of members who took part in the ratification of the constitution and by-laws within thirty (30) days from adoption or ratification of the constitution and by-laws or amendments thereto;
 - (b) Its list of officers, minutes of the election of officers, and list of voters within thirty (30) days from election;

Sponsorship Speech of Senator Jinggoy Ejercito Estrada of Senate Bill No. 2466, Journal of the Senate, Session No. 25, September 19, 2006, pp. 384-385.

^{38[38]} Convention Concerning Freedom of Association and Protection of the Right to Organise.

- (c) Its annual financial report within thirty (30) days after the close of every fiscal year; and
- (d) Its list of members at least once a year or whenever required by the Bureau.

Failure to comply with the above requirements shall not be a ground for cancellation of union registration but shall subject the erring officers or members to suspension, expulsion from membership, or any appropriate penalty.

ILO Convention No. 87, which we have ratified in 1953, provides that "workers' and employers' organizations shall not be liable to be dissolved or suspended by administrative authority." The ILO has expressed the opinion that the cancellation of union registration by the registrar of labor unions, which in our case is the BLR, is tantamount to dissolution of the organization by administrative authority when such measure would give rise to the loss of legal personality of the union or loss of advantages necessary for it to carry out its activities, which is true in our jurisdiction. Although the ILO has allowed such measure to be taken, provided that judicial safeguards are in place, *i.e.*, the right to appeal to a judicial body, it has nonetheless reminded its members that dissolution of a union, and cancellation of registration for that matter, involve serious consequences for occupational representation. It has, therefore, deemed it preferable if such actions were to be taken only as a last resort and after exhausting other possibilities with less serious effects on the organization. ^{40[40]}

The aforesaid amendments and the ILO's opinion on this matter serve to fortify our ruling in this case. We therefore quote with approval the DOLE Secretary's rationale for denying the petition, thus:

Freedom of association and collective bargaining: Dissolution and suspension of organizations by administrative authority, Report III(4B), International Labour Conference, 81st Session, Geneva, 1994.

It is undisputed that appellee failed to submit its annual financial reports and list of individual members in accordance with Article 239 of the Labor Code. However, the existence of this ground should not necessarily lead to the cancellation of union registration. Article 239 recognizes the regulatory authority of the State to exact compliance with reporting requirements. Yet there is more at stake in this case than merely monitoring union activities and requiring periodic documentation thereof.

The more substantive considerations involve the constitutionally guaranteed freedom of association and right of workers to self-organization. Also involved is the public policy to promote free trade unionism and collective bargaining as instruments of industrial peace and democracy. An overly stringent interpretation of the statute governing cancellation of union registration without regard to surrounding circumstances cannot be allowed. Otherwise, it would lead to an unconstitutional application of the statute and emasculation of public policy objectives. Worse, it can render nugatory the protection to labor and social justice clauses that pervades the Constitution and the Labor Code.

Moreover, submission of the required documents is the duty of the officers of the union. It would be unreasonable for this Office to order the cancellation of the union and penalize the entire union membership on the basis of the negligence of its officers. In <u>National Union of Bank Employees vs. Minister of Labor</u>, L-53406, 14 December 1981, 110 SCRA 296, the Supreme Court ruled:

As aptly ruled by respondent Bureau of Labor Relations Director Noriel: "The rights of workers to self-organization finds general and specific constitutional guarantees. x x x Such constitutional guarantees should not be lightly taken much less nullified. A healthy respect for the freedom of association demands that acts imputable to officers or members be not easily visited with capital punishments against the association itself."

At any rate, we note that on 19 May 2000, appellee had submitted its financial statement for the years 1996-1999. With this submission, appellee has substantially complied with its duty to submit its financial report for the said period. To rule differently would be to preclude the union, after having failed to meet its periodic obligations promptly, from taking appropriate measures to correct its omissions. For the record, we do not view with favor appellee's late submission. Punctuality on the part of the union and its officers could have prevented this petition. ^{41[41]}

WHEREFORE, premises considered, the Court of Appeals Decision dated May 30, 2005 and Resolution dated June 4, 2007 are **AFFIRMED**.

^{41[41]}

SO ORDERED.

ANTONIO EDUARDO B. NACHURA

Associate Justice

WE CONCUR:

ANTONIO T. CARPIO

Associate Justice Chairperson

TERESITA J. LEONARDO-DE CASTRO

Associate Justice

ROBERTO A. ABAD

Associate Justice

JOSE CATRAL MENDOZA

Associate Justice

ATTESTATION

I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

ANTONIO T. CARPIO

Associate Justice Chairperson, Second Division

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the Division Chairperson's Attestation, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

RENATO C. CORONA Chief Justice