

Title: Fem's Elegance Lodging House et al. vs. Hon. Leon P. Murillo, Labor Arbiter, et al., G.R. No. 113975

Facts:

1. **Petitioners & Respondents:**

- Petitioners: FEM's Elegance Lodging House, Fenitha Saavedra, and Iries Anthony Saavedra.
- Respondents: Leon P. Murillo (Labor Arbiter) and former employees of FEM's Elegance Lodging House including Alfonso Galleto, George Vedad, and others.

2. **Dismissal of Employees (March-April, 1994):**

- Respondents, former employees, were terminated.
- They filed two cases before NLRC, Regional Arbitration Branch No. X, Cagayan de Oro City, claiming unpaid wages and benefits.

3. **Pre-Arbitration Conference (May 31, 1994):**

- Agreement to consolidate cases.
- Parties to file position papers by June 30, 1994.

4. **Filing and Motions (June-July 1994):**

- Petitioners filed their position paper on June 29.
- Respondents failed to file their position papers by the deadline.
- Petitioners filed a Motion to Dismiss on July 8 due to respondents' failure.
- Respondents filed their position paper belatedly on July 15.
- Petitioners filed a Motion to Expunge on July 18.
- Petitioners also filed a Motion to Resolve the filed motions before the upcoming hearing on September 7.

5. **Labor Arbiter's Ruling (September 21, 1994):**

- Denied both of Petitioners' motions.
- Held 15-day delay reasonable and substantive rights should prevail over technicality.
- Cited Article 4 of the Labor Code favoring labor.

Issues:

1. **Procedural Errors:**

- Whether the petitioners' claim that the delay in filing the position paper by respondents

constitutes grounds for dismissal was valid.

2. **Due Process:**

- Whether the petitioners' right to due process was violated by the Labor Arbiter's refusal to dismiss the case based on the procedural delay of the respondents.

3. **Labor Arbiter's Discretion:**

- Did the Labor Arbiter commit grave abuse of discretion in denying the petitioners' motions?

4. **Proper Forum:**

- Whether the petitioners correctly bypassed the NLRC and directly brought their petition to the Supreme Court.

Court's Decision:

1. **Exhaustion of Administrative Remedies:**

- The court emphasized that petitioners failed to exhaust remedies by not appealing to the NLRC first before bringing the case to the Supreme Court.

- Citing Article 223 of the Labor Code, decisions and orders of Labor Arbiters are appealable to the NLRC.

2. **Procedural Aspect:**

- Court upheld that procedural rules in labor cases are not strictly applied to favor substantial justice.

- Article 4 of the Labor Code and jurisprudence prioritize protection of labor rights over procedural technicalities.

3. **Delay of Respondents:**

- The delay in filing of position paper was not fatal and the admission thereof was a discretionary move by the Labor Arbiter.

- Rule V, Section 15 of the New Rules of Procedure of the NLRC does not list delay in filing position paper as grounds for dismissal.

4. **Due Process:**

- Petitioners' due process claim was dismissed as they had the opportunity to file their position paper.

- The argument was made that due process provisions ensure substantial justice in labor

disputes.

****Doctrine:****

1. ****Liberal Interpretation Favoring Labor:****

- Article 4 of the Labor Code mandates liberal interpretation of labor laws in favor of workers.

2. ****Procedural Laxity in Labor Law:****

- Technical rules of procedure are not absolute in labor disputes, emphasizing substantial justice over rigid application of procedural rules.

****Class Notes:****

- ****Key Elements:****

- Article 4 of the Labor Code: Interpret laws in favor of labor.

- Exhaustion of Administrative Remedies: Appeal to NLRC before Supreme Court.

- Procedural Flexibility: NLRC Rule V, Section 15 - No ground for dismissal due to delayed filing of position papers.

- ****Statutory Provisions:****

- Article 223, Labor Code: Appeals process in labor disputes.

- Rule V, Section 15, NLRC New Rules of Procedure.

- ****Concepts:****

- Technicality vs. Substantial Justice: Procedural rules can be relaxed to ensure equity in labor disputes.

****Historical Background:****

This case reflects the ongoing judicial trend in the Philippines of safeguarding labor rights by emphasizing substantive justice and liberal procedural application. It underlines the labor arbitration system's preference for resolving disputes on their merits rather than dismissing them on technicalities, showcasing a pro-labor stance during a period when labor disputes were prevalent in the country.