

UNION COLLEGE, POLEXIMA ADORADA AND LIRIO CORPUZ, PETITIONERS, VS. NATIONAL LABOR RELATIONS COMMISSION (NLRC) AND LORENA GAMAS, RESPONDENTS.

Ponente: VILLON, J.

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VILLON, J.:

This Petition for Certiorari under Rule 65 of the 1997 Rules of Civil Procedure, as amended, seeks to reverse and set aside on ground of grave abuse of discretion, the Decision dated June 30, 2011[1] of the National Labor Relations Commission (NLRC) in NLRC LAC NO. 01-000265-11, which affirmed the Decision dated September 28, 2010 of Labor Arbiter Danna M. Castillo in NLRC Case No. RABIV-01-00253-10-L. Also assailed is the Resolution dated October 21, 2011[2] denying petitioners' for reconsideration of the assailed decision.

The facts of the case, as culled from the records, are as follows:

Respondent Lorena Gamas (or "private respondent") filed a Complaint for Illegal Dismissal with claim for payment of separation pay, damages and attorney's fees against herein petitioners Union College and Lirio Corpuz, and a certain Laila Adorada.[3]

Records show that private respondent started as helper at Union Country Canteen (or "UCC") on June 2005 until she was promoted later as assistant cook. She worked from 5:00 o'clock in the morning until 5:00 o'clock in the afternoon receiving a daily salary of P150.00.

Sometime in July 2009, she went on maternity leave. However, when she returned to UCC on October 2009, she was no longer allowed to work. Thus, she filed a complaint for illegal dismissal with claims for separation pay, damages and attorney's fees.

In their Answer, petitioners denied that private respondent was an employee of Union College although an Identification Card was issued to her, making it appear that she was employed thereat. This was, however, for the purpose of allowing her to enter the school premises. David Sobrepeña, Sr. (or "Sobrepeña"), as representative of Union College, asserted that respondent was an employee of UCC, which was operated by him inside the school premises, and not of the said school; she went on absence without official leave starting July 2009; sometime in August 2009, she reported to UCC and made a cash advance of P3,000.00; she was then advised to report to a new place of work, but failed to do so; and that because of private respondent's unauthorized absences, somebody was assigned in her position to perform her work.

On September 28, 2010, the Labor Arbiter rendered a decision, the dispositive portion of which states:

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

1. The complaint against respondent Union College is hereby dismissed for lack of employer-employee relationship.
2. The complainant was not dismissed by the respondent Union Country Canteen. Thus, she is ordered to

report for work ten (10) days from receipt hereof and respondent Union Country Canteen and/or David A.Sobrepeña should accept back the complainant without loss of seniority rights.

3. Ordering respondent Union Country Canteen and/or David Sobrepeña to pay complainant her wage differentials in the total amount of P125,134.00.

4. Dismissing all other claims for lack of merit.

SO ORDERED."

On appeal to the NLRC, the Labor Arbiter's decision was affirmed, thus:

"WHEREFORE, finding the respondents-appellants' appeal to be without merit, the same is hereby ordered DISMISSED, and accordingly, the assailed Decision is AFFIRMED.

SO ORDERED."

On Sobrepeña's motion for reconsideration, the NLRC issued the assailed Resolution dated October 21, 2011, to wit:

"WHEREFORE, the motion for reconsideration is hereby DENIED for lack of merit. No further motion for reconsideration of the same tenor shall be entertained.

SO ORDERED."

Hence, the present petition for certiorari, petitioners raising the following issues:[4]

I. WHETHER OR NOT THE HONORABLE NATIONAL LABOR RELATIONS COMMISSION (NLRC) COMMITTED GRAVE ABUSE OF DISCRETION AMOUNTING TO EXCESS OR LACK OF JURISDICTION WHEN IT AFFIRMED THE DECISIONS OF THE HONORABLE ARBITER.

II. WHETHER OR NOT THE HONORABLE NATIONAL LABOR RELATIONS COMMISSION (NLRC) COMMITTED SERIOUS ERRORS IN THE FINDING OF FACTS WHICH COULD CAUSE GRAVE OR IRREPARABLE DAMAGE OR INJURY TO THE PETITIONERS-APPELLANTS.

The petition is meritorious.

Petitioners argue that the Decision of the Labor Arbiter, as affirmed by the NLRC, cannot bind Sobrepeña so as to make him liable for private respondent's money claims considering that he was not properly impleaded in the complaint as a party to the case.

Section 2 of Rule III of the 2005 Revised Rules of Procedure of the NLRC provides:

"Section 2. Caption and Title. x x x x x

The full names of all the real parties in interest, whether natural or juridical persons or entities authorized by law, shall be stated in the caption of the complaint or petition, x x x x x."

Records show that Sobrepeña was not properly impleaded as party to the complaint filed before the regional arbitration office of the NLRC. Instead, it was only petitioner Union College, a certain Laila Adorada and Lirio Corpuz that were named as respondents in the complaint. Sobrepeña appeared to have signed the Answer merely in his capacity as owner-representative of Union College which was then being sued before the labor arbiter. Further, Sobrepeña's admission in the Answer that he owned the UCC which, incidentally, was not also named as respondent in the complaint, was made only to deny the allegation that Union College was private respondent's employer. Parenthetically, with such admission in the Answer, the Labor Arbiter should have ordered the complainant therein (private respondent in this case) to amend the complaint to properly implead UCC, together

with Sobrepeña, in his individual capacity as its owner and therefore employer of private respondent. The amendment is allowed under the rules, viz:

"Section 1. COMPLAINT. X x x x

c) No amendment of the complaint or petition shall be allowed after the filing of position papers, unless with leave of the Labor Arbiter or the Commission." [5]

The principle that a person cannot be prejudiced by a ruling rendered in an action or proceeding in which he was not made a party conforms to the constitutional guarantee of due process of law.[6] Due process requires that a court decision can only bind a party therein and not against one who did not have his day in court.[7] At this juncture, it would not be trite to mention that the essence of due process in administrative proceedings is the opportunity to explain one's side or seek a reconsideration of the action or ruling complained of. As long as the parties are given the opportunity to be heard before judgment is rendered, the demands of due process are sufficiently met. What is offensive to due process is the denial of the opportunity to be heard.[8]

Since the UCC and Sobrepeña were not properly impleaded in the complaint as parties who were supposedly employers of private respondent, they were deprived the opportunity to participate in the proceeding before the Labor Arbiter. Therefore, they cannot be compelled to abide by and comply with the directives in the decision of the Labor Arbiter. This failure to properly implead UCC and Sobrepeña was likewise a legal obstacle to the labor tribunal's exercise of judicial power over the case and any order or judgment that would be rendered therein is a nullity, they being indispensable parties to the case.. The absence of an indispensable party renders all subsequent actions of the court null and void for want of authority to act, not only as to the absent parties but even as to those present.[9] To reiterate, a person who was not impleaded in the complaint cannot be bound by the decision rendered therein, for no man shall be affected by any proceeding in which he is a stranger.[10]

Judicial review of labor cases does not go beyond the evaluation of the sufficiency of the evidence upon which the labor officials findings rest.[11] Findings of fact made by the Labor Arbiter and affirmed by the NLRC are not only entitled to great respect, but even finality, and are considered binding if the same are supported by substantial evidence.[12] The rule, however, is not absolute and admits of certain well-recognized exceptions. Thus, when the findings of fact of the Labor Arbiter and the NLRC are not supported by substantial evidence or their judgment was based on a misapprehension of facts, the appellate court may make an independent evaluation of the facts of the case. Moreover, where a party's contention appears to be clearly tenable, or where the boader interest of justice and public policy so requires, the court may, in a certiorari proceeding, correct the error committed.[13] This exception applies in the case at bar.

WHEREFORE, premises considered, the present Petition for Certiorari is GRANTED. The assailed decision dated June 30, 2011 of the National Labor Relations Commission in NLRC LAC NO. 01-000265-11 and the Resolution dated October 21, 2011 are hereby REVERSED AND SET ASIDE, and a new one is entered DISMISSING the complaint.

SO ORDERED.

Sadang, M.Q.C.,[*] and Corales, P.B., JJ., concur.

[*] Acting Senior Member vice Justice Florito S. Macalino per Office Order No. 469-14-ABR dated November 14, 2014

[1] Rollo, pp. 11-18

[2] Rollo, pp. 30-31

[3] The Labor Arbiter's decision was captioned, Lorena Gamas, Complainant, versus Union College and Union Country Canteen and/or David Sobrepeña, Porexima Adorada and Lirio Corpuz, Respondents.

[4] Rollo, p. 5

[5] Rule III, Section 1, paragraph c

[6] Dare Adventure Farm Corp vs Court of Appeals, 681 SCRA 580

[7] Maricalum Mining Corp vs Arturo Brion, 482 SCRA 87

[8] Flores v. Montemayor, 651 SCRA 396

[9] Lotte Phil. Co., Inc. v. Dela Cruz, 464 SCRA 591

[10] Heirs of Antonio Pael vs. Court of Appeals, 325 SCRA 341

[11] La Union Cement Workers Union v. NLRC, G.R. No. 174621, January 30, 2009

[12] Malayang Manggagawa ng Stayfast Phil., Inc. v. NLRC, G.R. No. 155306, August 28, 2013

[13] AMA Computer College-East Rizal v. Allan Raymond R. Ignacio, G.R. No. 178520, June 23, 2009

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