

GAS CORPORATION OF THE PHILIPPINES, PETITIONER, VS. THE HONORABLE ACTING MINISTER OF LABOR AMADO G. INCIONG, THE SECOND DIVISION OF THE NATIONAL LABOR RELATIONS COMMISSION, THE ...

G.R. No. L-49481. October 23, 1979

Ponente: FERNANDO, C.J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/1d039b4b59a1/>

FERNANDO, C.J.:

The crucial issue in this certiorari and prohibition proceeding against the then Acting Minister of Labor Amado G. Inciong as principal respondent[1] is the alleged denial of procedural due process. As alleged in the petition: "The records of the case will bear fact that the defendant in NLRC Case No. RB-IV-6421-76 herein petitioner was deprived of its day in court. The Honorable Labor Arbiter had violated the rights of the petitioner to the due process of law. In this case, a decision was rendered in favor of one Fernando Santos, without the latter having submitted any position paper, document, or presented any witnesses. This decision is without any factual and legal basis." [2] The Labor Arbiter, then, so it was contended, "should have required Fernando Santos to present its evidence so the petitioner could fully prepare for its defense. Yet, the Honorable Labor Arbiter opined that he should be reinstated and given its pay. All of these were done despite the timely objections of petitioner's counsel and a motion to dismiss the case for lack of interest and non-appearance. In this manner the petitioner was deprived of its right to due process because it was not able to present its evidence and cross-examine Fernando Santos. The decision in favor of Fernando Santos actually came as a surprise for one cannot help but wonder where the Honorable Arbiter adduced its evidence in favor of Fernando Santos." [3] When, subsequently, such decision was affirmed by respondent National Labor Relations Commission, as well as respondent Acting Minister of Labor Inciong, this petition was filed.

This Court in a resolution of February 2, 1979 required respondents to comment. The then Acting Solicitor General Vicente V. Mendoza, complying with the above resolution, submitted the Comment considered as the answer. The point raised was squarely met in these words: "There is no merit to this contention. To begin with, it is not true as claimed by petitioner that private respondent Fernando Santos did not adduce any evidence by reason of which, it (petitioner) was not able to present its evidence. The record readily shows that Fernando Santos submitted to respondent labor arbiter at the scheduled hearing of the case on October 5, 1976, his affidavit with several annexes * * * refuting the charges imputed to him by petitioner which affidavit and its annexes, doubtless, constitute the evidence for said private respondent. Petitioner in turn submitted at an earlier date its position paper along with several papers or documents as annexes * * * which it obviously intended as its evidence in the case. Assuming, however, for the sake of argument that respondent Fernando Santos did not present any evidence, this by no means renders the decision of respondent labor arbiter directing the reinstatement of said private respondent without basis as erroneously contended by petitioner. It should be noted that the reinstatement of Fernando Santos is but a consequence of the denial of petitioner's application for clearance to terminate private respondents' employment. Considering that petitioner failed to substantiate its application in

question or to otherwise establish the, existence of a legal or justifiable cause to terminate said respondents' employment, perforce, the latter is entitled to reinstatement regardless of whether or not he presented any evidence." [4] The matter was pursued further in the Comment thus: "Petitioner furthermore may not, simply on the ground that Fernando Santos allegedly did not present any evidence, validly complain that it was not able to present its evidence and thereby, was deprived of its right to due process. The presentation of petitioner's evidence certainly was not in any way dependent on the presentation of Fernando Santos' evidence and the former could have doubtless easily presented its evidence on the various occasions that the case was scheduled for hearing. Since petitioner had undeniably ample opportunity to present its evidence, it has only itself to blame if it allegedly was not able to present its evidence." [5] Nor did the Comment stop there. "Neither is petitioner's right to due process in the least impaired by its alleged inability to cross-examine respondent Fernando Santos. The record shows that petitioner had ample opportunity to cross-examine said private respondent - first, when the latter submitted his affidavit and the annexes thereof, to respondent labor arbiter on October 5, 1976, and at least on two occasions thereafter - at the scheduled hearing of the case on December 9, 1976, and on January 11, 1977, at which both contending parties were present. Since it did not avail of this opportunity, petitioner must be deemed to have waived any right to cross-examine Fernando Santos." [6]

How the due process question arose may be discerned from the petition. Private respondents Jesus Valdez and Fernando Santos filed a complaint with the then Department of Labor charging petitioner corporation with illegal dismissal. [7] On April 29, 1977, the Labor Arbiter rendered a decision reinstating them. [8] There was an appeal by petitioner to the National Labor Relations Commission which on December 6, 1977 sustained the Labor Arbiter. [9] Petitioner on March 14, 1978 elevated the matter to the Office of the Minister of Labor. It contended anew that it was denied due process, but the same adverse fate was in store. [10] Respondent Acting Minister of Labor denied the appeal on June 9, 1978. [11] There was a motion for reconsideration, but to no avail. [12]

This petition, as mentioned at the outset, lacks merit.

1. The vigor with which counsel for petitioner pressed the claim that there was a denial of procedural due process is inversely proportional to the merit of this certiorari and prohibition suit as is quite evident from the Comment of the office of the Solicitor General. It is undoubted that the due process mandate must be satisfied by an administrative tribunal or agency. So it was announced by Justice Laurel in the landmark case of *Ang Tibay v. Court of Industrial Relations*. [13] That is still good law. It follows, therefore, that if procedural due process were in fact denied, then this petition must prosper. [14] It is equally well-settled, however, that the standard of due process that must be met in proceedings before administrative tribunals allows a certain latitude as long as the element of fairness is not ignored. So the following recent cases have uniformly held: *Maglasang v. Ople*, [15] *Nation Multi Service Labor Union v. Agcaoili*, [16] *Jacqueline Industries v. National Labor Relations Commission*, [17] *Philippine Association of Free Labor Unions v. Bureau of Labor Relations*, [18] *Philippine Labor Alliance Council v. Bureau of Labor Relations*, [19] and *Montemayor v. Araneta University Foundation*. [20] From the Comment of the office of the Solicitor General, it is quite clear that no imputation of arbitrariness can be justified. The opportunity to present its side of the case was given both parties to the controversy. If, for reasons best known to itself, petitioner did not avail of its right to do so, then it has only itself to blame. No constitutional infirmity could then be imputed to the proceeding before the labor arbiter.

2. There is another consideration that equally militates strongly against the stand of petitioner. It is quite apparent from each petition that the alleged denial of due process by the labor arbiter was ventilated before the National Labor Relations Commission as well as respondent Acting Minister of Labor. It would follow, therefore, that in the light of the *Maglasang*, *Jacqueline Industries* and *Montemayor* pronouncements, whatever deficiency there might have been, even on the assumption that there was any, the matter was cured by the appeals taken not only to the National Labor Relations Commission, an administrative agency of a higher

rank, but to respondent Acting Minister of Labor. Hence the futility of the claim that there was a denial of procedural due process.

3. Nor did the Solicitor General ignore the facts to show that no arbitrariness was committed when public respondents ruled as they did. Thus: "Finally, petitioner contends that respondent labor arbiter erred in declaring that it has no justifiable or legal cause in terminating the services of private respondents allegedly due to the dismissal of the criminal complaint which it filed against them (private respondents). Petitioner maintains that notwithstanding the dismissal of said criminal complaint, it can still validly dismiss private respondents 'for lack of confidence, misconduct, and other justifiable causes.' This contention is untenable and evidently arises from a distorted appraisal or understanding of the decision of respondent labor arbiter. A perusal of the questioned decision clearly shows that no such ruling or conclusion was ever made by respondent labor arbiter. The dismissal of said criminal complaint was merely taken by him into account as part of the evidence exposing 'the methodical pattern adopted by herein petitioner 'in seeking the termination' of private respondents' 'services at all cost(s).' If petitioner's application for termination of private respondents' employment was denied (as it was in fact denied), it was mainly due to the fact that it failed to present any evidence to substantiate its charges, not to mention that the same were already settled in Case No. RO4-2-1872-76 wherein petitioner first sought to terminate private respondents' employment. Needless to state, we may even go along with petitioner in its claim to the effect that an employer has still the right to dismiss an employee for 'lack of confidence, misconduct, and other justifiable causes even if the criminal case filed against the employee did not prosper.' But, certainly, before any such dismissal may be ordered by competent authorities, sufficient evidence proving the grounds therefor has to be presented without which, the employer's application for termination of employment necessarily has to be dismissed. In the instant case, except for the aforesaid xerox copy of a letter of one Thomas Wisniewski, dated March 5, 1979, which is naturally hearsay evidence, petitioner herein failed to present any evidence, to substantiate his charges against private respondents embodied in the two (2) memoranda of its president dated February 25, 1979. Accordingly, respondent public officials committed no error in denying petitioner's application for clearance to terminate private respondents' employment." [21]

WHEREFORE, the suit for certiorari is dismissed. This decision is immediately executory. Costs against petitioner.

Antonio, Concepcion, Jr., Santos, and Abad Santos, JJ., concur.

Aquino, J., dissents in a separate opinion.

Barredo, J., did not take part.

[1] The other respondents are: The Second Division of the National Labor Relations Commission, The Honorable Labor Arbiter Tito F. Genilo, Jesus Valdez and Fernando Santos.

[2] Petition, 3-4.

[3] Ibid, 4.

[4] Comment, 8-9.

[5] Ibid, 9.

[6] Ibid, 9-10.

[7] Petition, par. 3.

[8] Ibid, par. 4 and Annex A.

[9] Ibid, pars. 5-7 and Annex C.

[10] Ibid, par. 8.

[11] Ibid, par. 9 and Annex E.

[12] Ibid, par. 9 and Annex F.

[13] 69 Phil. 635 (1939).

[14] Cf. Philippine Maritime Industrial Union v. Court of Industrial Relations, L-37003, Oct. 23, 1974, 60 SCRA 287; Firestone Filipino Employees Association v. Firestone Tire and Rubber Company, L-37952, Dec. 10, 1974, 61 SCRA 339; Scott v. Inciong, L-38868, Dec. 29, 1975, 68 SCRA 473.

[15] L-38813, April 29, 1975, 63 SCRA 508.

[16] L-39741, May 30, 1975, 64 SCRA 274.

[17] L-37034, August 29, 1975, 66 SCRA 397.

[18] L-42115, January 27, 1976, 69 SCRA 132.

[19] L-41288, January 31, 1977, 75 SCRA 162.

[20] L-44251, May 31, 1977, 77 SCRA 321.

[21] Comment, 14-15.

150 Clean 6 pt 6 pt 0 3 MicrosoftInternetExplorer4 st1:.*{behavior:url(#ieooui) } /* Style Definitions */
table.MsoNormalTable {mso-style-name:"Table Normal"; mso-tstyle-rowband-size:0; mso-tstyle-colband-size:0;
mso-style-noshow:yes; mso-style-parent:""; mso-padding-alt:0in 5.4pt 0in 5.4pt; mso-para-margin:0in;
mso-para-margin-bottom:.0001pt; mso-pagination:widow-orphan; font-size:10.0pt; font-family:"Times New
Roman";}

DISSENTING OPINION

AQUINO, J.:

I dissent. The petition is meritorious. The record discloses sufficient grounds for the dismissal of Jesus R. Valdez and Fernando C. Santos which were overlooked by the public respondents.

Valdez worked for the Gas Corporation of the Philippines (Gascor) as a supervisor in its engineering department with a basic salary of P600 a month while Santos was employed by Gascor as a draftsman-designer with a basic monthly salary of P400.

On February 11, 1976 Gascor's vice-president suspended Valdez and Santos "for an indefinite period effective February 12, 1976, pending clearance from the National Labor Relations Commission", for "alleged violation of the Company Regulations and Employees' Rules of Conduct Regarding Negligence and Breach of Security".

Valdez and Santos assailed the suspension order by filing with Labor Regional Office No. IV a complaint against Gascor for illegal suspension. The case was settled in its conciliation stage. Gascor's vice-president made a manifestation dated February 24, 1976 reinstating Santos and Valdez effective February 18, 1976 but "to be reassigned to positions commensurate with their qualifications and experience without loss of salary, demotion in rank and seniority".

That settlement was short-lived. On the following day, February 25, Gascor's president charged Valdez and

Santos with having hijacked (stolen) an order for a contract of work intended for Gascor and with having violated company policies and regulations. They were suspended effective February 26, 1976. On that date, Gascor filed with the Ministry of Labor an application for clearance to terminate the employment of Valdez and Santos.

At the hearing before the Labor Arbiter, Gascor offered in evidence a letter received on March 5, 1976 by Gascor's president from Thomas F. Wisniowski, the managing director of the Hospitality Operations System and Technical Services, Inc., informing him of the participation of Valdez and Santos "in giving all projects of the company to the competitors" (Annex I of Gascor's position paper, p. 3 of Appeal to NLRC).

Also submitted as evidence by Gascor was a check for P9,075 issued on January 26, 1976 by the Magellan Hotel to Ibayan Fri-Air Service, requesting the 50% down payment for the fabrication and repair of kitchen equipment inclusive of crating and delivery charges to the pier. That check was allegedly received by Santos (Annex J of Gascor's position paper).

However, Gascor's complaint against Santos and Valdez for revelation of industrial Secrets was dismissed by the provincial fiscal of Rizal in his resolution of June 30, 1976.

Under these facts, I am of the opinion that clearance should have been given for the dismissal of Santos and Valdez.

Alternatively, I believe that the backpay should be limited to two years in case Valdez and Santos should be reinstated.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.