

**ARCADIO CAPINPIN AND CANDIDA M. CAPINPIN, PETITIONERS, VS.
THE WORKMEN'S COMPENSATION COMMISSION, PIATING
UY, GREENWOOD SAWMILL, INC., AND ECONOMIC INSURANCE CO.,
INC., RESPONDE...**

G.R. No. L-43451. February 26, 1981

Ponente: MAKASIAR, J.

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MAKASIAR, J.:

This is a petition to review the decision dated December 24, 1975 of the respondent Commission in RO-2-WCU Case No. 1468, affirming the June 29, 1970 order of the hearing officer of Regional Office No. 2, Department of Labor, which denied petitioner's claim for compensation for lack of merit.

Petitioners are the parents of the deceased, Mario Capinpin, who died on February 15, 1969 while cutting timber in San Mariano, Isabela. Petitioners alleged that at the time of decedent's death, he was employed by the respondent Greenwood Sawmill, Inc. as a timber cutter. He was purportedly in the act of cutting a tree with the use of a mechanized chainsaw owned by respondent company when he was hit in the head by a falling tree, which crushed him to death (pp. 17-18, rec.). Petitioners further alleged that the respondent company has so far given them only P1,200.00 for burial and incidental expenses (p. 41, WCC rec.).

From the scanty records of the respondent Commission, the following facts may be deduced:

Claimant Arcadio Capinpin filed the Notice and Claim for Compensation in Death Cases on July 23, 1969 (p. 1, WCC rec.) against respondent company and one Alejandro Alvarez (the alleged concessionnaire of the forest area, p. 17, rec.).

Upon receipt of the notice and claim, Hearing Officer Ramirez set the case for hearing on August 8, 1969 (p. 6, WCC rec.). Alejandro Alvarez signed the proof of service of the Notice of Hearing therefor, but the manager of the respondent company refused to sign (p. 8, reverse side, WCC rec.). There is no record as to what transpired during the scheduled hearing on August 8, 1969.

New settings were made for November 7, 1969 (p. 15, WCC rec.) and November 20, 1969. On the latter date, only the lawyers of claimant and respondent Alvarez appeared, and they mutually agreed to reset the hearing on December 2, 1969, with a change of venue from San Mariano, Isabela, to the municipal hall of Naguilian, Isabela, upon petition of claimant (p. 10, WCC rec.). This hearing was again reset to December 6, 1969, this time without mention of venue (p. 12, WCC rec.).

Summons were issued only on January 8, 1970 (p. 14, WCC rec.), requiring respondents to file an answer (Employer's Report) within ten days from notice (p. 13, WCC rec.). The respondents named in said summons were: Mr. Fiating Uy; The Manager, Greenwood Sawmill, Inc.; The Manager, Economic Insurance Co. in its Manila office; and the Manager, Economic Insurance Co. at Tuguegarao, Cagayan. No mention is made of Alejandro Alvarez, one of the original respondents, nor is there any indication why his name was later dropped

from the case.

On January 8, 1970, an alias summons was issued to the same respondents (p. 14, WCC rec.). No returns of the original nor of the alias summons appear in the records.

On January 20, 1970, respondent Economic Insurance Co. filed a notice of intention to controvert, praying for the dismissal of the case on the ground that the claim was filed beyond the reglementary period provided for in Section 24 of the Workmen's Compensation Act (p. 17, WCC rec.).

On March 30, 1970, respondent Greenwood Sawmill Company filed its Employee's Report of Accident or Illness (p. 20, WCC rec.), controverting the claim on the following grounds:

- 1) Greenwood Sawmill is not the employer of deceased Mario Capinpin;
- 2) the claim has prescribed in accordance with Section 24 of the Workmen's Compensation Act; and
- 3) Greenwood Sawmill was dissolved as a corporation on February 15, 1969, and has ceased to exist as of that date. (Please note that this defense appears to have been abandoned by respondent company. Even its pleadings before this Court [pp. 58 and 90, rec.] which are signed by "counsel for Respondent Greenwood Sawmill, Inc." do not mention any dissolution or termination of business).

On May 25, 1970, Atty. E. M. Salandanan, new counsel for respondent insurer filed a notice of appearance with motion to dismiss dated May 8, 1970 (pp. 24-25, WCC rec.), praying for the dismissal of the claim against it on the ground that the respondent company was never insured with the said insurer.

The case was again calendared for June 1, 1970 (p. 19, WCC rec.), but the records do not disclose what transpired on said date.

On June 29, 1970, after a supposed ex-parte hearing on the same day where the claimant purportedly did not appear, Referee Ricardo B. Ramirez issued an order dismissing the case for lack of merit (pp. 32-33, WCC rec.). The dismissal was predicated on claimant's failure to present proof of employee-employer relationship between the deceased and the respondent company.

The claimant filed a motion for reconsideration for on July 17, 1970 (pp. 35-36, WCC rec.), praying for a new investigation on the grounds that: 1) he was not notified of the hearing on June 29, 1970; and 2) he was denied a fair day in court.

The said motion was denied on March 25, 1973 by Eugenio A. Caleda, chief of the Workmen's Compensation Unit (p. 49, WCC rec.), but he ordered the elevation of the records to the Workmen's Compensation Commission on April 2, 1973 (p. 52, WCC rec.).

The respondent Commission, adopting the findings of the hearing officer, affirmed the latter's order of dismissal in its decision dated December 24, 1975 (pp. 53-54, WCC rec.).

The petitioners now come to this Court for a review of the WCC decision raising the following issues (pp. 10-11, rec.):

- 1) whether or not the order dated June 29, 1970 is null and void for lack of due process;
- 2) whether or not the notice of death and claim was filed out of time; and
- 3) whether or not the claim was validly controverted.

I

Petitioners contend that they were not notified of the sudden change of venue of the hearing on June 29, 1970, so that they were deprived of their chance to present evidence to prove their claim (p. 12, rec.). This is a reiteration of the allegations in the motion for reconsideration filed by claimant Arcadio Capinpin, where he stated that at the scheduled hearing on June 1, 1970, the hearing officer ordered in open session that the hearing of this case shall be held at the municipal hall of Naguilian, Isabela, on June 29, 1970 at 8:30 o'clock A.M.; that he went to the designated place on said date, only to find out that the venue was transferred to Ilagan, Isabela, without his knowledge; and that his presence at the municipal hall of Naguilian was witnessed by many (p. 36, WCC rec.).

The records do not show any minutes of a supposed hearing on June 1, 1970 where the hearing officer purportedly ordered the venue of the next hearing in the municipal hall of Naguilian. But this absence of record also works against the allegation of the hearing officer that the claimant "was made to understand that today's hearing would be the last" as stated in his order of June 29, 1970.

There is likewise no record of the proceedings held on June 29, 1969, despite the requirement of the rules of the Workmen's Compensation Commission that "all ex-parte evidence received by the referee shall be reduced to writing x x x" (Sec. 2, Rule 16, Rules of the Workmen's Compensation Commission, 1973).

A perusal of the records indicate the following:

1. This case was first scheduled for hearing on August 8, 1969 (p. 8, WCC rec.). There is no record of the supposed hearing on August 8, 1969, nor any other setting between August 8 and November 20, 1969.
2. The scheduled hearing of November 20, 1969 was reset to December 2, 1969 "on account of the absence of respondent Alvarez and the counsel of Greenwood Sawmill" (p. 10, WCC rec.). The order indicates explicitly that the venue of hearing was transferred to the municipal hall of Naguilian, Isabela.
3. On December 2, 1969, the hearing was again reset to December 6, 1969 (p. 11, WCC rec.). Attys. Albano and Madduma appeared for claimant and respondent Greenwood Sawmill.
4. There is no indication as to any other settings or hearings except those for June 1, 1969 and June 29, 1969.

There therefore appears to be no basis for the finding of the hearing officer that "x x x this case has already dragged for quite a time due to the many postponements requested by claimants for his inability to present evidence in substantiation of his claim. Although it appeared then that the respondent was quite prejudiced for the lagging of this case yet ample opportunity for claimant to prove his case was accorded him x x x" (p. 33, WCC

rec.).

Could it be that the above "finding" was made to justify the ex-parte investigation conducted by the hearing officer and thus becloud the denial of the process when he suddenly changed the venue of hearing without notice to the claimant? The haste with which the order of dismissal was issued on the very same day (June 29, 1969) strengthens this suspicion. So also does the apparent leaning of the hearing officer in favor of the respondent and to the prejudice of the claimant, when he ignored the many absences of the respondent company but immediately ruled against the claimant on his first non-appearance.

Under the circumstances, WE hold that the claimant was deprived of his day in court. For lack of notice constitutes denial of due process (*Shell Company of the Philippines vs. Enage*, 49 SCRA 416). And notice, to be meaningful, must be both as to time and place (*Insular Bank of Asia vs. Borromeo*, 81 SCRA 167).

In the light of the foregoing, WE find that the respondent Commission gravely abused its discretion when it ignored the claimant's claim of denial of due process in his motion for reconsideration and in relying merely on the supposed findings of the hearing officer in the absence of any evidence in support thereof.

Consequently, the dismissal of the claim on the ground that "there is utter lack of evidence to prove the merit of the claim" (p. 32, rec.) cannot stand.

II

Technically, this case should be remanded to the respondent Commission for further proceedings.

Petitioners, however, pray that the decision be set aside and a new one entered, granting them death benefits and other reliefs as are just and equitable (p. 15, rec.).

In the case of *Bautista vs. WCC* (L-43027, January 31, 1979), WE held:

"x x x WE have previously ruled that on the basis of the pleadings before US, despite a technical or procedural lapse in the hearing below, WE can decide a compensation claim and terminate the matter here and now. WE reasoned out that the law being in claimant's favor, human reasons aimed at promoting justice and the general welfare of the workingman, justify the rendition of a decision on the merits. The niceties and refinements of technical rules on procedure must give way to effect substantial justice to the claimant" (*Justo vs. WCC*, 75 SCRA 220, 222).

The other issues raised by petitioners are non-jurisdictional and must perforce be subordinate to the question of absence of employer-employee relationship, which could be fatal to this claim, if true.

In the case of *Uy vs. WCC, et al.* (L-43389, April 28, 1980), WE recognized the difficulty of determining the existence of employer-employee relationship because it was purposely made so by employers bent on evading responsibility under the law.

Now the respondent company capitalizes on the ruling of the respondent Commission that there existed no employer-employee relationship between the said company and the deceased (p. 31, rec.). To strengthen its position, respondent company alleges in its memorandum (pp. 83-90, rec.) that the finding of lack of employer-employee relationship is a finding of fact and should be left undisturbed in the absence of abuse of discretion. Precisely it is because of such abuse of discretion that WE have to review the facts as WE usually do when the conclusions therefrom are not supported by the evidence (*Balanga vs. WCC*, 83 SCRA 721).

An employee is any person in the service of another under a contract for hire, express or implied, oral or written

(Sunripe Coconut Products Co., Inc. vs. CIR, et al., 83 Phil. 519, 521).

In the case at bar, WE find nothing in the records to substantiate the allegation of the respondent company that the deceased was not its employee.

On the other hand, there is attached to this petition an affidavit executed on February 28, 1969 by Ireneo Dasoga before the municipal mayor of Naguilian, Isabela (pp. 17-18, rec.) attesting that he is a chainsaw operator of respondent company; that he was the companion of the deceased when the latter was hit by a falling tree; that he and the deceased were both timber cutters and were cutting trees when the accident occurred; that he asked the deceased to help him cut timber on February 15, 1969 upon authority of Piating, the manager of Greenwood Sawmill, who told him to get a helper; that it was Piating who furnished the mechanized chainsaw they were using, and it was also Piating who was paying their wages for any timber cut.

These circumstances bear resemblance to the situations described hereunder:

"It may be stated as a general rule that an agent, who with authority express, implied, apparent or actual, employs help for the benefit of his principal's business, thereby creates the relationship of employer and employee between such help and the principal. It has been held that where a driver, employed to solicit sales of beer and made deliveries, was permitted to employ helpers, a helper who was injured while in the performance of his duty was entitled to compensation from the brewery; that an expert, hired by a factory owner to supervise the installation of machinery, who hired assistants being injured while so engaged was entitled to compensation from the factory owner; and that workmen hired by an agent of a company, which took over the logging work of an independent contractor, became the employee of the company" (Pucan and Besinga, Comments and Annotations on the Workmen's Compensation Act, as amended, 62 [1971], citing Schneider, Workmen's Compensation [Perm. Edition Vol. I, pp. 617-619]).

Where a person who has been recruited by order of the captain of a ship and said person was engaged in the task of unloading the ship's cargo at the time of the accident, there is not the least shadow of a doubt that the deceased was a laborer in the legal sense and there can be no dispute that this kind of work is included in the business in which the shipping owner is engaged. It is of no moment that the deceased had been engaged or recruited by a contractor because the latter, for purposes of the law, was an agent or representative of the ship's captain who, in turn, represented the shipping owner (Flores, et al. vs. Compania Maritima, 57 Phil. 905).

In the light of the foregoing, the defense of non-existence of employer-employee relationship must fail.

III

Respondent company contends that while death occurred on February 13, 1969, the notice and claim for compensation was not prepared until November 27, 1969; hence it is well over the mandatory 3-month period for filing of compensation claims (p. 88, rec.) and, being filed out of time, is forever barred (p. 89, rec.).

It is needless to point out that the death actually occurred on February 15, 1969 and the claim for compensation was filed on July 23, 1969 (p. 1, WCC rec.). For WE have always maintained that failure to file the notice and claim for compensation within the reglementary period is not jurisdictional, and that the statutory right to compensation prescribes in ten years (St. Anne's Hospital vs. WCC, 85 SCRA 721, 725; Balanga vs. WCC, 83 SCRA 721, 725; Cañonero vs. WCC, 81 SCRA 713, 720; Romero vs. WCC, 77 SCRA 482, 487).

On the other hand, the failure of the respondent company to controvert the claim within the statutory limits of Section 24 of the Workmen's Compensation Act is deemed a waiver or renunciation of its non-jurisdictional

defenses. Hence, petitioners are entitled to an outright award.

IV

Finally, WE find nothing in the records to indicate any liability on the part of respondent Piating Uy in his personal capacity or of the Economic Insurance, Inc. Consequently, WE limit the liability to respondent Greenwood Sawmill, Inc.

As admitted by petitioners, the respondent company has advanced one thousand two hundred pesos (P1,200.00) for burial and other incidental expenses. Consequently, in the interest of justice and fair play, the said respondent is hereby absolved from payment of the burial expenses (Uy vs. WCC, L-43389, April 28, 1980).

Considering, however, the evident bad faith of respondent company when it alleged not only absence of employer-employee relationship but also its dissolution as a corporation and the termination of its business as of February 15, 1969, when records in the Securities and Exchange Commission reveal otherwise, the said respondent is hereby imposed an additional liability in the form of interest from July 23, 1969, the date of filing of the claim (p. 1, WCC rec.).

Likewise, the evident partiality of the hearing officer, Ricardo B. Ramirez, merits reproach. His mild treatment of respondent company's repeated non-appearances and his immediate ruling against the claimant on the latter's first absence, deserves judicial censure, if not the filing of formal administrative, if not criminal charges. As WE held in the case of Bautista vs. WCC (L-43027, January 31, 1979): "This posture of the hearing officer unabated by the respondent company is a foul blow to the social justice clause of the Constitution, and its injunction for the State to afford protection to labor. Indeed, WE have repeatedly reminded agencies of the government, especially labor agencies, that they are under obligation at all times to give meaning and substance to these constitutional guarantees in favor of the working man; for otherwise these constitutional safeguards would be merely a lot of 'meaningless patter.'"

WHEREFORE, THE DECISION OF THE RESPONDENT COMMISSION IS HEREBY SET ASIDE AND RESPONDENT COMPANY IS HEREBY ORDERED:

- TO PAY PETITIONERS THE SUM OF SIX THOUSAND (P6,000.00) PESOS AS DEATH BENEFITS, PLUS INTEREST OF TWELVE PERCENT (12%) PER ANNUM FROM JULY 23, 1969, UNTIL FULLY PAID;
- TO PAY ATTORNEY'S FEES OF P600.00; AND
- TO PAY ADMINISTRATIVE COSTS.

SO ORDERED.

Teehankee, (Chairman), Fernandez, Guerrero and Melencio-Herrera, JJ., concur.

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