

AUGUSTIN GRACILLA, PETITIONER, VS. COURT OF INDUSTRIAL RELATIONS, FULLER PAINT MANUFACTURING CO., (PHIL) INC. AND REPUBLIC PROTECTION AGENCY, RESPONDENTS.*G.R. No. L-24489. September 28, 1968*

Ponente: FERNANDO, J.

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A procedural due process question is before us in this appeal by certiorari from a judgment of respondent Court of Industrial Relations. Petitioner, objecting to his dismissal as security guard of respondent Fuller Paint Manufacturing Co. (Phil.) Inc. and seeking reinstatement, filed a complaint dated March 12, 1963, with respondent court, praying further that he be paid for his unpaid services for Sundays and legal holidays during the whole period of his employment, that he be given additional compensation for night services, and that he be credited with his earned vacation and sick leave pay as well as back wages from the date of his illegal dismissal up to the time he is actually reinstated. He would thus hold liable jointly and severally for the aforesaid money claim not only respondent Fuller Paint Manufacturing Co. (Phil.) Inc., but likewise the Republic Protection Agency, where he was connected long before his services were availed of by the former.

Petitioner was not successful, the decision of the Presiding Judge, the Honorable Arsenio I. Martinez, of respondent court of October 5, 1964, dismissing his complaint for lack of merit. It added further; "For humanitarian reason, however, complainant Gracilla should be afforded preferential opportunity by respondent Republic Protective Agency, for assignment [to] any place other than the Fuller Paint Manufacturing Co. (Phil.), Inc.; else, it is suggested that he be extended separation fee." [1]

The above monetary claims, apparently, did not merit any consideration at all. They were completely ignored. A motion for reconsideration was filed with the respondent court alleging that, through oversight, his claims for unpaid services for Sundays and legal holidays during the whole period of his employment, for additional compensation for his night services, again during such period, were not considered. In the memorandum in support of his motion for reconsideration, reference was likewise made to his being entitled to differential pay of P15.00 a month from November, 1952 to October 26, 1962. Respondent court, again, through its Presiding Judge, was not impressed with his motion for reconsideration, the resolution denying it stating: "After a close perusal of the records as well as the written arguments in support of said motion, the Court en banc fails to find sufficient justification for altering or modifying the aforesaid Decision." [2] There was, however, a concurring and dissenting opinion by Judge Amando C. Bugayong of respondent court.

Hence, this appeal by certiorari with the stress rightfully laid on the failure to accord petitioner all that procedural due process requires, his monetary claims apparently having been overlooked in the decision. The appeal is meritorious, the decision of respondent court must be set aside.

It is not that respondent court was unaware of the importance attached by petitioner to the aforesaid monetary claims. As noted in the opinion of the decision of October 5, 1964, which was affirmed by respondent court en

banc: "Commencing November 1952, claimant Augustin Gracilla, thru counsel, asserts, that he was in the employ as watchman of the Republic Protective Agency. After July 14, 1959, however, he actually performed his duties as such in the premises of respondent Fuller Paint Manufacturing Co. (Phil.) Inc. During the entire period of this employment, petition further reads, claimant was likewise required to work during night time, Sundays and legal holidays without additional compensation, until his illegal dismissal on October 27, 1962. Reinstatement, payment of his services on Sundays and legal holidays and additional compensation for night services are therefore prayed for."[3]

There was justification, therefore, for this ground for dissent by Judge Bugayong: "I dissent, however, in the dismissal of the case solely on the basis of the finding that the petitioner was dismissed for cause because there are issues in the complaint that are not resolved in the decision, namely, (a) claim for payment of services rendered on Sundays and legal holidays; (b) claim for additional compensation for services rendered at night time; and (c) claim for salary differential of P15.00 every month of service from date of employment up to illegal dismissal on October 27, 1962."[4]

Did such a failure to rule on the above monetary claims constitute a denial of due process? That is the issue. The answer must be in the affirmative.

So it must be if deference be paid to the holding in *Ang Tibay v. Court of Industrial Relations*,[5] where, as Justice Laurel correctly noted: "The Court of Industrial Relations is a special court whose functions are specifically stated in the law of its creation (Commonwealth Act No. 103). It is more an administrative board than a part of the integrated judicial system of the nation. It is not intended to be a mere receptive organ of the Government. Unlike a court of justice which is essentially passive, acting only when its jurisdiction is invoked and deciding only cases that are presented to it by the parties litigant, the function of the Court of Industrial Relations, as will appear from perusal of its organic law, is more active, affirmative and dynamic. It not only exercises judicial or quasi-judicial functions in the determination of disputes between employers and employees but its functions are far more comprehensive and extensive."[6]

Nonetheless, he was careful to point out that, freed as respondent court is "from the rigidity of certain procedural requirements", it cannot ignore or disregard "the fundamental and essential requirements of due process in trials and investigations of an administrative character." [7] He mentioned what he considered "cardinal primary rights" which must be respected, otherwise the dictates of due process are not complied with. One of such due process requirements is relevant here: "The Court of Industrial Relations should, in all controversial questions, render its decision in such a manner that the parties to the proceeding can know the various issues involved, and the reasons for the decisions rendered. The performance of this duty is inseparable from the authority conferred upon it." [8]

The failure of respondent court, then, to pass upon the monetary claims raised by petitioner, amounted to a disregard of such a cardinal right embraced in due process, namely, that the issues raised by a party should not be ignored or left undecided. Especially so, should it be in this case, where the monetary claims were timely raised and insisted upon at all stages of the proceeding.

Serrano v. Public Service Commission, decided less than a month ago, is relevant.[9] While the administrative agency involved in that case is the Public Service Commission, the analogy holds as there was likewise a failure to respect the cardinal primary right of petitioner there to have his application decided in such a manner as to inform him, not only of the issues involved, but the reason for the decision, which necessarily would require a finding of fact.

We had occasion to state there: "The gravity of such a failing is underscored not only by deprivation of a right to which petitioner is entitled, but also by the obstacle placed on the responsibility entrusted to us of reviewing

decisions and orders of the Public Service Commission. * * * It is all the more essential then that each and every application should be considered strictly on its merits and the relevant facts in support of an order, ruling or decision be carefully inquired into and clearly set forth. Otherwise, the exercise of the power of review by this Court might be condemned to futility."

WHEREFORE, the appealed decision of October 5, 1964, as sustained by the resolution of the respondent court of January 29, 1965, is set aside, and the case remanded for respondent court to consider the matter anew, without neglecting to inquire into and pass upon the monetary claims of petitioner. Without pronounce-ment as to costs.

Concepcion, C.J., Reyes, J.B.L., Makalintal, Sanchez, Castro, Angeles, and Capistrano, JJ., concur.
Dizon and Zaldivar, JJ., on official leave.

[1] Annex C, Petition.

[2] Annex F, Petition

[3] Annex C, Petition.

[4] Annex F-1, Petition.

[5] 69 Phil. 635 (1940).

[6] Ibid, pp. 639-640. That was so under Com. Act No. 103. While its power is less under Rep. Act No. 875, the above characterization in the main holds good.

[7] Ibid, p. 641-642.

[8] Ibid, p. 644.

[9] L-24165, August 30, 1968.

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