

VICTORIAS MILLING CO., INC., PETITIONER, VS. WORKMEN'S COMPENSATION COMMISSION AND JULIO SEGOVIA, RESPONDENTS.*G.R. No. L-25665. May 22, 1969*

Ponente: FERNANDO, J.

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The firm and vigorous insistence on the part of Victorias Milling Co., Inc. that it would be held liable under the Workmen's Compensation Act without its right to due process being respected did suffice for its petition to review the decision of respondent Workmen's Compensation Commission being given due course. Thereby, necessarily, the enforcement of the right to compensation of respondent Julio Segovia, formerly in the employ of petitioner, the unfortunate victim of pulmonary tuberculosis, suffered a delay. It ought not to have been the case.

As will hereafter be shown, petitioner's unyielding and adamant attitude had no justification whatsoever. It has been permitted long enough to evade fulfillment of an obligation imposed by law. We should write *finis* to this litigation. We affirm the decision of respondent Commission.

The decision sought to be reviewed was rendered by respondent Commission on October 15, 1965. It affirmed an order of its hearing officer, Reuben D. Borres, of its Bacolod Regional Office, sustaining the claim of respondent Julio Segovia For compensation.

How the claim arose, was set forth therein thus: "An examination of the records of this case reveals that on May 20, 1963, claimant [now respondent], Julio Segovia filed with the Sub-Regional Office in Bacolod City a notice of injury or sickness and claim for compensation against the respondent Victorias Milling Co., Inc. By registered mail dated June 8, 1963, said Office sent said notice and claim to the respondent [now petitioner], and requested it at the same time to submit the employer's report of accident or sickness, physician's report of sickness or accident and employer's supplementary report of accident or sickness (WCC Form Nos. 3, 4, & 5, respectively), pursuant to the provisions of Sec. 37 of the Workmen's Compensation Act, as amended. It appears that the claim was received by the respondent [now petitioner] on June 17, 1963 as may be evidenced by the registry return receipt."^[1]

Mention was thereafter made of the fact that on December 16, 1963 or six months after petitioner Victorias Milling Co., Inc. had been informed of such claim, respondent here, Julio Segovia, filed a motion for judgment by default in view of such failure to answer such claim within the legal period in accordance with the rules of respondent Commission. Then came a narration in the decision of what happened next: [Respondent's] motion was granted on December 20, 1963, and a copy of the Order declaring the [petitioner] in default was received by it by registered mail on January 17, 1964, as may be evidenced by the registry return receipt. An ex-parte hearing was conducted on February 4, 1964, where [respondent] had established the compensability of his claim under Act [No.] 3428, as amended. It is evident, therefore, that, from the facts stated above, [petitioner] was duly notified of the claim for compensation, but it deliberately refused to answer the claim and, what is worse, nothing was done by it to protect its interests after having been declared in default until after it had allegedly received

from [respondent's] counsel a copy of the decision which was rendered on the case." [2]

Before the respondent Commission, as before us, petitioner would make much of the due process question, claiming that the regional office involved never acquired jurisdiction on its person on the ground that no summons was served on it. In the language of the petition: "It is a matter of settled jurisprudence that courts and other judicial and quasi-judicial bodies acquire jurisdiction over the person of the defendant or respondent thru the service of summons upon the latter. In the instant case, no such summons had ever been issued, much less served, upon the herein petitioner, in direct violation of the above cited Rule 17, Sec. 2 of the Rules of the Commission and of Rule 7 of the old Rules of Court." [3]

Such an assertion was not left unanswered in the decision of respondent Commission. Thus: "This ground lacks merit for the reason that Rule 13 of the same Rules provides that 'these rules are applicable only to cases involving contested or controverted claims for compensation' and the case or claim under review was not contested or controverted by the respondent. The evidence shows that, prior to [respondent's] termination of his employment with [petitioner], the latter had for several times allowed the former to return to his work each time that he was discharged from the hospital until he was finally dismissed on December, 1957, from his said employment because of his pulmonary tuberculosis which was un-arrested. Because of this knowledge and extension of hospital facilities, the [petitioner's] failure to or delay in giving notice of his sickness to the respondent did not operate as a bar to the present proceedings. (Sec. 27, Workmen's Compensation Act). Such knowledge and extension of facilities on the part of the [petitioner] however, carried with it the election to controvert or not the claimant's right to compensation by filing a notice or report to that effect with this Commission or Regional Office on or before the fourteenth day of disability or within ten days after it had knowledge of the sickness, but it failed and its failure to do so constitute a renunciation of its right to controvert the claim (See Sec. 45, of WCA)." [4]

Further, on the question of controversion, the decision under review stated the following: "The records further show that, although the [petitioner] knew of Segovia's illness and in fact it was for ins reason why he was dismissed by the company due to physical disability, the company nevertheless had failed to give notice of such fact to Regional Office No. VII, or to its sub-regional office in Bacolod City, as required by Sec. 37 of Act No. 3428, as amended. It likewise failed to file its notice to controvert [respondent's] right to compensation within the statutory period provided by Sec. 45 of the Act." [5]

It is in the light of the above that the due process question raised as well as the other errors allegedly committed by respondent Commission should be appraised and considered. What other conclusion can there be in the light of controlling decisions except that the right of respondent Segovia to compensation appears to be un-deniable? What is thus evident at first glance becomes even more so when attention is directed to the pronounce-ments and rulings of this Court, possessing both relevancy and applicability.

1. Petitioner would stress unduly the alleged deprivation of a day in court to which it had been subjected. That simply was not the case considering its failure to controvert. So we have repeatedly held. The due process argument is clearly devoid of merit.

In *Filipino Pipe & Foundry Corp. v. Workmen's Compensation Commission*, [6] this Court, speaking through the present Chief Justice, disposed of the due process argument in this wise: "It is not denied that petitioner's answer to Hiwatig's claim had not been filed within ten (10) days from notice of Hiwatig's claim. Pursuant to section 45 of Act No. 3428, petitioner is deemed, therefore, to have renounced its right to controvert said claim. In other words, the same was deemed admitted by petitioner, which, according-ly, had no more right to demand a day in court."

Earlier that year, in *Malan Brothers Watchman Agency v. Conanan*,^[7] a similar expression was given to such a view in an opinion by Justice Dixon. Thus: "Petitioner's claim that the award is void because it was rendered without any notice of hearing having been served on him is without merit. Conanan's claim being non-controverted, the Regional Administrator was authorized to decide the same upon the submission to him of the claim and accompanying evidence – as was done in the present case – without the necessity of holding a formal bearing. (*Bachrach Motor Co., Inc. v. The Workmen's Compensation Commission et al.*, G. R, No. L-8589, promulgated May 25, 1956)."

Apolega v. Hizon,^[8] decided last year, cited with approval the Filipino Pipe & Foundry Corp. ruling along with two other decisions.^[9] What we said further in the opinion penned by Justice Makalintal possesses relevancy: "The allegation of lack of notice and hearing cannot be sustained. Petitioner failed to controvert both claims (injury and death) for compensation, as required by Section 45 of the Workmen's Compensation Act. By reason of such failure petitioner waived his right to present evidence concerning the claims and therefore cannot complain that he was not duly heard. Under the circumstances the hearing officer could make the award without the necessity of a formal hearing, treating the claim as uncontested and thus dispensing with the reception of evidence."

2. Even in the absence of such controlling precedents, the same conclusion would inescapably emerge, if there were a keener appreciation on the part of petitioner of what procedural due process requires. For in this assignment of error, which would predicate the absence of jurisdiction over its person, in view of the alleged absence of a formal service of summons, the stress on technicality is most marked. Due process properly understood frowns on such an attitude, which negates what such a concept has always stood for.

Tersely put, due process is identified with fair-ness or reasonableness. What transpired in this case can hardly be characterized as unfair or unreasonable unless words have lost their meaning. There was an admission in the petition as well as in the brief of petitioner that the hearing officer did send to it by registered mail a copy of the claim with a request that the accompanying forms be submitted so that the matter could be properly passed upon. Petitioner could not then thereafter disclaim knowledge of the possible liability to which it could be subjected. Had it complied with such a request and abandoned its adamant stand, it could have been heard. Independently of its failure to controvert then, which had fatal consequences, it could not impute to the hearing officer of respondent Commission a failure to abide by the command of due process.

To repeat, what was done under the circumstances was not an affront to reason nor a disregard of fair-ness. If it were such, then a serious procedural due process question would have arisen. What was done could have been condemned as arbitrary. It would have been marred by the absence of fair play which must exist for this cardinal precept to be respected. It could be appropriately said that an unjust act would have been condoned contrary to its mandate.^[10]

To reiterate, it was not error for respondent Commission to hold that under the circumstances there was jurisdiction over the person of petitioner, the due process argument being futile and unavailing.

3. The third and fourth assigned errors would, now be considered, the former alleging that petitioner had not lost its right to controvert and the latter impugning the jurisdiction of respondent Commission in view of the alleged tardiness of the filing of the claim. Neither of the above alleged errors could rightfully be imputed to respondent Commission.

To allege that the right to controvert could still be availed of by petitioner would be to disregard the facts. Petitioner was correct of course in pointing to the claim of respondent Segovia having been filed on May 20, 1963 or almost six years after he left its employ. The verity of such allegation does not serve to defeat respondent

Segovia's right to compensation, in view of the undeniable absence of controversion. So we have decided time and time again.

Failure to controvert amounts to a waiver^[11] or renunciation^[12] or forfeiture^[13] or loss of right^[14] of the defense that the claim for compensation was not filed within the statutory period. What is undeniable is that "the failure to controvert is fatal to its defense of the claim having been filed out of time."^[15] Thus the third and fourth alleged errors are exposed as underserving of credence and belief.

4. The fifth error assigned would assail the refusal of the respondent Commission to allow petitioner the opportunity of introducing what it referred to as "its substantial defense." Considering the state of the law as reflected in the above-cited controlling decisions, petitioner ought to have known better. As was made clear, after its failure to controvert, it could not thereafter raise the question of being denied its day in court.

Nonetheless, if only for the purpose of demonstrating how lacking in merit is the above assignment of error, reference may be made to the appealed decision, inasmuch as the question of the alleged "substantial defense" was likewise raised before respondent Commission as well as before the hearing officer. The decision now sought to be reviewed made clear that the right to compensation of respondent Segovia was "sufficiently established by the evidence adduced during the ex parte hearing of the case."^[16]

Nor was such a conclusion a mere expression of a predisposition on the part of respondent Commission to look with favor on the claim of a sick employee. It had more than ample support in the evidence as submitted. Thus: "The records show that the claimant was employed by the respondent in their Civil Construction Department doing carpentry work and hauling logs from 1952 to 1955; and that, from 1956 to 1957, he was transferred to the work in the drydock. At the drydock, he worked daily, six days a week, from 6:00 to 3:00 P.M. and, if he was not relieved, he had to work for a total of 16 hours. Their work at the drydock was to build canal as foundation for the walls of the drydock. The canal was 140 feet long and 80 feet wide in square style. After digging, they erected posts for the walls and they had to dive or stay in the water four to six feet deep, depending on whether it was low or high tide to nail those posts and that the water in the canal was muddy, full of oil, paint and other matters used in constructing the walls of the drydock. The records likewise show, that at the time he was first employed by the respondent, he was free from any illness because all its employees were required to undergo physical examination. Since 1952, when he entered the company, up to 1956, his chest x-rays showed no signs of P. T. B.; and it was only in the year 1957 that his x-ray revealed that he had it. Because of this finding, he was hospitalized and was treated by Dr. Jose Dungo at the St. Joseph Hospital for 38 days. After his release from the hospital, he reported to their foreman, Felix Jardinico, for work but the latter told him that he could not go back to his work because he was found to be sick of tuberculosis. Prior to his dismissal, he was earning a salary of P4.24 a day, working 6 days a week."^[17]

The decision under review then goes on in the next paragraph to render clear beyond all doubt why under the circumstances above disclosed the illness which unfortunately afflicted respondent Segovia was the result of or was aggravated by the nature of his employment. In the language of the decision: "Considering the nature and conditions under which claimant had worked as stated above, the compensability of the claim may be sustained on the theory that the claimant's illness of P.T.B. was the result of or was aggravated by the nature of his employment in the absence of proof to the contrary. This gains support from the fact that claimant, during the period of his said employment, was exposed to the elements when he was in the Civil Construction Department and to the variations of temperature and dirt in the muddy water of the canal when he was assigned to work in the drydock."^[18]

Again, petitioner ought to have been aware that under the doctrine repeatedly announced by this Court, the above

findings of fact are not for us to review or to disregard. They bind us; we have to accept their conclusive character. It would be different if there is no support in the proof offered. Such is not the case however. They are based on the substantial evidence of record.

So our decisions have held with impressive unanimity. In *Batangas Transportation Co. v. Rivera*,^[19] this Court, speaking through Justice J. B. L. Reyes, stated: "As a general rule, findings of fact by the Industrial Court or the Workmen's Compensation Commission are final and conclusive * * *, unless the lower court acted with grave abuse of discretion, or said findings find absolutely no support in the evidence on record, or are unsupported by substantial or credible evidence * * *."

Only last year, in a case where petitioner was a party, we rendered a decision, speaking through Justice Castro, affirming such a ruling. Thus: "We have consistently refused to reverse or modify the findings of fact made by the WCC on the ground, here urged by company, that there is testi-monial evidence on record contrary to the said findings. The WCC findings in the present case are supported by substantial evidence on record and are therefore binding upon us."^[20]

The facts as thus found by the Commission and the law as thus expounded by us demonstrate rather conclusively why no further attention need be paid to this particular alleged error. Even petitioner must have been aware of its far-from-persuasive character as shown by its devoting only two pages of its rather comprehensive brief to its discussion.

5. That leaves only the second error assigned, which is an allegation that the decision rendered by the hearing officer as affirmed by the respondent Commission should not be considered as final and executory. Considering what has been already set forth, this particular assignment of error is notable only for its futility. Try as petitioner did, and its efforts were rather considerable, it could not make out a case for its refusal to comply with its obligation under the Workmen's Compensation Act. The delay, as already pointed out, has lasted long enough. The final and executory character of the award to re-spondent Segovia is beyond question.

6. It is all too clear then that not one of the alleged errors wash in fact committed by respondent Commission. That is all that has to be said for re-spondent Segovia to be at long last freed from the nagging fear that what the law grants, a technicality would suffice to deprive him of. A further observation may not, however, be out of place. There is need it seems, even at this late date, for petitioner and other employers to be reminded of the high estate accorded the Workmen's Compensation Act in the constitutional scheme of social justice and protection to labor.^[21]

The distaste with which management faces the prospect of being held pecuniarily liable under any circumstance is understandable. Nonetheless, there should be by now a greater receptivity to the claims of labor and certainly much less reliance on objections grounded on technicality. Otherwise, the impression may be hard to resist that the attitude betrayed by management is informed by hostility to the basic pur-pose underlying the Workmen's Compensation Act.

It cannot be denied that many of the amenities, which for those who can afford it make life worth living, especially in this era of industrialization, is obtained at too high a price in terms of the illness or injury from which all too often there is no escape for the workers. That seems to be unavoidable with the use of machinery, in itself an ever present danger to life and limb. Then too, the conditions of labor are usually such that they impose a taxing, at times even intolerable, burden on the health of those who toil.

Labor thus in order to meet the daily needs must run such a risk. At the least then, provision should be made to take care that if such harm does occur, it is not left unprovided. That is the justification for a statute of this

character. It does not afford a complete solution of course, but it does mitigate an unavoidable evil by compensation for illness or injury, possibly even death, incurred in the course of and arising from the performance of one's task.

Nor is the employer at the losing end of the bargain. Even if primarily the additional financial liability is cast on him, ultimately through the price he exacts for his products as well as through resort to insurance, the cost is borne by the public. In that sense, there should be less hesitancy on the part of the employer to pay the just claim of the laborer for any illness or injury arising out of and in the course of employment. Perhaps, more than in other labor disputes, promptness in the discharge of obligation is of the essence. Otherwise the necessitous laborer is completely at his mercy, when what he is entitled to is not charity but justice.

It is in the light of the above basic purpose that the constant interpretation of the Workmen's Compensation Act has been liberal, all doubts as to the right to compensation being resolved in favor of the employees and all presumptions being indulged in their favor. Such a formulation was favored by this Court, through Justice Recto, in a 1936 decision, just shortly after the Constitution took effect.^[22] Since then, there has been a steadfast adherence to such an approach.

No other judicial attitude may be expected in the face of a clearly expressed legislative determination which antedated the constitutionally avowed concern for social justice and protection to labor. It is easily understandable why the judiciary frowns on resort to doctrines, which even if deceptively plausible, would result in frustrating such a national policy.

To be more specific, the principle of social justice is in this sphere strengthened and vitalized. A realistic view is that expressed in *Agustin v. Workmen's Compensation Commission*: "As between a laborer, usually poor and unlettered, and the employer, who has resources to secure able legal advice, the law has reason to demand from the latter stricter compliance. Social justice in these cases is not equality but protection."^[23]

To repeat, courts should ever be on the alert lest through inadvertence or faulty analysis the expected opposition from management be appraised much more favorably than warranted. The unfortunate result would be that both the social justice concept and the complementary constitutional command of protection to labor would be disregarded and set at naught. There is no higher duty cast on the judiciary than to guard against such an undesirable possibility, fraught as it is with consequences truly to be deplored.

WHEREFORE, the decision of the Workmen's Compensation Commission of October 15, 1965 is hereby affirmed, with costs against petitioner.

Reyes, J.B.L. (Acting C.J.), Dizon, Makalintal, Zaldivar, Sanchez, Capistrano, Teehankee, and Barredo, JJ., concur.

Concepcion, C.J., and Ruiz Castro, J., on official leave.

[1] Decision; Annex A of Petition, p. 2.

[2] *Ibid*, p. 3.

[3] Petition, p. 4

[4] Decision, Annex A of Petition, pp. 3-4.

[5] *Ibid*, p. 7.

[6] L-20381, December 24, 1963.

[7] 7 SCRA 856 (1963).

[8] 25 SCRA 336 (1968).

[9] Aboitiz Shipping Corp. v. Oqueria, L-20998, August 31, 1965 and Surigao Consolidated Mining Co., Inc. v. Workmen's Compensation Commission, L-26077, May 27, 1968.

[10] Cf. "It is responsiveness to the supremacy of reason, obedience to the dictates of justice. Negatively put, arbitrariness is ruled out and unfairness avoided. To satisfy the due process requirement, official action, to paraphrase Cardozo, must not outrun the bounds of reason and result in sheer oppression. Due process is thus hostile to any official action marred by lack of reasonableness. Correctly has it been identified as freedom from arbitrariness. It is the embodiment of the sporting idea of fair play. It exacts fealty 'to those strivings for justice' and judges the act of officialdom of whatever branch 'in the light of reason drawn from considerations of fairness that reflect [democratic] traditions of legal and political thought.'" (Ermita-Malate Hotel Assn. v. Mayor of Manila, L-24693, July 31, 1967, followed in Morfe v. Mutuc, L-20387, Jan. 31, 1968; Santiago v. Alikpata, L-25133, Sept. 28, 1968 and Tinio v. Mina, L-29488, Dec. 24, 1968.

[11] Martha Lumber Mill v. Lagradante, 99 Phil. 434 (1956); Manila Railroad v. Workmen's Compensation Commission, L-19377, Jan. 30, 1964.

[12] Central Azucarera Don Pedro v. De Leon, 105 Phil. 1141 (1959); Industrial Textile Mfg. Co. v. Florzo, 17 SCRA 1104 (1966); Manila Railroad Co. v. Workmen's Compensation Commission, 21 SCRA 98 (1967); Victorias Milling Co., Inc. v. Workmen's Compensation Commission, 22 SCRA 1215 (1968).

[13] Nat. Dev. Corp. v. Workmen's Compensation Commission, L-19863, April 29, 1964; Agustin v. Workmen's Compensation Commission, L-19957, Sept. 29, 1964; A. D. Santos v. Sapon, 16 SCRA 791 (1966).

[14] Victory Shipping Lines Inc. v. Workmen's Compensation Commission, 106 Phil. 550 (1959).

[15] Pampanga Sugar Mills v. Vda. de Espeleta, 22 SCRA 325 (1968).

[16] Decision, Annex A of Petition, p. 6.

[17] Ibid, pp. 6-7.

[18] Ibid, p. 7.

[19] L-14427, August 29, 1960. The cases cited follow: Madrigal Shipping Co., Inc. v. Nieves Baens del Rosario, L-13130, Oct. 31, 1959; St. Thomas Aquinas Academy v. Workmen's Compensation Commission, L-12297, April 22, 1955; NLU v. Sta. Ana, L-996, April 29, 1957; PAL v. PAL Employees Association, L-8197, Oct. 31, 1958; Donato v. Phil. Marine Officers' Asso., L-12506, May 18, 1959; 15 and Up Employees Asso. v. Dept. & Bazaar Free Workers Union, L-9168, Oct. 18, 1956; NLU v. Dinglasan, L-7945, March 23, 1956. In addition the following cases may likewise be cited: International Oil Factory v. Martinez, L-13426, Sept. 30, 1960; Metropolitan Water District v. Mirza, L-14079, Oct. 26, 1960; Bernardo v. Pascual, L-13260, Oct. 31, 1960; Rebodos v. WCC, 6 SCRA 717 (1962); Itogon Suyoc Mines, Inc. v. Dulay, L-18974, Sept. 30, 1963; National Development Co. v. WCC, L-19854, Dec. 27, 1963; Jueco v. Flores, L-19325, Feb. 28, 1964; Manila Railroad Company v. Pineda, L-19773, May 30, 1964; National Development Co. v. WCC, L-18922, Nov. 27, 1964; R. F. Sugay & Co. Inc. v. Reyes, L-20451, Dec. 28, 1964; Bohilla v. WCC, L-20730, April 30, 1965; Manila Railroad Co. v. Manalang, L-20845, Nov. 29, 1965; Caltex v. Castillo, 21 SCRA 1071 (1967).

[20] Victorias Milling Co., Inc. v. Workmen's Compensation Commission, 22 SCRA, 1215 (1968).

[21] Art. II, Sec. 5 and Art. XIV, Sec. 6 of the Constitution of the Philippines.

[22] Francisco v. Consing, 63 Phil. 354.

[23] L-19957, September 29, 1964.

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