

EDDIE DOMASIG, PETITIONER, VS. NATIONAL LABOR RELATIONS COMMISSION (SECOND DIVISION), CATA GARMENTS CORPORATION AND/OR OTTO ONG AND CATALINA CO, RESPONDENTS.

G.R. No. 118101. September 16, 1996

Ponente: PADILLA, J.

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PADILLA, J.:

This petition for certiorari under Rule 65 of the Rules of Court seeks to nullify and set aside the Resolution[1] of respondent National Labor Relations Commission (NLRC) rendered on 20 September 1994 remanding the records of the case to the arbitration branch of origin for further proceedings.

The antecedent facts as narrated by public respondent in the assailed resolution are as follows:

"The complaint was instituted by Eddie Domasig against respondents Cata Garments Corporation, a company engaged in garments business and its owner/manager Otto Ong and Catalina Co for illegal dismissal, unpaid commission and other monetary claim[s]. Complainant alleged that he started working with the respondent on July 6, 1986 as Salesman when the company was still named Cato Garments Corporation; that three (3) years ago, because of a complaint against respondent by its workers, it changed its name to Cata Garments Corporation; and that on August 29, 1992, he was dismissed when respondent learned that he was being pirated by a rival corporation which offer he refused. Prior to his dismissal, complainant alleged that he was receiving a salary of P1,500.00 a month plus commission. On September 3, 1992 he filed the instant complaint.

Respondent denied complainant's claim that he is a regular employee contending that he is a mere commission agent who receives a commission of P5.00 per piece of article sold at regular price and P2.50 per piece sold in [sic] bargain price; that in addition to commission, complainant received a fixed allowance of P1,500.00 a month; that he had no regular time schedule; and that the company come [sic] into existence only on September 17, 1991. In support of its claim that complainant is a commission agent, respondent submitted as Annexes 'B' and 'B-1' the List of Sales Collections, Computation of Commission due, expenses incurred, cash advances received for the month of January and March 1992 (Rollo pp. 22-27). Respondent further contends that complainant failed to turn over to the respondent his collection from two (2) buyers as per affidavit executed by these buyers (Rollo pp. 28-29) and for which, according to respondent it initiated criminal proceedings against the complainant.

The Labor Arbiter held that complainant was illegally dismissed and entitled to reinstatement and backwages as well as underpayment of salary; 13th month pay; service incentive leave and legal holiday. The Arbiter also awarded complainant his claim for unpaid commission in the amount of P143,955.00."[2]

Private respondents appealed the decision of the labor arbiter to public respondent. As aforesaid, the NLRC resolved to remand the case to the labor arbiter for further proceeding. It declared as follows:

"We find the decision of the Labor Arbiter not supported by evidence on record. The issue of whether or not complainant was a commission agent was not fully resolved in the assailed decision. It appears that the Labor Arbiter failed to appreciate the evidences submitted by respondent as Annexes "B" and "B-1" (Rollo pp. 22-27)

in support of its allegation as regard[s] the nature of complainant's employment. Neither is there a showing that the parties were required to adduce further evidence to support their respective claim. The resolution of the nature of complainant's employment is vital to the case at bar considering that it would be determinative to his entitlement of monetary benefits. The same is similarly true as regard the claim [sic] for unpaid commission. The amount being claim [sic] for unpaid commission as big as it is requires substantial proof to establish the entitlement of the complainant to the same. We take note of the respondent's claim that 'while they admit that complainant has an unpaid commission due him, the same is only for his additional sale of 4,027 pieces at regular price and 1,047 pieces at bargain price for a total sum of (P20,135.00 + 2,655.00) or P22,820.00 as appearing in the list of Sales and unpaid commission' (Annex 'C' and 'C-1' Appeal, Rollo pp. 100-102). Said amount according to respondent is being withheld by them pending the accounting of money collected by complainant from his two (2) buyers which was not remitted to them. Considering the conflicting version of the parties regarding the issues on hand, it was incumbent on the Labor Arbiter to conduct further proceedings thereon. The ends of justice would better be served if both parties are given the opportunity to ventilate further their positions." [3]

In their comment on the petition at bar, private respondents agree with the finding of the NLRC that the nature of petitioner's employment with private respondents is vital to the case as it will determine the monetary benefits to which he is entitled. They further aver that the evidence presented upon which the labor arbiter based her decision is insufficient, so that the NLRC did not commit grave abuse of discretion in remanding the case to the arbitration branch of origin for further proceedings.

The comment of the Solicitor General is substantially the same as that of private respondents, i.e., there is no sufficient evidence to prove employer-employee relationship between the parties. Furthermore, he avers that the order of the NLRC to the labor arbiter for further proceedings does not automatically translate to a protracted trial on the merits for such can be faithfully complied with through the submission of additional documents or pleadings only.

The only issue to be resolved in this petition is whether or not the NLRC gravely abused its discretion in vacating and setting aside the decision of the labor arbiter and remanding the case to the arbitration branch of origin for further proceedings.

In essence, respondent NLRC was not convinced that the evidence presented by the petitioner, consisting of the identification card issued to him by private respondent corporation and the cash vouchers reflecting his monthly salaries covering the months stated therein, settled the issue of employer-employee relationship between private respondents and petitioner.

It has long been established that in administrative and quasi-judicial proceedings, substantial evidence is sufficient as a basis for judgment on the existence of employer-employee relationship. No particular form of evidence is required to prove the existence of such employer-employee relationship. Any competent and relevant evidence to prove the relationship may be admitted. [4]

Substantial evidence has been defined to be such relevant evidence as a reasonable mind might accept as adequate to support a conclusion, and its absence is not shown by stressing that there is contrary evidence on record, direct or circumstantial, for the appellate court cannot substitute its own judgment or criterion for that of the trial court in determining wherein lies the weight of evidence or what evidence is entitled to belief. [5]

In a business establishment, an identification card is usually provided not only as a security measure but mainly to identify the holder thereof as a bona fide employee of the firm that issues it. Together with the cash vouchers covering petitioner's salaries for the months stated therein, we agree with the labor arbiter that these matters constitute substantial evidence adequate to support a conclusion that petitioner was indeed an employee of private

respondent.

Section 4, Rule V of the Rules of Procedure of the National Labor Relations Commission provides thus:

"Section 4. Determination of Necessity of Hearing. -- Immediately after the submission of the parties of their position papers/memoranda, the Labor Arbiter shall *motu proprio* determine whether there is need for a formal trial or hearing. At this stage, he may, at his discretion and for the purpose of making such determination, ask clarificatory questions to further elicit facts or information, including but not limited to the subpoena of relevant documentary evidence, if any, from any party or witness."

"It is clear from the law that it is the arbiters who are authorized to determine whether or not there is a necessity for conducting formal hearings in cases brought before them for adjudication. Such determination is entitled to great respect in the absence of arbitrariness."[6]

In the case at bar, we do not believe that the labor arbiter acted arbitrarily. Contrary to the finding of the NLRC, her decision at least on the existence of an employer-employee relationship between private respondents and petitioner, is supported by substantial evidence on record.

The list of sales collection including computation of commissions due, expenses incurred and cash advances received (Exhibits "B" and "B-1") which, according to public respondent, the labor arbiter failed to appreciate in support of private respondents' allegation as regards the nature of petitioner's employment as a commission agent, cannot overcome the evidence of the ID card and salary vouchers presented by petitioner which private respondents have not denied. The list presented by private respondents would even support petitioner's allegation that, aside from a monthly salary of P1,500.00, he also received commissions for his work as a salesman of private respondents.

Having been in the employ of private respondents continuously for more than one year, under the law, petitioner is considered a regular employee. Proof beyond reasonable doubt is not required as a basis for judgment on the legality of an employer's dismissal of an employee, nor even preponderance of evidence for that matter, substantial evidence being sufficient.[7] Petitioner's contention that private respondents terminated his employment due to their suspicion that he was being enticed by another firm to work for it was not refuted by private respondents. The labor arbiter's conclusion that petitioner's dismissal is therefore illegal, is not necessarily arbitrary or erroneous. It is entitled to great weight and respect.

It was error and grave abuse of discretion for the NLRC to remand the case for further proceedings to determine whether or not petitioner was private respondents' employee. This would only prolong the final disposition of the complaint. It is stressed that, in labor cases, simplification of procedures, without regard to technicalities and without sacrificing the fundamental requisites of due process, is mandated to ensure the speedy administration of justice.[8]

After all, Article 218 of the Labor Code grants the Commission and the labor arbiter broad powers, including issuance of subpoena, requiring the attendance and testimony of witnesses or the production of such documentary evidence as may be material to a just determination of the matter under investigation.

Additionally, the National Labor Relations Commission and the labor arbiter have authority under the Labor Code to decide a case based on the position papers and documents submitted without resorting to the technical rules of evidence.[9]

However, in view of the need for further and correct computation of the petitioner's commissions in the light of the exhibits presented and the dismissal of the criminal cases filed against petitioner, the labor arbiter is required to undertake a new computation of the commissions to which petitioner may be entitled, within thirty (30) days

from submission by the parties of all necessary documents.

WHEREFORE, the resolutions of the public respondent dated 20 September 1994 and 9 November 1994 are SET ASIDE. The decision of the labor arbiter dated 19 May 1993 is REINSTATED and AFFIRMED subject to the modification above-stated as regards a re-computation by the labor arbiter of the commissions to which petitioner maybe actually entitled.

SO ORDERED.

Bellosillo, Vitug, Kapunan, and Hermosisima, Jr., JJ., concur.

[1] Annex "H" of the Petition, pp. 101-105, Rollo.

[2] Ibid., pp. 102-103, Rollo.

[3] Ibid., pp. 104-105.

[4] Oplencia Ice Plant and Storage vs. NLRC, 228 SCRA 473.

[5] Velasquez vs. Nery, 211 SCRA 28 [1992].

[6] Coca-Cola Salesforce Union vs. NLRC, 243 SCRA 680.

[7] Velasquez vs. Nery, *supra*.

[8] Sigma Personnel Services vs. NLRC, 224 SCRA 181 (1993).

[9] Cagampan, et al. vs. NLRC, et al., 195 SCRA 533 (1991).

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