

GEORGE H. EVANS, ETC., PETITIONER, VS. WORKMEN'S COMPENSATION COMMISSION AND NATALIA ARGUELLES VDA. DE NAVAL, RESPONDENTS.

G.R. No. 17015. April 29, 1961

Ponente: BARRERA, J.

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BARRERA, J.:

This is an appeal by certiorari to review the decision of the respondent Workmen's Compensation Commission dated February 4, 1960, as well as its resolution en banc of April 12, 1960.

From the records, it appears that on December 2, 1952, a claim for death benefits under the Workmen's Compensation Act (Act No. 3428, as amended) was filed by respondent Natalia Arguelles Vda. de Naval (for herself as widow of the deceased Fabian Naval, and for and in behalf of her 2 minor children with said deceased, namely, Elmer and Evelyn Naval) against the Dahican Lumber Company. When the claim was transmitted to the company, it elicited an answer to the effect that it (company) was denying liability for the death of Fabian Naval, on the ground that he (Naval) was laid off from the service on July 31, 1952 and, since he died on August 10, 1952, his "death occurred when there was no longer any employer-employee relation between him and the company." [1]

On November 5, 1953, Dahican Lumber Company informed respondent Commission that it was under receivership, and pointed to herein petitioner George H. Evans as the receiver duly appointed by the Court of First Instance of Manila in Civil Case No. 20987. Thereafter (or on April 22, May 5, and August 5, 1955), respondent Commission, acting through Referee Patricio Dionisio, advised petitioner to take cognizance of the claim for compensation filed against the company by respondent Vda. de Naval.

On August 24, 1955, petitioner's counsel replied to the referee in a letter of this tenor:

"1. Your letter of 5 August 1965 was referred to us by Mr. George H. Evans (herein petitioner), receiver of Dahican Lumber Company.

"2. It is respectfully suggested that hearing of this claim be had by your Office to determine the merit or lack of merit of this claim. If, after said hearing your Office finds this claim meritorious, and an award is decreed, such award will then be submitted to the Court for consideration with a view to it being consolidated with the claims of other persons and entities against the Dahican Lumber Company in the receivership proceedings.

"3. Please let us know of such action as you may decide to take in the premises."

Acting upon this suggestion, the referee set the case for hearing on September 21, 1955, notice thereof having been sent to respondent Vda. de Naval and to petitioner's counsel. The scheduled hearing was, however, postponed, first to September 26, 1955, and then to October 7, 1955. On November 4, 1955, the referee issued an order (copy of which was received by petitioner on November 16, 1955) stating:

"ORDER

"The parties in this case are hereby ordered to appear before the Public Defender at Daet, Camarines Norte when summoned by said official, to submit their respective evidence.

"Notify (1) Mrs. Natalia Arguelles Vda. de Naval c/o Joaquin Gosilater, Daet, Camarines Norte; (2) The Receiver Mr. George Evans [herein petitioner], 233 David St., Manila; and (3) Baradi and Gallardo Law Office, 804-806 Wilson Bldg., Manila.

"SO ORDERED."

Without notifying petitioner to appear before him, the Public Defender at Daet, on January 28 and 30, 1956, conducted a hearing of the case, pursuant to the abovequoted order of the referee. On April 25, 1956, the referee rendered a decision against Dahican Lumber Company, in favor of respondent Vda. de Naval, the dispositive part of which reads:

"IN VIEW OF THE FOREGOING CONSIDERATIONS and considering further the fact that the allegations of the claimant widow (herein respondent Vda. de Naval) were corroborated by the foreman of the deceased and by a log-contractor of the Company (Dahican Lumber Company), there is no alternative but to consider this compensation case as, compensable.. It is hereby ordered, therefore, that the Company should be held responsible to the claimant widow and her children, by paying them the amount of 50 per centum of the deceased's regular weekly wages. Computing it for the whole period of 208 weeks, as provided by law, the dependents are entitled to P2,184.00, as compensation payable in lump sum, less the 8 per centum provided by Section 22 of Act 3428, as amended, or P2,009.28. The Company is also ordered to pay to the widow the amount of P200.00 as burial expenses and to pay to this Commission the amount of P21.00, as provided by Section 55 of the Compensation Law, as amended.

"Let the parties concerned be served with a copy of this Decision for their information and guidance.

"SO ORDERED."

From November 16, 1955, the date when petitioner received a copy of the aforequoted order (dated November 4, 1955) of the referee requiring the parties 'to appear before the Public defender at Daet, Camarines Norte, when summoned by said official, to submit their respective evidence", until June 12, 1959 (a period of 3 years, 6 months, and 28 days), petitioner received no notice, order, or other communication from respondent Commission regarding the case. It was only on said date (June 12, 1959) that petitioner received the following letter dated June 4i» 1959, from respondent Commission:

"Our records do not reveal that the decision dated April 26, 1956 of the defunct Workmen's Compensation Commission in the above-entitled case requiring you to pay the claimant the amount of P2,209.28 has ever been complied with.

"In this connection, it is requested that said amount together With the sum of P21.00 fee as required by Section 55 of the Workmen's Compensation Act, as amended, be remitted to this Office within ten (10) days from your receipt hereof, otherwise we shall much to our regret, issue a writ of execution to enforce the aforesaid decision.

"However, if direct payments have been made to the claimant, kindly submit to this Commission within the above-mentioned period corresponding proof thereof together with said fee."

Upon receipt of said letter, petitioner's counsel, on June 13, 1959, wrote to respondent Commission the following letter:

"1. The Receiver, George H. Evans (herein petitioner), has referred to us your letter of 4 June 1959, wherein you referred to

'* * * the decision dated April 26, 1956, of the defunct Workmen's Compensation Commission in the above-entitled case requiring you to pay the claimant the amount of P2,209.28 has ever been complied with.'

and this is to advise (that) we never received way notice of said alleged decision.

"2. The last notice we received in this case was dated 4 November 1955 and read as follows:

'ORDER

'The parties in this case are hereby ordered to appear before the Public Defender at Daet, Camarines Norte when summoned by said official, to submit their respective evidence.

'Notify (1) Mrs. Natalia Arguelles Vda. de Naval, c/o Joaquin Gosilater, Daet, Camarines Norte; (2) The Receiver Mr. George Evans, 233 David St., Manila; and (3) Baradi and Gallardo Law Office, 804-806 Wilson Bldg., Manila.

'SO ORDERED.

'Manila, November 4, 1955.

'PATRICIO DIONISIO

Trial Referee'

"3. No notice of trial or hearing was ever received and we repeat, no notice of the decision was ever served.

"4. Please review the record and furnish us proof that (a) notice of trial or hearing was duly served and (b) notice of decision of 26 April 1956 was duly served. Without such proof, any trial or hearing and any decision, is null and void." (*Italics supplied.*)

On October 27, 1959, respondent Commission sent to petitioner's counsel, a letter of this tenor:

"In connection with your letter, informing us of the fact that you have not received a copy of the Decision dated April 25, 1956, rendered by the defunct Workmen's Compensation Commission on the above-entitled case, we are furnishing you herewith a true copy of the same."

On November 4, 1959, petitioner filed with respondent Commission a petition for review of said decision of the referee (dated April 26, 1956), on the ground that it "is null and void and, therefore, contrary to law." On February 4, 1960, respondent Commission affirmed said decision of the referee, in a decision which in part reads:

"In this case, we find that the employer has failed to establish his right to controvert the claim within the period required by law. It has also failed to answer any defenses which could be lawfully considered in his favor to defeat the claim. The mere allegation that at the time of death of the employee, he was no longer under its employ is totally inadequate. The proven fact is that the worker's illness was contracted in the course of his employment and by reason of his work long before the severance of the employer-employee relationship due to circumstances not imputable to the fault of the employee. And, since the cause of action accrued at the time when the employer-employee relationship was still subsisting, the claim must, as it should, prosper. In this case, the facts show direct causal relation between the worker's illness and his employment, and the referee's decision is supported by both the evidence and the applicable law.

"WHEREFORE, the decision under review should be, as it is hereby, affirmed and the respondent ordered to pay, in addition to what has been adjudged against it by the referee, the sum of P5.00 for this review.

"SO ORDERED."

On March 8, 1960, petitioner filed a motion for reconsideration of said decision, on the grounds that (1) it is

contrary to law; (2) Dahican Lumber Company is in receivership proceedings, and cannot be reached by the Workmen's Compensation Commission except through the court having jurisdiction over said receivership; and "all proceedings to date have been without due and proper notice to the court having jurisdiction and, therefore, are null and void. "Said motion for reconsideration was denied by respondent Commission in its resolution en banc of April 12, 1960. Hence, this appeal.

The appeal is meritorious. As already stated, since November 16, 1955, when petitioner received from the referee of respondent Commission, notice of order directing him "to appear before the Public Defender at Daet, Camarines Norte, when summoned by said official", to submit evidence in connection with respondent's Vda. de Naval's claim for compensation against the Dahican Lumber Company, of which he (petitioner) is the receiver, no notice or communication whatsoever has been received from the said Public Defender at Daet or the referee of the Commission regarding the hearing of the case on January 28 and 30, 1956 and the rendering of a decision thereon on April 25, 1956, awarding the sum of P2,209.28 as compensation to respondent Vda. de Naval. Neither copy nor notice of said decision of the referee was ever served on petitioner or his counsel. It was only on June 12, 1959 when petitioner received respondent Commission's letter dated June 4, 1959, requiring him to comply with the aforesaid decision of the referee of April 26, 1956 that petitioner, learned for the first time that the claim has been heard and decided. In the circumstances, petitioner was clearly deprived of his day in court. Consequently, all proceedings had by respondent Commission in connection with the case, are null and void and without any legal effect.

As to respondent Commission's claim that petitioner's failure to establish his right to controvert the claim within the period required under Section 45 of the Workmen's Compensation Act, namely, to submit a report of Naval's death within 14 days from date thereof, or within 10 days after acquiring knowledge of the same, resulted in the admission of liability for said claim, we note that Naval was laid off from the service of Dahican Lumber Company on July 31, 1952. He died on August 10, 1952. Hence, the company was not in a position to know of the death of Naval. Besides, it occurred 10 days after the employer—employee relationship between him and the company had been severed. In the circumstances, Dahican Lumber Company was not in law bound to submit the required report of Naval's death within the aforesaid period. On the other hand, the records show that when respondent Vda. de Naval's claim for compensation was transmitted to the company, the latter reasonably answered that it was not liable for the death of Fabian Naval, for the reason that he (Naval) was laid off from the service of the company on July 31, 1952 and, since he died on August 10, 1952, said death occurred when "there was no longer any employer-employee relationship" between him and the company. This, to our mind, constituted sufficient controversion of the claim in question by the company. Petitioner was thereafter, accordingly, entitled to be duly notified of all proceedings taken in connection with said claim.

Petitioner's claim that he could not be sued before the Workmen's Compensation Commission as receiver of Dahican Lumber Company, without first obtaining permission from the court (Court of First Instance of Manila in Civil Case No. 20967) having jurisdiction of the receivership proceedings is without merit since it was petitioner himself who, through his counsel, suggested (in his letter of August 24, 1955 quoted earlier in this opinion) that the claim be heard by the Commission for determination of its merits. Furthermore, under Section 7, Rule 61 of the Rules of Court, "subject to the control of the court in which the action is pending, a receiver shall have the power to bring and defend, as such, actions in his own name." (See *Cahilo vs. De Guzman, et al.*, 106 Phil., 520; *Somes vs. Government of P. I.*, 62 Phil., 432.)

Wherefore, the decision and resolution of respondent Workmen's Compensation Commission appealed from are hereby set aside, and the case is remanded to respondent Commission for further proceedings after due notice to the parties. No costs. It is so ordered.

Bengzon, C.J., Labrador, Concepcion, Reyes, J.B.L., Paredes, and Dizon, JJ., concur.

[1] See Decision of WCC Commissioner Jose Sanchez (Schedule "C").

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