

MANILA RESOURCE DEVELOPMENT CORPORATION, PETITIONER, VS. THE NATIONAL LABOR RELATIONS COMMISSION AND RUBEN MANAHAN, RESPONDENTS.

G.R. No. 75242. September 02, 1992

Ponente: NOCON, J.

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NOCON, J.:

Petitioner Manila Resource Development Corporation questions the jurisdiction of public respondent National Labor Relations Commission in issuing its Decision[1] promulgated on July 3, 1986 affirming with modification the Decision[2] promulgated on April 22, 1983 by public respondent Workers Assistance and Adjudication Office, Philippine Overseas Employment Administration.

As found by the public respondent NLRC, the antecedents of this case are as follows:

“It appears that sometime in June 1981, the complainant applied for overseas employment with respondent Manila Resource Development Corporation (MANRED) and after he was interviewed, he was directed to submit his bio-data, which he did. Upon receipt by MANRED of an advice from its principal, Obaid & Al Mulla Construction Company (OBALCO) to the effect that the latter needed, among others, a Mechanical Engineer with at least ten year's experience in sheeting ventilation, heavy duty air-conditioning and piping and duct works installation, the complainant was summoned for another interview at which time the telex message from OBALCO was allegedly shown to him and he allegedly gave full assurance that he was qualified for the position. He was allegedly required again to submit a bio-data stating therein his qualifications and experience that would meet the skill and experience required by the job order of OBALCO. He also allegedly submitted another bio-data wherein he unqualifiedly declared that he had all the qualifications and experience called for but, according to the respondents, his record folder was misplaced and could not be found. On the basis of his representation concerning his work experience and qualifications, an employment contract dated 5 August 1981 was signed by him and Wilfredo V. Fernandez, General Manager of MANRED. The contract provided that the complainant was hired as a Mechanical Engineer for a basic monthly pay of US\$1,000.00 with a duration of two years from the date of his departure for Saudi Arabia.

“On 27 January 1982, the complainant left Manila and arrived in Riyadh, Saudi Arabia on 28 January 1982. He reported for duty at OBALCO on 30 January 1982 and was given a final examination concerning his qualifications and experience before starting to work. The respondents claim that by his own verbal and written admission, he failed to meet the qualifications and experiences needed for the work. In a memorandum dated 30 January 1982, it was stated that the summary of work experience indicated in his hand written bio-data were not useful or suitable for the mechanical engineering work at the Royal Terminal. On the same day, he was advised that OBALCO was not willing to employ him for US\$1,000.00 per month but he would be retained if he was willing to accept US\$360.00 per month as basic pay. He pleaded that his salary be as provided in his employment contract or reduced by 20% only but this was turned down. Consequently, he was repatriated to Manila on 14 February 1982.”[3]

Consequently, private respondent filed a complaint with the Bureau of Employment Services against petitioner

and its General Manager, Wilfredo Fernandez, Sr., and consequently amended the same to include OBAID & AL MULLA CONSTRUCTION COMPANY.[4]

The Bureau of Employment Services, now renamed Workers' Assistance and Adjudication Office and placed under the Philippine Overseas Employment Administration, rendered a Decision on April 22, 1983 which in its dispositive portion reads as follows:

“IN VIEW OF THE FOREGOING, decision is hereby made and entered in favor of complainant ordering respondents Manila Resource Development Corporation and/or Wilfredo Fernandez and its foreign principal, Obaid and Al Mulla Construction Company Riyadh, Saudi Arabia, jointly and solidarily liable to pay complainant, thru this Office within ten (10) days from receipt hereof, the sum of TWENTY FOUR THOUSAND US DOLLARS US\$24,000.00) or its equivalent in Philippine Currency at the current exchange rate, representing complainant's unexpired portion of his contract for twenty four (24) months at US\$1,000.00 per month.

“Respondents are also hereby ordered to pay complainant the sum of FOUR THOUSAND SIX HUNDRED TWENTY TWO (P4,622.00) pesos, representing the amount demanded from and paid by complainant to the respondent.”[5]

Petitioner filed its Memorandum of Appeal from said WAAO decision on June 14, 1983, which appeal was docketed as NLRC Case No. 82-108.

Meanwhile, a fire occurred on or about November, 1983 which burned the building housing the NLRC office where the records were kept.[6] In an attempt to reconstitute the records of the instant case, private respondent filed on March 12, 1984 an untitled pleading dated March 11, 1984 furnishing the Commission with a xerox copy of the complete file of the case in his possession in compliance with an Order dated March 7, 1984 of the NLRC Hearing Officer. He alleged that petitioner was also sent copies of the same.[7]

Petitioner opposed the untitled pleading of March 11, 1984 claiming it was in effect a petition for reconstitution which did not follow the requirements of Act No. 3110.[8]

Nevertheless, proceedings continued in the NLRC. On July 3, 1986, public respondent NLRC promulgated the assailed decision, which in its dispositive portion states as follows:

“WHEREFORE, except for the modification excluding espondent Wilfredo Fernandez from the respondents who are jointly and solidarily liable to pay the judgment sum, and the reduction of the award in favor of the complainant to his salaries for twelve (12) months at US\$1,000.00 per month, aside from the refund of the P4,622.00 paid by him and the 10% attorney's fees, the Decision appealed from is hereby affirmed in all other respects.”[9]

Hence, this petition wherein petitioner claims (1) that the NLRC could not validly decide the instant case as all the original records were burned by fire; (2) that petitioner was denied due process at the WAAO, POEA, in view of the summary nature of the proceeding therein; (3) that there is no clear evidence showing that the petitioner is solidarily liable with the foreign employer; and (4) that the foreign employer could dismiss private respondent as he misrepresented his qualifications for the job he was hired to do and he had signed a supplemental employment contract with the foreign employer wherein he agreed to a three-month probationary period at the start of his employment.

On October 6, 1986, this Court issued a Temporary Restraining Order “enjoining the respondents from enforcing the writ of execution or any alias writ of execution issued in NLRC Case No. 82-108,[10] upon motion by petitioner.”

On November 5, 1986, petitioner filed a supplemental petition claiming that the supplemental employment contract which private respondent signed in Saudi Arabia upon his arrival specifically stipulates that only Saudi Arabian laws can be invoked by either party in any dispute regarding the same, and that the supplemental employment contract prevails over the contract private respondent signed with petitioner in the Philippines and under the generally accepted principles of international law which form part of the law of the land[11] Saudi Arabian Laws govern.

Private respondent, in his Comment to the Petition and Supplemental Petition, countered that:

1. Private respondent certified under oath to the authenticity of the records he submitted to public respondent NLRC pursuant to the agreement of January 11, 1985.[12] While petitioner also agreed to submit its own copies of the case, it never did so. There was, therefore, substantial compliance with the requirements of Act No. 3110;
2. There was no denial of due process in the manner the WAAO Director decided the case because he decided the same on April 22, 1983 or 10 months after petitioner submitted its Position Paper on June 28, 1982.[13] The delay, if any, was due to the fact that the WAAO waited for petitioner to submit its alleged evidence coming from Saudi Arabia, namely: (a) The “undertaking” that private respondent allegedly made in Saudi Arabia before his employer, OBALCO, that he does not know anything about air-conditioning.[14] (b) The “missing” bio-data submitted in 1981 by private respondent and (c) The “Supplemental Agreement” allegedly signed by private respondent on January 28, 1982,[15] all of which petitioner never submitted;
3. Petitioner should have made private respondent undergo a trade test before sending him to Saudi Arabia to determine his qualification and competency for the position applied for. And the Saudi employer should have tested him through actual work performance instead of rejecting him alone on the basis of private respondent's handwritten bio-data;
4. Petitioner never submitted to the WAAO Hearing Officer, nor to the NLRC, the copy of the Supplemental Agreement private respondent was supposed to have signed on January 28, 1982, one day after his arrival at Saudi Arabia, which Supplemental Agreement was supposed to have included a provision that private respondent was only a probationary employee for the first three (3) months of his two (2) year contract with OBALCO. The fact that private respondent's Contract with petitioner was for a two-year period rules out any notion that he was supposedly a probationary employee for three months;
5. Section 10, par (a) (2), Rule V, Book I of the Omnibus Rules implementing the Labor Code is the basis for holding petitioner jointly and severally liable with the foreign employer for violations of the recruitment agreement and the contract of employment.

In his memorandum, petitioner adds another argument to bolster its case, which is that Section 10, Rule V of the Omnibus Rules is unconstitutional because the said rule is without any statutory basis.

The petition is without merit.

Petitioner's two main arguments are that (1) public respondent NLRC could not validly promulgate a Decision because the records of the case which were destroyed by fire sometime in November, 1983; were not validly reconstituted in accordance with Act No. 3110 and that (2) Section 10, par. (a)(2), Rule V, Book I of the Omnibus Rules implementing the Labor Code, is unconstitutional for want of proper legislative standards, and, therefore, petitioner is not solidarily liable with OBALCO for the latter's violations, if any, of private respondent's service agreement.

Regarding petitioner's first main argument, it appears from the Original Record that in a conference held on

February 27, 1984, both petitioner and private respondent were advised of the total loss of the record of the case as a result of the fire that razed the third floor of the Phoenix Building where the records were kept.[16]

When the parties met again on March 7, 1984, private respondent agreed to submit copies of all the documents in his possession to the hearing officer, copy furnished the petitioner who would comment on said reproduced copies and submit additional documents in its possession within ten (10) working days. The case would then be deemed submitted for decision.[17] Both petitioner and private respondent signed their conformity to said agreement on reconstitution of records.

Petitioner filed a Manifestation opposing the apparent reconstitution by private respondent of the case without complying with Act. No. 3110.[18] Also, when private respondent filed on January 14, 1985 a "Verified Motion to Admit Reconstructed Records Previously Filed,"[19] petitioner opposed the same but still did NOT submit to the NLRC Hearing Officer copies of the documents in its own possession.

At any rate, Act No. 3110 which took effect on March 19, 1923, and which deals with the procedure of reconstituting records of pending judicial proceedings destroyed by fire, strictly speaking, has no application to records destroyed by fire in cases pending with the NLRC, a quasi-judicial body. Act No. 3110 as its Title indicates refers to "the reconstruction of the records of pending judicial proceedings. x x x" Moreover, Article 221 of the Labor Code, as amended, provides that findings of facts in labor cases should be speedily ascertained without regard to technicalities of law or procedure all in the interest of due process.[20]

The plain fact is that petitioner had all the time from March 7, 1984 to July 3, 1986, the date of promulgation of the assailed decision, within which to submit copies of the documents in its possession, but for reasons, known only to itself, it did not do so. As the Solicitor General states, "It is too late now, after losing the case, for petitioner to complain about the record." [21]

As to petitioner's second main argument, We find no need to rule on the constitutionality of Section 10(a)(2), Rule V, Book I of the Omnibus Rules to Implement the Labor Code. A similar question -- though not under the guise of the unconstitutionality of said rule -- cropped up in *Royal Crown International vs. NLRC*, [22] There, We ruled that: [23]

"[P]etitioner conveniently overlooks the fact that it had voluntarily assumed solidary liability under the various contractual undertakings it submitted to the Bureau of Employment Services. In applying for its license to operate a private employment agency for overseas recruitment and placement, petitioner was required to submit, among others, a document or verified undertaking whereby it assumed all responsibilities for the proper use of its license and the implementation of the contracts of employment with the workers it recruited and deployed for overseas employment [Section 2(e), Rule V, Book I, Rules to Implement the Labor Code (1976)]. It was also required to file with the Bureau a formal appointment of agency contract executed by the foreign based employer in its favor to recruit and hire personnel for the former, which contained a provision empowering it to sue and be sued jointly and solidarily with the foreign principal for any of the violations of the recruitment agreement and the contracts of employment [Section 10(a)(2), Rule V, Book I of the Rules to Implement the Labor Code (1976)]. Petitioner was required as well to post such cash and surety bonds as determined by the Secretary of Labor to guarantee compliance with prescribed recruitment procedures, rules and regulations, and terms and conditions of employment as appropriate [Section 1 of Pres. Dec. 1412 (1978) amending Article 31 of the Labor Code].

"These contractual undertakings constitute the legal basis for holding petitioner, and other private employment or recruitment agencies, liable jointly and severally with its principal, the foreign based employer, for all claims filed by recruited workers which may arise in connection with the implementation of the service agreements or employment contracts [See *Ambrague International Placement and Services v. NLRC*, G.R. No. 77970, January 28, 1988, 157 SCRA 431; and other cases cited herein.]

And, as in the above-cited case, petitioner questions the effectivity of said rule when the omnibus rules were allegedly not published in the Official Gazette citing *Tañada v. Tuvera*.^[24]

This issue was already resolved by Us in the *Royal Crown International* case^[25] when We held:

“[I]t must be emphasized again that petitioner assumed the obligations and liabilities of a private employment agency by contract. Thus, whether or not this omnibus rules are effective in accordance with *Tañada vs. Tuvera* is an issue, the resolution of which does not render at all nugatory the binding effect upon petitioner of its own contractual undertaking.

The Court, consequently, finds it unnecessary to pass upon x x x the implications of *Tañada v. Tuvera* on the omnibus rules implementing the Labor Code. x x x.”

Regarding petitioner's other minor arguments, the first of which is whether or not the foreign employer, OBALCO, could dismiss private respondent for misrepresenting his qualifications, plus the fact that such dismissal was allegedly in line with the three month probationary period embodied in the supplemental agreement private respondent signed with his foreign employer upon arrival in Saudi Arabia, this matter has already been disposed of in the WAAO, POEA decision and affirmed by the NLRC, whose findings of fact are binding on Us, absent the exceptions which do not obtain in this case.^[26]

As to petitioner's argument over the primacy of the labor laws of Saudi Arabia over Philippine labor laws, suffice it to say that in the *Pakistan International Airlines*^[27] case We had already ruled that Philippine laws and regulations cannot be rendered illusory by the parties agreeing on some other laws to govern their relationship. As We stated in said case;

“A contract freely entered into should, of course, be respected, as PIA argues, since a contract is the law between the parties. [*Henson v. Intermediate Appellate Court*, 148 SCRA 11 (1987)] The principle of party autonomy in contracts is not, however, an absolute principle. The rule in Article 1306, of our Civil Code is that the contracting parties may establish such stipulations as they may deem convenient, provided they are not contrary to law, morals, good customs, public order or public policy. Thus, counter-balancing the principle of autonomy of contracting parties is the equally general rule that provisions of applicable law, especially provisions relating to matters affected with public policy are deemed written into the contract. [*Commissioner of Internal Revenue v. United Lines Co.*, 5 SCRA 175 (1962)]. Put a little differently, the governing principle is that parties may not contract away applicable provisions of law especially peremptory provisions dealing with matters heavily impressed with public interest. The law relating to labor and employment is clearly such an area and parties are not at liberty to insulate themselves and their relationships from the impact of labor laws and regulations by simply contracting with each other. It is thus necessary to appraise the contractual provisions invoked by petitioner PIA in terms of their consistency with applicable Philippine law and regulations.”

“xxx xxx xxx .

“Petitioner PIA cannot take refuge in paragraph 10 of its employment agreement which specifies, firstly, the law of Pakistan as the applicable law of the agreement and, secondly, lays the venue for settlement of any dispute arising out of or in connection with the agreement ‘only [in] courts of Karachi, Pakistan.’ The first clause of paragraph 10 cannot be invoked to prevent the application of Philippine labor laws and regulations to the subject matter of this case, i.e., the employer-employee relationship between petitioner PIA and private respondents. We have already pointed out that relationship is much affected with public interest and that the otherwise applicable Philippine laws and regulations cannot be rendered illusory by the parties agreeing upon some other law to govern their relationship. x x x. Finally, and in any event, the petitioner PIA, did not undertake to plead and prove the contents of Pakistan law on the matter; it must therefore be presumed that the applicable provisions of the law of Pakistan are the same as the applicable provisions of Philippine law.

[Miciano v. Brimo, 50 Phil. 867 (1924); Collector of Internal Revenue v. Fisher, 110 Phil. 686 (1961)].”[28]

Lastly, as to petitioner's complaint of denial of due process, settled is the rule that submission of position papers and memoranda in labor cases fulfills the requirements of due process.[29] In the case at bar, aside from filing a position paper with the WAAO, POEA, petitioner filed a Memorandum of Appeal in the NLRC, aside from numerous other pleadings. Since the right to be heard was accorded petitioner, it cannot now claim that it was denied due process in the resolution of its case.[30]

WHEREFORE, finding no merit in the petition, the same is hereby DISMISSED. The assailed decision of public respondent National Labor Relations Commission is AFFIRMED en toto. The Temporary Restraining Order issued last October 6, 1986 is hereby lifted. Costs against petitioner.

SO ORDERED.

Narvasa C.J., (Chairman), Padilla, and Regalado, JJ., concur.

Melo, J., no part.

[1] NLRC En Banc Decision signed by Augusto S. Sandres, Chairman, and Diego P. Atienza, Ricardo C. Castro, Geronimo Q. Quadra, Cecilio S. Seno, Cleto T. Villanueva, Federico O. Borromeo, Guillermo C. Medina, Gabriel M. Gatchalian and Miguel B. Varela, Commissioners.

[2] WAAO, POEA, Decision signed by Elmor D. Juridico.

[3] NLRC Decision, pp. 2-4; Rollo, pp. 104-106.

[4] Rollo, p. 24.

[5] Id., p. 49.

[6] Original Records, p. 1.

[7] Rollo, p. 98.

[8] “An act to Provide an Adequate Procedure for the Reconstitution of the Records of Pending Judicial Proceeding and Books, Documents, and Filed at the Office of the Register of Deeds, Destroyed by Fire or Other Public Calamities; and For Other purposes.”

[9] Rollo, p. 111.

[10] Id., p. 129.

[11] Id, pp. 134-149.

[12] Original Records, p. 140.

[13] Id., p. 39.

[14] Id., p. 40.

[15] Id., p. 19, 133.

[16] Original Records, p. 1

[17] Ibid.

[18] Rollo, p. 12.

[19] Id., p. 264.

[20] Art. 221. Technical rules not binding. - In any proceeding before the Commission or any of the Labor Arbiters, the rules of evidence prevailing in courts of law or equity shall not be controlling and it is the spirit and intention of this Code that the Commission and its members and the Labor Arbiters shall use every and all reasonable means to ascertain the facts in each case speedily and objectively and without regard to technicalities of law or procedure, all in the interest of due process. x x x. (Italics supplied)

[21] Rollo, p. 239.

[22] 178 SCRA 569.

[23] Id, pp. 575-576.

[24] 146 SCRA 446

[25] Id., p. 577.

[26] We quote, with approval the comment of the Solicitor General regarding this matter, as follows:

"The Supplemental Employment Contract is void

Petitioner alleges that private respondent and the foreign employer entered into a Supplemental Employment Contract which provided that private respondent shall be under probation, and the law of Saudi Arabia shall govern the terms and conditions of his employment. Since private respondent allegedly did not pass his probation, he was validly dismissed pursuant to the Supplemental Employment Contract.

The alleged Supplemental Employment Contract was never submitted to the Bureau of Employment Service of the Department of Labor and Employment for evaluation and approval as required by Section 11(a), Rule V of the Omnibus Rules Implementing the Labor Code which reads:

Section 11. Submission of employment contracts. --

‘a) Every private employment agency shall submit to the Bureau, for evaluation and approval, the master employment contract to be used for its recruits and the service/recruitment agreement which shall be written in English and in the language of the country of work whenever necessary.’

Thus, the existence of the Supplemental Employment Contract is doubtful, and if it indeed exists, it is not valid for failure of petitioner to comply with requirements. Moreover, it can not override the main employment agreement which was submitted to and approved by the Department of Labor and Employment." (Rollo, pp. 221-222)

[27] Pakistan International Airlines Corporation vs. Ople, 190 SCRA 99, 103.

[28] Id., pp. 99; 103.

[29] Yap vs. Iniong, 186 SCRA 664.

[30] PNOC-Energy Development Corporation v. National Labor Relations Commission, 201 SCRA 487.

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