

SECOND DIVISION

[G.R. No. 129418, September 10, 1999]

**RODRIGO G. HABANA, PETITIONER VS. NATIONAL LABOR
RELATIONS COMMISSION, OMANFIL INTERNATIONAL
MANPOWER DEVELOPMENT CORPORATION, AND HYUNDAI
ENGINEERING COMPANY, LIMITED, RESPONDENTS.**

D E C I S I O N

BELLOSILLO, J.:

Petitioner Rodrigo G. Habana was hired in January 1995 by private respondent Omanfil International Manpower Development Corporation (OMANFIL) to work for its foreign principal, respondent Hyundai Engineering Company, Ltd. (HYUNDAI), in Sabia, Kuwait. His employment contract was good for two (2) years commencing upon his arrival at his work station on 29 January 1995. However on 6 February 1996, after only one (1) year, HYUNDAI issued a Resignation Notice terminating Habana's employment. Habana was forced to return to the Philippines and, together with one Adjutor P. De Guzman, another dismissed employee, filed a complaint for illegal dismissal against OMANFIL and HYUNDAI.

Summons dated 28 March 1996 was served on private respondents requiring them to file their answer within ten (10) days from receipt thereof. On 10 April 1996, two (2) days beyond the period set in the summons, OMANFIL and HYUNDAI filed a Motion for Bill of Particulars instead of an answer. It alleged that the NLRC *pro-forma* complaint sheet filled up by Habana and De Guzman lacked the required narration of facts constituting the causes of action and other relevant information as to enable private respondents to prepare an intelligent and responsive pleading to the charges and/or money claims of Habana and De Guzman.^[1]

For their part, Habana and De Guzman moved to declare private respondents in default for failure to submit their answer as ordered. Private respondents opposed the motion and reiterated that Habana and De Guzman should file their bill of particulars. The latter however insisted that the Labor Arbiter should first resolve their motion before the case could proceed. Later, the parties agreed to submit their respective motions for the consideration of the Labor Arbiter.^[2]

On 11 June 1996, without waiting for the resolution of the pending motions, complainants filed their bill of particulars which they adopted at the same time as their position paper. OMANFIL and HYUNDAI were furnished a copy thereof by registered mail on the same day. Then on 5 July 1996, the Labor Arbiter rendered a decision in favor of Habana and De Guzman holding that -

x x x x to the date of this decision, respondents have not submitted their answer/position paper. Thus, on motion of complainants, we proceeded to resolve the present case on the basis of complainants' position paper

*and other supporting documents they submitted to support their claims x
x x x*

On appeal, the NLRC in its Resolution of 15 January 1997^[3] vacated and set aside the judgment of the Labor Arbiter and remanded the case to the court of origin for further proceedings. The NLRC held that OMANFIL and HYUNDAI were denied due process, thus -

x x x x while the Labor Arbiter is given the discretion to determine if a hearing is necessary, the discretion must be exercised prudently. Where it appears that such power would result in grave injustice to any or both, by depriving him or them of the fundamental right to due process, we, in the exercise of the power of review, shall act to correct the error. In the case at bar, it is crystal clear that there remain several factual issues that still need to be ventilated, threshed, heard, tried and resolved which are within the competence, original and exclusive jurisdiction of the Labor Arbiter. Certainly, further hearings and appropriate proceedings, which would allow the parties to present witnesses and other documentary evidences, in their respective behalf, or at least for the respondents-appellants to submit their position paper, would also allow the Labor Arbiter to fulfill his duty to ascertain the truth as to the factual issues involved x x x x

In this petition for certiorari Habana^[4] imputes grave abuse of discretion to the NLRC in reversing the Labor Arbiter, arguing that: (a) determination of the necessity of hearing is discretionary on the Labor Arbiter; (b) the subsequent filing by petitioner of his bill of particulars had the effect of abandoning his motion to declare OMANFIL and HYUNDAI in default; and (c) OMANFIL and HYUNDAI received petitioner's Bill of Particulars, hence, they cannot invoke denial of due process.

The sole issue to be resolved is whether private respondents OMANFIL and HYUNDAI were denied due process when the Labor Arbiter decided the case solely on the basis of the position paper and supporting documents submitted in evidence by Habana and De Guzman.

We rule in the affirmative. The manner in which this case was decided by the Labor Arbiter left much to be desired in terms of respect for the right of private respondents to due process -

First, there was only one conciliatory conference held in this case. This was on 10 May 1996. During the conference, the parties did not discuss at all the possibility of amicable settlement due to petitioner's stubborn insistence that private respondents be declared in default.

Second, the parties agreed to submit their respective motions - petitioner's motion to declare respondents in default and private respondents' motion for bill of particulars - for the consideration of the Labor Arbiter. The Labor Arbitration Associate, one Ms. Gloria Vivar, then informed the parties that they would be notified of the action of the Labor Arbiter on the pending motions. The Minutes of the conference show -

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May 10, 1996 - 10:30 a.m.

Respondents submitted a manifestation with motion for the complainants to submit a bill of particulars, copy furnished complainants.

Complainants moved that their motion to declare respondents in default be resolved first by the Labor Arbiter.

Both motions submitted for consideration of the Labor Arbiter.

(Signature of Mr. Habana) 5/10/96

(Signature of Mr. De Guzman)

(Signature of Ms. Borrego)

MA. SHIRLEI M. BORREGO

Representative, OMANFIL (*underscoring supplied*).^[5]

Third, since the conference on 10 May 1996 no order or notice as to what action was taken by the Labor Arbiter in disposing the pending motions was ever received by private respondents. They were not declared in default by the Labor Arbiter nor was petitioner required to submit a bill of particulars.

Fourth, neither was there any order or notice requiring private respondents to file their position paper, nor an order informing the parties that the case was already submitted for decision. What private respondents received was the assailed decision adverse to them.

It is clear from the foregoing that there was an utter absence of opportunity to be heard at the arbitration level, as the procedure adopted by the Labor Arbiter virtually prevented private respondents from explaining matters fully and presenting their side of the controversy. They had no chance whatsoever to at least acquaint the Labor Arbiter with whatever defenses they might have to the charge that they illegally dismissed petitioner. In fact, private respondents presented their position paper and documentary evidence only for the first time on appeal to the NLRC.

The essence of due process is that a party be afforded a reasonable opportunity to be heard and to submit any evidence he may have in support of his defense.^[6] Where, as in this case, sufficient opportunity to be heard either through oral arguments or position paper and other pleadings is not accorded a party to a case, there is undoubtedly a denial of due process.

It is true that Labor Arbiters are not bound by strict rules of evidence and of procedure.^[7] The manner by which Arbiters dispose of cases before them is concededly a matter of discretion. However, that discretion must be exercised regularly, legally and within the confines of due process. They are mandated to use every reasonable means to ascertain the facts of each case, speedily, objectively and without regard to technicalities of law or procedure, all in the interest of justice and for the purpose of accuracy and correctness in adjudicating the monetary awards.

In the instant case, what should have been done by the Labor Arbiter was to rule on the pending motions, or at least notify private respondents that he would no longer