

THIRD DIVISION

[G.R. No. 108625, March 11, 1996]

ALLIANCE OF DEMOCRATIC FREE LABOR ORGANIZATION (ADFLO), PETITIONER, VS. UNDERSECRETARY OF LABOR BIENVENIDO LAGUESMA AND CONFEDERATION OF LABOR AND ALLIED SOCIAL SERVICES (CLASS), RESPONDENTS.

DECISION

PANGANIBAN, J.:

In the instant case, this Court upholds petitioner's right to due process, the most basic tenet of which is the right to be heard.

This is a petition for certiorari and prohibition under Rule 65 of the Rules of Court to review and set aside the Decision^[1] of Respondent Undersecretary of Labor Bienvenido Laguesma, dated October 16, 1992, in Case No. OS-A-12-289-89 cancelling the registration of the Alliance of Democratic Free Labor organization (ADFLO) as a legitimate labor federation; and the Order^[2] dated November 18, 1992 denying the motion for reconsideration.

By a Resolution dated October 25, 1995, the First Division of this Court transferred the above case, along with several others, to the Third. Deliberating on the Petition, and the Comments by the Solicitor General^[3] and the private respondent, this Court, on February 12, 1996, gave due course to the Petition and considered the case submitted for resolution without requiring the parties to submit memoranda. Thereafter, after due consultation and discussion, the case was assigned to undersigned *ponente* for the writing of this Decision.

The Fact

The facts of this case, as set out in the Comment of the Solicitor General filed on June 4, 1993 are not disputed by the private respondent in its own Comment filed on July 29, 1993. They are substantially the same as those stated in the Petition. Narrates the Solicitor General:^[4]

"1. The factual antecedents of this controversy are as follows:

'On 02 March 1988, the Alliance of Democratic Free Labor Organization (ADFLO) filed an application for registration as a national federation alleging, among others that it has twelve (12) affiliates, namely:

A. Affiliate independent unions:

1. Tolly's Employees Association, 220 Brgy. Mapulang Lupa, Valenzuela, Metro Manila

2. Healthknit Garments Workers Association, 2110 Bolinao St., Sta. Cruz, Manila
3. Malayang Manggagawa sa United Asia Weaving and Trimming Manufacturing Corporation, Macopa Road, Malabon, Metro Manila
4. Fireprint Inc. Employees Association, 187 General Mascardo St., Bagong Barrio, Caloocan City.
5. Batangas Lumber Labor Union, Calicantio, Batangas City
6. Clover Manufacturing Corporation, 23-3 Pilaran Cpd., Quezon City
7. Pacific Mills Workers Free Labor Union, 108 Balintawak, Quezon City
8. Ronimart Employees Labor Union, Balibago, Sta. Rosa, Laguna
9. Kapisanan ng mga Manggagawa sa Place Canteen, UST Cpd., UST, Espana, Manila
10. Samahan ng mga Kawani at Manggagawa sa A.V. Tantuco, Bagong Ilog, Pasig, Metro Manila

B. Direct Affiliates

1. VICMAR Theater, Inc., ADFLO Chapter, Batangas City
2. Ricman Enterprises, ADFLO Chapter, Batangas City

After proper evaluation of its application and finding ADFLO to have complied with the requirements for registration pursuant to Articles 234 and 237 of the Labor Code, the Bureau (of Labor Relations) issued on 22 March 1988 a Certificate of Registration No. 11399-FED-LC to the federation.

On 15 February 1989, the Confederation of Labor and Allied Social Services (CLASS) filed a petition for the cancellation of the Registration Certificate issued to ADFLO.

Finding the petition to be in order, the Bureau furnished ADFLO a copy of said petition and directed the latter to file an answer/comment thereon. The Bureau also directed CLASS-TUCP to substantiate its allegations in the petition.

On 11 April 1989, instead of filing an answer, ADFLO moved to dismiss the petition. It alleged that the petition contains merely general allegations that are vague; that petitioner has no cause of action because it failed to substantiate its accusations; that the petition was filed by CLASS-TUCP for the purpose of harassing the respondent in connection with the certification election case pending at Allen Arthur, Inc., wherein CLASS is the incumbent bargaining representative and ADFLO is one of

the contending parties; that ADFLO's financial statement will only become due at the end of April, 1989; and, that the report on the compliance with the requirements on labor education will likewise become due only on (sic) April, 1989.

Petitioner CLASS-TUCP, in its Memorandum dated 26 July 1989, alleged that the documents submitted by ADFLO were simulated. Among the documents are: the minutes of the organizational meetings, list of delegates to the meeting, list of locals/affiliates, the Constitution and By-laws, collective bargaining and the resolution of affiliation of the local unions. In this respect, it pointed out that a visit to the places of operation of the enumerated establishments whose workers are alleged members of unions affiliated with ADFLO with an interview of their respective local officers revealed that the said local officers have never attended nor participated in the ADFLO's organization meeting held on 6 December 1987 at Sampaloc, Manila; that said officers have never participated in the discussion and ratification of ADFLO's Constitution and By-laws and in the election of its national officers.

Petitioner CLASS-TUCP, further averred that the nine (9) resolutions of affiliation all dated 6 December 1987 do not bear the signatures of the members of the Board of Directors and have not been ratified by the general membership of each of the nine (9) unions as required by Article IV, Section 3 of the Constitution and By-laws of ADFLO.

On 07 August 1989, ADFLO was summoned to a conference by the Bureau. In said conference, the Bureau disclosed the seriousness of the charges against ADFLO that may warrant the cancellation of its certificate of registration.

On 15 August 1989, a hearing was conducted and both parties were duly represented. ADFLO manifested that it would move to inhibit the Director of Labor Relations from taking further action over the present petition. It further manifested that it would file its comment to the earlier memorandum filed by CLASS. CLASS, for its part, requested that it be given five (5) days within which to file its objection against the motion to inhibit the Bureau Director.

On 25 August 1989, ADFLO filed its answer, averring that it had complied with all the legal requirements for registration including the affiliation of more than 10 local unions; that it did not commit any fraud or misrepresentation in its application for registration; that it conducted itself as a legitimate labor organization and that the cancellation of its registration certificate which was secured in good faith will violate the Constitutional right of the workers to organize and will deprive the membership of their rights granted by law.

On even date, ADFLO filed a Motion to Inhibit the Bureau Director from hearing and deciding the case on the ground that the Director prejudged the instant petition when she verbally declared that the federation obtained its certificate of registration through fraud and misrepresentation; that the recommendation to hold in abeyance the

election at Allen Arthur, Inc., was based only on her unilateral finding of a prima facie case; that she has shown personal interest in this petition when made personal calls to all locals and affiliates without notice to the respondent, ADFLO' (Resolution of Secretary of Labor Ruben Torres, dated 21 February; Records, Vol. I, pp. 431-435).

2. On November 16, 1990, the Bureau of Labor Relations (BLR), through Director Pura Ferrer-Calleja, rendered a Decision cancelling the registration of ADFLO (*Id.*, Pp. 383-394). ADFLO appealed the Decision to the Secretary of Labor Ruben Torres, who, on February 21, 1990, issued a Resolution, the decretal portion of which reads:

'WHEREFORE, premises considered, the appeal is hereby granted and the Decision of the Director, Bureau of Labor Relations, set aside. Conformably, a new order is entered remanding the case to the Bureau for further proceedings.

Let, therefore, the entire records of the case be immediately forwarded to the Bureau of Labor Relations for implementation of this Order.

SO ORDERED' (*Ibid.*, p. 431; Italics supplied).

3. Private respondent Confederation of Labor and Allied Social Services (CLASS-TUCP) moved for a reconsideration thereof, which was denied for lack of merit in the Order dated May 23, 1990 (*Id.*, p. 524).

4. CLASS then filed a Petition for Certiorari with the Supreme Court, which, on November 5, 1990, was dismissed for lack of merit (*Id.*, p. 563).

5. The first hearing conducted by the BLR after the case was remanded to it for further proceedings was held on October 7, 1991. However, since CLASS was not yet ready with its evidence, the hearing was postponed and CLASS was given a period of ten (10) days to submit its exhibits while ADFLO was given a period of ten (10) days from receipt of copies of the evidence presented within which to comment thereon (*Id.*, p. 566).

6. On October 16, 1991, CLASS filed its Formal Offer of evidence consisting of Exhibits "A" - "R", in support of its allegation that ADFLO committed frauds, misrepresentation and forgeries in the submission of the requirements relative to its registration as a legitimate federation (*Id.*, pp. 625-630).

7. On November 27, 1991, ADFLO filed an Objection to Admission of Exhibits based on the grounds that the exhibits were not marked nor identified by any witness during the hearing of the case where ADFLO had been properly notified (*Id.*, pp. 658-659).

8. In the meantime, at the hearing of the case scheduled on November 27, 1991, CLASS failed to appear and only ADFLO's President Antonio Cedilla appeared. Unaware that an objection had already been filed by ADFLO's counsel, Cedilla manifested that ADFLO will file its answer to CLASS' offer of evidence within thirty (30) days or up to December 27, 1991 (*Id.*, p. 658).

9. Subsequently, however, counsel for CLASS was permitted to write on the minutes of the aforesaid hearing its objection to the "request for extension," invoking its