

CHANROBLES PUBLISHING COMPANY

**SUPREME COURT
THIRD DIVISION**

**CITY FAIR CORPORATION,
represented by its Manager
PATROCINIA G. MANALASTAS,
*Petitioners,***

-versus-

**G.R. No. 95711
April 21, 1995**

**NATIONAL LABOR RELATIONS
COMMISSION (FOURTH DIVISION),
JOCELYN ESCABILLAS, LILIAN
WENCESLAO, LUDIVINA JAYME,
NEMESIA SULTAN, GRACE
PIMENTEL, FLORITA DAYANDAYAN,
Et Al.,**

Respondents.

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DECISION

ROMERO, J.:

This is a Petition for Review on *Certiorari* of the Decision^[1] of the National Labor Relations Commission which modified the decision of the Labor Arbiter in Cebu City by deleting the award of damages to petitioner and the Leyte Farms Industrial Labor and Driver's Organization for lack of factual and legal basis.

Private respondents were sales employees of petitioner City Fair Corporation (City Fair) at its store in Ormoc City. Seven of the private respondents, namely: Jayme, Sultan, Wenceslao, Argomido, Rubenta, Pasculado and Bonsilao, were members of the Leyte Farms Industrial Labor and Driver's Organization (LEFILDO), a labor union with an existing Collective Bargaining Agreement (CBA) with petitioner. Private respondents Escabillas, Pimentel, Gomez, Abata and Dayandayan were members of another union, the Confederation of Labor and Allied Services (CLASS), which lost in a certification election in 1987, but had been paying monthly dues to LEFILDO.

On the last week of May 1989, private respondents were served with termination papers by petitioner for retrenchment purposes, to take effect the end of June 1989. They were informed that all regular workers would be terminated together with all other workers belonging to the unions of LEFILDO and CLASS-TUCP.

When efforts to come to an amicable settlement of the case failed, private respondents staged a strike on June 10, 1989.

On June 23, 1989, petitioner filed a complaint against them for illegal strike with the Labor Arbiter, Dominador Bolok, Jr.

On July 5, 1989, private respondents, in turn filed charges for unfair labor practice, illegal dismissal, money claims and damages against petitioner. LEFILDO also filed, on the following day, a case for illegal strike against private respondents.

All three cases were consolidated by the Labor Arbiter.

On July 6, 1989, petitioner filed an urgent ex-parte motion praying for the removal of obstructions placed by private respondents at the entrance of the residence of the General Manager. On July 7, 1989, the Labor Arbiter ordered the dismantling of the obstructions. On August 5, 1989, the Labor Arbiter appeared at the strike area and ordered private respondents to remove the obstructions but private respondents refused to do so. An argument then ensued between private respondents and the Labor Arbiter.

On August 7, 1989, the Labor Arbiter again issued an order for the removal of the obstructions.

On August 11, 1989, private respondents filed a motion to disqualify the Labor Arbiter on the ground of bias and conduct unbecoming a Labor Arbiter.

On August 22, 1989, the Labor Arbiter denied the motion to disqualify him and on September 14, 1989, he issued a decision, the dispositive portion of which reads:

“WHEREFORE, premises considered, the strike is hereby declared ILLEGAL. Respondents are deemed terminated from their employment with City Fair Corporation, effective 10 June 1989. All benefits are forfeited.

Furthermore, respondents are ordered to pay jointly and severally:

City Fair Corporation	:	P820,000.00
LEFILDO	:	42,000.00

‘NLRC-RAB-VIII No. 7-0409-89, entitled Lilian Wenceslao, et al., vs. City Fair Supermart/Patrocinia G. Manalastas, is hereby dismissed for lack of merit.’

SO ORDERED.”

On appeal, the NLRC ruled:

“WHEREFORE, premises considered the appealed decision is hereby modified in the sense that the award of damages to both complainant City Fair Corporation and Leyte Farms Industrial Labor and Drivers Organization are hereby deleted and set aside for lack of factual and legal basis. The rest of the decision stands.

SO ORDERED.”

Petitioner moved for reconsideration, which was denied.

Hence, this petition.

Petitioner questions the deletion by the NLRC of the award of damages in its favor by the Labor Arbiter. It claims that the Labor Arbiter's decision was supported by the fact that its business operations were paralyzed for two (2) months because of the strike. Petitioner asserts that these facts alone are sufficient basis for the enormous award of damages for the losses incurred by them.

We find petitioner's contentions to be unmeritorious. The alleged losses suffered by the petitioner were never substantially proved, as borne out by the fact that no hearing was conducted and no real evidence was ever presented on the matter. The only thing that appears on record is an unsigned summary of actual and estimated losses, certified by a certified public accountant that he had examined and reviewed the same.

This is not enough. Considering the very large amount of damages awarded, there is need for more convincing evidence to be presented in order to justify the same.

Lastly, we find no grave abuse of discretion on the part of the NLRC, as alleged by petitioner, when it entertained the appeal of private respondents from the decision of the Labor Arbiter, even if it were filed a day late. The facts and circumstances of the case warrant liberality considering the amount and the issue involved. A greater injustice may occur if the said appeal is not given due course than if the reglementary period to appeal were strictly followed. Moreover, proceedings before such agencies as the NLRC need not adhere strictly to technicalities as long as substantive justice is attained.

Under Article 218 (c) of the Labor Code, the NLRC may, in the exercise of its appellate powers, "correct, amend or waive any error, defect or irregularity whether in substance or in form."

Further, Art. 221 of the Labor Code provides that:

"In any proceeding before the Commission or any of the Labor Arbiters, the rules of evidence prevailing in courts of law of

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.”

In *Eastern Shipping Lines Inc. vs. POEA*,^[2] we said “when the conflicting interest of labor and capital are weighed on the scales of social justice, the heavier influence of the latter must be counter-balanced by the sympathy and compassion the law must accord the under-privileged worker.”

We have allowed appeals from the decisions of the Labor Arbiter to the NLRC, even if filed beyond the reglementary period, in the interest of Justice.^[3] Considering that the private respondents in the instant case are mere salesgirls who were trying to obtain better working benefits for themselves, we find no grave abuse of discretion on the part of NLRC when it entertained their appeal from the award of an enormous sum in damages to their employer by the Labor Arbiter.

WHEREFORE, the instant petition is hereby **DISMISSED**.

SO ORDERED.

Feliciano, Vitug and Francisco, JJ., concur.
Melo, J., is on leave.

[1] Rollo, p. 112.

[2] G.R. No. 76633, October 18, 1988.

[3] *Firestone Tire and Rubber Co. vs. Larosa*, 148 SCRA, 191 (1987); *Chong Guan Trading vs. NLRC* 172 SCRA 832 (1989).