SUPREME COURT
THIRD DIVISION

WILLIAM DAYAG, EDUARDO CORTON, EDGARDO CORTON, LEOPOLDO NAGMA, ALOY FLORES, ROMEO PUNAY and EDWIN DAYAG,
***Petitioners*,**

-versus-

G.R. No. 124193
March 6, 1998

HON. POTENCIANO S. CANIZARES, JR., NATIONAL LABOR RELATIONS COMMISSION and YOUNG'S CONSTRUCTION CORPORATION,
***Respondents*.**
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D E C I S I O N

ROMERO, *J.*:

On March 11, 1993, petitioners William Dayag, Edwin Dayag, Eduardo Corton, Edgardo Corton, Leopoldo Nagma, Aloy Flores, and Romeo Punay filed a complaint for illegal dismissal, non-payment of wages, overtime pay, premium pay, holiday pay, service incentive leave, 13th month pay, and actual, moral and exemplary damages against Alfredo Young, a building contractor doing business under the firm name Young's Construction. They filed the complaint with

the National Capital Region Arbitration Branch of the NLRC which docketed the same as NLRC-NCR-Case No. 00-03-01891-93. The case was subsequently assigned to Labor Arbiter Potenciano Canizares, Jr.

Petitioners alleged that they were hired in 1990 by Young to work as tower crane operators at the latter's construction site at Platinum 2000 in San Juan, Metro Manila. In November 1991, they were transferred to Cebu City to work at the construction of his Shoemart Cebu project. Petitioners worked in Cebu until February 1993, except for Punay who stayed up to September 29, 1992 only and Nagma until October 21, 1992.

On January 30, 1993, William Dayag asked for permission to go to Manila to attend to family matters. He was allowed to do so but was not paid for the period January 23-30, 1993, allegedly due to his accountability for the loss of certain construction tools. Eduardo Corton had earlier left on January 16, 1993, purportedly due to harassment by Young. In February 1993, Edgardo Corton, Aloy Flores and Edwin Dayag also left Cebu for Manila, allegedly for the same reason. Thereafter, petitioners banded together and filed the complaint previously mentioned.

Instead of attending the initial hearings set by the labor arbiter, Young filed, on July 6, 1993, a motion to transfer the case to the Regional Arbitration Branch, Region VII of the NLRC. He claimed that the workplace where petitioners were regularly assigned was in Cebu City and that, in consonance with Section 1(a) of Rule IV of the New Rules of Procedure of the NLRC,[1] the case should have been filed in Cebu City. Young submitted in evidence a certificate of registration of business name showing his company's address as "Corner Sudlon-España Streets, Pari-an, Cebu City"; its business permit issued by the Office of the Mayor of Cebu City and a certification by the Philippine National Police Cebu City Police Station[2] that petitioners had been booked therein for qualified theft upon the complaint of Young's Construction.

Petitioners opposed the same, arguing that all of them, except for Punay, were, by that time, residents of Metro Manila and that they could not afford trips to Cebu City. Besides, they claimed that

respondent had its main office at Corinthian Gardens in Quezon City. Young, in reply, declared that the Corinthian Gardens address was not his principal place of business, but actually his residence, which he also used as a correspondent office for his construction firm.

Agreeing that petitioners' workplace when the cause of action accrued was Cebu City, the labor arbiter, on September 8, 1993, granted Young's motion and ordered the transmittal of the case to the regional arbitration branch of Region VII. Petitioners promptly appealed said order to the NLRC, which, however, dismissed the same on January 31, 1995, for lack of merit.

Citing Nestle Philippines, Inc. vs. NLRC[2] and Cruzvale, Inc. vs. Laguesma,[3] petitioners moved for a reconsideration of the January 31, 1995 resolution of the Commission. Acting favorably on said motion, the Commission, on August 25, 1995, annulled and set aside its resolution of January 31, 1995, and remanded the case to the original arbitration branch of the National Capital Region for further proceedings. This prompted Young, in turn, to file his own motion for reconsideration seeking the reversal of the August 25, 1995 resolution of the Commission. Finding the two above-cited cases to be inapplicable to instant case, the Commission made a volte-face and reconsidered its August 25, 1995 resolution. It reinstated the resolution of January 31, 1995, directing the transfer of the case to Cebu City. In addition, it ruled that no further motion of a similar nature would be entertained. Hence, the recourse to this Court by petitioners, who raise the following as errors:

1. THE LABOR ARBITER A QUO ERRED IN ISSUING THE DISPUTED ORDER DATED SEPTEMBER 8, 1993 WHEN, OBVIOUSLY, THE SAID MOTION TO TRANSFER VENUE WAS FILED IN VIOLATION OF SECTIONS 4 AND 5 OF RULE 15 OF THE REVISED RULES OF COURT.

2. PUBLIC RESPONDENTS ERRED IN ISSUING THE DISPUTED JUDGMENT WHEN, OBVIOUSLY, THE RESPONDENT, BY FILING ITS POSITION PAPER, HAS WAIVED ITS RIGHT TO QUESTION THE VENUE OF THE INSTANT CASE.

3. THE PUBLIC RESPONDENTS ERRED IN CONCLUDING THAT THE WORKPLACE OF THE COMPLAINANTS IS AT CEBU CITY AND IN DECLARING THAT THE PROPER VENUE IS AT CEBU CITY.

Petitioner contends that the labor arbiter acted with grave abuse of discretion when it entertained Young's motion to transfer venue since it did not specify the time and date when it would be heard by the labor arbiter. They raise the suppletory application of the Rules of Court, specifically Sections 4 and 5 of Rule 15,[4] in relation to Section 3 of Rule I of the New Rules of Procedure of the NLRC, in support of their contention.

We find no merit in petitioners' argument. In a long line of decisions,[5] this Court has consistently ruled that the application of technical rules of procedure in labor cases may be relaxed to serve the demands of substantial justice. As provided by Article 221 of the Labor Code "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." Furthermore, while it is true that any motion that does not comply with the requirements of Rule 15 should not be accepted for filing and, if filed, is not entitled to judicial cognizance, this Court has likewise held that where a rigid application of the rule will result in a manifest failure or miscarriage of justice, technicalities may be disregarded in order to resolve the case. Litigations should, as much as possible, be decided on the merits and not on technicalities.[6] Lastly, petitioners were able to file an opposition to the motion to transfer venue which, undisputedly, was considered by the labor arbiter when he issued the disputed order of September 8, 1993. There is, hence, no showing that petitioners have been unduly prejudiced by the motion's failure to give notice of hearing.

Given the foregoing, it seems improper to nullify Young's motion on a mere technicality. Petitioners' averments should be given scant consideration to give way to the more substantial matter of equitably determining the rights and obligations of the parties. It need not be

emphasized that rules of procedure must be interpreted in a manner that will help secure and not defeat justice.[7]

Likewise, petitioners harp on Young's so-called "waiver" of his right to contest the venue of the instant case. They argue that Young is estopped from questioning the venue herein as his motion to transfer venue was actually a position paper, a close scrutiny of the same purportedly showing that he admitted and denied certain allegations found in petitioners' complaint.

Petitioners' contention rings hollow. Even if the questioned motion was at the same time a position paper, Section 1(c) of Rule IV provides: "(w)hen improper venue is not objected to before or at the time of the filing of position papers, such question shall be deemed waived" (Emphasis supplied). Consequently, there is no waiver of improper venue if a party questions venue simultaneously with the filing of a position paper. Moreover, nowhere in the New Rules of Procedure of the NLRC is there a requirement that a party must object solely to venue, on penalty of waiving the same. In fact, Section 1(d) provides that:

> "The venue of an action may be changed or transferred to a different Regional Arbitration Branch other than where the complaint was filed by written agreement of the parties or when the Commission or Labor Arbiter before whom the case is pending so orders, upon motion by the proper party in meritorious cases" (Emphasis supplied).

Young's acts are in consonance with this provision, for he seasonably made representations to transfer the venue of the action in the proper motion.

Finally, while it is true that objections to venue are deemed waived if the respondent, through conduct, manifests satisfaction with the venue until after the trial, or abides by it until the matter has proceeded to a hearing,[8] no waiver of the defense of venue on the ground of estoppel by conduct can be attributed to Young, who consistently and persistently contested the same even before trial.

Similarly, petitioners' reliance on Nestle[9] and Cruzvale[10] is likewise misplaced. While Nestle ruled that Rule IV of the New Rules of Procedure of the NLRC does not constitute a complete rule on venue in cases cognizable by labor arbiters, Section 2, Rule 4 of the Rules of Court[11] having suppletory effect, it also held that the foregoing provision of the Rules of Court applies only where the petitioners are labor unions or where a single act of an employer gives rise to a cause of action common to many of its employees working in different branches or workplaces of the former. It is not denied that petitioners herein are not represented by a union; nor were they assigned to different workplaces by Young. Likewise, Cruzvale is inapplicable to the case at bar, the issue involved therein being the propriety of the DOLE Region IV Office's taking cognizance of a petition for certification election when the company's place of business was in Cubao, Quezon City, while the workplace of the petitioning union was elsewhere. The instant case does not involve any certification election; nor are the workplace of the employees and place of business of the employer different.

Young cannot, however, derive comfort from the foregoing, this petition having been overtaken by events. In the recent case of Sulpicio Lines, Inc. vs. NLRC[12] this Court held that the question of venue essentially pertains to the trial and relates more to the convenience of the parties rather than upon the substance and merits of the case. It underscored the fact that the permissive rules underlying provisions on venue are intended to assure convenience for the plaintiff and his witnesses and to promote the ends of justice. With more reason does the principle find applicability in cases involving labor and management because of the doctrine well-entrenched in our jurisdiction that the State shall afford full protection to labor. The Court held that Section 1(a), Rule IV of the NLRC Rules of Procedure on Venue was merely permissive. In its words:

> "This provision is obviously permissive, for the said section uses the word 'may,' allowing a different venue when the interests of substantial justice demand a different one. In any case, as stated earlier, the Constitutional protection accorded to labor is a paramount and compelling factor, provided the venue chosen is not altogether oppressive to the employer."

The rationale for the rule is obvious. The worker, being the economically-disadvantaged party — whether as complainant/petitioner or as respondent, as the case may be, the nearest governmental machinery to settle the dispute must be placed at his immediate disposal, and the other party is not to be given the choice of another competent agency sitting in another place as this will unduly burden the former.[13] In fact, even in cases where venue has been stipulated by the parties, this Court has not hesitated to set aside the same if it would lead to a situation so grossly inconvenient to one party as to virtually negate his claim. Again, in Sulpicio Lines, this Court, citing Sweet Lines vs. Teves,[14] held that:

> "An agreement will not be held valid where it practically negates the action of the claimant, such as the private respondents herein. The philosophy underlying the provisions on transfer of venue of actions is the convenience of the plaintiffs as well as his witnesses and to promote the ends of justice. Considering the expense and trouble a passenger residing outside Cebu City would incur to prosecute a claim in the City of Cebu. he would probably decide not to file the action at all. The condition will thus defeat, instead of enhance, the ends of justice. Upon the other hand, petitioner had branches or offices in the respective ports of call of the vessels and could afford to litigate in any of these places. Hence, the filing of the suit in the CFI of Misamis Oriental, as was done in the instant case will not cause inconvenience to, much less prejudice petitioner."

In the case at hand, the ruling specifying the National Capital Region Arbitration Branch as the venue of the present action cannot be considered oppressive to Young. His residence in Corinthian Gardens also serves as his correspondent office. Certainly, the filing of the suit in the National Capital Region Arbitration Branch in Manila will not cause him as much inconvenience as it would the petitioners, who are now residents of Metro Manila, if the same was heard in Cebu. Hearing the case in Manila would clearly expedite proceedings and bring about the speedy resolution of instant case.

WHEREFORE, premises considered, the resolution of February 12, 1996, of public respondent NLRC, transferring the instant case to the

Seventh Regional Arbitration Branch, Cebu City, is **SET ASIDE**. Instead, its resolution dated August 25, 1995, remanding the case to the Arbitration Branch of Origin, is hereby **REINSTATED** and **AFFIRMED**.

SO ORDERED.

Narvasa, *C.J.*, Kapunan and Purisima, *JJ.*, concur.

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[1] Section 1. Venue. — (a) All cases which Labor Arbiters have authority to hear and decide may be filed in the Regional Arbitration Branch having jurisdiction over the workplace of the complainant/petitioner.
For purposes of venue, workplace shall be understood as the place or locality where the employee is regularly assigned when the cause of action arose. It shall include the place where the employee is supposed to report back after a temporary detail, assignment or travel. In the case of field employees, as well as ambulant or itinerant workers, their workplace is where they are regularly assigned. or where they are supposed to regularly receive their salaries/wages or work instructions from, and report the results of their assignment to, their employers.

[2] 209 SCRA 834 (1992).

[3] 238 SCRA 389 (1994).

[4] Section 4. Hearing of Motion. — Except for motions which the court may act upon without prejudicing the rights of the adverse party, every written motion shall be set for hearing by the applicant.
Every written motion required to be heard and the notice of the hearing thereof shall be served in such a manner as to ensure its receipt by the other party at least three (3) days before the date of the hearing, unless the court for good cause sets the hearing on shorter notice.
Section 5. Notice of hearing. — The notice of hearing shall be addressed to all parties concerned, and shall specify the time and date of the hearing which must not be later than ten (10) days after the filing of the motion.

[5] Lopez, Jr. vs. NLRC, 245 SCRA 644 (1995); Philippine-Singapore Ports Corp. vs. NLRC, 218 SCRA 77 (1993); Sadol vs. Pilipinas Kao, Inc., 186 SCRA 491 (1990); PT & T Corporation vs. NLRC, 183 SCRA 451 (1990); Ford Philippines Salaried Employees Association vs. NLRC, 156 SCRA 284 (1987).

[6] People vs. Leviste, 255 SCRA 238 (1996).

[7] El Toro Security Agency, Inc. vs. NLRC, 256 SCRA 363 (1996).

[8] 92 C.J.S., p. 774.

[9] Supra, Note 3.

[10] Supra, Note 4.

[11] Section 2. Venue of personal actions. — All other actions may be commenced and tried where the plaintiffs or any of the principal plaintiffs resides, or where the defendant or any of the principal defendants resides, or in the case of a non-resident defendant where he may be found, at the election of the plaintiff.
[12] 254 SCRA 506 (1996).
[13] Supra, Note 3.
[14] 83 SCRA 361 (1978).