SUPREME COURT
FIRST DIVISION

LBC AIRCARGO, INC.,
***Petitioners*,**

-versus-

G.R. No. 81815
October 3, 1990

NATIONAL LABOR RELATIONS COMMISSION, TRINA APUNGAN, ELSIE JAMILI, JUDITH JOCAME, EMMA SIGLOS and WILFREDO DUMARAN,
***Respondents*.**
x----------x

D E C I S I O N

NARVASA, *J.*:

An Arbiter's carelessly drafted Decision and the respondent Commission's undiscriminating acceptance and affirmance thereof despite its self-contradictory terms, have unnecessarily given rise to the certiorari proceedings at bar.

On July 15, 1980, Assistant Regional Director Dante Ardivilla approved the application of LBC Aircargo, Inc. dated March 7, 1980 to terminate the services of five employees in its Bacolod Branch to prevent further financial losses already being incurred. The approval

was based on a Summary Investigative Report submitted on July 10, 1980 by a member of the MOLE Special Task Force, who received evidence on the application.

The five employees (private respondents herein) moved for reconsideration of Ardivilla's Order, contending that there were serious errors in its findings of fact; that the financial statements submitted by the applicant employer were inaccurate; and that as employees, they were at a disadvantage in the proceedings since they had no access to LBC's records and lacked financial means to retain counsel. Ardivilla referred the case to the Office of the Minister of Labor in Manila.

On September 26, 1984, Deputy Minister Vicente Leogardo, Jr. issued an order: (1) setting aside Ardivilla's approval of LBC's application for termination of the services of its five employees, there being, in his view, factual and legal issues which had not been fully threshed out in the original proceedings; and (2) remanding the case to the Arbitration Unit of the Bacolod District Office for compulsory arbitration (as RAB-IV Case No. 0484-84).

The case was assigned to Labor Arbiter Jose Aguirre, Jr. Nothing eventful transpired in the case over the next two years, however; hearing appeared to have simply been reset, more often than not at the instance of counsel for the employees.

In December, 1986, the case was re-assigned to Labor Arbiter Calixto A. Valaquio. At the hearing on February 6, 1987, the employees' counsel moved that the case be deemed submitted for decision on the basis of the pleadings already filed. Arbiter Valaquio then rendered a decision on February 27, 1987.

The decision inter alia adverted to the no little delay evidently caused by the employees' counsel, which had elicited a warning from the Arbiter that he would dismiss the case if the employees failed to appear in June, 1985. The decision pertinently reads as follows (italics, and parenthetical insertions supplied):

> "The first scheduled hearing was set February 22, 1985, however, counsel for oppositors (employees) moved for

> resetting alleging among others that he had not met some of the oppositors since their whereabouts are unknown considering that this is a 1980 case. On May 1985, this office issued an order warning oppositors (employees) to appear on June 1985 otherwise the instant case will be dismissed.
>
> "As things stand, the case is back to square one. If ever the case was indorsed, it was because of the need of compulsory arbitration regarding some vital aspect of the case. In moving for resolution based on the pleadings, one thing is clear, oppositors (employees) do not wish to present additional evidence. Under these circumstances, we have no other alternative but to dismiss the case.
>
> "WHEREFORE, for failure to prosecute and/or lack of interest, the instant case is hereby ordered dismissed."

The decision is regrettably imprecise; its meaning is not, however, entirely undiscoverable.

It says, clearly enough, that (a) the employees had the burden of presenting "additional evidence" to refute the facts found to exist in the Ardivilla decision — which facts had been declared as adequate to authorize termination of the employees' services on the ground of retrenchment — but (b) their counsel had procrastinated, and finally, by moving to submit the case "for resolution based on the pleadings," had made clear that the oppositors (employees) did "not wish to present (such) additional evidence." The logical conclusions from these premises are (a) the employees' forfeiture of their right to so present additional evidence, and (b) the resulting failure to establish any ground to modify the Ardivilla decision (declaring that facts had been established justifying the employees' separation from the service).

These were not the conclusions drawn, however. Instead, Arbiter Valaquio opted "to dismiss the case." Valaquio thus uttered a paradox. While his decision states that the oppositors (employees) had failed to present evidence to prove erroneous the grant of their employer's application to dismiss them, it orders the dismissal of the latter's application! In other words, the Valaquio decision penalizes

the applicant (employer) for the oppositor's (employees') failure to disprove the former's proofs, which had been accepted and accorded due credit in the original decision of Assistant Regional Director Ardivilla.

Not unexpectedly, the employees soon tried to take advantage of the ambiguity in the Valaquio decision. About a month after its promulgation, or on March 27, 1987, the employees filed a motion opining that since the Valaquio directive "to dismiss the case" imported the dismissal, not of their opposition to their employer's application to terminate their services on the ground of financial losses, but of the application itself; and since this, in turn, was an implicit pronouncement of the lack of merit in the employer's claim, their reinstatement and the payment to them of back wages should be decreed.

The matter was elevated to the NLRC which promulgated a decision on September 30, 1987 commanding the reinstatement of the employees with back wages. It said, "With the dismissal of the application to terminate the oppositors, it necessarily follows that the ground relied upon by the applicant, which is retrenchment to prevent further losses, was not justified. This, in effect, will entitle the oppositors to reinstatement with backwages." The ruling was explained further by the NLRC in a Resolution denying the employer's motion for reconsideration, viz.:

> "The Labor Arbiter having dismissed the case for failure to prosecute or lack of interest, he failed to thresh out the factual and legal issues ordained by Deputy Minister Leogardo. Failing in this, how can we resurrect the grant of clearance already set aside by Leogardo. There being no legal and factual basis for the grant of clearance, the consequence would be to dismiss the case and reinstate the workers, as we have directed in our previous decision."

It ordered, however, that the separation pay already accepted by the employees should be deducted from the back wages due to them from their employer.

This decision of September 30, 1987, and the resolution dated December 29, 1987 denying reconsideration thereof, are now subject of the special civil action of certiorari at bar.

The error in the decision is palpable and the prejudice to the petitioner, undeniable, as a review of the material facts at once discloses.

The petitioner had applied for leave to terminate the employment of the five respondents, avowing it was constrained to do so by financial losses. It presented evidence in substantiation of its application. The evidence was found sufficient by the Regional Director who accordingly granted the application. The employees questioned the Director's findings, claiming they had been prevented by reasons beyond their control from presenting evidence to refute the facts established by their employer's proofs. The Deputy Labor Minister found merit in their plea and referred the case to a Labor Arbiter for reception of the employees' evidence on certain factual issues which had not been fully threshed out in the original proceedings. That the purpose of this second hearing was chiefly to accord the employees an opportunity to adduce evidence to overthrow the factual foundations of the employer's application to dismiss them, which, as aforestated, had been pronounced meritorious by the Regional Director, seems evident; and it was apparently so understood by the Labor Arbiter and the parties. However, in the proceedings before the Labor Arbiter, the employees' lawyer failed to present evidence notwithstanding more than sufficient time and opportunity granted to him by the Labor Arbiters. The lawyer was in fact warned by the Arbiter. The warning went unheeded. Eventually, the lawyer submitted the case for resolution without having presented any additional evidence.

Given these undisputed facts, demonstrating the employees' unwillingness or inability, and ultimate omission, to present evidence, as they were expected to, to controvert the claim of financial losses of their employer (justifying their separation from employment), the indicated disposition could not be more obvious: NOT the dismissal of the employer's application for termination of employment of the oppositors (employees), but the dismissal or overruling of the latter's opposition and the waiver of their invoked

right to ventilate the factual and legal issues which, according to them, they had failed to deal with in the original proceedings. It is in this sense that the Arbiter's carelessly drafted decision dismissing "the case" should therefore have been construed and considered by the respondent Commission. It could not and should not have been read as overthrowing the original Ardivilla grant of the application to terminate employment, since no proof or argument whatever had been presented to support such an overthrow, or to justify a conclusion that the employer's evidence accepted in said Ardivilla decision had somehow lost cogency.

The lesson here, of course, is that judges and arbiters should draw up their decision and resolutions with due care, and make certain that they truly and accurately reflect their conclusions and equally as importantly, their final dispositions. As pointed out in the opening paragraph of this opinion, the controversy could have been resolved more quickly had there been more attention to the drafting of the resolution following, and resulting from, the inability of the oppositors (employees) to present additional evidence of their contentions. As it is, the controversy has been unnecessarily prolonged.

WHEREFORE, the Court Resolved to **NULLIFY AND SET ASIDE** the respondent Commission's Decision dated September 30, 1987, declaring said Commission's interpretation of the Valaquio decision and its reading of the relevant facts to be so seriously in error as to amount to grave abuse of discretion, and to **REAFFIRM AND UPHOLD** the Ardivilla Decision dated July 15, 1980 which has not been shown to be erroneous by evidence duly presented for the purpose.

SO ORDERED.

Cruz, Gancayco, Griño-Aquino and Medialdea, *JJ.*, concur.