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SUPREME COURT
FIRST DIVISION

LAWIN SECURITY SERVICES, INC., JUAN C. ABAGA, EDWIN V. ETCOBANEZ, ARSENIO A. GODOY, ANTERO O. OALIN JR., RICARDO G. SANTOS, EMILIO J. MAZO, JUANITO S. SOBREDILLA, ANTONIO BOLANIO, ANICETO B. BELARMINO, FLORENCIO H. CIDRO, SALVADOR P. AGUILAR and ANTONIO B. BRUTAS,
***Petitioners*,**

-versus- **G.R. No. 118536**
June 9, 1997

NATIONAL LABOR RELATIONS COMMISSION (First Division) and ALLIED INTEGRATED STEEL CORPORATION,
***Respondents*.**
x---x

D E C I S I O N

BELLOSILLO, *J*.:

LAWIN SECURITY SERVICES, INC. (LAWIN), entered into a contract for security services with Allied Integrated Steel Corporation

(ALLIED). Petitioners Juan C. Abaga, Edwin V. Etcobanez, Arsenio A. Godoy, Antero O. Oalin Jr., Ricardo G. Santos, Emilio J. Mazo, Juanito S. Sobredilla, Antonio Bolanio, Aniceto B. Belarmino, Florencio H. Cidro, Salvador P. Aguilar and Antonio B. Brutas were security guards posted by petitioner LAWIN in the premises of ALLIED. During the pendency of the contract, various wage increases were decreed under Wage Order Nos. 4, 5 and 6, E.O. Nos. 178-A and 178-B as well as under R.A. Nos. 6640 and 6727. Pursuant therewith, requests for wage adjustments were made by petitioners on respondent company but the same were not granted. Thus petitioners[1] were constrained to bring the matter before the Labor Arbiter.

Respondent ALLIED assailed the jurisdiction of the Labor Arbiter on the ground of absence of employer-employee relationship between it and the security guards as it claimed that the latter were employees of petitioner LAWIN. It advanced the view that what was involved in the instant case was a breach of contract properly cognizable by the regular courts.

The Labor Arbiter on the other hand insisted on his authority and competence to pass upon the controversy, invoking Sec. 5, par. B, of the Rules Implementing Wage Order No. 6[2] and Arts. 107[3] and 109[4] of the Labor Code. He opined that wage increases should be granted taking into account the contract between petitioner LAWIN and respondent ALLIED and that the individual complainants were the ones assigned to secure the premises of ALLIED. On 29 June 1992 ALLIED was thus ordered to pay the individual complainants wage adjustments for services rendered from 14 December 1987 to 28 February 1990 in the total amount of P195,560.56.[5]

On appeal by ALLIED, respondent NLRC observed that the procedure adopted by the complainants was not in accord with its rules since they should have instituted the action against both petitioner LAWIN and respondent ALLIED as direct and indirect employers, respectively, or against petitioner LAWIN only and for the latter to file a third-party complaint against ALLIED. Nevertheless, respondent NLRC did not find the infirmity fatal as to warrant its outright dismissal. After all, the complaint was geared towards the objective of enforcing the rights of the individual complainants under

existing labor standard laws. Thus on 28 February 1994 respondent NLRC affirmed the award of the Labor Arbiter.[6]

ALLIED moved for reconsideration anchored on its primary claim that not all the individual complainants were assigned to it and those who were properly assigned rendered work only on an intermittent basis. ALLIED attached to its motion the service records of the individual complainants as Annexes “B” to “DD,” inclusive.

Petitioners opposed the motion claiming that respondent NLRC’s resolution was already final and executory.

Respondent NLRC found the opposition untenable because a verification of the records disclosed that copy of its subject resolution was served on the security guard of the building where ALLIED’s counsel had his office. Therefore, the service was improper and the 10-day period within which the aggrieved party could avail of the remedies provided for by its rules had not commenced to run. As for the merits of the motion, respondent NLRC was swayed to change its prior stand —

> There may have been some lapses on the part of the respondent in having failed to present its documentary evidence below as it anchored its defense solely on the alleged lack of jurisdiction of the Commission, nevertheless, in the interest of substantial justice and equity, it behooves Us to relax the application of technicalities.[7]

Thus on 26 September 1994 respondent NLRC set aside its 28 February 1994 resolution as well as the 29 June 1992 decision of the Labor Arbiter. It ordered that the case be remanded to the Labor Arbiter for further proceedings.[8] Petitioners sought reconsideration but was denied on 28 November 1994.[9]

Petitioners impute grave abuse of discretion on respondent NLRC in having acted favorably on respondent company’s motion for reconsideration. Petitioners argue that prior to the filing of respondent company’s motion for reconsideration there was already an entry of judgment of the resolution subject thereof and, therefore, respondent NLRC no longer had jurisdiction to take any further

action except to cause its execution. They argue next that the evidence to be presented by respondent company in the second proceedings before the Labor Arbiter constitutes forgotten evidence which cannot serve as justification for granting retrial or new trial.

We are not persuaded. Section 4, Rule 13 of the Rules of Court, which is suppletory to the rules of respondent NLRC, provides —

> Sec. 4. Personal Service. — Service of the papers may be made by delivering personally a copy to the party or his attorney, or by leaving it in his office with his clerk or with a person having charge thereof . If no person is found in his office, or his office is not known, then by leaving the copy, between the hours of eight in the morning and six in the evening, at the party's or attorney's residence, if known, with a person of sufficient discretion to receive the same. (Emphasis supplied)

In Adamson Ozanam Educational Institution, Inc. vs. Adamson University Faculty and Employees Association,[10] which was correctly relied upon by respondent NLRC, this Court applied the aforementioned rule and explained that —

> Under the foregoing rule, service of papers should be delivered personally to the attorney or by leaving it (sic) at his office with his clerk or with a person having charge thereof. The service of the court's order upon any person other than the party's counsel is not legally effective.[11] Where the copy of the decision is served on a person who is neither a clerk or one in charge of the attorney's office, such service is invalid and the decision does not therefore become executory.[12] The security guard of the building where the attorney is holding office is neither the office clerk nor a person in charge thereof as contemplated in the rules. (Emphasis supplied)

And so it was in the present case. The service of subject resolution on the security guard of the building where the counsel for respondent company was holding office was an invalid service. Consequently, the period after which the resolution would have become final and executory[13] had not commenced to run. On this basis, the entry of

judgment was patently erroneous and respondent NLRC was still vested with jurisdiction to entertain respondent company's motion for reconsideration. Article 221 of the Labor Code provides —

> Art. 221. Technical rules not binding and prior resort to amicable settlement. — In any proceeding before the Commission or any of the Labor Arbiters, the 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.

In Philippine Telegraph and Telephone Corporation vs. NLRC[14] petitioner submitted on appeal to respondent NLRC uncontradicted evidence showing payment to private respondent of his holiday pay and rest day pay and his non-entitlement to incentive leave pay due to his enjoyment of vacation leave privileges. Such evidence was however rejected by respondent NLRC on the rationalization that it was not presented at the first opportunity, presumably when the case was pending with the Labor Arbiter. Respondent NLRC's action did not merit our approval —

> The belated presentation of the evidence notwithstanding, respondent commission should have considered them just the same. As correctly pointed out by the Solicitor General technical rules of evidence are not binding in labor cases. Labor officials should use every and reasonable means to ascertain the facts in each case speedily and objectively, without regard to technicalities of law or procedure, all in the interest of due process.
>
> Thus, even if the evidence was not submitted to the labor arbiter, the fact that it was duly introduced on appeal to respondent commission is enough basis for the latter to have been more judicious in admitting the same, instead of falling back on the mere technicality that said evidence can no longer be considered on appeal. Certainly, the first course of action

> would be more consistent with equity and the basic notions of fairness.

Along the same line, we ruled in Bristol Laboratories Employees' Association-DFA vs. NLRC[15] that —

> Procedural technicalities do not strictly apply to proceedings before labor arbiters for they may avail themselves of all reasonable means to speedily ascertain the facts of a controversy (Art. 221, Labor Code).
>
> No grave abuse of discretion may be attributed to the NLRC for having considered additional documentary evidence submitted by the respondent-employer on appeal, to prove breach of trust and loss of confidence as bases for the dismissal of the petitioner.
>
> Even in the earlier cases of Firestone Filipinas Employees Association vs. Firestone Tire and Rubber Company of the Philippines[16] and Philippine Maritime Industrial Union vs. Court of Industrial Relations[17] we reaffirmed the well-settled doctrine that in labor cases before this Tribunal no undue sympathy is to be accorded to any claim of a procedural misstep, the idea being that its powers should be exercised according to justice and equity and the substantial merits of the controversy.

It is noteworthy that petitioners' unyielding stance to respondent NLRC's order for further proceedings is in fine anchored on respondent company's non-observance of procedural rules. Yet it would be more in keeping with the directive of Art. 221 for us to sustain the NLRC. Technicality should not be allowed to stand in the way of equitably and completely resolving the rights and obligations of the parties,[18] especially considering the primary claim of respondent company, supported by evidence, that not all the individual complainants were assigned to it and those who were actually assigned worked only on an intermittent basis. Respondent NLRC was no less emphatic —

> As in this case, the complainants appear to have been unduly awarded with wage differentials. It would be the height of injustice as it would undoubtedly amount to unjust enrichment if the Commission will opt to remain silent and refuse to correct itself even after having been made aware of certain material facts which, if taken cognizance of, would substantially change the original judgment.[19]

While the Constitution is committed to the policy of social justice and the protection of the working class, it should not be supposed that every labor dispute will be automatically decided in favor of labor. Management has also its own rights which are equally entitled to respect and enforcement in the interest of simple fair play. Out of its concern for those with less in life, this Court has inclined more often than not toward the worker and has upheld his cause in his conflicts with his employer. Such partiality for labor however has not in any way diminished our belief that justice is in every case for the deserving, to be dispensed in the light of the established facts and the applicable law and doctrine.[20] Hence, absent any showing of grave abuse of discretion, certiorari will not lie against respondent NLRC.

WHEREFORE, the petition is **DISMISSED**. The Resolution of respondent National Labor Relations Commission of 26 September 1994 ordering the remand of the case to the Labor Arbiter for further proceedings as well as the Resolution of 28 November 1994 denying reconsideration is **AFFIRMED**.

SO ORDERED.

Vitug, Kapunan and Hermosisima Jr., *JJ*., concur.
Padilla, *J*., is on leave.

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[1] Rodrigo A. de los Reyes, another security guard, was also a complainant but is not a party herein.

[2] Sec. 5, par. B, of the Rules Implementing Wage Order No. 6 provides: In the case of contracts of security, janitorial and/or similar services, the increase in the minimum wage and allowance rates of the workers shall be borne by the principal or client of the service contractor and the contract shall be deemed amended accordingly . . .

[3] Art. 107 of the Labor Code provides: Indirect employer. — The provisions of the immediately preceding Article shall likewise apply to any person, partnership, association or corporation which, not being an employer, contracts with an independent contractor for the performance of any work, task, job or project.
[4] Art. 109 of the Labor Code provides: Solidary liability. — The provisions of existing laws to the contrary notwithstanding, every employer or indirect employer shall be held responsible with his contractor or subcontractor for any violation of any provision of this Code. For purposes of determining the extent of their civil liability under this Chapter, they shall be considered as direct employers.
[5] Penned by Labor Arbiter Cornelio L. Linsangan; Rollo, pp. 42-44.
[6] Penned by Commissioner Alberto R. Quimpo with the concurrence of Presiding Commissioner Bartolome S. Carale and Commissioner Vicente S.E. Veloso; Rollo, p. 60.
[7] Rollo, p. 15.
[8] Id., pp. 15-16.
[9] Id., pp. 19-20.
[10] G.R. No. 86819, 9 November 1989, 179 SCRA 279.
[11] Citing Vecino vs. Court of Appeals, No. L-38612, 29 March 1977, 76 SCRA 98.
[12] Citing Tuazon vs. Molina, G.R. No. 55697, 26 February 1981, 103 SCRA 365.
[13] Art. 223 of the Labor Code, as amended by Sec. 12, R.A. 6715.
[14] G.R. No. 80600, 21 March 1990, 183 SCRA 451.
[15] G.R. No. 87974, 2 July 1990, 187 SCRA 118.
[16] No. L-37952, 10 December 1974, 61 SCRA 339.
[17] No. L-37003, 23 October 1974, 60 SCRA 287.
[18] Rapid Manpower Consultants, Inc. vs. National Labor Relations Commission, G.R. No. 88683, 18 October 1990, 190 SCRA 747.
[19] See Note 7.
[20] Sosito vs. Aguinaldo Development Corporation, No. L-48926, 14 December 1987, 156 SCRA 392.

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