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**SUPREME COURT  
FIRST DIVISION**

**FEM'S ELEGANCE LODGING HOUSE,  
FENITHA SAAVEDRA and IRIES  
ANTHONY SAAVEDRA,**  
*Petitioners,*

*-versus-*

**G.R. Nos. 117442-43  
January 11, 1995**

**The Honorable LEON P. MURILLO,  
Labor Arbiter, Regional Arbitration  
Branch, Region X, National Labor  
Relations Commission, Cagayan de Oro  
City, ALFONSO GALLETTO, GEORGE  
VEDAD, ROLAND PANTONIAL,  
REYNALDO DELAORAO, FELICISIMO  
BAQUILID, CECILIO SAJOL, ANNABEL  
CASTRO, BENJAMIN CABRERA,  
RHONDEL PADERANGA, ZENAIDA  
GUTIB, AIDA IMBAT and MARIA  
GRACE ATUEL,**

*Respondents.*

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**RESOLUTION**

**QUIASON, J.:**

This is a petition for certiorari under Rule 65 of the Revised Rules of Court with temporary restraining order to reverse and set aside the Order dated September 21, 1994 of the Labor Arbiter in the NLRC RAB X Cases Nos. 10-04-00232 (-00233)-94.

Petitioner FEM's Elegance Lodging House is a business enterprise engaged in providing lodging accommodations. It is owned by petitioner Fenitha Saavedra and managed by petitioner Iries Anthony Saavedra. Private respondents are former employees of petitioners whose services were terminated between March and April, 1994.

Sometime after their dismissal from the employment of petitioners, private respondents separately filed two cases against petitioners before the National Labor Relations Commission (NLRC), Regional Arbitration Branch No. X, Cagayan de Oro City, docketed as NLRC RAB X Cases Nos. 10-04-00232 (-00233)-94. Private respondents sought for unpaid benefits such as minimum wage, overtime pay, rest day pay, holiday pay, full thirteenth-month pay and separation pay (Rollo, pp. 40-42).

On May 31, 1994, a pre-arbitration conference of the cases took place before the Labor Arbiter. It was agreed therein: (1) that both labor cases should be consolidated; and (2) that the parties would file their respective position papers within thirty days from said date or until June 30, 1994, after which the cases would be deemed submitted for resolution (Rollo, p. 14).

On June 29, petitioners filed their position paper. On July 7, they inquired from the NLRC whether private respondents had filed their position paper. The receiving clerk of the NLRC confirmed that as of said date private respondents had not yet filed their position paper.

The following events then transpired: on July 8, petitioners filed a Motion to dismiss for failure of private respondents to file their position paper within the agreed period (Rollo, p. 38); on July 15, private respondents belatedly filed their position paper; on July 18, petitioners filed a Motion to Expunge [private respondents'] Position Paper from the records of the case (Rollo, p. 45); and on August 23, the Labor Arbiter issued a notice of clarificatory hearing, which was set for September 7 (Rollo, p. 47). Prior to the hearing, petitioners

filed a Motion to Resolve [petitioners'] Motion to Dismiss and Motion to Expunge [private respondents'] Position Paper from the Records of the Case (Rollo, p. 48).

On September 21, the Labor Arbiter issued the order denying the motions filed by petitioners. He held that a fifteen-day delay in filing the position paper was not unreasonable considering that the substantive rights of litigants should not be sacrificed by technicality. He cited Article 4 of the Labor Code of the Philippines, which provides that all doubts in the interpretation thereof shall be resolved in favor of labor. He said that even under Section 15, Rule 5 of the Revised Rules of Court, a delay in the filing of a position paper is not a ground for a motion to dismiss under the principle of *exclusio unius est exclusio alterius* (Rollo, pp. 51-52).

Hence, the present petition where petitioners charged the Labor Arbiter with grave abuse of discretion for issuing the order in contravention of Section 3, Rule V of The New Rules of Procedure of the NLRC, Said section provides:

“Submission of Position Papers/Memorandum. — Unless otherwise requested in writing by both parties, the Labor Arbiter shall direct both parties to submit simultaneously their position papers/memorandum with the supporting documents and affidavits within fifteen (15) calendar days from the date of the last conference, with proof of having furnished each other with copies thereof” (Emphasis supplied).

Petitioners claimed that they were denied due process and that the Labor Arbiter should have cited private respondents in contempt for their failure to comply with their agreement in the pre-arbitration conference.

We dismiss the petition for failure of petitioners to exhaust their remedies, particularly in seeking redress from the NLRC prior to the filing of the instant petition. Article 223 of the Labor Code of the Philippines provides that decisions, awards or orders of the Labor Arbiter are appealable to the NLRC. Thus, petitioners should have first appealed the questioned order of the Labor Arbiter to the NLRC, and not to this Court. Their omission is fatal to their cause.

However, even if the petition was given due course, we see no merit in petitioners' arguments. The delay of private respondents in the submission of their position paper is a procedural flaw, and the admission thereof is within the discretion of the Labor Arbiter.

Well-settled is the rule that technical rules of procedure are not binding in labor cases, for procedural lapses may be disregarded in the interest of substantial justice, particularly where labor matters are concerned (*Ranara vs. National Labor Relations Commission*, 212 SCRA 631 [1992]).

The failure to submit a position paper on time is not one of the grounds for the dismissal of a complaint in labor cases (*The New Rules of Procedure of the NLRC*, Rule V, Section 15). It cannot therefore be invoked by petitioners to declare private respondents as non-suited. This stance is in accord with Article 4 of the Labor Code of the Philippines, which resolves that all doubts in the interpretation of the law and its implementing rules and regulations shall be construed in favor of labor. Needless to state, our jurisprudence is rich with decisions adhering to the State's basic policy of extending protection to Labor where conflicting interests between labor and management exist (*Aquino vs. National Labor Relations Commission*, 206 SCRA 118 [1992]).

Petitioners cannot claim that they were denied due process inasmuch as they were able to file their position paper. The proper party to invoke due process would have been private respondents, had their position paper been expunged from the records for mere technicality. Since petitioners assert that their defense is meritorious, it is to their best interest that the cases be resolved on the merits. In this manner, the righteousness of their cause can be vindicated.

**IN VIEW OF THE FOREGOING**, the Court Resolved to **DISMISS** the petition for lack of merit.

**SO ORDERED.**

**Davide, Jr., Bellosillo and Kapunan, JJ., concur.**

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## SEPARATE OPINIONS

***PADILLA, J., concurring:***

The petition in this case should be dismissed because petitioners did not exhaust their remedies in the National Labor Relations Commission (NLRC) before coming to this Court.

It is clear from Article 223 of the Labor Code that decisions, awards or orders of the labor arbiter are appealable to the National Labor Relations Commission. The proper remedy which petitioners should have taken was to appeal to the NLRC the labor arbiter's order denying their motion to dismiss and motion to expunge private respondents' position paper. The present petition is therefore clearly premature, a procedural flaw and should on this score be dismissed.

If this Court were to entertain appeals from orders of labor arbiters, even in the form of a petition for certiorari for alleged grave abuse of discretion under Rule 65 of the Rules of Court, we will be opening the flood gates to petitions for certiorari against orders (including interlocutory ones) of labor arbiters when the clear intent of the law is to subject the decisions, awards and orders of labor arbiters to review by the NLRC before they are brought to this Court.