SUPREME COURT
SECOND DIVISION

PMI COLLEGES,
***Petitioner*,**

-versus-

G.R. No. 121466
August 15, 1997

THE NATIONAL LABOR RELATIONS COMMISSION and ALEJANDRO GALVAN,
***Respondents*.**
x----------x

D E C I S I O N

ROMERO, *J.*:

Subject of the instant Petition for Certiorari under Rule 65 of the Rules of Court is the resolution[1] of public respondent National Labor Relations Commission[2] rendered on August 4, 1995, affirming in toto the December 7, 1994 Decision[3] of Labor Arbiter Pablo C. Espiritu declaring petitioner PMI Colleges liable to pay private respondent Alejandro Galvan P405,000.00 in unpaid wages and P40,532.00 as attorney's fees.

A chronicle of the pertinent events on record leading to the filing of the instant petition is as follows:

On July 7, 1991, petitioner, an educational institution offering courses on basic seaman's training and other marine-related courses, hired private respondent as contractual instructor with an agreement that the latter shall be paid at an hourly rate of P30.00 to P50.00, depending on the description of load subjects and on the schedule for teaching the same. Pursuant to this engagement, private respondent then organized classes in marine engineering.

Initially, private respondent and other instructors were compensated for services rendered during the first three periods of the abovementioned contract. However, for reasons unknown to private respondent, he stopped receiving payment for the succeeding rendition of services. This claim of non-payment was embodied in a letter dated March 3, 1992, written by petitioner's Acting Director, Casimiro A. Aguinaldo, addressed to its President, Atty. Santiago Pastor, calling attention to and appealing for the early approval and release of the salaries of its instructors including that of private respondent. It appeared further in said letter that the salary of private respondent corresponding to the shipyard and plant visits and the ongoing on-the-job training of Class 41 on board MV "Sweet Glory" of Sweet Lines, Inc. was not yet included. This request of the Acting Director apparently went unheeded. Repeated demands having likewise failed, private respondent was soon constrained to file a complaint[4] before the National Capital Region Arbitration Branch on September 14, 1993 seeking payment for salaries earned from the following: (1) basic seaman course Classes 41 and 42 for the period covering October 1991 to September 1992; (2) shipyard and plant visits and on-the-job training of Classes 41 and 42 for the period covering October 1991 to September 1992 on board M/V "Sweet Glory" vessel; and (3) as Acting Director of Seaman Training Course for 3-1/2 months.

In support of the abovementioned claims, private respondent submitted documentary evidence which were annexed to his complaint, such as the detailed load and schedule of classes with number of class hours and rate per hour (Annex "A"); PMI Colleges Basic Seaman Training Course (Annex "B"); the aforementioned letter-request for payment of salaries by the Acting Director of PMI Colleges (Annex "C"); unpaid load of private respondent (Annex "D"); and vouchers prepared by the accounting department of petitioner

but whose amounts indicated therein were actually never paid to private respondent (Exhibit "E").

Private respondent's claims, as expected, were resisted by petitioner. It alleged that classes in the courses offered which complainant claimed to have remained unpaid were not held or conducted in the school premises of PMI Colleges. Only private respondent, it was argued, knew whether classes were indeed conducted. In the same vein, petitioner maintained that it exercised no appropriate and proper supervision of the said classes which activities allegedly violated certain rules and regulations of the Department of Education, Culture and Sports (DECS). Furthermore, the claims, according to petitioner, were all exaggerated and that, at any rate, private respondent abandoned his work at the time he should have commenced the same.

In reply, private respondent belied petitioner's allegations contending, among others, that he conducted lectures within the premises of petitioner's rented space located at 5th Floor, Manufacturers Bldg., Sta. Cruz, Manila; that his students duly enrolled with the Registrar's Office of petitioner; that shipyard and plant visits were conducted at Fort San Felipe, Cavite Naval Base; that petitioner was fully aware of said shipyard and plant visits because it even wrote a letter for that purpose; and that basic seaman courses 41 and 42 were sanctioned by the DECS as shown by the records of the Registrar's Office.

Later in the proceedings below, petitioner manifested that Mr. Tomas G. Cloma, Jr., a member of the petitioner's Board of Trustees wrote a letter[5] to the Chairman of the Board on May 23, 1994, clarifying the case of private respondent and stating therein, inter alia, that under petitioner's by-laws only the Chairman is authorized to sign any contract and that private respondent, in any event, failed to submit documents on the alleged shipyard and plant visits in Cavite Naval Base.

Attempts at amicable settlement having failed, the parties were required to submit their respective position papers. Thereafter, on June 16, 1994, the Labor Arbiter issued an order declaring the case submitted for decision on the basis of the position papers which the

parties filed. Petitioner, however, vigorously opposed this order insisting that there should be a formal trial on the merits in view of the important factual issues raised. In another order dated July 22, 1994, the Labor Arbiter impliedly denied petitioner's opposition, reiterating that the case was already submitted for decision. Hence, a decision was subsequently rendered by the Labor Arbiter on December 7, 1994 finding for the private respondent. On appeal, the NLRC affirmed the same in toto in its decision of August 4, 1995.

Aggrieved, petitioner now pleads for the Court to resolve the following issues in its favor, to wit:

I. Whether the money claims of private respondent representing salaries/wages as contractual instructor for class instruction, on-the-job training and shipboard and plant visits have valid legal and factual bases;

II. Whether claims for salaries/wages for services relative to on-the-job training and shipboard and plant visits by instructors, assuming the same were really conducted, have valid bases;

III. Whether the petitioner was denied its right to procedural due process; and

IV. Whether the NLRC findings in its questioned resolution have sound legal and factual support.

We see no compelling reason to grant petitioner's plea; the same must, therefore, be dismissed.

At once, a mere perusal of the issues raised by petitioner already invites dismissal for demonstrated ignorance and disregard of settled rules on certiorari. Except perhaps for the third issue, the rest glaringly call for a re-examination, evaluation and appreciation of the weight and sufficiency of factual evidence presented before the Labor Arbiter. This, of course, the Court cannot do in the exercise of its certiorari jurisdiction without transgressing the well-defined limits thereof. The corrective power of the Court in this regard is confined only to jurisdictional issues and a determination of whether there is

such grave abuse of discretion amounting to lack or excess of jurisdiction on the part of a tribunal or agency. So unyielding and consistent are the decisional rules thereon that it is indeed surprising why petitioner's counsel failed to accord them the observance they deserve.

Thus, in San Miguel Foods, Inc. Cebu B-Meg Feed Plant vs. Hon. Bienvenido Laguesma,[6] we were emphatic in declaring that:

> "This Court is definitely not the proper venue to consider this matter for it is not a trier of facts. Certiorari is a remedy narrow in its scope and inflexible in character. It is not a general utility tool in the legal workshop. Factual issues are not a proper subject for certiorari, as the power of the Supreme Court to review labor cases is limited to the issue of jurisdiction and grave abuse of discretion." (Emphasis supplied).

Of the same tenor was our disquisition in Ilocos Sur Electric Cooperative, Inc. vs. NLRC[7] where we made plain that:

> "In certiorari proceedings under Rule 65 of the Rules of Court, judicial review by this Court does not go so far as to evaluate the sufficiency of evidence upon which the Labor Arbiter and the NLRC based their determinations, the inquiry being limited essentially to whether or not said public respondents had acted without or in excess of its jurisdiction or with grave abuse of discretion." (Emphasis supplied).

To be sure, this does not mean that the Court would disregard altogether the evidence presented. We merely declare that the extent of review of evidence we ordinarily provide in other cases is different when it is a special civil action of certiorari. The latter commands us to merely determine whether there is basis established on record to support the findings of a tribunal and such findings meet the required quantum of proof, which in this instance, is substantial evidence. Our deference to the expertise acquired by quasi-judicial agencies and the limited scope granted to us in the exercise of certiorari jurisdiction restrain us from going so far as to probe into the correctness of a tribunal's evaluation of evidence, unless there is palpable mistake and complete disregard thereof in which case certiorari would be proper.

In plain terms, in certiorari proceedings, we are concerned with mere "errors of jurisdiction" and not "errors of judgment." Thus:

> "The rule is settled that the original and exclusive jurisdiction of this Court to review a decision of respondent NLRC (or Executive Labor Arbiter as in this case) in a petition for certiorari under Rule 65 does not normally include an inquiry into the correctness of its evaluation of the evidence. Errors of judgment, as distinguished from errors of jurisdiction, are not within the province of a special civil action for certiorari, which is merely confined to issues of jurisdiction or grave abuse of discretion. It is thus incumbent upon petitioner to satisfactorily establish that respondent Commission or executive labor arbiter acted capriciously and whimsically in total disregard of evidence material to or even decisive of the controversy, in order that the extraordinary writ of certiorari will lie. By grave abuse of discretion is meant such capricious and whimsical exercise of judgment as is equivalent to lack of jurisdiction, and it must be shown that the discretion was exercised arbitrary or despotically. For certiorari to lie there must be capricious, arbitrarily and whimsical exercise of power, the very antithesis of the judicial prerogative in accordance with centuries of both civil law and common law traditions."[8]

The Court entertains no doubt that the foregoing doctrines apply with equal force in the case at bar.

In any event, granting that we may have to delve into the facts and evidence of the parties, we still find no puissant justification for us to adjudge both the Labor Arbiter's and NLRC's appreciation of such evidence as indicative of any grave abuse of discretion.

First. Petitioner places so much emphasis on its argument that private respondent did not produce a copy of the contract pursuant to which he rendered services. This argument is, of course, puerile. The absence of such copy does not in any manner negate the existence of a contract of employment since "(C)ontracts shall be obligatory, in whatever form they have been entered into, provided all the essential requisites for their validity are present." 9 The only exception to this rule is "when the law requires that a contract be in some form in

order that it may be valid or enforceable, or that a contract be proved in a certain way." However, there is no requirement under the law that the contract of employment of the kind entered into by petitioner with private respondent should be in any particular form. While it may have been desirable for private respondent to have produced a copy of his contract if one really exists, but the absence thereof, in any case, does not militate against his claims inasmuch as:

> "No particular form of evidence is required to prove the existence of an employer-employee relationship. Any competent and relevant evidence to prove the relationship may be admitted. For, if only documentary evidence would be required to show that relationship, no scheming employer would even be brought before the bar of justice, as no employer would wish to come out with any trace of the illegality he has authored considering that it should take much weightier proof to invalidate a written instrument."[10]

At any rate, the vouchers prepared by petitioner's own accounting department and the letter-request of its Acting Director asking for payment of private respondent's services suffice to support a reasonable conclusion that private respondent was employed with petitioner. How else could one explain the fact that private respondent was supposed to be paid the amounts mentioned in those documents if he were not employed? Petitioner's evidence is wanting in this respect while private respondent affirmatively stated that the same arose out of his employment with petitioner. As between the two, the latter is weightier inasmuch as we accord affirmative testimony greater value than a negative one. For the foregoing reasons, we find it difficult to agree with petitioner's assertion that the absence of a copy of the alleged contract should nullify private respondent's claims.

Neither can we concede that such contract would be invalid just because the signatory thereon was not the Chairman of the Board which allegedly violated petitioner's by-laws. Since by-laws operate merely as internal rules among the stockholders, they cannot affect or prejudice third persons who deal with the corporation, unless they have knowledge of the same."[11] No proof appears on record that private respondent ever knew anything about the provisions of said

by-laws. In fact, petitioner itself merely asserts the same without even bothering to attach a copy or excerpt thereof to show that there is such a provision. How can it now expect the Labor Arbiter and the NLRC to believe it? That this allegation has never been denied by private respondent does not necessarily signify admission of its existence because technicalities of law and procedure and the rules obtaining in the courts of law do not strictly apply to proceedings of this nature.

Second. Petitioner bewails the fact that both the Labor Arbiter and the NLRC accorded due weight to the documents prepared by private respondent since they are said to be self-serving. "Self-serving evidence" is not to be literally taken as evidence that serves one's selfish interest.[12] The fact alone that most of the documents submitted in evidence by private respondent were prepared by him does not make them self-serving since they have been offered in the proceedings before the Labor Arbiter and that ample opportunity was given to petitioner to rebut their veracity and authenticity. Petitioner, however, opted to merely deny them which denial, ironically, is actually what is considered self-serving evidence[13] and, therefore, deserves scant consideration. In any event, any denial made by petitioner cannot stand against the affirmative and fairly detailed manner by which private respondent supported his claims, such as the places where he conducted his classes, on-the-job training and shipyard and plant visits; the rate he applied and the duration of said rendition of services; the fact that he was indeed engaged as a contractual instructor by petitioner; and that part of his services was not yet remunerated. These evidence, to reiterate, have never been effectively refuted by petitioner.

Third. As regards the amounts demanded by private respondent, we can only rely upon the evidence presented which, in this case, consists of the computation of private respondent, as well as the findings of both the Labor Arbiter and the NLRC. Petitioner, it must be stressed, presented no satisfactory proof to the contrary. Absent such proof, we are constrained to rely upon private respondent's otherwise straightforward explanation of his claims.

Fourth. The absence of a formal hearing or trial before the Labor Arbiter is no cause for petitioner to impute grave abuse of discretion.

Whether to conduct one or not depends on the sole discretion of the Labor Arbiter, taking into account the position papers and supporting documents submitted by the parties on every issue presented. If the Labor Arbiter, in his judgment, is confident that he can rely on the documents before him, he cannot be faulted for not conducting a formal trial anymore, unless it would appear that, in view of the particular circumstances of a case, the documents, without more, are really insufficient.

As applied to the instant case, we can understand why the Labor Arbiter has opted not to proceed to trial, considering that private respondent, through annexes to his position paper, has adequately established that, first of all, he was an employee of petitioner; second, the nature and character of his services, and finally, the amounts due him in consideration of his services. Petitioner, it should be reiterated, failed to controvert them. Actually, it offered only four documents later in the course of the proceedings. It has only itself to blame if it did not attach its supporting evidence with its position paper. It cannot now insist that there be a trial to give it an opportunity to ventilate what it should have done earlier. Section 3, Rule V of the New Rules of Procedure of the NLRC is very clear on the matter:

> "Section 3. x x x
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> These verified position papers shall be accompanied by all supporting documents including the affidavits of their respective witnesses which shall take the place of the latter's direct testimony. The parties shall thereafter not be allowed to allege facts, or present evidence to prove facts, not referred to and any cause or causes of action not included in the complaint or position papers, affidavits and other documents." (Emphasis supplied).

Thus, given the mandate of said rule, petitioner should have foreseen that the Labor Arbiter, in view of the non-litigious nature of the proceedings before it, might not proceed at all to trial. Petitioner cannot now be heard to complain of lack of due process. The following is apropos:

> "The petitioners should not have assumed that after they submitted their position papers, the Labor Arbiter would call for a formal trial of hearing. The holding of a trial is discretionary on the Labor Arbiter, it is not a matter of right of the parties, especially in this case, where the private respondents had already presented their documentary evidence.
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> x x x
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> The petitioners did ask in their position paper for a hearing to thresh out some factual matters pertinent to their case. However, they had no right or reason to assume that their request would be granted. The petitioners should have attached to their position paper all the documents that would prove their claim in case it was decided that no hearing should be conducted or was necessary. In fact, the rules require that position papers shall be accompanied by all supporting documents, including affidavits of witnesses in lieu of their direct testimony."[14]

It must be noted that adequate opportunity was given to petitioner in the presentation of its evidence, such as when the Labor Arbiter granted petitioner's Manifestation and Motion[15] dated July 22, 1994 allowing it to submit four more documents. This opportunity notwithstanding, petitioner still failed to fully proffer all its evidence which might help the Labor Arbiter in resolving the issues. What it desired instead, as stated in its petition,[16] was to "require presentation of witnesses buttressed by relevant documents in support thereof." But this is precisely the opportunity given to petitioner when the Labor Arbiter granted its Motion and Manifestation. It should have presented the documents it was proposing to submit. The affidavits of its witnesses would have sufficed in lieu of their direct testimony[17] to clarify what it perceives to be complex factual issues. We rule that the Labor Arbiter and the NLRC were not remiss in their duty to afford petitioner due process. The essence of due process is merely that a party be afforded a reasonable opportunity to be heard and to submit any evidence he may have in support of his defense.[18]

WHEREFORE, in view of the foregoing, the instant petition is hereby **DISMISSED** for lack of merit while the resolution of the National Labor Relations Commission dated August 4, 1995 is hereby **AFFIRMED**.

SO ORDERED.

Regalado, Puno and Mendoza, *JJ.*, concur.
Torres, Jr., *J.*, is on leave.

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[1] Rollo, pp. 82-93.
[2] Third Division; penned by Commissioner Ireneo B. Bernardo.
[3] Rollo, pp. 53-64.
[4] Id., p. 25.
[5] Id., p. 48.
[6] G.R. No. 116712, October 10, 1996.
[7] 241 SCRA 36; 50 (1995).
[8] Zarate Jr. vs. Hon. Norma C . Olegario, et al., G.R. No. 90655, October 7, 1996; emphasis supplied. See also Ledesma vs. NLRC, 246 SCRA 47 (1995) and Philippine Advertising Counselors vs. NLRC and Teodoro Diaz, G.R. No. 120008, October 18, 1996.
[9] Art. 1356, Civil Code.
[10] Opulencia Ice Plant and Storage vs. NLRC, 228 SCRA 473 (1993).
[11] Campos, I THE CORPORATION CODE Comments, Notes and Selected Cases 124 (1990) citing Fleischer vs. Botica Nolasco, 47 Phil. 583 (1925); Agbayani III COMMENTARIES AND JURISPRUDENCE ON THE COMMERCIAL LAWS OF THE PHILIPPINES 410 (1984 ed.)
[12] Cuison vs. Court of Appeals, 227 SCRA 391 (1993).
[13] Abadilla vs. Tabiliran, Jr., 249 SCRA 447 (1995); People vs. Godoy, 250 SCRA 676 (1995).
[14] Pacific Timber Export Corp. vs. NLRC, 224 SCRA 860 (1993); See also Shoemart, Inc. vs. NLRC, 225 SCRA 311 (1993).
[15] Rollo, pp. 45-47.
[16] id., p. 18.
[17] Rule V, section 3, supra.
[18] Shoemart vs. NLRC, supra.
