SUPREME COURT
THIRD DIVISION

PISON-ARCEO AGRICULTURAL and DEVELOPMENT CORPORATION,
***Petitioner*,**

-versus-

G.R. No. 117890
September 18, 1997

NATIONAL LABOR RELATIONS COMMISSION and NATIONAL FEDERATION OF SUGAR WORKERS-FOOD and GENERAL TRADE (NFSW-FGT)/ JESUS PASCO, MARTIN BONARES, EVANGELINE PASCO, TERESITA NAVA, FELIXBERTO NAVA, JOHNNY GARRIDO, EDUARDO NUÑEZ and DELMA NUÑEZ,
***Respondents*.**
x----------x

D E C I S I O N

PANGANIBAN, *J.*:

In the proceedings before the labor arbiter, only the unregistered trade name of the employer-corporation and its administrator/manager were impleaded and subsequently held liable for illegal dismissal, backwages and separation pay. On appeal,

however, the National Labor Relations Commission motu proprio included the corporate name of the employer as jointly and severally liable for the workers' claims. Because of such inclusion, the corporation now raises issues of due process and jurisdiction before this Court.

The Case

Assailed in this petition for certiorari under Rule 65 of the Rules of Court is the Decision[1] of Public Respondent National Labor Relations Commission[2] in NLRC Case No. V-0334-92[3] promulgated on September 27, 1993 and its Resolution[4] promulgated on September 12, 1994 denying reconsideration. Affirming the Decision[5] dated September 2, 1992 of Executive Labor Arbiter Oscar S. Uy, the impugned NLRC Decision disposed thus:[6]

> "WHEREFORE, judgment is hereby rendered affirming the decision of Executive Labor Arbiter Oscar S. Uy, dated September 2, 1992, subject to the amendments and modification stated above and ordering the respondent-appellant, Jose Edmundo Pison and the respondent Pison-Arceo Agricultural and Development Corporation to pay jointly and severally the claims for backwages and separation pay of the complainant-appellees in the above-entitled case, except the claims of Danny Felix and Helen Felix, in the amount specified below:
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> | | ***Name*** | ***Backwages*** | ***Separation Pay*** | ***Total*** |
> |---|---|---|---|---|
> | 1. | Jesus Pasco | P14,729.00 | P12,818.06 | P27,547.06 |
> | 2. | Evangeline Pasco | 14,729.00 | 12,874.81 | 27,603.81 |
> | 3. | Martin Bonares | 14,729.00 | 9,035.06 | 23,764.06 |
> | 4. | Mariolita Bonares | 14,729.00 | 8,455.00 | 23,184.00 |
> | 5. | Felixberto Nava | 14,729.00 | 13,505.31 | 28,234.31 |
> | 6. | Teresita Nava | 14,729.00 | 3,417.31 | 18,146.31 |
> | 7. | Johnny Garrido | 8,489.00 | 4,463.94 | 12,952.94 |
> | 8. | Eduardo Nuñez | 8,489.00 | 11,399.44 | 19,888.44 |
> | 9. | Delma Nuñez | 8,489.00 | 9,507.94 | 17,996.94 |
>
> In addition, the respondent-appellant and the respondent corporation are ordered to pay attorney's fees equivalent to ten (10%) percent of the total award."

The dispositive portion of the assailed Resolution, on the other hand, reads:[7]

> "WHEREFORE, the decision in question is hereby modified in the sense that the monetary award of Mariolita Bonares be [sic] deleted. Except for such modification, the rest of the decision stands."

Arguing that the National Labor Relations Commission did not have jurisdiction over it because it was not a party before the labor arbiter, petitioner elevated this matter before this Court via a petition for certiorari under Rule 65.

Acting on petitioner's prayer,[8] this Court (First Division) issued on January 18, 1995 a temporary restraining order enjoining the respondents from executing the assailed Decision and Resolution.

The Facts

As gathered from the complaint[9] and other submissions of the parties filed with Executive Labor Arbiter Oscar S. Uy, the facts of the case are as follows:

> Together with Complainants Danny and Helen Felix, private respondents — Jesus Pasco, Evangeline Pasco, Martin Bonares, Teresita Nava, Felixberto Nava, Johnny Garrido, Eduardo Nuñez and Delma Nuñez, all represented by Private Respondent National Federation of Sugar Workers- Food and General Trade (NSFW-FGT) — filed on June 13, 1988 a complaint for illegal dismissal, reinstatement, payment of backwages and attorney's fees against "Hacienda Lanutan/Jose Edmundo Pison." Complainants alleged that they were previously employed as regular sugar farm workers of Hacienda Lanutan in Talisay, Negros Occidental. On the other hand, Jose Edmundo Pison claimed that he was merely the administrator of Hacienda Lanutan which was owned by Pison-Arceo Agricultural and Development Corporation.

As earlier stated, the executive labor arbiter rendered on September 2, 1992 a decision in favor of the workers-complainants, the dispositive portion of which reads:

> "WHEREFORE, premises considered, judgment is hereby rendered ordering respondent Jose Edmundo Pison/Hda. Lanutan, Talisay, Negros Occidental, to PAY the following complainants their backwages (one year) plus separation pay in the following amounts, to wit:
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> | | | ***BACKWAGES*** | ***SEPARATION PAY*** | ***TOTAL*** |
> |---|---|---|---|---|
> | 1. | J. Pasco | 14,729.00 | P12,818.06 | 27,547.06 |
> | 2. | E. Pasco | 14,729.00 | 12,784.81 | 27,603.81 |
> | 3. | Bonares | 14,729.00 | 8,404.56 | 23,133.56 |
> | 4. | F. Nava | 14,729.00 | 13,505.31 | 28,234.31 |
> | 5. | T. Nava | 14,729.00 | 3,427.31 | 18,146.31 |
> | 6. | J. Garido | 8,489.00 | 4,463.94 | 12,952.94 |
> | 7. | E. Nuñez | 8,489.00 | 11,399.44 | 19,888.44 |
> | 8. | D. Nuñez | 8,489.00 | 9,507.94 | 17,996.94 |
>
> plus ten percent (10%) of the total award as attorney's fees in the amount of P17,550.34 or in the total amount of ONE HUNDRED NINETY THREE THOUSAND FIFTY THREE AND 71/100 (P193,053.71), all these amounts to be deposited with this Office within ten (10) days from receipt of this decision. The claim of complainants Danny and Helen Felix are hereby DENIED for lack of merit."

In affirming the decision of the executive labor arbiter, public respondent ordered "respondent-appellant, Jose Edmundo Pison and the respondent Pison-Arceo Agricultural and Development Corporation to pay jointly and severally the claims for backwages and separation pay" of private respondents. The motion for reconsideration dated October 14, 1993 was apparently filed by Jose Edmundo Pison for and on his own behalf only. However, Pison did not elevate his case before this Court. The sole petitioner now before us is Pison-Arceo Agricultural and Development Corporation, the owner of Hacienda Lanutan.

The Issue

Petitioner submits only one issue for our resolution:[10]

> "Public Respondent NLRC acted without or in excess of jurisdiction or with grave abuse of discretion when it included motu proprio petitioner corporation as a party respondent and ordered said corporation liable to pay jointly and severally, with Jose Edmundo Pison the claims of private respondents."

In essence, petitioner alleges deprivation of due process.

The Court's Ruling

The petition lacks merit.

Petitioner contends that it was never served any summons; hence, public respondent did not acquire jurisdiction over it. It argues that "from the time the complaint was filed before the Regional Arbitration Branch No. VI up to the time the said case was appealed by Jose Edmundo Pison to the NLRC, Cebu, petitioner Corporation was never impleaded as one of the parties. It was only in the public respondent's assailed Decision of September 27, 1993 "that petitioner Corporation was wrongly included as party respondent without its knowledge." Copies of the assailed Decision and Resolution were not sent to petitioner but only to Jose Edmundo Pison, on the theory that the two were one and the same. Petitioner avers that Jose Edmundo Pison "is only a minority stockholder" of Hacienda Lanutan, which in turn is one of the businesses of petitioner.[11] Petitioner further argues that it did not "voluntarily appear before said tribunal" and that it was not "given (any) opportunity to be heard;"[12] thus, the assailed Decision and Resolution in this case are void "for having been issued without jurisdiction."[13]

In its memorandum, petitioner adds that Eden vs. Ministry of Labor and Employment,[14] cited by public respondent, does not apply to this case. In Eden, "petitioners were duly served with notices of hearings, while in the instant case, the petitioner was never summoned nor was served with notice of hearings as a respondent in the case "[15]

At the outset, we must stress that in quasi-judicial proceedings, procedural rules governing service of summons are not strictly construed. Substantial compliance thereof is sufficient.[16] Also, in labor cases, punctilious adherence to stringent technical rules may be relaxed in the interest of the working man; it should not defeat the complete and equitable resolution of the rights and obligations of the parties. This Court is ever mindful of the underlying spirit and intention of the Labor Code to ascertain the facts of each case speedily and objectively without regard to technical rules of law and procedure, all in the interest of due process.[17] Furthermore, the Labor Code itself, as amended by RA 6715,[18] provides for the specific power of the Commission to correct, amend, or waive any error, defect or irregularity whether in the substance or in the form of the proceedings before it[19] under Article 218 (c) as follows:

> "(c) To conduct investigation for the determination of a question, matter or controversy within its jurisdiction, proceed to hear and determine the disputes in the absence of any party thereto who has been summoned or served with notice to appear, conduct its proceedings or any part thereof in public or in private, adjourn its hearings to any time and place, refer technical matters or accounts to an expert and to accept his report as evidence after hearing of the parties upon due notice, direct parties to be joined in or excluded from the proceedings, correct, amend, or waive any error, defect or irregularity whether in substance or in form, give all such directions as it may deem necessary or expedient in the determination of the dispute before it, and dismiss any matter or refrain from further hearing or from determining the dispute or part thereof, where it is trivial or where further proceedings by the Commission are not necessary or desirable; (Emphasis supplied.)

In this case, there are legal and factual reasons to hold petitioner jointly and severally liable with Jose Edmundo Pison.

Jurisdiction Acquired over Petitioner

Consistent with the foregoing principles applicable to labor cases, we find that jurisdiction was acquired over the petitioner. There is no

dispute that Hacienda Lanutan, which was owned SOLELY by petitioner, was impleaded and was heard. If at all, the non-inclusion of the corporate name of petitioner in the case before the executive labor arbiter was a mere procedural error which did not at all affect the jurisdiction of the labor tribunals.[20] Petitioner was adequately represented in the proceedings conducted at the regional arbitration branch by no less than Hacienda Lanutan's administrator, Jose Edmundo Pison, who verified and signed his/Hacienda Lanutan's position paper and other pleadings submitted before the labor arbiter. It can thus be said that petitioner, acting through its corporate officer Jose Edmundo Pison, traversed private respondents' complaint and controverted their claims. Further unrebutted by petitioner are the following findings of public respondent:[21]

> "It should further be noted that two responsible employees of the said corporation, namely, Teresita Dangcasil, the secretary of the administrator/manager, and Fernando Gallego, the hacienda overseer, had submitted their affidavits, both dated July 20, 1988, as part of the evidence for the respondent, and that, as shown by the records, the lawyer who appeared as the legal counsel of the respondent-appellant, specifically, Atty. Jose Ma. Torres, of the Torres and Valencia Law Office in Bacolod City, (Rollo, p. 17) was also the legal counsel of the said corporation. (Rollo, p, 23)"

Also, it is undisputed that summons and all notices of hearing were duly served upon Jose Edmundo Pison. Since Pison is the administrator and representative of petitioner in its property (Hacienda Lanutan) and recognized as such by the workers therein, we deem the service of summons upon him as sufficient and substantial compliance with the requirements for service of summons and other notices in respect of petitioner corporation. Insofar as the complainants are concerned, Jose Edmundo Pison was their employer and/or their employer's representative. In view of the peculiar circumstances of this case, we rule that Jose Pison's knowledge of the labor case and effort to resist it can be deemed knowledge and action of the corporation Indeed, to apply the normal precepts on corporate fiction and the technical rules on service of summons would be to overturn the bias of the Constitution and the laws in favor of labor.

Hence, it is fair to state that petitioner, through its administrator and manager, Jose Edmundo Pison, was duly notified of the labor case against it and was actually afforded an opportunity to be heard. That it refused to take advantage of such opportunity and opted to hide behind its corporate veil will not shield it from the encompassing application of labor laws. As we held in Bautista vs. Secretary of Labor and Employment:[22]

> "Moreover, since the proceeding was not judicial but merely administrative, the rigid requirements of procedural laws were not strictly enforceable. It is settled that —
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> While the administrative tribunals exercising quasi-judicial powers are free from the rigidity of certain procedural requirements they are bound by law and practice to observe the fundamental and essential requirements of due process in justiciable cases presented before them. However, the standard of due process that must be met in administrative tribunals allows a certain latitude as long as the element of fairness is not ignored. (fn: Adamson & Adamson, Inc. vs. Amores, 152 SCRA 237).
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> x x x
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> It is of course also sound and settled rule that administrative agencies performing quasi-judicial functions are unfettered by the rigid technicalities of procedure observed in the courts of law, and this is so that disputes brought before such bodies may be resolved in the most expeditious and inexpensive manner possible. (fn: Rizal Workers Union vs. Ferrer-Calleja, 186 SCRA 431).
>
> Given all these circumstances, we feel that the lack of summons upon the petitioners is not sufficient justification for annulling the acts of the public respondents."

Contrary to petitioner's contention, the principles laid down in Eden are relevant to this case. In that case, a religious organization, SCAFI,[23] denied responsibility for the monetary claims of several

employees, as these were filed against SCAPS[24] and its officer in charge — the employees believed that SCAPS was their employer. In rejecting such defense, this Court ruled:[25]

> "With regard to the contention that SCAPS and SCAFI are two different entities, this lacks merit. The change from SCAPS to SCAFI was a mere modification, if not rectification of the caption as to respondent in the MOLE case, when it was pointed out in the complainant's position paper that SCAPS belongs to or is integral with SCAFI as gleaned from the brochure Annex 'A' of said position paper, which is already part of the records of the case and incorporated in the Comment by way of reference. The brochure stated that SCAPS is the implementing and service arm of SCAFI, with Bishop Gaviola as National Director of SCAPS and Board Chairman of SCAFI, both their address: 2655 F.B. Harrison St., Pasay City. Thus, the real party in interest is SCAFI, more so because it has the juridical personality that can sue and be sued. The change in caption from SCAPS to SCAFI however does not absolve SCAPS from liability, for SCAFI includes SCAPS, SCAPS — the arm, SCAFI, — the organism to which the arm is an integral part of the rise and fall of SCAPS, and vice-versa. Thus, SCAFI has never been a stranger to the case. Jurisprudence is to the effect that:
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> > 'An action may be entertained notwithstanding the failure to include an indispensable party where it appears that the naming of the party would be a formality. (Baguio vs. Rodriguez, L-11078, May 27, 1959)"

Comparable to Eden, Hacienda Lanutan is an arm of petitioner, the organism of which it is an integral part. Ineluctably, the real party in interest in this case is petitioner, not "Hacienda Lanutan" which is merely its non-juridical arm. In dealing with private respondents, petitioner represented itself to be "Hacienda Lanutan." Hacienda Lanutan is roughly equivalent to its trade name or even nickname or alias. The names may have been different, but the IDENTITY of the petitioner is not in dispute. Thus, it may be sued under the name by which it made itself known to the workers.

Liability of Jose Edmundo Pison

Jose Edmundo Pison did not appeal from the Decision of public respondent. It thus follows that he is bound by the said judgment. A party who has not appealed an adverse decision cannot obtain from the appellate court any affirmative relief other than those granted, if there is any, in the decision of the lower court or administrative body.[26]

WHEREFORE, premises considered, the petition is hereby **DISMISSED**, for its failure to show grave abuse of discretion amounting to lack or excess of jurisdiction on the part of the National Labor Relations Commission. The assailed Decision and Resolution are **AFFIRMED**. The temporary restraining order issued on January 19, 1995 is hereby **LIFTED**. Costs against petitioner.

SO ORDERED.

Narvasa, *C.J.*, Romero, Melo and Francisco, *JJ.*, concur.

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[1] In "National Federation of Sugar Workers-Food and General Trade (NFSW-FGT)/Jesus Pasco, et al. vs. Hda Lanutan/Jose Edmundo Pison (And Pison-Arceo Agricultural and Development Corporation)"; rollo, pp. 43-65.
[2] Fourth Division composed of Commissioner Bernabe S. Batuhan, ponente, and Commissioner Irenea S. Ceniza, concurring. The third member is not named in the assailed Decision.
[3] Originally numbered as RAB Case No 06-06-10202-88.
[4] Rollo, pp. 78-79, with an additional concurrence of Commissioner Anchito V. Cañete.
[5] Ibid., pp. 18-25.
[6] Ibid., pp. 64-65.
[7] Ibid., p. 78.
[8] Ibid., p. 11.
[9] Rollo, pp. 15-17.
[10] Ibid., p. 7; original text in upper case.
[11] Ibid., p. 8.
[12] Ibid., p. 9.
[13] Ibid., p. 11.
[14] 182 SCRA 840, February 28, 1990.
[15] Rollo, pp. 200-201.

[16] Eden vs. Ministry of Labor and Employment, 182 SCRA 840, 847, February 28, 1990; citing Ang Tibay vs. Court of Industrial Relations, 69 Phil. 635, February 27, 1940.
[17] Cabalan Pastulan Negrito Labor Association vs. NLRC, 241 SCRA 643, 656-657, February 23, 1994; citing YBL (Your Bus Lines), et al. vs. NLRC, et al., 190 SCRA 160, September 28, 1990; Rada vs. NLRC, et al., G.R. No 96078, 205 SCRA 69, January 9, 1992.
[18] The New Labor Relations Law.
[19] City Fair Corporation vs. National Labor Relations Commission, 243 SCRA 572, 576, April 21, 1995.
[20] This should be distinguished from the case of Laureano Investment & Development Corporation vs. The Honorable Court of Appeals and Bormaheco, Inc., (G.R. No. 100468, p. 13, May 6, 1997) where we ruled:
"Examining the records of the case, we observe that the motion adverted to indeed made use of LIDECO as an acronym for Laureano Investment and Development Corporation. But said motion distinctly specified that LIDECO was the shorter term for Laureano Investment and Development Corporation It is obvious that no false representation or concealment can be attributed to private respondent. Neither can it be charged with conveying the impression that the facts are other than or inconsistent with those which it now asserts since LIDECO as an acronym is clearly different from Lideco Corporation which represented itself as a corporation duly registered and organized in accordance with law. Nor can it be logically inferred that petitioner relied or acted upon such representation or private representation of private respondent in thereafter referring to itself as 'Lideco Corporation'; for petitioner is presumed to know by which name it is registered and the legal provisions on the use of its corporate name."
[21] NLRC's Decision, pp. 19-20; rollo, pp. 61 -62.
[22] 196 SCRA 470, 475, April 30, 1991, per Cruz, J.
[23] Share and Care Apostolate Foundation, Inc. (SCAFI).
[24] Share and Care Apostolate for Poor Settlers (SCAPS).
[25] Eden vs. Ministry of Labor and Employment, supra, p. 847.
[26] Atlantic Gulf and Pacific Company of Manila, Inc. vs. Court of Appeals, 247 SCRA 606, 612-613, August 23, 1995, citing cases of Makati Haberdashery, Inc., et al. vs. National Labor Relations Commission, et al., G.R. Nos. 83380-81, November 15, 1989, 179 SCRA 448; Dizon, Jr. vs. National Labor Relations Commission, et al., G.R. No. 69018, January 29, 1990, 181 SCRA 472; Lumibao vs. Intermediate Appellate Court, et al., G.R. No. 64677, September 13, 1990, 189 SCRA 469; SMI Fish Industries, Inc., et al. vs. National Labor Relations Commission, et al., G.R. Nos. 96952-56, September 2, 1992, 213 SCRA 444; Alba vs. Santander, et al., L-28409, April 15, 1988, 160 SCRA 8; Nessia vs. Fermin, et al., G.R. No. 102918, March 30, 1993, 1993, 220 SCRA 615.