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SECOND DIVISION

[G.R. No. 169434, March 28, 2008]

LAZARO V. DACUT, CESARIO G. CAJOTE, ROMERLO F. TUNGALA, LOWEL Z. ZUBISTA, and ORLANDO P. TABOY, Petitioners, vs. COURT OF APPEALS (Special Twelfth Division), STA. CLARA INTERNATIONAL TRANSPORT AND EQUIPMENT CORPORATION, and NICANDRO LINAO, Respondents.

D E C I S I O N

QUISUMBING, J.:

Assailed in this petition for review are the Decision[1] dated June 21, 2005 and the Resolution [2] dated August 22, 2005 of the Court of Appeals in CA-G.R. SP No. 76096, which affirmed the Resolution [3] dated May 20, 2002 of the National Labor Relations Commission (NLRC). The NLRC had affirmed the decision [4] of the Labor Arbiter in NLRC Case No. NCR-00-09-09578-99, dismissing petitioners' complaint for constructive dismissal but ordering the payment of their holiday pay, accrued sick and vacation leaves and wage differential.

The antecedent facts culled from the submissions below are as follows:

Petitioners Lazaro V. Dacut, Cesario G. Cajote, Romerlo F. Tungala, Lowel Z. Zubista, and Orlando P. Taboy were crew members of the LCT "BASILISA", an inter-island cargo vessel owned by private respondent Sta. Clara International Transport and Equipment Corporation.

On November 29, 1998, Dacut discovered a hole in the vessel's engine room. The company had the hole patched up with a piece of iron and cement. Despite the repair, Dacut and Tungala resigned in July 1999 due to the vessel's alleged unseaworthiness. [5]

On the other hand, Cajote went on leave from April 12-28, 1999 to undergo eye treatment. Since then, he has incurred several unauthorized absences. Fearing that he will be charged as Absent Without Leave (AWOL), Cajote resigned in June 1999. [6]

On September 22, 1999, petitioners filed a complaint [7] for constructive dismissal amounting to illegal dismissal (except for Zubista and Taboy); underpayment of wages, special and regular holidays; non-payment of rest days, sick and vacation leaves, night shift differentials, subsistence allowance, and fixed overtime pay; actual, moral and exemplary damages; and litigation costs and attorney's fees.

Dacut and Tungala claimed that they resigned after Reynalyn G. Orlina, the secretary of the Personnel Manager, told them that they will be paid their separation

pay if they voluntarily resigned. They also resigned because the vessel has become unseaworthy after the company refused to have it repaired properly.[8] Meanwhile, Cajote alleged that he resigned because the company hired a replacement while he was still on leave. When he returned, the Operations Manager told him that he will be paid his separation pay if he voluntarily resigned; otherwise, he would be charged for being AWOL. On the other hand, Zubista claimed that his wage was below the minimum set by the Regional Tripartite Wages and Productivity Board. Finally, petitioners alleged that they were not paid their rest days, sick and vacation leaves, night shift differentials, subsistence allowance, and fixed overtime pay.

After the Labor Arbiter declared the case submitted for decision, the company filed its reply to petitioners' position paper. It countered that Dacut and Tungala voluntarily resigned due to the vessel's alleged unseaworthiness while Cajote resigned to avoid being charged as AWOL. It also claimed that petitioners' monetary claims had no basis.

On August 2, 2000, the Labor Arbiter dismissed petitioners' complaint. The Labor Arbiter ruled that there was sufficient evidence to prove that the vessel was seaworthy. Thus, the fear of Dacut and Tungala was unfounded, and they must bear the consequence of their resignation. The Labor Arbiter also observed that Cajote has incurred excessive unauthorized absences which would warrant his dismissal under the Labor Code. Thus, the Labor Arbiter upheld the company's position that Cajote resigned to avoid being charged as AWOL. Finally, the Labor Arbiter noted that except for the holiday pay, accrued sick and vacation leaves, and wage differential, petitioners failed to substantiate their monetary claims. The Labor Arbiter thus held:

> WHEREFORE, the foregoing premises considered, judgment is hereby rendered dismissing complainants' charge for constructive dismissal and the concomitant prayer that goes therewith for lack of merit. However, respondent is ordered to pay the following:
>
> 1. [Complainants'] holiday pay and the cash equivalent of their accrued sick leave/vacation leave credits to:

	Holiday Pay		Accrued
	Regular	Special	S/L - V/L Credits
Dacut	P1,000.00	P1,099.98	P8,365.35
Tungala	P 933.32	P 756.66	P7,850.00
Cajote	P1,292.30	P 682.95	P2,100.00
Zubista	P 923.04	P 714.98	P2,600.00
Taboy	P1,307.68	P1,076.91	P5,000.00
[Total]	P5,456.34	P4,331.48	P25,915.35

> 2. Zubista's wage differential amounting to THIRTY-FOUR THOUSAND SIX HUNDRED EIGHTY-SEVEN PESOS and 70/100 (P34,687.70)[.]
>
> SO ORDERED. [9]

Petitioners appealed to the NLRC alleging that the Labor Arbiter erred: (1) in entertaining the company's reply after the case had been submitted for decision; (2) in not finding that Dacut, Cajote and Tungala were constructively dismissed; (3) in not finding that petitioners were entitled to their monetary claims; and (4) in not finding that petitioners were entitled to actual, moral and exemplary damages as well as litigation costs and attorney's fees. At this point, Dacut and Tungala further contended that they resigned because they were being harassed by the company due to a complaint for violation of labor standards they had filed earlier against it.

On May 20, 2002, the NLRC affirmed the Labor Arbiter's decision.[10] The NLRC clarified that although the Labor Arbiter has declared the case submitted for decision, the Labor Arbiter may still entertain the company's reply in order to ascertain the facts of the case. The NLRC also declared that Dacut, Cajote and Tungala voluntarily executed their resignation letters.

Petitioners elevated the case to the Court of Appeals which likewise affirmed the findings of the NLRC. Petitioners now come before us alleging that the appellate court committed serious errors of law:

I.

> ... in holding that there was nothing irregular in admitting respondents' belatedly submitted reply and making the same the primary basis of the decision despite the fact that petitioners had not been given the chance to refute its contents.

II.

> ... IN HOLDING THAT PETITIONERS LAZARO DACUT, [ET] AL. VOLUNTARILY RESIGNED FROM THEIR EMPLOYMENT AND WERE NOT CONSTRUCTIVELY DISMISSED.

III.

> ... IN RULING THAT PETITIONERS [WERE] NOT ENTITLED TO THEIR OTHER MONETARY CLAIMS. [11]

Essentially, we are asked to resolve: (1) whether the Labor Arbiter erred in admitting the company's reply after the case had been submitted for decision; (2) whether Dacut, Tungala and Cajote voluntarily resigned from their employment; and (3) whether petitioners were entitled to their monetary claims.

The first issue deals with technical rules and procedural matters. Well-settled is the rule that technical rules of procedure are not binding in labor cases. [12] In fact, it is the spirit and intention of the Labor Code that labor officials shall use all reasonable means to ascertain the facts in each case speedily and objectively, without regard to technicalities of law or procedure. [13]

In our view, the fact that the Labor Arbiter admitted the company's reply after the case had been submitted for decision did not make the proceedings before him irregular. Petitioners were given adequate opportunity in the NLRC and the Court of Appeals to rebut the company's evidence against them.