

FIRST DIVISION

[G.R. No. 127529, December 10, 1998]

PEPSI COLA PRODUCTS PHILIPPINES, INC. (FORMERLY PEPSI COLA BOTTLING CO.), PETITIONER, VS. NATIONAL LABOR RELATIONS COMMISSION AND RENE ESTILO, RESPONDENTS.

D E C I S I O N

VITUG, J.:

On 08 October 1993, private respondent Rene Estilo sued herein petitioner Pepsi Cola Products Philippines, Inc., before the Regional Arbitration, Branch VI, of public respondent National Labor Relations Commission ("NLRC"). Estilo's complaint charged the beverage firm with illegal dismissal, as well as underpayment of wages, 13th month pay, overtime pay, premium pay for holidays and rest days and commission, and additionally sought to recover moral damages, attorney's fees and, in general, any other benefit that he might be entitled to under the existing collective bargaining agreement, company policies, practices and laws.

Executive Labor Arbiter Oscar S. Uy sent notices to the parties of the case to appear before him on 21 December 1993. On the scheduled date, only private respondent's counsel showed up before the Labor Arbiter constraining the latter to reset the conference to 15 February 1994. Again, on the new date set, only private respondent's lawyer appeared, prompting Labor Arbiter to instead issue, on 01 March 1994, an order directing the parties to submit their position papers; *viz*:

"The parties are hereby directed to submit their position papers together with supporting proof within twenty (20) days from receipt hereof. Thereafter, the above-entitled case is deemed submitted for decision."^[1]

The company, herein petitioner, complied with the foregoing order. Its position paper and supporting evidence controverted the allegations and various claims of private respondent. The latter did not submit any paper.

On 10 May 1995, the Labor Arbiter rendered a decision dismissing the complaint of private respondent.

Under date of 28 June 1995, private respondent filed with public respondent NLRC a "Notice of Appeal with attached appeal Memorandum" from the decision of the Labor Arbiter, asseverating that "

"The Honorable Labor Arbiter acted with grave abuse of discretion in deciding the above case without affording complainant all the available opportunity to be heard and just deciding the above case on the basis alone of respondent Pepsi's position paper."^[2]

In a resolution, dated 26 September 1996, following petitioner's opposition to the appeal, public respondent NLRC, through Commissioner Amorito V. Cañete, found the appeal to be impressed with merit; it held:

"WHEREFORE, finding the appeal impressed with merit, as discussed above, the Decision appealed from is SET ASIDE and the case be REMANDED to the Labor Arbiter a quo to conduct the necessary proceedings as soon as practicable for the early disposition hereof."^[3]

In its instant petition before the Court, petitioner Pepsi Cola Products Philippines, Inc., submits -

"x x x that the Public respondent NLRC had acted with grave abuse of discretion amounting to lack or excess of jurisdiction when, despite the Labor Arbiter's and its very own categorical findings that Private respondent had been afforded all and every opportunity of submitting his Position Paper with supporting proof in the suit at bench but had failed to do so, the said Public respondent had nevertheless proceeded to accept Private respondent's claim that he had been deprived of due process and/or the opportunity to be heard; and in thereby --, in a manner contrary to the dictates of impartiality, justness and fair play and to the untold prejudice of herein Petitioner -- capriciously and whimsically setting aside (on appeal) the clearly correct, just and valid Decision (Appendix 'D') of the Arbiter as clearly rendered on the basis of substantial evidence on record following proper observance of due process of law."^[4]

It does appear from the foregoing recital and the comments of private respondent and the NLRC, as well as the "Manifestation and Motion (In Lieu of Comment)" filed by the Solicitor General (who took the same position as that of petitioner), that the sole issue before the Court is whether or not private respondent has been denied due process of law by Executive Labor Arbiter Oscar Uy in rendering a decision based only on petitioner's position paper.

The petition is meritorious, and the NLRC appears to have indeed gravely abused its discretion in reversing the Labor Arbiter. The records easily substantiate the fact that private respondent has been duly accorded an opportunity to submit his position paper in the proceedings before the Regional Arbitration Branch. On the 15th February 1994 hearing, counsel for private respondent was informed that an order would be issued by the Labor Arbiter for the contending parties to submit their respective position papers along with their supporting evidence. In an order, dated 01 March 1994, Labor Arbiter Uy required the parties to formally make the above submission. The Labor Arbiter attested:

"Records show that on March 1, 1994, this Commission issued an Order directing the parties to submit their position paper together with supporting proofs within twenty (20) days from receipt with a reminder that thereafter, the case shall be deemed submitted for decision. Up to this writing, only respondent was able to submit their position paper while complainant failed to do so despite their receipt of the said Order on March 9, 1994."^[5]