

Title:

Harpoon Marine Services, Inc. and Jose Lido T. Rosit vs. Fernan H. Francisco: A Case of Illegal Dismissal and the Non-Entitlement to Claimed Commissions

Facts:

Fernan H. Francisco was rehired in 1999 by Harpoon Marine Services, Inc. (Harpoon), a shipbuilding and repair company, as Yard Supervisor after an earlier stint from 1992 and a subsequent employment elsewhere. On June 15, 2001, Harpoon's President and CEO, Jose Lido T. Rosit, purportedly dismissed Francisco on the premise that the company could not afford his salary but promised separation pay and commissions. Despite continuing to report for work, Francisco was later barred from entering the premises.

Francisco received no commissions and refused the offered separation pay. On September 24, 2001, he demanded payment through a letter. Harpoon denied owing commissions, prompting Francisco to file for illegal dismissal on October 24, 2001.

Harpoon countered that Francisco was not dismissed but warned about his absences and tardiness. They claimed Francisco sought employment with a competitor company, going on Absence Without Official Leave (AWOL), and ignored memos alerting him of his supposed abandonment of work. They issued a Notice of Termination dated July 30, 2001.

The Labor Arbiter ruled Francisco's dismissal as valid due to unjustified absences and tardiness but awarded commissions and attorney's fees. Both parties appealed. The NLRC reversed the Arbiter's decision, declaring the dismissal illegal, awarding backwages and separation pay, but affirming commission entitlement. The CA affirmed the NLRC's rulings.

Issues:

1. Did the CA err in its decision dismissing the petition for certiorari and finding Francisco's dismissal as illegal?
2. Was Francisco habitually absent, went on AWOL, and abandoned work justifying non-entitlement to backwages and separation pay?
3. Is Francisco entitled to claimed commissions despite the alleged lack of substantial evidence?
4. Was there bad faith on part of Rosit justifying his solidary liability with Harpoon?

Court's Decision:

The Supreme Court partly granted the petition. The SC affirmed Francisco's illegal dismissal and entitlement to backwages and separation pay, affirming the NLRC and CA

decisions. However, the award for commissions was deleted due to insufficient evidence. The Court absolved Rosit from solidary liability, noting the lack of clear and convincing proof of bad faith or malice in terminating Francisco.

Doctrine:

The establishment of valid or just cause for dismissal is required to protect a worker's right to security of tenure. Moreover, corporate officers cannot be held solidarily liable absent evidence of bad faith or gross negligence.

Class Notes:

- In illegal dismissal cases, the employer has the burden of proof to establish a just cause.
- Security of tenure protects workers against termination without valid cause.
- Solidary liability of corporate officers arises only when there is clear and convincing evidence of bad faith, gross negligence, or an ultra vires act.
- Photocopies of documents, unless contested and proven genuine, are generally not sufficient evidence in labor cases.

Historical Background:

The legal doctrine regarding the solidary liabilities of corporate officers has evolved to require more definitive evidence of malice or bad faith. This case exemplifies adherence to this evolved doctrine, also reflecting the Philippines' labor protection laws that heavily favor the worker's security of tenure, however, balanced by the requirement of substantiated claims for recovery of benefits like commissions.