

**\*\*Title:\*\*** Jenny M. Agabon and Virgilio C. Agabon vs. National Labor Relations Commission (NLRC), Riviera Home Improvements, Inc., and Vicente Angeles

**\*\*Facts:\*\***

Petitioners Jenny and Virgilio Agabon were hired on January 2, 1992, by respondent Riviera Home Improvements, Inc., as gypsum board and cornice installers. Their employment was terminated on February 23, 1999, for alleged abandonment of work. Subsequently, the Agabons filed a complaint for illegal dismissal and sought payment for other money claims.

The Labor Arbiter ruled the termination illegal and awarded backwages and separation pay to the petitioners. On appeal, the NLRC found that the petitioners abandoned their work and denied the monetary claims. The CA ruled the dismissal was not illegal due to abandonment but ordered payment for certain money claims. The petitioners then filed a petition for review with the Supreme Court, arguing they were illegally dismissed as they were asked to work on a “pakyaw” basis and refused, leading to their termination. They claimed a lack of notice and hearing in this process. Riviera maintained that the petitioners abandoned work to subcontract for another company, thus severing their employment relationship.

**\*\*Issues:\*\***

1. Whether the petitioners were illegally dismissed.
2. Whether the procedural due process requirements of notice and hearing, as required by labor laws, were complied with in the process of dismissing the petitioners.

**\*\*Court’s Decision:\*\***

The Supreme Court, affirming the NLRC and CA’s findings, held that:

1. The petitioners were not illegally dismissed as substantial evidence supported the finding of abandonment—a just cause for termination under Article 282 of the Labor Code.
2. The procedural due process requirements were not met, as the employer failed to provide the twin notices required by labor law standards. Still, the illegality of dismissal was not established, as the just cause for termination (abandonment) was present. Thus, the dismissal was upheld.

However, for failing to observe the notice requirement, Riviera Home Improvements was held liable to pay the Agabons nominal damages, which the Court set at P30,000 for each of the petitioners.

**\*\*Doctrine:\*\***

If the dismissal of an employee is done for a just and valid cause, it should be upheld, notwithstanding the non-compliance with the procedural requirements of due process by the employer. However, the employer may be held liable for indemnity or penalty, which are to be determined on a case-to-case basis considering the factual circumstances and the gravity of the due process violation.

**\*\*Class Notes:\*\***

- In cases of dismissal, there are twin requirements of notice:
  - a. Notice specifying the grounds for which dismissal is sought and giving the employee reasonable opportunity within which to explain his side.
  - b. Hearing or conference where the employee is given a chance to respond to the charge, present evidence, or rebut evidence presented against him.
  - c. Notice indicating upon due consideration of all circumstances, grounds have been established to justify termination.
- In the case of abandonment, the following elements must be present:
  1. Failure to report for work or absence without valid or justifiable reason.
  2. A clear intention to sever the employer-employee relationship.
- When procedural due process is not observed in dismissing an employee, indemnity in the form of nominal damages must be awarded as recognition of the violation of the employee's right, which must not be necessarily tied to any loss.

**\*\*Historical Background:\*\***

The case reflects the continued importance placed by the Philippine legal system on the balance between the rights of employees to security of tenure and the employer's authority to dismiss for just cause. It also highlights the Court's move towards imposing penalties on employers for procedural lapses in termination to ensure compliance with due process in labor relations.