

Title:

Globe Mackay Cable and Radio Corp. vs. The Honorable Court of Appeals and Restituto M. Tobias: A Case of Illegal Dismissal and Damages

Facts:

Restituto M. Tobias, employed by Globe Mackay Cable and Radio Corporation in dual roles, blew the whistle on fictitious purchases costing the company several thousands of pesos in 1972. Despite his initiative, Tobias was accused of involvement by Herbert C. Hendry, the company's Executive Vice-President and General Manager. This accusation led to Tobias' forced leave, a demand for handwriting samples, and, following inconclusive investigations, his eventual dismissal and the filing of criminal complaints against him, all of which were subsequently dismissed.

Tobias then faced challenges in securing future employment, notably with RETELCO, due to a disparaging letter from Hendry alleging Tobias' dismissal for dishonesty. Tobias filed a civil case for damages due to the malicious acts of Globe Mackay and Hendry, resulting in a trial court decision in his favor, which was upheld by the Court of Appeals. Globe Mackay's petition for review on certiorari was brought to the Supreme Court, focusing on whether the petitioners were liable for damages to Tobias for the manner of dismissal and subsequent actions.

Issues:

1. Whether the petitioners were liable for damages to Tobias for the abusive manner of dismissal.
2. Whether the subsequent actions of the petitioners, including the filing of criminal complaints and defamation, were actionable.
3. The appropriateness and extent of the damages awarded to Tobias.

Court's Decision:

The Supreme Court affirmed the decision of the Court of Appeals, finding Globe Mackay and Hendry liable for damages to Tobias. The Court ruled that while an employer has the right to dismiss an employee, the exercise of this right must be done without abuse. The Court found the manner of Tobias' termination and the subsequent acts against him, including defamation and the filing of baseless criminal complaints, constituted an abuse of rights under Article 19 in relation to Article 21 of the Civil Code. The damages awarded, including moral and exemplary damages, were deemed appropriate given the magnitude of the wrongful acts committed against Tobias.

Doctrine:

This case reiterated the doctrine of abuse of rights crystallized in Article 19 of the Civil Code, emphasizing that rights must be exercised within the bounds of justice, good faith, and fairness. The principle of *damnum absque injuria*, which stipulates that not all damages incurred constitute legal wrongs, was found inapplicable, affirming that abusive exercises of rights can lead to liability.

Class Notes:

- Principle of Abuse of Rights: The exercise of a legal right must be in accordance with the standards of justice, good faith, and fairness. Abusive exercise can lead to damages.
- *Damnum Absque Injuria*: Damage does not automatically equate to a legal wrong; however, this principle is not applicable in cases where the exercise of a right is deemed abusive.
- Key Provisions:
 - Article 19 of the Civil Code: Outlines the principle of abuse of rights.
 - Article 21 of the Civil Code: Offers a remedy for acts contravening morals, good customs, or public policy, causing damage to another.

Historical Background:

The *Globe Mackay* case is an exemplar of the evolving dynamics of labor rights and employer-employee relationships in the Philippines. The decision underscored the imperative of fairness and justice in employment practices, marking a significant point of reference for subsequent jurisprudence on illegal dismissal, damages for abusive exercises of authority, and the general conduct of employer-employee relations in the country.