

Title:

Marvin G. Felipe and Reynante L. Velasco vs. Danilo Divina Tamayo Konstract, Inc. (DDTKI) and Danilo Divina Tamayo

Facts:

Marvin G. Felipe and Reynante L. Velasco, petitioners, were employed by Danilo Divina Tamayo Konstract, Inc. (DDTKI) as Formworks Aide and Warehouse Aide, respectively. Their tenure spanned multiple years—with Felipe starting on December 19, 2005, and Velasco on March 14, 2007. In September 2010, they ceased receiving work assignments and subsequently questioned their employment status, suggesting an assignment to the Glorietta Project. Receiving no response, they filed a complaint for illegal dismissal alongside claims for unpaid service incentive leave and 13th month pay with the NLRC. DDTKI contended that the petitioners were project employees, terminated upon project completion as evidenced by their contracts.

At the Labor Arbiter level, the complaint was dismissed, ruling the petitioners as project employees based on their contracts, which outlined the job duration explicitly. The NLRC upheld this decision but awarded proportionate 13th month pay. The petitioners' subsequent appeal to the CA was denied, which led to this petition under Rule 45 to the Supreme Court.

Issues:

1. Whether or not the petitioners were regular employees rather than project employees of DDTKI.
2. Whether or not the petitioners were illegally dismissed.
3. Whether or not the petitioners are entitled to monetary claims, including service incentive leave, 13th month pay, moral and exemplary damages, and attorney's fees.

Court's Decision:

The Supreme Court denied the petition, upholding the rulings of the lower bodies that petitioners were project employees whose contracts had legitimately ended with the completion of a specific project. The Court reiterated the standard for distinguishing project employees from regular employees, highlighting that the petitioners were aware of the conditional nature of their employment relative to specific projects.

1. ****Regular vs. Project Employment****: The Court determined the petitioners were legitimately project employees, as defined by their employment contracts which detailed

project duration and scope, aligning with jurisprudential standards.

2. **Illegality of Dismissal**: The termination of the petitioners' employment was ruled as valid and not an illegal dismissal, owing to the project-based nature of their employment contracts which naturally concluded with the project's completion.

3. **Entitlement to Monetary Claims**: Since the petitioners were not regular employees, they were not eligible for service incentive leaves. Their employment not spanning a continuous year further disqualified them from this benefit.

Doctrine:

This case reiterates the doctrine distinguishing project employees from regular employees, wherein "An employment shall be deemed to be casual if it is not covered by the preceding paragraph," as standardised in Article 280 of the Labor Code. It emphasizes that project employees' services may lawfully terminate upon project completion without constituting illegal dismissal.

Class Notes:

- **Project Employee**: An individual employed for a specific project, with employment duration and scope known at the outset. Termination aligns with project completion.
- **Regular Employee**: Engaged to perform activities usually necessary or desirable in the employer's business, with employment persevering while such activity exists.
- **Illegal Dismissal**: Unlawful termination of an employee without just or authorized cause as defined under labor law.
- **Service Incentive Leave**: A benefit granted to employees who have rendered at least one year of service, not applicable to project-based employees unless they transition into regular status.

Historical Background:

This case draws upon the evolving jurisprudence distinguishing between regular and project employment in the Philippines, reflecting the legal framework's response to the nuances of employment in varying industries, notably construction. It consolidates the principles guiding the classification of employees and criteria for lawful dismissal in project-based employments, underscoring the principles of fairness and predictability in employment relations.