

### Title:

Cebu People's Multi-Purpose Cooperative and Macario G. Quevedo vs. Nicerato E. Carbonilla, Jr. (779 Phil. 563)

### Facts:

Nicerato E. Carbonilla, Jr. was engaged by Cebu People's Multi-Purpose Cooperative (CPMPC) as a Credit and Collection Manager in November 2005. Subsequently, Carbonilla's roles expanded to include Human Resources Department Manager and Legal Officer, culminating in his appointment as Legal and Collection Manager. In 2008, CPMPC, through HRD Manager Marquez, issued various memoranda to Carbonilla related to alleged infractions. Carbonilla responded to these allegations, but disputes over his performance and conduct persisted.

Following a series of reported infractions and his responses to the issued memoranda, CPMPC held clarificatory hearings, which Carbonilla failed to attend. Consequently, CPMPC conducted a formal investigation, ultimately leading to Carbonilla's dismissal in August 2008, citing reasons including loss of trust and confidence, gross disrespect, and serious misconduct.

Carbonilla filed a case against CPMPC for illegal dismissal before the National Labor Relations Commission (NLRC), claiming unjust termination and absence of due process. The Labor Arbiter initially dismissed his complaint, a decision which was affirmed by the NLRC upon appeal. Carbonilla then escalated the matter to the Court of Appeals (CA), which reversed previous rulings, thereby deeming Carbonilla's dismissal as illegal.

### Issues:

1. Whether the CA correctly found that the NLRC committed grave abuse of discretion in ruling that Carbonilla's dismissal was valid.
2. Whether Carbonilla's acts constituted serious misconduct and loss of trust and confidence, justifying his dismissal.

### Court's Decision:

The Supreme Court granted the petition, reversing the CA's decision and reinstating the NLRC's ruling that substantiated Carbonilla's dismissal as valid. The Court highlighted that grave abuse of discretion by the NLRC was not evident, as CPMPC provided substantial evidence proving just causes for termination. The Court detailed the series of infractions committed by Carbonilla, affirming them as serious misconduct and a breach of trust and

confidence, which are valid grounds for dismissal under Article 296 of the Labor Code.

### ### Doctrine:

The decision elucidated the standards and conditions under which serious misconduct and loss of trust and confidence can justify the dismissal of an employee. It established that for misconduct to be serious, it must be willful, reflect the employee's unfitness for work, and be done with wrongful intent. Regarding loss of trust and confidence, it must be shown that the employee held a position of trust and indeed committed acts justifying such loss.

### ### Class Notes:

- **Serious Misconduct:** A forbidden action showing wrongful intent; must relate to job performance, implying unfitness to perform duties.
- **Loss of Trust and Confidence:** Pertains to employees in positions of trust; justified by acts betraying this trust, without needing proof beyond reasonable doubt.
- **Article 296 of the Labor Code:** Outlines just causes for dismissal, including serious misconduct and loss of trust.
- **Procedural Due Process:** The necessity of issuing memoranda and conducting investigations with notice to the employee as evidence of providing due process.

### ### Historical Background:

This case reflects the intricate procedures and legal standards involved in labor disputes within the Philippine legal framework. It underscores the importance of proof of just cause and adherence to due process in employment terminations, showcasing the protective mechanisms for both employers and employees under Philippine labor law.