

### Title: Bernardo Jimenez and Jose Jimenez vs. National Labor Relations Commission, Pedro Juanatas, and Fredelito Juanatas

### Facts:

The case revolves around the claims filed by Pedro Juanatas and his son, Fredelito Juanatas, against JJ's Trucking, operated by Bernardo and Jose Jimenez. The claimants accused the company of unpaid wages/commissions, demanding separation pay and damages. They alleged their employment commenced in December 1987, with tasks centered around hauling soft drinks for Coca-Cola Bottling Company. Their remuneration was based on a commission system, initially set at 17% and later increased to 20% in 1988. They contended receiving only a fraction of the rightful commissions for 1988 and 1989, alongside illegal termination of services in March 1990.

The labor arbiters initially dismissed Fredelito's complaint and awarded Pedro separation pay, pending appeal. The National Labor Relations Commission (NLRC) later modified this, recognizing both as employees deserving full commissions and corresponding separation fees. The Jimenezes' motion for reconsideration was denied by the NLRC, escalating the matter to the Supreme Court under a petition for certiorari, disputing full commission payment and Fredelito's employment status.

### Issues:

1. Whether the NLRC gravely abused its discretion in finding that the claimants were not fully paid their commissions.
2. Whether the NLRC erred in ruling that Fredelito Juanatas was an employee of JJ's Trucking.

### Court's Decision:

The Supreme Court part affirmed and part modified the NLRC's decisions. Upon evaluating the facts and applying the pertinent laws, the Court found no substantial evidence presented by the petitioners to demonstrate the full payment of commissions, thereby siding with the NLRC's decision on the issue of unpaid commissions.

However, the Court disagreed with the NLRC's determination regarding Fredelito Juanatas's employment status. The Court clarified the criteria for establishing an employer-employee relationship, emphasizing the absence of such a relationship between Fredelito and JJ's Trucking. It was decided that Fredelito, being hired and paid by his father Pedro, did not meet the conditions to be considered an employee of the trucking firm.

### Doctrine:

The determination of an employer-employee relationship relies on: (1) the selection and engagement of the employee, (2) the payment of wages, (3) the power of dismissal, and (4) the employer's power to control the employee's conduct, with the control test being the most critical factor.

### Class Notes:

- **Burden of Proof in Payment Claims:** The party asserting payment has the obligation to produce evidence substantiating the claim, particularly in labor disputes involving commission-based payments.
- **Employer-Employee Relationship Criteria:** For an employer-employee relationship to exist, the following elements must be convincingly established: selection and hiring by the employer, payment of wages, power of dismissal, and control over the employee's conduct, the last being the defining criterion.
- **Essential Legal Reference:** Article 281 of the Labor Code, mentioned in the decision, delves into the regularity of employment upon completion of a probationary period, not into the existence of an employer-employee relationship per se.

### Historical Background:

This case reflects the intricate dynamics of labor relations within the Philippine trucking industry, particularly issues surrounding commission-based remunerations and the delineation of employment boundaries. It underscores the judiciary's role in interpreting labor laws and setting precedents for what constitutes an employer-employee relationship, which is pivotal in labor disputes.