

Title: Rodrigo A. Upod v. Onon Trucking and Marketing Corporation and Almardo V. Interior

Facts:

Rodrigo A. Upod was hired by Onon Trucking and Marketing Corporation (Onon Trucking) in April 2004 as a hauler/driver. He was responsible for withdrawing stocks from San Miguel Brewery in Pampanga and delivering them to various grocery stores. He was paid on a per trip basis. In 2009, Upod was suspended on grounds of alleged abandonment but was rehired in 2014. He continued working until February 2017, when he stopped receiving delivery assignments. He then left the company and filed a suit for illegal dismissal and monetary claims on May 19, 2017, alleging that he was denied regular employee benefits such as SSS, PhilHealth, and Pag-ibig contributions.

Onon Trucking denied the existence of an employer-employee relationship, arguing that Upod was an independent freelance driver paid 16% of the gross revenue per trip, with his engagement ending upon delivery completion or return to the warehouse.

Procedural Posture:

- Labor Arbiter** - Declared Upod as a regular employee of Onon Trucking, awarding him separation pay, 13th month pay, and attorney's fees.
- NLRC** - Reversed the Labor Arbiter's decision, stating that evidence did not support Upod's employment claim.
- Court of Appeals in CA-G.R. SP No. 158220** - Partly agreed with the Labor Arbiter on the existence of an employer-employee relationship but concluded that Upod was a fixed-term employee validly terminated.
- Supreme Court** - Upod sought a review, claiming regular employment and illegal dismissal without proper due process.

Issues:

- Whether an employer-employee relationship existed between Upod and Onon Trucking.
- Whether Upod was classified as a regular or fixed-term employee.
- Whether Upod was illegally dismissed by Onon Trucking.

Court's Decision:

- Employer-Employee Relationship:**

- The Supreme Court ruled that an employer-employee relationship existed, affirming that Upod satisfied the four-fold test (selection and engagement of the employee, payment of wages, power of dismissal, control over work performance). Evidence showed that Upod was hired, paid a percentage per trip, subject to dismissal by Onon Trucking, and his performance was controlled by them (routes, use of company truck, etc.).

2. **Employee Status (Regular vs. Fixed-Term)**:

- Upod's employment was deemed regular as he performed tasks necessary for Onon Trucking's business for over a year. Under Article 295 of the Labor Code, his continuous service qualified him as a regular employee despite the per trip payment arrangement.

3. **Illegal Dismissal**:

- Upod was found to be illegally dismissed since his termination lacked just or authorized cause and did not follow due process. Onon Trucking simply stopped giving assignments without proper termination procedures. Hence, Upod was entitled to monetary reliefs including backwages, separation pay, and 13th month pay.

Doctrine:

1. **Four-Fold Test**:

- To establish an employer-employee relationship, the factors of hiring, payment of wages, power of dismissal, and control over work details must coexist.

2. **Regular Employment**:

- Under Article 295 of the Labor Code, an employment is regular if the worker performs activities necessary or desirable to the employer's business for at least one year, regardless of the method of payment.

3. **Illegal Dismissal**:

- Dismissal without just or authorized cause and procedural due process constitutes illegal dismissal, entitling the employee to backwages, separation pay, and other related benefits.

Class Notes:

1. **Four-Fold Test Elements**:

- Hiring Process
- Wage Payment
- Power to Dismiss

- Employer's Control

2. **Article 295, Labor Code**:

- "Regular and Casual Employment."

- "Deemed regular if engaged in necessary or desirable activities or has rendered at least one year of service."

3. **Article 306, Labor Code**:

- "Money claims arising from employer-employee relations must be filed within three years."

4. **Article 279, Labor Code**:

- Remedies for illegal dismissal: reinstatement, backwages, and separation pay in lieu of reinstatement.

Historical Background:

The case sets a significant precedent in distinguishing between regular and fixed-term employment in the Philippines, reinforcing the protection of workers' rights under the Labor Code. It underscores the rigorous application of the four-fold test in determining employment status and emphasizes the necessity of procedural and substantive due process in dismissals, thereby clarifying employers' obligations and employees' rights in contractual labor arrangements.