

**Title:** Philippine National Bank vs. Florence O. Cabansag, G.R. No. 157010

**Facts:**

- Employment Initiation and Contract:** In late 1998, Florence O. Cabansag, a Filipino, arrived in Singapore as a tourist and applied for employment at the Singapore branch of the Philippine National Bank (PNB). The branch, managed by Ruben C. Tobias, had two types of employees: expatriates (hired in Manila and assigned abroad) and locally hired staff. Cabansag was offered a temporary appointment as a Branch Credit Officer with a monthly salary of SGD 4,500. Her position was subjected to a three-month probationary period.
- Final Approval and Certification:** Cabansag's contract was processed by the Philippine Embassy in Singapore and approved by the Philippine Overseas Employment Administration (POEA), granting her an Overseas Employment Certificate on March 8, 1999.
- Termination Notice:** After three months in office, despite receiving commendation for her initial performance, Cabansag was pressured to resign by Tobias citing cost-cutting measures and the need for a local Chinese-speaking Credit Officer. Cabansag refused to resign and was subsequently terminated on April 20, 1999, without receiving adequate formal employment termination notice or process.
- Labor Arbiter and NLRC Rulings:** Cabansag filed a complaint for illegal dismissal. The Labor Arbiter ruled in her favor, ordering her reinstatement and directing PNB to pay back wages, moral damages of PHP 200,000, exemplary damages of PHP 100,000, and attorney's fees. The National Labor Relations Commission (NLRC) affirmed the Labor Arbiter's decision but reduced the damages.
- Court of Appeals and Supreme Court:** PNB elevated the case to the Court of Appeals, which dismissed the petition and affirmed the NLRC's decision. PNB then filed a Petition for Review on Certiorari to the Supreme Court.

**Issues:**

- Whether the arbitration branch of the NLRC in the National Capital Region has jurisdiction over the dispute.
- Whether the NLRC in the National Capital Region is the most convenient venue for the case.
- Whether Cabansag was illegally dismissed and entitled to recover moral and exemplary

damages and attorney's fees.

**\*\*Court's Decision:\*\***

1. **\*\*Jurisdiction\*\***: The Supreme Court held that the NLRC has jurisdiction over the case pursuant to Article 217 of the Labor Code, which empowers labor arbiters to decide disputes involving all workers, inclusive of those employed overseas. Furthermore, Section 10 of RA 8042, the Migrant Workers and Overseas Filipinos Act, grants labor arbiters original and exclusive jurisdiction over cases involving Filipino workers employed overseas.
2. **\*\*Venue\*\***: The court upheld the filing of the complaint in the regional arbitration branch in Quezon City as appropriate. RA 8042 allows migrant workers to file cases at the venue of their residence or where the principal office of their employer is situated. Cabansag's residence in the Philippines justified Quezon City as an appropriate venue.
3. **\*\*Illegal Dismissal\*\***: The court affirmed that Cabansag's termination lacked just cause and procedural due process. According to the Labor Code, an employee is considered regular after completing the probationary period without termination. As a regular employee, Cabansag was entitled to a due process consisting of notice and a hearing, which PNB failed to provide. Moreover, PNB did not specify any legal cause for termination as per Articles 282, 283, or 284 of the Labor Code, making the dismissal invalid. The awards for damages and attorney's fees were thus justified due to the oppressive, bad-faith manner of dismissal.

**\*\*Doctrine:\*\***

1. Filipino workers overseas are protected by Philippine labor laws irrespective of stipulations or laws in the foreign country of employment.
2. Labor arbiters have original and exclusive jurisdiction over disputes arising from employer-employee relations involving all workers including Overseas Filipino Workers (OFWs).
3. Due process in termination - notice and hearing - is mandatory under Philippine labor law for both local and overseas workers.

**\*\*Class Notes:\*\***

- **\*\*Jurisdiction\*\***: Article 217, Labor Code; Section 10, RA 8042 (Migrant Workers and Overseas Filipinos Act).

- **Procedural Due Process in Employment**: Twin requirements of notice and hearing for lawful termination (Art. 282, 283, 284, Labor Code).
- **Remedies for Illegal Dismissal**: Reinstate employment, back wages, moral and exemplary damages, attorney's fees (Article 2217, Civil Code).

**Historical Background:**

The case reflects the application of protective labor policies of the Philippine government towards Filipino workers abroad, highlighting regulatory measures securing the rights of OFWs against illegal dismissal. The decision underlines the jurisdictional scope of Philippine labor laws in ensuring fair treatment and access to remedies for Muts in foreign settings.