

Title: Ruperto Suldao vs. Cimech System Construction, Inc. and Engr. Rodolfo S. Labucay

Facts:

Step-by-Step Events:

- Initial Employment:** Ruperto Suldao was employed as a machinist by Cimech Systems Construction, Inc. on August 31, 2001, with a daily wage of P300.00, initially under a five-month contractual status.
- Permanent Employment:** Post-January 31, 2002, Suldao continued employment beyond the contract period until he became a regular employee.
- First Leave Ordered:** On October 31, 2002, due to a lack of projects, Suldao was ordered by Ms. Elsa Labucay to take a leave of absence from November 1 to 6, 2002.
- Second Leave Ordered:** Upon reporting back on November 7, 2002, Suldao was again ordered to take another leave from November 7 to 14, 2002.
- Request for Field Transfer:** He returned on November 15, 2002, and was supposedly ordered to write a formal request for a field transfer job, which he complied with. He fell ill the next day and did not report to work.
- Barred from Entry:** On November 17, 2002, Suldao reported for work but was barred entry by the security guard. This barring continued on November 21, 2002.
- Complaint for Constructive Dismissal:** Following these incidents, Suldao filed a complaint alleging constructive dismissal.
- Company's Allegations and Actions:** Cimech claimed there was insufficient machine shop work, so Suldao was temporarily moved to the fabrication department. Due to alleged insubordination and unruly behavior, he was suspended for six days but accepted this transfer afterward.
- Post-Suspension:** Suldao worked only for a day post-suspension. His activities until the filing of the complaint included attending the company Christmas party and seeking his 13th-month pay and one-day salary deposit, being told to secure a clearance he failed to comply with.

Procedural Posture:

- Labor Arbiter Decision:** On August 5, 2003, the Labor Arbiter ruled in favor of Suldao, declaring constructive dismissal and awarding back wages and separation pay.
- NLRC Concurrence:** The NLRC concurred with the Labor Arbiter's decision on February 27, 2004.
- Court of Appeals:** Respondent appealed. On June 23, 2005, the Court of Appeals

reversed the NLRC's decision, leading to the dismissal of Suldao's complaint.

4. **Supreme Court Petition**: Suldao petitioned the Supreme Court, raising whether the Court of Appeals committed grave abuse of discretion.

Issues:

1. **Constructive Dismissal**: Whether the petitioner, Suldao, was constructively dismissed.
2. **Grave Abuse of Discretion**: Whether the Court of Appeals committed grave abuse of discretion in reversing the decisions of the Labor Arbiter and the NLRC.
3. **Personal Liability of Corporate Officers**: Whether Engr. Rodolfo S. Labucay should be held personally liable alongside the corporation.

Court's Decision:

1. **Constructive Dismissal**: The Supreme Court upheld the findings of the Labor Arbiter and NLRC, confirming that Suldao was constructively dismissed. The frequent leave orders and being barred entry equaled impossible continued employment, leaving Suldao no choice but to assume dismissal.
2. **Grave Abuse of Discretion**: The Supreme Court found that the Court of Appeals erred in its judgment, noting substantial and factual support from the Labor Arbiter's and NLRC's findings.
3. **Personal Liability**: The Supreme Court ruled against holding Engr. Rodolfo S. Labucay personally liable. The separate corporate entity principle dictates Cimech as the sole liable party unless fraud or malice is proved, which was not substantiated in this case.

Doctrine:

1. **Constructive Dismissal**: Employment becomes impossible, unreasonable, or unlikely due to employer's actions leading to resign, considered as illegal dismissal.
2. **Separate Corporate Entity**: Corporate officers are typically not personally liable unless there is clear and convincing evidence of fraud or abuse of corporate structures.

Class Notes:

1. **Elements of Constructive Dismissal**: Employer actions making continued employment unreasonable, impossible or highlighting coercion, demotion, or pay deduction.
2. **Burden of Proof**: Lies on the employer to demonstrate that the dismissal was for a valid cause.
3. **Separate Corporate Entity Doctrine**: Corporate and personal liabilities are distinct unless specific conditions for piercing the corporate veil are met (e.g., fraud).

****Historical Background:****

This case reflects the labor protection policies in the Philippines, emphasizing fair employment practices. It also highlights the judicial process of labor disputes, illustrating the jurisdictional competency of labor arbiters and the NLRC vis-à-vis managerial decisions within corporate frameworks.