

****Title:****

****Wilhelmina S. Orozco vs. The Fifth Division of the Court of Appeals, Philippine Daily Inquirer, and Leticia Jimenez Magsanoc****

****Facts:****

1. ****Engagement****: In March 1990, Wilhelmina S. Orozco was engaged by the Philippine Daily Inquirer (PDI) to write a weekly column for its Lifestyle section. She received compensation of PHP 250 later increased to PHP 300 per column.
2. ****Service Performance****: Orozco submitted her articles regularly, except for a six-month period when she was in New York City but continued sending articles via mail.
3. ****Termination****: On November 7, 1992, Orozco was informed that her column would no longer be published. She was passed between editors, eventually being told by the PDI Chairperson, Eugenia Apostol, that there were already too many columnists.
4. ****Newspaper's Reason****: PDI stated that the decision was part of an effort to improve their Lifestyle section, retaining only columns that met their high standards of writing - which they felt Orozco's did not.
5. ****Complaint Filing****: Aggrieved, Orozco filed a complaint for illegal dismissal, back wages, moral and exemplary damages, and other monetary claims before the National Labor Relations Commission (NLRC).
6. ****Labor Arbiter's Decision****: On October 29, 1993, Labor Arbiter Arthur Amansec held that Orozco was an employee of PDI and was illegally dismissed. The decision mandated her reinstatement with back wages and other benefits.
7. ****NLRC Decision****: On appeal, the NLRC Second Division dismissed the appeal due to procedural issues (non-filing of a requisite bond) and affirmed the Labor Arbiter's decision, emphasizing that PDI controlled Orozco's work.
8. ****Petition for Review****: PDI escalated the matter to the Supreme Court, which referred the case to the Court of Appeals.
9. ****Court of Appeals Ruling****: The CA reversed the NLRC decision, holding that Orozco was not an employee of PDI.

10. **Supreme Court Directive**: The Supreme Court initially ordered the Labor Arbiter to clarify the monetary award and directed PDI to post the required bond.

11. **Subsequent Proceedings**: After compliance, the Supreme Court considered the merits of the case again.

Issues:

1. **Existence of Employer-Employee Relationship**: Whether Orozco was an employee of PDI under the legal parameters for an employer-employee relationship.

2. **Illegal Dismissal**: If Orozco was indeed an employee, whether her dismissal constituted illegal dismissal under Philippine labor laws.

Court's Decision:

1. **Employer-Employee Relationship**:

- **Four-Fold Test**: The court applied the "four-fold test", examining the elements of (a) selection and engagement, (b) payment of wages, (c) the power to dismiss, and (d) control over employee's conduct.

- **Control Test**: The court focused on the control test, which examines the degree of control the employer had over how the employee performed their job.

- **Court Analysis**: It was determined that PDI did not control how Orozco wrote her columns but only the final output's compliance with general guidelines. Thus, the level of control was insufficient to establish an employer-employee relationship.

2. **Nature of Control**: The Court noted that the restrictions on content, space, and deadlines were inherent to the editorial process of a newspaper and did not amount to sufficient control over the method and means of work execution by Orozco, which was necessary to deem her an employee.

3. **Historical Comparisons**: The Court referenced *Sonza v. ABS-CBN Broadcasting Corporation* to illustrate that individuals with specialized skills and no operational control by the employer, as in Orozco's case, are regarded as independent contractors, not employees.

Doctrine:

- **Control Test in Employer-Employee Relationship**: For an employer-employee relationship to exist, it is essential that the employer exercises significant control over the means and method by which the employee performs their work, not merely over the end result.
- **Economic Reality Test**: The Court also considered economic realities - focusing on the worker's economic dependence on the business for steady employment.

Class Notes:

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

- Selection and Engagement
- Payment of Wages
- Power of Dismissal
- Employer's Control over Work Conduct

2. **Control Test Focus**:

- Control over the 'means and methods' of work performance, not just the final product.
- Creative freedom generally indicates lack of employment relationship.

3. **Economic Dependence**:

- Independent contractor if economically independent and free to work for others.

4. **Key Case Citation**:

- **Sonza v. ABS-CBN Broadcasting Corporation**: Established criteria for determining an independent contractor relationship, particularly in specialized skills and professional autonomy.

5. **Statutory References**:

- Article 223 of the Labor Code: Appeal requirements and the necessity for filing an appeal bond in labor disputes.

Historical Background:

The case arose during a period where the distinctions between employee and independent contractor became increasingly relevant in employment law disputes. It also highlights the judiciary's application of traditional tests (i.e., control test and economic reality test) amidst evolving labor relations, especially in creative industries. Cases like Orozco exemplify the rigorous analysis required to adjudicate mixed claims of employment versus independent

contracting in the labor sector of the Philippines.