

**Title:** Alejandro Maraguinot, Jr. and Paulino Enero vs. National Labor Relations Commission and Viva Films

**Facts:**

1. **Employment Details:**

- Alejandro Maraguinot, Jr. started working for Viva Films on July 18, 1989, initially as part of the filming crew with a weekly salary of PHP 375. He was subsequently promoted, reaching a position of Electrician with a salary increase to PHP 593.
- Paulino Enero began in June 1990 with a weekly salary of PHP 375, eventually reaching PHP 475 by December 1991.

2. **Job Responsibilities:**

- Petitioners performed tasks such as loading, unloading, arranging movie equipment, assisting in lighting setup, and other duties as assigned by the cameramen/directors.

3. **Salary Dispute:**

- Petitioners requested a salary adjustment in accordance with the minimum wage law in May 1992.
- Upon refusal to sign blank employment contracts, Enero was forced to go on leave in June 1992 and was refused reentry on July 20, 1992, while Maraguinot was dropped from the payroll and eventually terminated on July 20, 1992.

4. **Legal Proceedings:**

- Petitioners filed a case for illegal dismissal with the Labor Arbiter. The Labor Arbiter ruled in favor of petitioners, finding them to be regular employees who were illegally dismissed and ordered their reinstatement and payment of back wages and attorney's fees.
- The NLRC reversed the Labor Arbiter's decision, classifying the petitioners as project employees whose employment ceased with the completion of their respective projects.

5. **Dissatisfied with the NLRC's ruling:**

- Petitioners appealed to the Supreme Court, arguing that the NLRC committed grave abuse of discretion by misclassifying them and highlighting their continuous engagement in multiple projects, evidencing their regular employment status.

**Issues:**

1. **Existence of Employer-Employee Relationship:** Was there an employer-employee relationship between the petitioners and Viva Films?
2. **Employment Status - Regular vs. Project Employees:** Were the petitioners regular

employees or merely project employees?

3. **Legality of Dismissal:** If regular employees, was their dismissal from Viva Films lawful?

**Court's Decision:**

1. **Employer-Employee Relationship:**

- The Court found clear employer-employee relationships between the petitioners and Viva Films. The associate producers were performing roles similar to labor-only contractors, thereby making them mere agents of Viva Films. Viva Films directly engaged and supervised the petitioners, indicating an employer-employee relationship.

2. **Employment Status - Regular Employees:**

- The Court analyzed the continuous rehiring of the petitioners across multiple film projects and the nature of their tasks which were vital, necessary, and indispensable to Viva Films' business. Considering these elements, the petitioners were deemed regular employees under Article 280 of the Labor Code.

3. **Illegality of Dismissal:**

- Given the regular employment status of the petitioners, the Court ruled that their dismissals were illegal as they were premised on the completion of projects, not valid causes of termination under the Labor Code.

- The Court reinstated the Labor Arbiter's decision, ordering the petitioners' reinstatement and back wages, although with considerations during non-project periods as stipulated by Republic Act No. 6715.

**Doctrine:**

1. **Labor Code Art. 280:**

- A regular employee is one engaged to perform tasks necessary or desirable in the employer's usual business.

2. **Control Test:**

- The employer's control over the employee's work - the most crucial factor in establishing an employer-employee relationship.

3. **Recognition of Work Pool Employees:**

- Employees continuously re-hired for similar tasks by the same employer and performing essential functions to the business are considered regular employees.

4. **Labor-Only Contracting Prohibition:**

- Engaging workers through an intermediary without substantial capital or independent

business characterizes labor-only contracting, making the employer directly responsible for employment conditions.

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

1. **\*\*Regular Employment (Article 280):\*\***

- Continuous or frequent re-hiring for essential tasks indicates regular employment.

2. **\*\*Control Test:\*\***

- Core elements: Selection, engagement, wages payment, dismissal power, and control over conduct and methods.

3. **\*\*Labor-only Contracting (Article 106):\*\***

- Illegal practice where intermediary lacks requisite capital/equipment.

4. **\*\*Grave Abuse of Discretion Standard:\*\***

- Used in certiorari petitions asserting a tribunal completely disregarded material evidence.

**\*\*Historical Background:\*\***

The case illustrates the stringent application and interpretation of labor laws in the Philippines, reflecting judicial efforts to enforce the rights of workers against exploitative practices in industries like film production. This decision reiterates the significance of an employer's continuous engagement and control over workers in determining regular employment status, thus fortifying labor security.