

### Title: WPP Marketing Communications, Inc., et al. vs. Jocelyn M. Galera / Jocelyn M. Galera vs. WPP Marketing Communications, Inc., et al.

### Facts:

1. **Recruitment**: Jocelyn M. Galera, an American citizen, was recruited from the United States by John Steedman to work as Managing Director for Mindshare Philippines under WPP Marketing Communications, Inc.
2. **Employment Terms**: Galera signed an employment contract with benefits such as an annual salary, housing allowance, car and driver, insurance, pension plan participation, holidays, and sick leave.
3. **Commencement**: Galera began her role on September 1, 1999, without formal approval from WPP's Board of Directors.
4. **Visa Application**: Four months later, WPP filed for Galera's working visa designating her as Vice President.
5. **Dismissal**: On December 14, 2000, John Steedman verbally notified Galera of her termination, followed by a termination letter the next day.
6. **Initial Complaint**: Galera filed a complaint for illegal dismissal and other reliefs before Labor Arbiter Edgardo Madriaga.
7. **Arbiter's Decision**: Labor Arbiter ruled in favor of Galera, finding her dismissal illegal, awarding her backwages, moral, exemplary damages, and other benefits.
8. **NLRC Ruling**: The NLRC reversed the Labor Arbiter's decision, stating that Galera was a corporate officer and her dismissal was a corporate matter outside the Labor Arbiter's jurisdiction.
9. **Court of Appeals Decision**: The CA reversed the NLRC's ruling, declaring Galera was an employee, not a corporate officer, rendering the dismissal illegal. It ordered WPP to compensate her.
10. **Motions for Reconsideration**: Both parties filed motions for reconsideration, which were denied by the CA.

### Issues:

1. **Jurisdiction of the NLRC over Galera's Complaint**: Whether the NLRC had jurisdiction over the complaint or if it constituted an intra-corporate dispute.
2. **Employee vs. Corporate Officer**: Determining if Galera was a regular employee or a corporate officer.
3. **Correct Monetary Award**: The proper computation of Galera's monetary awards following the illegal dismissal finding.

### ### Court's Decision:

1. **Employee Status**: The Court affirmed the appellate court's decision, concluding that Galera was an employee, not a corporate officer. Her designation as Vice President was deemed not formalized by corporate by-laws.
2. **Labor Dispute Jurisdiction**: Since Galera was an employee, her dismissal was a labor matter falling under the NLRC's jurisdiction, not an intra-corporate issue.
3. **Illegal Dismissal**: The Court found that Galera's dismissal did not comply with substantive and procedural due process. WPP failed to provide just cause for termination following the two-notice rule.
4. **Backwages and Monetary Claims**: Although found entitled to backwages, Galera was ineligible for specific recovery due to her failure to secure a proper work permit prior to employment, leading the Court to leave parties where they are. The ruling disallowed application of foreign currency conversion in monetary awards since her employment violated local employment laws regarding alien permits.

### ### Doctrine:

1. **Employment of Aliens**: Filipino laws mandate aliens to secure a work permit before employment, failure of which limits their ability to claim employee benefits under Philippine labor laws.
2. **Two-Notice Rule**: Employers must serve two written notices before terminating an employee: one specifying grounds and another conveying the decision to dismiss.

### ### Class Notes:

- **Employee vs. Corporate Officer**: Determination relies on appointment by Board and inclusion in by-laws.
- **Two-Notice Rule**: (1) Notification of grounds for dismissal and (2) Notification of decision.
- **Alien Employment**: Foreign workers must secure work permits prior to employment (Labor Code Article 40).
- **Jurisdiction**: Labor arbiters have original jurisdiction over termination disputes involving employees. Corporate officer disputes are under RTC (RA 8799).

### ### Historical Background:

- **Labor Relations Evolution**: The case reflects the evolving jurisdictional boundaries between corporate and labor matters handled respectively by the NLRC and regional trial courts.
- **Global Employment Practices**: Highlights issues in international recruitment and the

regulatory requirements for foreign nationals working in the Philippines.