

Title:

South East International Rattan, Inc. and/or Estanislao Agbay vs. Jesus J. Coming

Facts:

1. **Employment History**:

- Jesus J. Coming was hired on March 17, 1984, as a Sizing Machine Operator for South East International Rattan, Inc. (SEIRI).
- Initially paid on a “pakiao” (piecework) basis, transitioned to a daily wage of Php 150.00.
- Experienced an employment interruption around 1990 and resumed work after two months.
- Dismissed on January 1, 2002, allegedly due to the company’s poor financial condition.

2. **Complaint Filed**:

- Jesus J. Coming filed a complaint on November 3, 2003, for illegal dismissal and various monetary claims including underpayment of wages, non-payment of holiday pay, 13th month pay, and service incentive leave pay.

3. **Petitioners’ Defense**:

- SEIRI claimed that it was incorporated in 1986 and resumed operations in 1992.
- SEIRI maintained that Jesus J. Coming worked for their furniture suppliers, not for SEIRI directly.

4. **Labor Arbiter Decision**:

- Labor Arbiter Ernesto F. Carreon ruled in favor of Coming, recognizing him as a regular employee of SEIRI and awarding him monetary compensation for illegal dismissal and other claims.

5. **NLRC Appeal**:

- SEIRI appealed to the National Labor Relations Commission (NLRC) and presented additional evidence such as payrolls and affidavits.
- The NLRC reversed the Labor Arbiter’s decision, declaring that Coming was not an employee of SEIRI.

6. **Court of Appeals Petition**:

- Coming filed a petition for certiorari to the Court of Appeals (CA) under Rule 65.
- The CA reversed the NLRC’s decision, reinstating the Labor Arbiter’s ruling and modifying the computation of back wages to include the period until the finality of the decision.

7. **Supreme Court Petition**:

- SEIRI petitioned for a review on certiorari under Rule 45 to the Supreme Court to reverse the CA's decision.

Issues:

1. **Existence of Employer-Employee Relationship**:

- Whether the CA correctly determined that an employer-employee relationship existed between SEIRI and Coming.

2. **Evaluation of Evidence**:

- Whether the CA properly appreciated and evaluated the evidence presented by both parties.

3. **Illegal Dismissal**:

- Whether the CA's ruling that SEIRI is liable for the illegal dismissal of Coming is consistent with applicable law and jurisprudence.

4. **Computation of Back Wages**:

- Whether the CA's ruling on the computation of back wages from the time of illegal termination until the finality of the decision is supported by prevailing jurisprudence.

Court's Decision:

1. **Employer-Employee Relationship**:

- The Supreme Court upheld the CA's decision, applying the four-fold test (selection and engagement, payment of wages, power of dismissal, power of control) to establish that an employer-employee relationship existed.

- Substantial evidence supported the CA's findings, including affidavits from former co-workers and inconsistencies in SEIRI's evidence regarding payroll and employment reports.

2. **Evaluation of Evidence**:

- The Supreme Court found that the CA appropriately weighed the conflicting evidences, including affidavits from both sides and payroll records, giving more credence to the affidavits of five former employees who corroborated Coming's claim.

3. **Illegal Dismissal**:

- The Supreme Court concurred with the CA that Coming was dismissed without just cause.

- Upheld his entitlement to reinstatement or, if not viable, separation pay plus back wages, and other monetary benefits from the time of illegal dismissal to the finality of the decision.

4. **Computation of Back Wages**:

- Affirmed the CA's decision to compute back wages from the date of illegal dismissal up to the finality of the decision, aligning with prevailing labor law jurisprudence.

Doctrine:

- The four-fold test establishes the employer-employee relationship.
- Failure to report an employee to the SSS is not conclusive proof against the existence of such a relationship.
- In labor litigations, doubts arising from evidence are resolved in favor of the worker.
- Unjust employer actions without valid cause result in entitlement to reinstatement and back wages.

Class Notes:

1. **Four-Fold Test**:

- Selection and engagement.
- Payment of wages.
- Power of dismissal.
- Power of control (most significant element).

2. **Labor Code Articles**:

- **Article 279**: Security of Tenure.
- **Article 282**: Just causes for dismissal.
- **Articles 283-284**: Authorized causes for termination and procedural requirements.

Historical Background:

- The case reflects the legal framework's emphasis on protecting labor rights amidst the evolving economic conditions in the Philippines.
- Highlights the judiciary's role in resolving employer-employee disputes through rigorous adherence to established jurisprudence and labor code provisions.