

### Title: CORNWORLD BREEDING SYSTEMS CORPORATION AND/OR LAUREANO C. DOMINGO V. HON. COURT OF APPEALS AND LUCENA M. ALVARO-LADIA

#### Facts:

Lucena M. Alvaro-Ladia was hired in August 1982 by Cornworld Breeding Systems Corporation (Cornworld) and ascended the ranks to become Vice President for Research and Development. On January 16, 2009, Cornworld's President, Benito M. Domingo, suffered a stroke, and Laureano C. Domingo (Laureano) assumed management.

On January 24, 2009, during a company meeting, Laureano berated Lucena for missing meetings and not responding to calls, resulting in a heated exchange where Laureano ordered her to leave the premises. Subsequently, Lucena was hospitalized due to hypertension and took a seven-day sick leave from January 26, 2009. On February 17, 2009, Lucena wrote Laureano requesting her salary and sales incentive pay.

On the same day, a memorandum announced Alan Canama's appointment as Overseer of all offices under Research and Development. Lucena claimed she was effectively placed on floating status and faced threats, ultimately filing for constructive dismissal on June 23, 2009. In defense, Cornworld cited loss of trust and alleged abandonment on Lucena's part due to her absence at meetings and lack of communication after her leave.

Procedurally, the Labor Arbiter dismissed Lucena's complaint for lack of merit, upheld by the National Labor Relations Commission (NLRC). Lucena then filed a Petition for Certiorari under Rule 65 with the Court of Appeals (CA), which reversed the NLRC's decision, recognizing her constructive dismissal and awarding her backwages, separation pay, and attorney's fees. Cornworld's subsequent Petition for Certiorari to the Supreme Court was initially dismissed for procedural lapses but later accepted for review.

#### Issues:

1. Whether Lucena was constructively dismissed or abandoned her position.
2. Whether Cornworld provided the appropriate procedural remedy in filing the petition.

#### Court's Decision:

The Supreme Court dismissed Cornworld's petition for being an incorrect procedural remedy, noting it should have been filed under Rule 45 instead of Rule 65. Despite this procedural error, the Court still reviewed the merits and found Cornworld constructively dismissed Lucena, affirming the CA's decision.

- **Constructive Dismissal Analysis:** The Court concluded Lucena was constructively dismissed, citing several reasons:
  - The Board Resolution effectively demoted Lucena by appointing Canama to her post.
  - Cornworld withheld her salaries during her approved sick leave and subsequent period, underscoring a hostile work environment.
  - Personal comments and public humiliation during meetings exacerbated the situation, making her continued employment untenable.
- **Abandonment Analysis:** The Court ruled out abandonment, emphasizing Lucena's multiple applications for sick leave and the prompt filing of the illegal dismissal complaint negated any intention to sever her employment.
- **Due Process Violation:** Cornworld failed to provide valid and due process-required notices about the alleged reasons for loss of trust and confidence, thereby failing to substantiate the dismissal claim.

#### #### Doctrine:

Constructive dismissal occurs when working conditions are so intolerable due to an employer's actions that a reasonable person would feel compelled to resign. Moreover, abandonment requires both the failure to report to work and a clear intention to sever the employment relationship, which must be substantiated by the employer.

#### #### Class Notes:

- **Constructive Dismissal:** Requires proof of employer acts creating unbearable working conditions.
- **Abandonment:** Requires genuine absence from work and overt acts indicating intent to quit.
- **Procedural Due Process:** Employers must provide two written notices before dismissal—one detailing the grounds for dismissal and another conveying the decision.
- **Article 297, Labor Code:** Just causes for termination include serious misconduct, gross neglect, fraud, or breach of trust.

#### #### Historical Background:

This case exemplifies legal principles in employment law regarding how managerial changes and associated stresses can impact employee relations and potential claims of constructive dismissal in the Philippines. It also highlights procedural intricacies within the Philippine judicial system and reinforces the necessity of following prescribed legal channels for

appeals and petitions for certiorari.