

Title:

****Thelma Dumpit-Murillo vs. Court of Appeals, Associated Broadcasting Company, Jose Javier, and Edward Tan (G.R. No. 164652) (January 20, 2006)****

Facts:

1. On October 2, 1995, Thelma Dumpit-Murillo was hired by Associated Broadcasting Company (ABC) as a newscaster and co-anchor for the program Balitang-Balita under a talent contract (No. NT95-1805) valid for three months.
2. This contract was renewed multiple times under new talent contracts: NT95-1915, NT96-3002, NT98-4984, and NT99-5649.
3. Murillo's services were further engaged for another program, "Live on Five."
4. The last contract expired on September 30, 1999, after she worked for ABC for four years, with repeated renewals.
5. Two weeks after expiration, Murillo sent a letter to Jose Javier, ABC's Vice President for News and Public Affairs, expressing interest in renewing the contract but requested a salary increase.
6. With no response and having stopped reporting for work, on November 5, 1999, Murillo sent another letter stating that failure to respond by November 8, 1999, would be deemed constructive dismissal.
7. Approximately a month later, Murillo sent ABC a demand letter for reinstatement, back wages, unpaid wages for services from September 1 to October 20, 1999, and other employee benefits.
8. ABC replied that her talent fees were being processed for the mentioned period but denied the other claims.
9. On December 20, 1999, Murillo filed a complaint alleging illegal constructive dismissal and demanded nonpayment of various benefits.
10. The Labor Arbiter dismissed the complaint on March 29, 2000.
11. Murillo appealed to the National Labor Relations Commission (NLRC), which ruled in her favor on August 30, 2000.
12. ABC filed a motion for reconsideration which was denied, leading them to file a petition for certiorari under Rule 65 before the Court of Appeals (CA).
13. The CA initially dismissed the petition but later reinstated it, overturning the NLRC decision and deciding Murillo was a fixed-term employee.
14. Aggrieved, Murillo filed for a petition for review before the Supreme Court.

Issues:

1. ****Review of CA findings****: Whether the Supreme Court can review the findings of the CA.

2. **Nature of employment**: Whether Murillo was a regular employee or a fixed-term employee under the labor law.

Court's Decision:

Issue 1: Review of CA findings

- **Ruling**: The Supreme Court can review the findings of the CA. The divergence between the findings of the NLRC and the CA regarding Murillo's employment status justifies such a review.

Issue 2: Nature of Employment

- **Ruling**: Murillo was determined to be a regular employee.

- The repeated renewals of her contract for an extended period (four years) indicated that her role was necessary and desirable for ABC's business.

- The stipulations within her employment indicated control by ABC, fulfilling the four-fold test for an employer-employee relationship (selection, payment of wages, dismissal power, and control over work).

- The practice of using short-term talent contracts was seen as an "anti-regularization device," contravening public policy and labor law protections.

- Therefore, Murillo was entitled to security of tenure and could only be terminated for just cause and with due process, which was not observed by ABC.

- The Court affirmed the NLRC's decision that there was no valid fixed-term employment, and Murillo was illegally dismissed.

Doctrine:

1. **Employer-Employee Relationship Test**: The employment relationship is established through the examination of the selection, wage payment, power of dismissal, and control of work method and result (four-fold test).

2. **Fixed-term Contracts**: Fixed-term contracts used repeatedly to prevent regularization violate labor security provisions and should be invalidated.

3. **Regular Employment**: Employees performing roles necessary or desirable in the business of the employer who have served for at least one year (continuous or intermittent) are considered regular employees entitled to security of tenure.

Class Notes:

- **Elements of Employer-Employee Relationship**: Selection/Engagement, Payment of Wages, Power of Dismissal, Power to Control.

- **Regular Employment Criteria**:

- Necessary/Desirable role in usual business/trade of the employer.
- At least one year of service, whether continuous or broken.
- **Relevant Statutes**:
- **Labor Code Article 280**: Defines regular and casual employment.
- Control Test: The most significant factor indicating an employer-employee relationship.

Historical Background:

This case highlighted the widespread labor practice in the broadcasting industry of using successive short-term contracts to circumvent labor laws on regularization. The Supreme Court decision reiterated the principle that genuine employment terms, rather than contractual label, govern employment relationships to prevent the exploitation of workers through instability and insecurity of employment tenure.