

### Title:

Industrial Personnel & Management Services, Inc. (IPAMS) v. Jose G. De Vera

### Facts:

**\*\*Step-by-Step Series of Events:\*\***

1. **\*\*Offer and Employment\*\***: On May 1, 2008, Alberto Arriola, a licensed general surgeon, was offered the position of Safety Officer by SNC Lavalin Engineers & Contractors, Inc. (SNC-Lavalin) for CH\$32.00 per hour, 40 hours a week, for 19 months starting June 9, 2008, at its Ambatovy Project site in Madagascar.
2. **\*\*Contract Signing & Deployment\*\***: Arriola, through IPAMS, signed an employment contract in the Philippines, which was processed by the Philippine Overseas Employment Administration (POEA). On June 9, 2008, Arriola began working in Madagascar.
3. **\*\*Pre-Termination of Employment\*\***: On September 9, 2009, Arriola received a notice from SNC-Lavalin that his employment would be pre-terminated effective September 11, 2009, due to diminishing workload and lack of alternative assignments. Arriola was repatriated on September 15, 2009, and was paid CA\$2,636.80.
4. **\*\*Complaint Filing\*\***: Arriola filed a complaint before the Labor Arbiter (LA) for illegal dismissal and non-payment of overtime, vacation leave, and sick leave pay, claiming unpaid salaries amounting to around Php1,062,936.00.
5. **\*\*Employer's Defense\*\***: The employers claimed financial losses due to the global financial crisis and insufficient workload as reasons justifying lawful termination and invoked the applicability of Canadian labor law (ESA).

**\*\*Procedural Posture:\*\***

1. **\*\*Labor Arbiter Ruling\*\***: The Labor Arbiter dismissed Arriola's complaint, accepting the application of Canadian law (ESA) which allowed termination without specifying any cause.
2. **\*\*NLRC Appeal\*\***: On appeal, the National Labor Relations Commission (NLRC) reversed the LA's decision, ruling that Philippine labor laws should apply and declared the dismissal illegal, awarding CA\$81,920.00. The award was later corrected to CA\$26,880.00.
3. **\*\*CA Petition\*\***: Petitioners filed for certiorari to the Court of Appeals (CA); the CA affirmed the NLRC decision but corrected the backpay to CA\$19,200.00 based on a 40-hour work week.
4. **\*\*Supreme Court Appeal\*\***: Petitioners sought review before the Supreme Court.

### Issues:

1. **\*\*Applicability of Canadian Law on Employment Contract\*\*** - Whether foreign law (Canadian law/ESA) governs Arriola's employment contract.

2. **Validity of Dismissal** - Whether Arriola's dismissal was valid under his employment contract and applicable laws.
3. **Backpay Calculation** - How to compute the backpay given the schedules and previous payments made.

### ### Court's Decision:

The Supreme Court analyzed each issue meticulously:

#### 1. **Applicability of Foreign Law**:

1. **Express Stipulation**: The employment contract must expressly state the applicability of a foreign law. Petitioners failed to prove any satisfactory stipulation in Arriola's contract mandating the application of Canadian law.
2. **Proof of Foreign Law**: SNC-Lavalin properly presented an authenticated copy of the ESA, but the second requisite alone does not suffice.
3. **Contravene Philippine Law**: The ESA's provisions on dismissal without cause and without notice contradict the Philippine Constitutional guarantees of security of tenure and due process.
4. **Processed through POEA**: This criterion was met as Arriola's contract was processed by the POEA.

Consequently, the Court ruled that the Philippine Labor Code should govern Arriola's employment instead of Canadian law.

#### 2. **Validity of Dismissal**:

- The Supreme Court held that the grounds for dismissal (financial losses and insufficient workload) were unsubstantiated by credible evidence.
- The adherence to Philippine law standards that mandate just cause for termination was not met by the petitioners. Thus, Arriola's dismissal was deemed illegal.

#### 3. **Backpay Calculation**:

- The correct backpay was due for three months and three weeks calculated on a 40-hour per week basis, amounting to CA\$19,200.00.
- Court found no basis to deduct the previously paid CA\$2,636.80 as it was not raised timely.

### ### Doctrine:

It reiterated that:

- Overseas employment contracts are generally governed by Philippine laws unless

explicitly stated otherwise and proven valid without contravening Philippine law, morals, public order, or public policy.

- The security of tenure as afforded by Philippine law cannot be negated by foreign contract stipulations contrary to constitutional rights.

### Class Notes:

**\*\*Key Elements:\*\***

1. **\*\*Security of Tenure\*\***: Fundamental under Philippine law, employees cannot be terminated without just cause.
2. **\*\*Processual Presumption\*\***: If a foreign law is not proven, the presumption is it is the same as Philippine law.
3. **\*\*Judicial Review\*\***: Foreign laws' applicability on employment contracts must respect public policy and fundamental rights ensured by local laws.

**\*\*Statutes:\*\***

1. **\*\*Labor Code of the Philippines\*\*** - To protect employee rights and specify just grounds for termination.
2. **\*\*R.A. No. 8042 (Migrant Workers Act)\*\*** - Affirms protection and sets parameters for employment abroad.

### Historical Background:

This case is situated in the context of increasing global migration of Filipino workers, particularly OFWs, driven by economic disparity and the lure of better wages overseas. With the state's vested interest in protecting its labor force, this case draws on established doctrines to safeguard the constitutional and labor rights of Filipino workers, exemplifying the regulatory landscape amidst globalization trends.