

### Title:

\*\*LBC Express-Metro Manila, Inc. and Lorenzo A. Niño vs. James Mateo, G.R. No. 169235\*\*

### Facts:

Respondent James Mateo was a regular employee at LBC Express-Metro Manila, Inc. (LBC) as a customer associate, responsible for delivering and picking up packages. Mateo utilized a Kawasaki motorcycle for these duties. On April 30, 2001, Mateo parked his motorcycle in front of LBC's Escolta office and left it unattended without locking the steering wheel while he briefly entered the office to secure packages.

Upon returning within three to five minutes, he discovered the motorcycle was missing. Mateo promptly reported the theft to his superiors at LBC and the nearest police station. Following the incident, LBC, through Vice-President Lorenzo A. Niño, ordered Mateo to explain the circumstances and undertook a formal investigation.

Mateo complied and presented his side. Nevertheless, on May 30, 2001, LBC terminated his employment, citing gross negligence. Mateo filed a complaint for illegal dismissal, seeking compensation for backwages and reinstatement, along with damages. The labor arbiter ruled against Mateo, finding the dismissal lawful due to gross negligence. Mateo's appeal to the National Labor Relations Commission (NLRC) was similarly unsuccessful.

Mateo subsequently filed a petition for certiorari with the Court of Appeals (CA), which ruled in his favor, determining that he had been illegally dismissed and that procedural due process was not observed by LBC. The CA denied LBC's motion for reconsideration.

LBC and Niño then appealed to the Supreme Court, seeking to reverse the CA's decision.

### Issues:

1. \*\*Was Mateo's dismissal grounded on just cause, specifically gross negligence as stipulated under Article 282(b) of the Labor Code?\*
2. \*\*Did LBC observe procedural due process according to the Labor Code's requirements in dismissing Mateo?\*

### Court's Decision:

\*\*Issue 1\*\*: \*\*Just Cause for Termination Due to Gross Negligence\*\*

The Supreme Court held that Mateo's act of leaving the motorcycle unlocked in a public place, despite explicit instructions to secure it, constituted gross negligence. Gross negligence is defined as a severe lack of care that demonstrates a willful disregard for the

consequences affecting other parties. By failing to lock the motorcycle, Mateo disregarded a crucial precaution meant to ensure the safety of company property, resulting in substantial financial loss. Hence, Mateo's action met the threshold for gross negligence, justifying his termination under Article 282(b) of the Labor Code.

**\*\*Issue 2\*\*:** **\*\*Procedural Due Process\*\***

The Supreme Court found that LBC adhered to procedural due process. The memorandum issued on May 21, 2001, clearly specified the grounds for the investigation, including the alleged theft of the motorcycle and pilferage of a package. Mateo was afforded an opportunity to present his side during the investigation, fulfilling the requirements of procedural due process. The sequential issuance of a notice of investigation followed by a notice of termination supported this conclusion.

**### Doctrine:**

- **\*\*Gross Negligence in Employment Context\*\***: Gross negligence involves the lack of minimal care, characterized by a deliberate disregard for responsibility. Employers are not required to retain employees whose gross negligence results in substantial harm to the company's interest.
- **\*\*Procedural Due Process in Termination\*\***: Employees must be notified of specific charges and given an opportunity to respond before termination. The sequence of notifying the employee of the investigation grounds and providing a subsequent notice of termination satisfies procedural due process.

**### Class Notes:**

- **\*\*Elements of Gross Negligence\*\***:
  - An act or omission where there is a duty to act.
  - Demonstrates want of even slight care.
  - Willful and intentional disregard for potential harmful consequences.
- **\*\*Procedural Due Process in Labor Law\*\***:
  - First Notice: Informing the employee of the specific charges.
  - Opportunity to Respond: Allowing the employee to present their side.
  - Second Notice: Communicating the decision of termination based on evaluation.
- **\*\*Relevant Statutory Provisions\*\***:
  - **\*\*Article 282(b) of the Labor Code\*\***: Gross and habitual neglect of duties as a just cause for dismissal.

- **\*\*Due Process Requirement\*\***: Enshrined in the Labor Code- Implementing rules mandate proper notice and opportunity for explanation before termination.

**### Historical Background:**

The case is situated in the broader context of stringent employer-employee relations in the Philippines. The decision provides clarity on the parameters of gross negligence and procedural due process in labor disputes. During this period, the Supreme Court was particularly attentive to balancing employee protection against unjust dismissal while safeguarding employers' interests against negligent acts leading to substantial losses.

This case exemplifies the Court's commitment to ensuring that labor decisions adhere to established legal standards, thereby reinforcing both employee rights and employer accountability within the framework of Philippine labor law.