

### Title:

Legend Hotel (Manila) vs. Hernani S. Realuyo, a.k.a. Joey Roa

### Facts:

Respondent, known by his stage name Joey Roa, filed a complaint on August 9, 1999, for alleged unfair labor practice, constructive illegal dismissal, and underpayment/nonpayment of premiums for holidays, separation pay, service incentive leave pay, and 13th-month pay. He sought attorney's fees and damages amounting to Php 100,000.00 each for moral and exemplary purposes.

Joey Roa had been working as a pianist at Legend Hotel's Tanglaw Restaurant since September 1992, initially paid Php 400.00/night, which increased to Php 750.00/night. His performances were scheduled from 7:00 pm to 10:00 pm, three to six times a week. Roa claimed he had been subjected to the hotel's dress codes and performance schedules and was dismissed on July 9, 1999, under the pretense of cost-cutting measures despite the hotel's profitable operation.

Legend Hotel contended that no employer-employee relationship existed, classifying Roa as a freelance talent paid per performance.

### Procedural Posture:

1. **Labor Arbiter (LA):** Dismissed Roa's complaint on December 29, 1999, for lack of merit, citing no employer-employee relationship.
2. **National Labor Relations Commission (NLRC):** Upheld the LA's dismissal on May 31, 2001.
3. **Court of Appeals (CA):** Reversed the NLRC's decision on February 11, 2002, recognizing an employer-employee relationship and ruling Roa was a regular employee who had been illegally dismissed. The CA ordered reinstatement or separation pay and awarded back wages, leave, and other benefits.

### Issues:

1. Whether the CA properly granted certiorari given that it involved factual questions.
2. Whether an employer-employee relationship existed between Legend Hotel and Roa.
3. Whether Roa's dismissal was valid and justified.

### Court's Decision:

**1. Properity of Certiorari:**

The CA's jurisdiction to review factual issues via certiorari is affirmed, rooted in Section 9 of

Batas Pambansa Blg. 129.

**\*\*2. Employer-Employee Relationship:\*\***

The Supreme Court affirmed that an employer-employee relationship existed based on:

- Petitioner's power to select, evidenced by the service contract and salary recommendations.
- The nature of Roa's remuneration, consistent with Article 97(f) of the Labor Code defining wages.
- The control exerted by the hotel over Roa's work schedule, dress code, and performance content, satisfying the control test for employment.

**\*\*3. Validity of Dismissal:\*\***

Roa's dismissal lacked evidence of substantial business losses needed for lawful retrenchment under Article 283 of the Labor Code. Thus, his termination was deemed without valid cause.

**\*\*Remedy:\*\***

Reimbursement with back wages and separation pay was ordered, counting from the commencement of his work in 1992 up until the final ruling, in case reinstatement was not feasible.

**### Doctrine:**

- Employer-employee relationships are defined by control, remuneration nature, work conditions, and employer authority (Article 97(f) and Article 80 of the Labor Code).
- Retrenchment must be substantiated by clear, convincing evidence of imminent losses to justify dismissal.

**### Class Notes:**

- **\*\*Control Test:\*\*** Central to determining the existence of an employer-employee relationship.
- **\*\*Wage Definition:\*\*** Per Article 97(f) of the Labor Code, considers designation, time, task, or piece basis remuneration, inclusive of provided benefits.
- **\*\*Retrenchment Validity:\*\*** Must meet standards proving substantial, imminent losses and must be necessary to curtail such losses (Article 283 of the Labor Code).

**### Historical Background:**

This case highlights the protection provided by Philippine labor laws against unjust termination. It underscores the judiciary's role in scrutinizing employment relationships and

contractual terms to safeguard workers' rights, reflecting the socio-economic dynamics of employment practices and labor relations in the Philippines during economic adversities.