

Title: Pacific Metals Co., Ltd. vs. Edgar Allan Tamayo, Eramen Minerals, Inc., and Enrique Fernandez, G.R. No. 227992

Facts:

1. Pacific Metals Co., Ltd. (PAMCO), a foreign company registered in Japan, engages in importing nickel ore mined in the Philippines, opening its Philippine Representative Office in April 2008.
2. PAMCO negotiated with Eramen Minerals, Inc. (ERAMEN) for an exploration agreement in a 4,619-hectare area in Zambales covered by ERAMEN's Mineral Production and Sharing Agreement (MPSA).
3. On September 2010, PAMCO hired Edgar Allan Tamayo, a licensed geologist, for a two-month employment contract. He received a monthly salary of P90,000. His employment was subsequently extended for another two months, ending January 31, 2011.
4. On January 17, 2011, PAMCO and ERAMEN entered into an Exploration Agreement involving financial and technical assistance from PAMCO.
5. Tamayo was appointed as the manager for the ERAMEN/PAMCO Exploration Project. His responsibilities included preparing reports, updates, and budget requests.
6. On November 29, 2011, Tamayo received a termination notice effective December 31, 2011, allegedly due to completion of the exploration aspect of the project.
7. Tamayo filed a complaint for illegal dismissal with the National Labor Relations Commission (NLRC) on December 12, 2012.

Procedural Posture:

- Labor Arbiter found Tamayo as a project employee, terminating due to project completion, ordering ERAMEN to pay his December 2011 salary and 13th-month pay.
- NLRC affirmed Labor Arbiter's decision but modified computation of 13th-month pay.
- Court of Appeals ruled Tamayo as a regular employee illegally dismissed, ordering reinstatement with full backwages.

Issues:

1. Whether Tamayo was a regular or a project employee.
2. If regular, which between PAMCO and ERAMEN is liable for backwages, 13th month pay, damages, and attorney's fees.

Court's Decision:

1. Regular or Project Employee:
 - Supreme Court determined Tamayo is a regular employee. It focused on the continuity and

the nature of services rendered, and the necessary or desirable nature of his duties to PAMCO's primary business.

- The court rejected claims of Tamayo being a project employee on his subsequent re-engagement which lasted a year without a renewed contract.
- It found the alleged project completion dubious due to lack of evidence substantiating the supposed quick completion.

2. Employer Liability:

- The decision reaffirmed Court of Appeals' holding that PAMCO, having control over Tamayo's employment and the exploration project, was responsible for his backwages, reinstatement, and legal fees, recognizing his tenure for over a year.

Doctrine:

- The principal test for project employment is the specific duration and scope of an assignment at first engagement. Prolonged employment without clear time-bound tasks leans towards regular employment on necessary or desirable tasks relating to the employer's business.
- Legal precedents distinguish project engagements lacking defined termination upon project/task completion from regular employment, protecting security of tenure under the Labor Code.

Class Notes:

- Key Concept: Employee Regularization: Article 280 [renumbered to 295] of the Labor Code outlines that employees engaged on activities regularly necessary for the usual business are regular unless falling under specific-season or defined project duration statuses.
- Application: Any employment surpassing one year engaged in tasks inherently linked to the core business likely constitutes regular employment.

Historical Background:

The case originated from industrial economic growth strategies involving resource extraction where foreign enterprises seek local partnerships. This reflects ongoing legal enforcement adapting to worker protection mechanisms amid burgeoning project-based industrial operations in developing contexts like the Philippines.