

Title: PCL Shipping Philippines, Inc. and U-Ming Marine Transport Corporation v. National Labor Relations Commission and Steve Rusel

Facts:

1. **Employment and Accident:** In April 1996, Steve Rusel was employed as a GP/AB Seaman by PCL Shipping Philippines, Inc. (PCL Shipping), acting on behalf of its foreign principal, U-Ming Marine Transport Corporation (U-Ming Marine). Rusel joined the vessel MV Cemtex General for a 12-month contract with various compensation agreements, including a monthly salary of US\$400 and additional allowances. On July 16, 1996, Rusel slipped while cleaning the vessel's kitchen and suffered from a broken or sprained ankle on his left foot. The request for a medical examination was denied by the ship's captain.
2. **Desertion and Repatriation:** Due to unbearable pain, Rusel jumped off the vessel on August 13, 1996, swam to shore using a life jacket, and was hospitalized for eight days. On August 22, 1996, he was fetched by the vessel's agent from the hospital to board a plane back to the Philippines.
3. **Legal Proceedings:** On September 26, 1996, Rusel filed a complaint against PCL Shipping and U-Ming Marine before the NLRC for illegal dismissal, non-payment of wages, and several other labor claims. The employers countered that Rusel deserted his job.
4. **Labor Arbiter's Decision:** On July 21, 1998, the Labor Arbiter found the respondents liable for Rusel's unjust repatriation and awarded him various financial compensations including three months salary for illegal dismissal.
5. **Appeal to the NLRC:** The employers appealed, and on March 22, 2000, the NLRC affirmed the Labor Arbiter's findings but modified the damages, reducing the three months salary award and deleting the sick wage benefit.
6. **Petition to the Court of Appeals:** The employers filed a petition for certiorari with the CA, which was subsequently dismissed. Their motion for reconsideration was also denied.
7. **Supreme Court Petition:** Dissatisfied with the CA ruling, the employers filed a petition for review on certiorari with the Supreme Court, raising several issues regarding Rusel's alleged desertion, the employers' right to pre-terminate employment, and the monetary claims awarded.

Issues:

1. Whether Steve Rusel was illegally dismissed from employment.
2. Whether the employers had the right to pre-terminate Rusel's employment.
3. Whether Rusel is entitled to the awarded monetary claims, including attorney's fees.

Court's Decision:

1. **Illegal Dismissal:** The Supreme Court upheld the findings of the Labor Arbiter, NLRC, and CA, confirming that Rusel did not desert his position but was compelled to leave due to sustained ankle injury and the denial of medical treatment, making his dismissal unjust.
2. **Right to Pre-Terminate Employment:** The Court found that the employers could not rely on POEA Memorandum Circular provisions (both old and new), as the circumstances did not meet requisite conditions for pre-termination like proximity to contract expiration and non-payment of agreed wages and benefits upon premature termination.
3. **Monetary Claims:** The Court ruled that while the entitlement to some benefits like living allowance, special allowances, and vacation pay for two months was justified, the award wrongly included overtime pay since no evidence showed work beyond regular hours. The attorney's fee was reduced but still awarded due to unlawful withholding of wages.

Doctrine:

1. Employers bear the burden of proof in termination cases, needing clear and convincing evidence for disciplinary dismissals such as desertion.
2. The Labor Code and its protective provisions apply to both domestic and overseas Filipino workers, mandating adherence to due process for termination.

Class Notes:

- Essential elements of desertion in maritime law include unauthorized absence with intent not to return (*animo non revertendi*).
- Legal provisions under the Labor Code afford protection on due process for overseas employment.
- Attorney's fees in labor cases can be awarded for unlawful withholding of wages without showing bad faith on the employer's part.

Historical Background:

This case illustrates the application of labor laws in protecting the rights of Filipino

overseas workers, emphasizing the importance of due process even in international maritime employment. It highlights the judicial consistency in interpreting employment contracts under Philippine legal standards regardless of where the employment occurs.