

Title: Allan Regala vs. Manila Hotel Corporation

Facts:

1. **Initial Engagement**: Allan Regala was hired as a waiter by Manila Hotel Corporation (MHC) in February 2000. He worked extensively within the hotel's Food and Beverage Department and served in various roles and locations within the hotel.
2. **Work Conditions**: Regala was typically assigned six days a week with a daily salary of P382.00 until December 2009. Contributions to SSS and PhilHealth were made on his behalf.
3. **Training and Responsibilities**: Regala was required to attend various hotel training sessions and reported to a Captain Waiter. His duties were necessary and desirable to the hotel's food and beverage operations.
4. **Claims and Allegations**: Regala contended that despite his long service, he was never recognized as a regular employee. In December 2009, his work days were reduced to two per week, which he claimed led to constructive dismissal.
5. **MHC's Defense**: MHC classified Regala as a "freelance" or "extra waiter," engaged on a short-term basis to manage fluctuations in business volume. MHC stated that Regala entered into Service Agreements that specified the temporary nature of his employment.
6. **Labor Arbiter's Decision**: On September 8, 2010, the Labor Arbiter dismissed Regala's complaint. It was ruled that Regala had voluntarily entered Service Agreements as a fixed-term employee.
7. **Appeal to NLRC**: Regala appealed, asserting regular employee status based on his long tenure and the continuous necessity of his job. The NLRC reversed the Labor Arbiter's decision on March 24, 2011, determining Regala was a regular employee who had been constructively dismissed.
8. **CA's Decision**: MHC's certiorari petition to the Court of Appeals resulted in the CA overturning the NLRC's decision on May 22, 2012, backing MHC's classification of Regala as a fixed-term employee.
9. **Supreme Court Petition**: Regala petitioned the Supreme Court for review, raising issues about his employment status and the alleged constructive dismissal.

Issues:

1. Whether Regala was a regular employee of MHC.
2. Whether Regala was constructively dismissed from employment.

Court's Decision:

1. **Employment Status**:

- The Supreme Court recognized Regala as a regular employee.
- It emphasized that Regala performed activities necessary and desirable in the business of MHC, fulfilling requirements under Article 295 of the Labor Code.
- MHC's practice of repeatedly renewing Regala's contracts over several years demonstrated the necessity of his role.
- The presented Service Agreements were found insufficient to establish fixed-term employment, lacking clear expiration dates and failing to adhere to the principles for valid fixed-term employment.

2. **Constructive Dismissal**:

- The Court held that reducing Regala's work schedule from five to two days per week, resulting in diminished pay, amounted to constructive dismissal.
- MHC's failure to specifically address or rebut the constructive dismissal claims allowed for a presumption of its occurrence.

Doctrine:

- **Presumption of Regular Employment**: In the absence of a clear agreement specifying temporary employment, employees performing necessary and desirable tasks over an extended period are presumed regular employees.
- **Fixed-Term Employment Validity**: Such contracts must specify terms unequivocally, be mutually agreed upon without duress, and not circumvent regular employment status or security of tenure.

Class Notes:

- **Four-Fold Test** (employment status):
 - Selection and engagement of the worker.
 - Payment of wages.
 - Power of dismissal.
 - Control over the worker's performance.
- **Constructive Dismissal**: Marks any act by the employer rendering continued employment impossible or intolerable to the employee.
- **Article 295, Labor Code**: Defines regular employment and conditions under which an employee becomes regular.

Historical Background:

- The case demonstrates the ongoing issues in labor rights within the Philippine service industry, especially where employment practices navigate around statutory protections for

workers' tenure. It underscores the judiciary's role in safeguarding workers against arbitrary contract schemes affecting their rightful status and security in employment.