

GONZALO PUYAT & SONS, INC., PETITIONER, VS. PEDRO LABAYO AND THE COURT OF INDUSTRIAL RELATIONS, RESPONDENTS.

G.R. No. L-32480. February 25, 1975

Ponente: MAKASIAR, J.

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MAKASIAR, J.:

This is a petition for review on certiorari of respondent Court of Industrial Relations' decision of June 18, 1970 directing herein petitioner firm to pay herein private respondent Pedro Labayo "his overtime work of one (1) hour a month beginning the month of June, 1960 up to March, 1963, inclusive, based on his monthly salary of P175.00. Respondent is further ordered to reinstate petitioner to his former or substantially equivalent position, without loss of seniority and other privileges, with back wages from March 20, 1963, for a period of three (3) years."

The present case had its genesis on March 16, 1963 when respondent Labayo commenced a petition against herein petitioner docketed as Case No. 1827-V of respondent Court of Industrial Relations for his reinstatement as foreman of petitioner company's rattan department, with a prayer for back wages from the date of said dismissal up to the time of his reinstatement, and for recovery of overtime compensation for overtime services rendered for not less than two to three hours a day for a couple of working days in a month and for having rendered services on Sundays for not less than two Sundays a month.

Contending that the subject matter of Labayo's petition was beyond the jurisdiction of respondent CIR, herein petitioner firm filed on the 15th of June, 1963 a motion to dismiss Labayo's petition. Said motion was denied by respondent CIR in a resolution dated November 19, 1963.

Whereupon, herein petitioner company filed with this Court a petition for certiorari and prohibition (G.R. No. L-22215) on the issue of the CIR jurisdiction over: (1) a reinstatement claim with back wages for unjustified dismissal or, in the alternative, separation pay; and (2) a claim for overtime compensation for overtime services rendered on regular days and Sundays.

Squarely, We ruled against petitioner company and We upheld the jurisdiction of respondent Court of Industrial Relations over the issues raised, thus:

"This question is not new. By well-entrenched jurisprudence, CIR jurisdiction over a claim for overtime pay for work performed on regular days and Sundays — which arises under the Eight-Hour Labor Law — when claimant seeks reinstatement or the re-establishment of employer-employee relationship . . . (italics supplied).

"Along with the overtime pay claim, CIR, too, has authority to act over the laborer's other demands, namely, for back wages due to unjustified dismissal and separation pay. For, with the reinstatement prayer, they all arise out of, or in connection with, his employment (italics supplied)." [Gonzalo Puyat & Sons, Inc. vs. Labayo, L-22215, Jan. 30, 1968, 22 SCRA 383].

Subsequently, on March 9, 1968, herein petitioner filed its answer to respondent Labayo's petition and specifically

"... denies all the allegations contained in paragraph 3 of petitioner's (Labayo's) petition, for the reason that, to the best of respondent's (Gonzalo Puyat & Sons, Inc.'s) knowledge and as revealed by its records, petitioner became a monthly salaried employee sometime in 1957 at the rate of P140.00 per month, excluding overtime pay; that petitioner was, prior to his dismissal, assigned as foreman at respondent's Rattan Department; and that the reason petitioner was discharged was due to dereliction of duty, direct violation of explicit instructions of respondent's General Supervisor, Mr. G.A. Guevarra, gross and habitual negligence and inefficiency in the performance of his duties." (pp. 29-30, rec.).

By way of special and affirmative defenses, herein petitioner also alleged in its answer that Labayo's petition states no cause of action against it; that Labayo's "so-called" causes of action are beyond the jurisdiction of respondent CIR; that Labayo's claim for compensation to which he claimed to be entitled has already been paid; and that Labayo's claims for regular and Sunday overtime payments have already prescribed.

After a searching analysis of both parties' evidence, respondent CIR ruled against herein petitioner in a decision dated June 18, 1970, which reads:

"The issues before the Court are:

1. Is petitioner (Labayo) entitled to overtime and/or Sunday pay; and
2. Was his dismissal just and lawful.

"Anent the first issue, the evidence shows that one day each month petitioner rendered overtime work from 5 o'clock to 6 o'clock in the afternoon (t.s.n., pp. 22-23, April 3, 1968). And overtime work is admitted in Exhibit '1', petitioner's personal record which contains a statement on overtime pay. Thus, said Exhibit '1' of respondent belies the assertion of chief timekeeper Marcelino Solis, witness for respondent, that written authority from management was necessary before petitioner and other workers could work overtime.

"Petitioner's monthly salary in 1960 up to 1963 was P175.00 (t.s.n., pp. 16 and 34, April 3, 1968). Respondent failed to make petitioner's time cards available to the Court, alleging that they were over five years. When the petition was filed on May 17, 1963, respondent should have kept the records up to five years back. It should not now stand to benefit from its failure.

"However, evidence on Sunday work is insufficient.

"Prescription having been raised as a defense, under RA. Act No. 1993, which fixes the period at three years, the enforceable claim of petitioner starts on May 17, 1960, which is three years prior to the filing of the petition on May 17, 1963, up to the date of his dismissal on March 20, 1963.

"Regarding petitioner's dismissal, the Court finds that the cause was the error attributed to him in the cutting of component parts of rattan furniture which resulted in a 10-day delay in the delivery of the furniture and in the payment therefor to respondent.

"However, Exhibit '4', the report of administrative assistant Ramon Figueroa merely stated that Labayo failed to follow the instructions of plant manager Godofredo Guevara 'to give preference to the USA project,' and disclosed in effect that some parts that were erroneously cut were not all wasted as a good portion could be used in another order, and other parts were adjusted without additional cost. The report also observed that 'Just giving the foreman a sample to follow is not enough' and proposed the adoption of a production system where 'nothing is left to chance.' The foregoing should reduce to a minimum the liability attributable to Labayo.

"According to respondent's witness, plant manager Godofredo Guevarra, on March 19, 1963, recommended merely the transfer of Labayo to another department as he was very old in the service. However, the reason administrative assistant Ramon Figueroa allegedly verbally recommended dismissal was that Labayo specialized in rattan work and there was no other work he could fit in. And petitioner was dismissed on March 20, 1963, barely one day after Guevarra's recommendation and before management received the report of

Figuerola dated March 22, 1963 (Exhibit '4') which was not at all depressing and did not contain any confirmatory recommendation of dismissal.

"It is evident that action by management on Labayo's case was hasty; that the aforesaid reason given by Figuerola regarding his alleged verbal recommendation of dismissal was flimsy and unworthy of credence as Guevarra himself who was more knowledgeable merely recommended transfer; and that Labayo's length of service as well as the report Exhibit '4' should have been considered" (pp. 38-40, rec.).

Hence, this present petition for review by herein petitioner company.

Petitioner still insists that respondent Court of Industrial Relations did not properly acquire jurisdiction over the case. As heretofore stated, on January 30, 1968, We expressly overruled this defense in the original case of Gonzalo Puyat & Sons, Inc. vs. CIR and Pedro Labayo (L-22215, 22 SCRA 381, 383, supra) that judgment had long become final and is now the law of this case. And in 1972, We reiterated this principle in Colgate-Palmolive vs. De la Cruz, et al. (L-23015, May 30, 1972, 45 SCRA 190) and Filipro Inc., et al. vs. CIR, et. al. (L-30827, Aug. 18, 1972, 46 SCRA 621). We have consistently upheld the jurisdiction of the Court of Industrial Relations over cases involving the Eight-Hour Labor Law, the Minimum Wage Law, and unfair labor practice as well as those certified by the President to the Court of Industrial Relations as affecting national interest, as long as the employer-employee nexus is shown and the aggrieved party is seeking his reinstatement.

In the Filipro case, supra, We restated the doctrine that the CIR jurisdiction over a case is determined by the allegations in the complaint or petition, or by the issues raised by the parties, and not by their success or failure in proving their averments in their respective pleadings (46 SCRA 627). Such was our uniform holding in the previous cases of Progressive Labor, etc. vs. Atlas Consolidated, et. al. (L-27585, May 29, 1970, 33 SCRA 349, 353); Insular Sugar, etc., et. al. vs. CIR, et. al. (L-19247, May 31, 1963, 8 SCRA 270, 272); E.J. Nell Co. vs. Cubacub (L-20842, June 23, 1965, 14 SCRA 419, 421-422); Jose Serrano vs. Luis Serrano (L-19562, May 23, 1964, 11 SCRA 22, 24); Campos Rueda vs. Bautista (L-18453, Sept. 29, 1962, 6 SCRA 240-244); Security Bank Employees Union vs. Security Bank & Trust Co. (L-28536, April 10, 1968, 23 SCRA 503); Bay View Hotel, Inc. vs. Manila Hotel Workers Union (L-21803, Dec. 17, 1966, 18 SCRA 946); Tuvera vs. de Guzman (L-20547, Apr. 30, 1965, 13 SCRA 729); Associated Labor Union vs. Ramolete (L-23537, March 31, 1965, 13 SCRA 582); Abo vs. Philame [KG] Employees & Workers Union (L-19912, Jan. 30, 1965, 13 SCRA 120); and PAFLU vs. Padilla (106 Phil. 591).

Respondent Labayo's March 16, 1963 petition filed with respondent CIR unmistakably sought his reinstatement with back wages to his position as foreman of herein petitioner's rattan department, from which he was illegally dismissed.

Herein petitioner firm next ascribes to respondent CIR the commission of grave abuse of discretion amounting to lack of jurisdiction when it rendered its decision on June 18, 1970 and its resolution of July 31, 1970 denying petitioner firm's motion for reconsideration.

We cannot sustain herein petitioner's claim that Labayo was not able to establish that he was unjustly dismissed. The record of the case reveals that the following evidence presented by Labayo, among others, were not refuted by petitioner; that respondent Labayo worked with petitioner Gonzalo Puyat & Sons, Inc. since 1938 up to the outbreak of war and resumed work sometime in 1944 or 1945 up to March 20, 1963; that plant manager Guevarra who sent the memorandum to Labayo was not anymore disposed to talking to the latter, after such memorandum, as to the former was mad, at him; that he was dismissed in 1963 without the benefit of a previous notice nor separation pay.

Herein respondent CIR found that the alleged error attributed to Labayo "in the cutting of component parts of

rattan furniture which resulted in a 10-day delay in the delivery of the furniture and in the payment therefor to respondent" is not supported by Exhibit 4, the report of administrative assistant Ramon Figueroa, which "merely stated that Labayo failed to follow the instructions of plant manager Godofredo Guevarra 'to give preference to the USA project,' and disclosed in effect that some parts that were erroneously cut were not all wasted as a good portion could be used in another order, and other parts were adjusted without additional cost. The report also observed that 'Just giving the foreman a sample to follow is not enough' and proposed the adoption of a production system where 'nothing is left to chance.'" The respondent CIR concluded that "the foregoing should reduce to a minimum the liability attributable to Labayo."

Well-settled is the rule that absent any substance to support a petition disputing the said findings as amounting to gross abuse of discretion — as in the present petition — this Court must respect the findings of facts of the CIR (*De Leon, et. al. vs. Pampanga Dev. Co., Inc.*, L-26844, Sept. 30, 1969, 29 SCRA 628, 633; *Castillo, et. al. vs. CIR, et. al.*, L-26124, May 29, 1971, 39 SCRA 75, 83; *Bulakeña Restaurant & Caterer vs. CIR, et. al.*, L-26796, May 25, 1972, 45 SCRA 87).

WE find it difficult to be convinced that the "error" attributed to respondent Labayo in meeting the specifications of the United States government in petitioner's contract with the latter was of such serious proportion as to warrant Labayo's radical dismissal from work. The error of Labayo might have merited an admonition. But certainly, to purge him out of his work, which has been his main source of bread for so long a time in his life — about twenty-one years of is unconscionable and unjust. The "scar in the reputation of company" that might have been caused by Labayo's oversight does not justify the social injustice that was inflicted on Labayo by his having been precipitately ousted from his job — the only support for his family. Such inhumanity to a loyal employee leaves a most ugly scar on the employer's reputation.

A significant fact was not rebutted nor explained by petitioner: that plant manager Godofredo Guevarra on March 19, 1963, merely recommended the transfer of Labayo to another department in consideration of the latter's having been very old in the service; that the reason why administrative assistant Ramon Figueroa allegedly verbally recommended dismissal was that there was no other job fitted for Labayo as he specialized in rattan work; that such dismissal came on March 20, 1963 or barely one day after Guevarra's recommendation and prior to management's receiving the report of Figueroa on March 22, 1963, which report did not, it turned out, contain confirmatory recommendation of dismissal (p. 40, rec.).

It is highly questionable why administrative assistant Figueroa could not give a thought to the recommendation of plant manager Guevarra to merely transfer Labayo to another department. If the preconceived gesture was not to dismiss Labayo right away, why could not Figueroa take some more patience in finding out whether there really is still some other department in the company where respondent Labayo could be absorbed? WE are not persuaded that just because Labayo specialized in rattan work, there is no other work in the company that he could fit in, considering his over two decades of service.

WHEREFORE, the petition is hereby dismissed, with costs against petitioner.

Makalintal, CJ., Castro, Teehankee, and Esguerra, JJ., concur.

Muñoz Palma, J., on official leave.

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