

LOLITO E. PAYTAN PETITIONER, V. NATIONAL LABOR RELATIONS COMMISSION (FORTH DIVISION), SUPERMAX STEEL CORP., ANTONIO HOOK CHUA AKA MR. TONY CHUA, RESPONDENTS.

Ponente: LANTION, J.A.C., J.

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LANTION, J.A.C., J.:

This Petition for Certiorari[1] under Rule 65 of the Rules of Court seeks to annul and set aside the Decision[2] dated 24 July 2013 of the National Labor Relations Commission, Fourth Division, in NLRC LAC NO. 02-000594-13, as well as the Resolution[3] dated 6 September 2013 denying the Motion for Reconsideration[4] thereof. The dispositive portion of the Decision[5] dated 24 July 2013 reads:

“IN VIEW WHEREOF, the respondents' appeal is GRANTED while that of the complainant is DENIED. The assailed Decision is hereby SET ASIDE. The complaint of Paytan is DISMISSED for lack of merit.

SO ORDERED.”[6]

THE FACTS

(As culled from the Records)

Respondent Supermax Steel Corporation (Supermax) is a domestic corporation engaged in the business of manufacturing cyclone wires.[7] Petitioner Lolito Paytan (Paytan), on the other hand, was employed by Supermax as an ordinary laborer in March 1993. He was later on promoted as a supervisor with a daily wage of P426.00.[8]

In May 2008, Paytan resigned from his job and was given by Supermax a resignation pay amounting to P20,793.50.[9]

After eight (8) months, in January 2009, Paytan went back to Supermax, inquiring for an available contractual work in the office. Thereafter, Paytan was contracted by Supermax to fabricate cyclone wires of different sizes and was paid on a piece-rate or “pakyawan” basis.[10]

On 12 March 2012, Supermax ceased to avail Paytan's services. Consequently, on 27 March 2012, Petitioner filed a Complaint[11] for illegal dismissal and damages against Supermax. Paytan claimed that he was an employee of Supermax and that he was summarily dismissed by Supermax for an alleged violation of a company policy. Paytan presented his Identification Card[12] (ID) and SSS Employee Static Information Sheet[13] to the Labor Arbiter as proof of his employer-employee relationship with Supermax.

On 24 July 2013, the Labor Arbiter rendered a Decision[14] in favor of Paytan. The Labor Arbiter appreciated the ID and SSS Employee Static Information Sheet adduced by Paytan. It ruled that Paytan was an employee of Supermax and that Paytan was illegally dismissed by the said corporation.

Supermax appealed the above Decision to the NLRC. On 24 July 2013, the NLRC rendered the herein assailed Decision[15] in favor of Supermax, setting aside the Labor Arbiter's ruling.[16] The NLRC held that Paytan was not an employee of Supermax. Hence, he could not be illegally dismissed from employment.

Paytan's Motion for Reconsideration of the assailed Decision, was denied on 6 September 2013.

ISSUES

I

THE HONORABLE COMMISSION FOURTH (4[TH]) DIVISION WITH ALL DUE RESPECT SERIOUSLY COMMITTED GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OR EXCESS OF JURISDICTION IN GRANTING THE APPEAL OF PRIVATE RESPONDENTS.

II

THE HONORABLE COMMISSION FOURTH (4[TH]) DIVISION WITH ALL DUE RESPECT SERIOUSLY COMMITTED GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OR EXCESS OF JURISDICTION IN REVERSING THE DECISION OF THE HONORABLE LABOR ARBITER DESPITE THE EVIDENCE ON RECORD SHOWING THAT PETITIONER WAS NOT VALIDLY DISMISSED.

III

THE HONORABLE COMMISSION FOURTH (4[TH]) DIVISION WITH ALL DUE RESPECT SERIOUSLY COMMITTED GRAVE ABUSE OF DISCRETION WHEN IT DISMISSED THE MOTION FOR RECONSIDERATION OF PETITIONER IF NOT CORRECTED WILL BE A BAD PRECEDENT. FUTURE EFFECT THEREOF FINDS SPACE IN THE COURTS OF LAW. THE CASE OF PETITIONER IS MERITORIOUS AND TO DISREGARD THE SAME WOULD BE TANTAMOUNT TO WILLFULLY CLOSING OUR EYES IN ORDER TO AVOID SEEING AND REALIZING THE TRUTH.

RULING

Paytan contends that the NLRC gravely abused its discretion in ruling that he was not an employee of Supermax but an independent contractor when he was contracted by Supermax in January 2009. He insists that the ID and the SSS Employee Static Information Sheet he adduced are sufficient evidence of his employer-employee relationship with Supermax from January 2009 until March 2012.

The petition lacks merit.

In labor cases, the employer has the burden of proving that the employee was not dismissed or if dismissed, that the dismissal was not illegal. However, before a case for illegal dismissal can prosper, an employer-employee relationship must first be established by the employee.[17]

In ascertaining the existence of an employer-employee relationship, jurisprudence has invariably applied the four-fold test, namely: (1) the manner of selection and engagement or power to hire; (2) the payment of wages; (3) the presence or absence of the power of dismissal; and (4) the presence or absence of the power of control.[18] Of these four, the last one is the most important. The so-called "control test" is commonly regarded as the most crucial and determinative indicator of the presence or absence of an employer-employee relationship. Under the control test, an employer-employee relationship exists where the person for whom the services are performed reserves the right to control not only the end achieved, but also the manner and means to be used in reaching that end.[19]

Here, Paytan failed to prove that for the period of January 2009 until March 2012, an employer-employee relationship existed between him and Supermax. This Court cannot consider the ID and SSS Employee Static Information Sheet[20] adduced by Paytan to prove his alleged employment for the said period, considering that

the said ID was only valid until 1995 while the SSS Employee Static Information Sheet reflects Paytan's employment only for the year 1996. At best, the said ID and SSS Employee Static Information Sheet may only prove Paytan's employment with Supermax in 1995 and 1996, not his employment from January 2009 until 12 March 2012.

Conversely, the evidence adduced by Supermax instead show that Paytan was hired as an independent contractor, not as an employee, from January 2009 until 12 March 2012.

Independent job contracting means an arrangement whereby a principal agrees to put out or farm out to a contractor or subcontractor the performance or completion of a specific job, work or service within a definite or predetermined period, regardless of whether such job, work or service is to be performed or completed within or outside the premises of the principal.[21] The law allows contracting arrangements like this for the performance of specific jobs, works or services. Indeed, it is a management prerogative to farm out any of an establishment's activities, regardless of whether such activity is peripheral or core in nature.[22]

In this case, Paytan was contracted in January 2009 by Supermax to perform a specific job – to fabricate cyclone wires. To prove that Paytan was hired, not as an employee, but as an independent contractor from January 2009 until March 2012, Supermax presented the one hundred thirty-three (133) Vouchers[23] that were issued to Paytan. Contrary to Paytan's allegations that he was an employee of Supermax and that he was receiving a regular wage rate of P426.00 a day, the Vouchers disclose that Paytan was paid, not on a periodic or regular rate basis, but based on the number of cyclone wires he was able to produce. Moreover, the Vouchers reveal that Paytan's production of cyclone wires varied in quantity and specification (size and dimension) from time to time.[24] This signifies that Paytan's fabrication of cyclone wires depended on his own means and methods of producing the same. Clearly, Supermax exercised no control over the manner by which Paytan would produce the cyclone wires for the latter to be considered as Supermax's employee. Hence, strictly speaking, no employer-employee relationship between Supermax and Paytan existed. Paytan was hired by Supermax as an independent contractor.

We have consistently ruled that resort to a petition for certiorari under Rule 65 of the Rules of Court is confined only to issues of want or excess of jurisdiction and grave abuse of discretion. It does not include an inquiry as to the correctness of the evaluation of evidence which became the basis in arriving to a conclusion.[25] The term "grave abuse of discretion", in its juridical sense, connotes capricious, despotic, oppressive, or whimsical exercise of judgment as is equivalent to lack of jurisdiction.[26] The abuse must be of such degree as to amount to an evasion of positive duty or a virtual refusal to perform a duty enjoined by law, as where the power is exercised in an arbitrary and capricious manner by reason of passion and hostility.[27]

Gauged against the foregoing, We find that the NLRC did not act with abuse of discretion, much more grave abuse in rendering the assailed Decision.

ACCORDINGLY, the instant Petition is DISMISSED and the assailed Decision[28] dated 24 July 2013 and Resolution dated 6 September 2013 of the National Labor Relations Commission, Fourth Division, in NLRC LAC NO. 02-000594-13, are hereby AFFIRMED.

SO ORDERED.

Veloso (Chairperson) and Antonio-Valenzuela, JJ., concur.

[1] Rollo, pp. 3-18.

[2] Rollo, pp. 21-30.

- [3] Rollo, pp. 31-34.
- [4] Rollo, pp. 326-332.
- [5] Supra.
- [6] Rollo, p. 29.
- [7] Rollo, p. 22.
- [8] Id.
- [9] See Cash Voucher, dated May 28, 2000, Rollo, p. 56.
- [10] Rollo, p. 22.
- [11] Rollo, pp. 89-90.
- [12] Rollo, p. 51.
- [13] Rollo, p. 49.
- [14] Rollo, pp. 279-291.
- [15] Rollo, pp. 294-303.
- [16] Rollo, pp. 298-302.
- [17] Lopez vs. Bodega City, G.R. No. 155731, September 3, 2007.
- [18] Republic Of The Philippines, Represented By The Social Security Commission And Social Security System vs. Asiapro Cooperative, G.R. No. 172101, November 23, 2007.
- [19] Tongko vs. The Manufacturers Life Insurance Co. (Phils.), Inc., et. al., G.R. No. 167622, January 25, 2011.
- [20] Rollo, pp. 107-108.
- [21] Polyfoam-RGC International, Corporation vs. Concepcion, G.R. No. 172349, June 13, 2012.
- [22] Digital Telecommunications Philippines, Inc. vs. Digitel Employees Union, G.R. Nos. 184903-04, October 10, 2012..
- [23] Rollo, pp. 58-270.
- [24] See Salary Vouchers, Rollo pp. 58-270.
- [25] Secon Philippines, Ltd. vs. NLRC et. al., G.R. No. 97399, December 03, 1999.
- [26] Soriano vs People, G.R. No. 159517-18, 30 June 2009
- [27] Ibid.
- [28] Rollo, pp. 21-30.

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