

**JOSE DE ASIS, HEIRS OF FRANCISCO OGARIO, DIOSDADO
MANIACUP, RONNIE MONTON, ROBERTO MALLANAO, REYNALDO
BRAVO, ALFREDO DE LAS ALAS, ROMEO AMAZONA, EDWIN
MORONIA, LUDOVICO HIDROSOL...**

Ponente: CRUZ, R.A. J.

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CRUZ, R.A. J.:

This is a Petition for Certiorari under Rule 65 of the Rules of Court assailing the Decision dated April 29, 2010[1] of the National Labor Relations Commission (“NLRC”), First Division modifying the decision of the labor arbiter and the Resolution dated October 19, 2010[2] denying reconsideration thereof. The dispositive portion of the decision states:

-xxx-

“WHEREFORE, the appealed Decision dated 29 June 2004 is hereby MODIFIED by: (1) dismissing the complaint against LRTA for lack of merit; (2) ordering respondent METRO to pay all complainants P20,000.00 each as indemnity for their failure to comply with procedural due process; (3) finding that respondent METRO validly terminated complainants when its agreement with respondent LRTA was allowed by the latter to expire on 31 July 2000. Accordingly, the Labor Arbiter's finding of illegal dismissal and consequent award of full backwages and separation pay in lieu of reinstatement is vacated and set aside; (4) ordering respondent METRO to pay separation pay to complainants equivalent to one and one-half (1.5) month pay for every year of service, a fraction of six (6) months to be considered as one (1) year from the date of employment until 31 July 2000, subject to deduction of separation pay and financial assistance already received; (5) dismissing complainants' claim for CBA benefits for lack of jurisdiction; and (6) ordering respondent METRO to pay five (5) percent of the separation pay awarded to complainants as attorney's fees.

SO ORDERED.”

-xxx-

THE ANTECEDENTS

Light Rail Transit Authority (“LRTA”) is a government owned and controlled corporation created under Executive Order No. 603[3] dated July 12, 1980 while Metro Transit Organization, Inc., (“METRO”) is a corporation duly organized and existing by virtue of Philippine laws with office address at Ortigas Avenue, Pasig City. It was incorporated on July 30, 1981.

On June 8, 1984, LRTA and METRO entered into an agreement for the management and operation of the Metro Manila Light Rail Transit System 1 (“LRT1”).[4] LRTA, as the owner of the light rail transit system engaged the services of METRO to manage, operate and maintain the same in exchange for a management fee for a period of 10 years.

Pursuant to said agreement METRO hired its own employees, including petitioners. METRO also entered into a

collective bargaining agreement (“CBA”) with the rank-and-file employees union and supervisory employees union.

Meanwhile, on June 9, 1989, LRTA and METRO executed a Deed of Sale where LRTA purchased the shares of stocks of METRO. However, they continued with their distinct and separate juridical personalities. When the ten (10)-year agreement expired on June 8, 1994, they renewed the same, initially on a yearly basis, and subsequently on a monthly basis.

On July 25, 2000, while negotiating for a new CBA, the rank-and-file union staged a strike which paralyzed the operations of LRT1.

LRTA allowed the management and operation agreement to expire and decided not to renew the same. The agreement expired on July 31, 2000. Since LRTA is the only client of METRO, the latter had to cease its operations. METRO winded up its operations on September 30, 2000 displacing its employees. LRTA then began managing and operating its light rail transit system.

Some 165 METRO employees filed 36 complaints^[5] for illegal dismissal with claims for damages and attorney's fees against METRO and LRTA.

In a Decision dated June 24, 2004^[6], the labor arbiter declared the complainants to have been illegally dismissed and ordered METRO and LRTA to pay them jointly and severally, backwages, separation pay equivalent to one month pay for every year of service and attorney's fees in the amount of 5% of their respective monetary award. The findings of the labor arbiter were to the effect that there was no just or authorized cause for the dismissal of the employees of METRO. METRO likewise failed to comply with procedural due process in relation to the termination of the complainants. The labor arbiter disregarded the claim of immunity from suit raised by LRTA. It pointed out that Executive Order No. 603 allows LRTA “to sue and be sued”. Hence, LRTA may be subjected to judicial processes. Furthermore, LRTA engaged into a commercial/business transaction and thereby abandoned its sovereign capacity. Hence, it should be treated like any other private corporation. The labor arbiter also treated METRO and LRTA as one entity because the records show that METRO is wholly owned by LRTA. METRO is also using its separate juridical personality to evade legal obligations to its employees.

On appeal, the NLRC modified the decision of the labor arbiter. In a Decision dated April 29, 2010, the NLRC: (1) dismissed the complaint against LRTA for lack of merit; (2) ordered METRO to pay all the complainants P20,000.00 each as indemnity for their failure to comply with procedural due process; (3) declared complainants to have been validly terminated when the agreement between METRO and LRTA expired; (4) ordered METRO to pay separation pay to the complainants equivalent to one and one-half (1.5) month pay for every year of service, subject to deduction of separation pay and financial assistance already received; (5) dismissed complainants' claim for CBA benefits for lack of jurisdiction; and (6) ordered METRO to pay five (5) percent of the separation pay awarded to complainants as attorney's fees.

The NLRC ruled that it has jurisdiction over the consolidated cases because the causes of action for illegal dismissal and money claims fall within the original and exclusive jurisdiction of the labor arbiter as provided under Articles 217 and 277 of the Labor Code of the Philippines. However, LRTA is beyond the jurisdiction of the labor arbiter or the NLRC because it is a government owned and controlled corporation with original charter. Even assuming arguendo that the NLRC has jurisdiction over LRTA, the complaint against it must still fail because there was legitimate job contracting. METRO was a legitimate job contractor and LRTA was the principal. Their agreement was governed by the Management and Operations Agreement dated June 8, 1984. Article 106 of the Labor Code created a limited relationship between the employees of METRO and the principal LRTA in case of failure by METRO to pay the salaries of its employees. As an indirect employer, LRTA can be

held solidarily liable with METRO only in the event that the latter fails to pay the wages of the employees (unpaid wages). Hence, LRTA is not liable for complainants' claim for illegal dismissal and the payment of separation pay.

It is the view of the NLRC that the real employer is METRO because it employed the complainants, paid their salaries, disciplined them, and terminated them when it ceased its operations. While there was an authorized cause for termination of employment, that is closure or cessation of business under Article 283 of the Labor Code, procedural due process was not observed. METRO failed to send a notice to the Department of Labor and Employment ("DOLE") at least 30 days before the intended date of closure specifying the ground for termination of employees. In addition, the notice of termination was sent to the employees only on September 30, 2000. METRO ceased operations on July 31, 2000 upon the expiration of its contract with LRTA. The claims for moral and exemplary damages were dismissed for lack of sufficient factual and legal basis while the award of attorney's fees was affirmed.

Aggrieved, the petitioners filed this petition before us, alleging the following issues:

THE ISSUES BEFORE US

I.

THE PUBLIC RESPONDENT COMMITTED GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OR EXCESS OF JURISDICTION WHEN IT RULED THAT IT HAS NO JURISDICTION OVER THE CLAIMS AGAINST LRTA;

II.

THE PUBLIC RESPONDENT COMMITTED GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OR EXCESS OF JURISDICTION WHEN IT RULED THAT PETITIONERS WERE VALIDLY TERMINATED FROM THEIR EMPLOYMENT;

III.

THE PUBLIC RESPONDENT COMMITTED GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OR EXCESS OF JURISDICTION WHEN IT RULED THAT PETITIONERS ARE NOT ENTITLED TO MORAL AND EXEMPLARY DAMAGES;

IV.

THE PUBLIC RESPONDENT COMMITTED GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OR EXCESS OF JURISDICTION WHEN IT RULED THAT PETITIONERS ARE ENTITLED TO ATTORNEY'S FEES IN THE AMOUNT OF 5% OF THEIR RESPECTIVE MONETARY AWARD.

While it is true that a government corporation with original charter is beyond the jurisdiction of the NLRC, petitioners claim that LRTA shed off its immunity from suit when it voluntarily entered into a management and operation contract involving LRT1 with METRO. In effect, it descended to the level of a private corporation subject to labor laws. Petitioners stress that LRTA has already allocated in its budget an amount representing payment of separation pay of employees of METRO which is an admission of liability.

Petitioners asseverate that there was no just or authorized cause for the dismissal of the employees of METRO. There was no closure or cessation of business undertaking because LRT1 continued to operate. In fact, LRTA continues to hire more employees for its workforce. The management and operation contract was terminated

because METRO and LRTA wanted to obliterate the labor union in METRO which was staging a strike at that time. Petitioners accuse METRO and LRTA of union busting and summarily dismissing them. This shows bad faith on their part. Moreover, petitioners argue that METRO failed to prove that it incurred serious substantial and actual losses which prompted it to close its business. Petitioners emphasize that METRO also failed to comply with procedural due process when it failed to notify DOLE at least 30 days before the intended date of closure of the business. In view of the foregoing, petitioners claim that they are entitled to reinstatement and payment of backwages or if reinstatement is no longer possible, the payment of full backwages and the balance of the separation pay.

The liability for the monetary claims should fall upon METRO and LRTA. Petitioners claim that there is labor-only contracting in this case because: (1) METRO does not have substantial capital or investment in the form of tools, equipment, machineries, work premises; and (2) the workers recruited and placed by METRO at LRTA are performing activities which are directly related to the principal business of LRTA. As a result, LRTA is directly responsible to the employees of METRO as if they had been directly hired by LRTA. The liability is not limited to unpaid wages but includes any and all liability that attaches to an employer-employee relationship.

LRTA should also be held liable based on the doctrine of “piercing the veil of corporate fiction” because LRTA controls the finances, policies and business practices of METRO. LRTA is using the separate and distinct personality of METRO to evade its existing obligations arising from the wrongful termination of petitioners.

Petitioners insist that they are entitled to an award of P100,000.00 moral damages and P100,000.00 exemplary damages each because their dismissal from employment was attended with bad faith or acts considered oppressive to labor and was effected in a wanton, oppressive or malevolent manner.

Petitioners finally contend that they are also entitled to attorney's fees equivalent to 10% of the monetary award because METRO and LRTA are very much capable of paying the full amount of separation pay but they chose not to do so. As a consequence, petitioners were compelled to litigate to assert their rights as employees.

LRTA, on the other hand[7], emphasizes that NLRC does not have jurisdiction over the claims against it because it is a government owned and controlled corporation with original charter. Section 2(1), Article IX-B of the 1987 Philippine Constitution provides that the civil service embraces government owned and controlled corporations with original charters. Thus, any complaint against LRTA and/or its officers or employees should be brought before the Civil Service Commission (“CSC”). Employment in LRTA is governed by civil service rules and not by the Labor Code. LRTA asserts that it is a separate entity from METRO. LRTA and METRO are two different corporations created under different laws. While LRTA has the power to sue and be sued, any suit against LRTA should be brought before the proper judicial and quasi-judicial bodies. As such, claims for payment of wages and separation pay should be before the CSC and not the NLRC.

LRTA maintains that petitioners are employees of METRO and there is no employer-employee relationship between them. Petitioners were among the employees hired by METRO when it entered into a contract with LRTA. The power to hire and fire was exercised by METRO. The payment of wages and the determination of salaries and benefits are the responsibilities of METRO. Furthermore, METRO has control over the kind and nature of work of the petitioners. In fact, this was expressly recognized in under paragraphs 2.02, 2.03, 3.01, 3.05 and 5.01 of the agreement.

Contrary to the submission of the petitioners, LRTA did not admit liability. The alleged 50% payment made by LRTA to the petitioners was in the form of a financial assistance. It was a compassionate act rather than admission of liability on the part of LRTA.

METRO[8] avers that the petitioners were validly terminated due to the closing or cessation of the operation of the establishment which is an authorized cause under Article 283 of the Labor Code. The decision to cease operations was made in good faith and not to circumvent the provisions of the law on termination of employment and there is no other option available to METRO except to close or cease operations as a result of the expiration of the agreement. Since the termination of employment of the petitioners was valid, the claim for moral and exemplary damages has no factual and legal basis. METRO explains that the 10% attorney's fees provided for in Article 111 of the Labor Code refers to the percentage of the amount of wage recovered. Since there is valid termination in this case, there is no wage to recover. Consequently, the recovery of attorney's fees is baseless.

OUR RULING

The petition is partially meritorious.

We sustain the NLRC in ruling that jurisdiction over the complaints for illegal dismissal against LRTA is lodged with the Civil Service Commission.

Section 2 (1), Article IX – B, 1987 Constitution, expressly provides that “[t]he civil service embraces all branches, subdivisions, instrumentalities, and agencies of the Government, including government-owned or controlled corporations with original charters.” The Civil Service Decree of the Philippines or Presidential Decree No. 807 (“PD807”) declared that the Civil Service Commission shall be the central personnel agency to set standards and to enforce the laws governing the discipline of civil servants.[9] It categorically described the scope of Civil Service as embracing every branch, agency, subdivision, and instrumentality of the government, including every government-owned or controlled corporation whether performing governmental or proprietary function.[10] Subsequently, Executive Order No. 180 (“EO180”) dated June 1, 1987 defined “government employees” as all employees of all branches, subdivisions, instrumentalities, and agencies, of the Government, including government-owned or controlled corporations with original charters.[11] It provided that the Civil Service and labor laws shall be followed in the resolution of complaints, grievances and cases involving government employees.

There should be no dispute then that employment in LRTA should be governed only by civil service rules, and not the Labor Code and beyond the reach of the Department of Labor and Employment (“DOLE”), since LRTA is a government-owned and controlled corporation with an original charter, Executive Order No. 603, Series of 1980, as amended.

Emmanuel Hugo, et., al. vs. LRTA[12], is an authority which states,

-xxx-

“The Labor Arbiter and the NLRC do not have jurisdiction over LRTA. Petitioners themselves admitted in their complaint that LRTA “is a government agency organized and existing pursuant to an original charter (Executive Order No. 603),” and that they are employees of METRO.

Light Rail Transit Authority v. Venus, Jr., which has a similar factual backdrop, holds that LRTA, being a government-owned or controlled corporation created by an original charter, is beyond the reach of the Department of Labor and Employment which has jurisdiction over workers in the private sector” (Emphasis supplied)

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While LRTA purchased the shares of stocks of METRO in a Deed of Sale dated June 9, 1989, it is a fact that METRO was formed in accordance with Philippine corporation laws and existing rules and regulations. METRO

is a government-owned and/or controlled corporation without an original charter whose employees are subject to the provisions of the Labor Code consistent with the ruling in *Antonio Salenga vs. Court of Appeals*[13], which held that:

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“Respondent CDC owes its existence to Executive Order No. 80 issued by then President Fidel V. Ramos. It was meant to be the implementing and operating arm of the Bases Conversion and Development Authority (BCDA) tasked to manage the Clark Special Economic Zone (CSEZ). Expressly, respondent was formed in accordance with Philippine corporation laws and existing rules and regulations promulgated by the SEC pursuant to Section 16 of Republic Act (R.A.) 7227. CDC, a government-owned or -controlled corporation without an original charter, was incorporated under the Corporation Code. Pursuant to Article IX-B, Sec. 2(1), the civil service embraces only those government-owned or -controlled corporations with original charter. As such, respondent CDC and its employees are covered by the Labor Code and not by the Civil Service Law, consistent with our ruling in *NASECO v. NLRC*,] in which we established this distinction.” (Emphasis supplied)

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The employees hired by METRO are covered by the Labor Code and under the jurisdiction of DOLE. This factual milieu of this case is on all fours with *Light Rail Transit Authority vs. Perfecto Venus, Jr., et., al.*[14] which had already settled thus:

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“We therefore hold that the employees of petitioner METRO cannot be considered as employees of petitioner LRTA. The employees hired by METRO are covered by the Labor Code and are under the jurisdiction of the Department of Labor and Employment, whereas the employees of petitioner LRTA, a government-owned and controlled corporation with original charter, are covered by civil service rules. Herein private respondent workers cannot have the best of two worlds, e.g., be considered government employees of petitioner LRTA, yet allowed to strike as private employees under our labor laws. Department of Justice Opinion No. 108, Series of 1999, issued by then Secretary of Justice Serafin R. Cuevas on whether or not employees of petitioner METRO could go on strike is persuasive –

We believe that METRO employees are not covered by the prohibition against strikes applicable to employees embraced in the Civil Service. It is not disputed, but in fact conceded, that METRO employees are not covered by the Civil Service. This being so, METRO employees are not covered by the Civil Service law, rules and regulations but are covered by the Labor Code and, therefore, the rights and prerogatives granted to private employees thereunder, including the right to strike, are available to them.” (Emphasis supplied)

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Petitioners are asking us to pierce the veil of corporate fiction of METRO (being the alter ego) and hold LRTA (being the mother company) liable for the employment obligations of METRO to its employees.

A corporation is an artificial being created by operation of law. It has a personality separate and distinct from the persons composing it, as well as from any other legal entity to which it may be related. Equally well-settled is the principle that the corporate mask may be removed or the corporate veil pierced in three (3) basic cases, namely: 1) defeat of public convenience as when the corporate fiction is used as a vehicle for the evasion of an existing obligation; 2) fraud cases or when the corporate entity is used to justify a wrong, protect fraud, or defend a crime; or 3) alter ego cases, where a corporation is merely a farce since it is a mere alter ego or business conduit of a person, or where the corporation is so organized and controlled and its affairs are so conducted as to make it merely an instrumentality, agency, conduit or adjunct of another corporation.[15]

As stressed in *NASECO Guards Association - PEMA vs. National Service Corporation*[16], “Whether the separate personality of the corporation should be pierced hinges on obtaining facts appropriately pleaded or proved. However, any piercing of the corporate veil has to be done with caution, albeit the Court will not hesitate to disregard the corporate veil when it is misused or when necessary in the interest of justice. After all, the concept of corporate entity was not meant to promote unfair objectives.”

Applying the foregoing principles in this case, we find no reason to pierce the veil of corporate fiction of METRO and go beyond its legal personality. There is no showing that METRO was established to defeat public convenience, justify wrong, protect fraud or defend crime, or is used as a device to defeat the labor laws, nor does the scheme show that METRO is a mere business conduit or alter ego of LRTA. Absent proof of these circumstances, METRO's corporate personality cannot be pierced.

The mere fact that LRTA owns a majority of the stocks of METRO does not mean that the latter is an alter ego of the former. While ownership by one corporation of all or a great majority of stocks of another corporation may serve as indicia of control, by itself and without more, however, this circumstance is insufficient to establish an alter ego relationship or connection between LRTA and METRO, that will justify the puncturing of the latter's corporate cover. It has been consistently declared in a string cite that "mere ownership by a single stockholder or by another corporation of all or nearly all of the capital stock of a corporation is not of itself sufficient ground for disregarding the separate corporate personality." [17] Nothing in the records shows that the corporate finances, policies and practices of METRO were dominated by LRTA in such a way that METRO could be considered to have no separate mind, will or existence of its own but a mere conduit for LRTA. On the contrary, the evidence establishes that petitioners knew and acted on the knowledge that it was dealing with METRO, not with LRTA. Proof of which is when they recognized METRO as their employer and in fact entered into a collective bargaining agreement with METRO.

There was no just or authorized cause for the dismissal of the petitioners.

The sole reason given for the dismissal of petitioners by METRO was the closure of business operations resulting from the termination of its Management and Operation Agreement dated June 8, 1984. In *Marc II Marketing Inc. and Lucila Joson vs. Alfredo Joson*[18], it was explained that, “Under Article 283 of the Labor Code, three requirements are necessary for a valid cessation of business operations: (a) service of a written notice to the employees and to the DOLE at least one month before the intended date thereof; (b) the cessation of business must be bona fide in character; and (c) payment to the employees of termination pay amounting to one month pay or at least one-half month pay for every year of service, whichever is higher.

None of these requisites were complied with by METRO. First, the notice of termination was furnished to the employees two (2) months after the termination of the agreement and cessation of operations of METRO. There was likewise no notice given to the DOLE in violation of the law. Second, we are not convinced that the cessation of business was bona fide in character. Petitioners lost their employment when METRO simply allowed the agreement to expire. This is highly suspicious considering the following factual circumstances of the case: (1) There was no history of complaints for substandard service rendered by METRO; (2) The management and operations agreement proved to be enterprising for METRO; (3) The Management and Operation Agreement was repeatedly renewed since 1994; (4) There was no effort whatsoever on the part of METRO to renew the agreement when it expired on July 31, 2000; (5) METRO allowed the agreement to expire after its employees' union staged a strike which paralyzed the operations of LRT1; (6) After the expiration of the agreement, LRTA continued its operations; (7) After the expiration of the agreement, METRO immediately closed shop. We cannot but conclude that METRO was not in good faith when it allowed the agreement to expire. It was a mere ruse to prevent the employees' from exercising their right to organize and to evade valid and existing obligations. Third,

the employees were not paid termination pay.

As petitioners' employer, METRO has the burden of proving that the dismissal was for a cause allowed under the law, and that they were afforded procedural due process. However, METRO failed to discharge this burden with substantial evidence.

Herein petitioners, having been unjustly dismissed from work, are entitled to reinstatement without loss of seniority rights and other privileges and to full back wages, inclusive of allowances, and to other benefits or their monetary equivalents computed from the time compensation was withheld up to the finality of the decision. Considering that reinstatement is no longer feasible because METRO had already ceased its operations, petitioners are entitled instead to separation pay equivalent to one month salary for every year of service.

We now go to the issue of whether petitioners are entitled to damages and attorney's fees. Moral damages may be recovered when the illegal dismissal of the employee was tainted by bad faith or fraud; or when it constituted an act oppressive to labor or done in a manner contrary to morals, good customs or public policy. Exemplary damages are recoverable if it was done in a wanton, oppressive, or malevolent manner. The records show that METRO dismissed its employees in a manner oppressive to labor. The sudden and peremptory termination of the agreement and the hurried closure of operations of METRO timely happened after the union of the employees staged a strike. The notice of termination was likewise furnished to the employees two (2) months after the termination of the agreement and cessation of operations of METRO. There was likewise no notice given to the DOLE in violation of the law. The closure or cessation of business operations for no valid cause but to preclude the employees' exercise of their right to organize bellows bad faith, oppression and utter disregard of the right to due process of the concerned petitioners. Hence, an award of moral and exemplary damages is called for. Pursuant to prevailing jurisprudence[19], we award moral damages in the amount of P10,000.00 and P5,000.00 as exemplary damages for each dismissed employee.

The recovery of attorney's fees is reasonable under the circumstances. It is settled that in actions for recovery of wages or where an employee was forced to litigate and thus incur expenses to protect his rights and interests, a maximum of 10% of the total monetary award by way of attorney's fees is justifiable under Article 111 of the Labor Code; Section 8, Rule VIII of Book III of the Omnibus Rules Implementing the Labor Code; and paragraph 7, Article 2208 of the Civil Code.[20] Hence, we sustain the ruling of the NLRC awarding attorney's fees equivalent to 5% of the total monetary award.

WHEREFORE, the petition is PARTIALLY GRANTED. The Decision dated April 29, 2010 and the Resolution dated October 19, 2010 of the First Division of the National Labor Relations Commission are AFFIRMED with the following MODIFICATIONS: (1) The complaint against Light Rail Transit Authority is dismissed for lack of merit; (2) The dismissal of petitioners is declared illegal; (3) Metro Transit Organization, Inc. is ordered to pay petitioners their full backwages inclusive of allowances and other benefits or monetary equivalent, from the time of their dismissal up to the finality of the decision, and SEPARATION PAY in lieu of reinstatement equivalent to one month salary for every year of service, computed from the time of their engagement up to the finality of this decision; (4) Metro Transit Organization, Inc. is ordered to pay each of the petitioners moral damages in the amount of P10,000.00, Philippine Currency and exemplary damages in the amount of P5,000.00, Philippine Currency and attorney's fees equivalent to Five Percent (5%) of their monetary award. The case is REMANDED to the labor arbiter for the purpose of computing the monetary awards less the amounts they have already received.

SO ORDERED.**CERTIFICATION**

Pursuant to Article VIII, Section 13 of the Constitution, it is hereby certified that the conclusions in the above decision were reached in consultation before the case was assigned to the writer of the opinion of the Court.

[*]Cruz, R.A., and [**]Inting, S.B., JJ., concur.

[*] Acting Senior Member per Office Order No. 238-14-ABR dated May 23, 2014.

[**] Acting Junior Member per Office Order No. 238-14-ABR dated May 23, 2014.

[1] Rollo, pp. 40-74.

[2] Rolo, pp. 76-87.

[3] Rollo, pp. 159-167.

[4] Rollo, pp. 727-764.

[5] which were later consolidated, See Rollo, p. 440.

[6] Rollo, pp. 89-143.

[7] See Comment, Rollo, pp. 624-686.

[8] See Comment filed on July 6, 2011, Rollo, pp. 687-699.

[9] Section 2. It shall be the policy of the State to insure and promote the Constitutional mandate that appointment in the Civil Service shall be made only according to merit and fitness, to provide within the public service a progressive system of personnel administration, and to adopt measures to promote morale and the highest degree of responsibility, integrity, loyalty, efficiency, and professionalism in the Civil Service; that the Civil Service Commission shall be the central personnel agency to set standards and to enforce the laws and rules governing the selection, utilization, training and discipline of civil servants; that a public office is a public trust and public officers shall serve with the highest degree of responsibility, integrity, loyalty and efficiency and shall remain accountable to the people; and that action on personnel matters shall be decentralized, with the different departments and other offices or agencies of the government delegating to their regional offices or other similar units, powers and functions.

[10] Section 4. Position Embraced in the Civil Service. The Civil Service embraces every branch, agency, subdivision, and instrumentality of the government, including every government-owned or controlled corporations whether performing governmental or proprietary function.

[11] PROVIDING GUIDELINES FOR THE EXERCISE OF THE RIGHT TO ORGANIZE OF GOVERNMENT EMPLOYEES, CREATING A PUBLIC SECTOR LABOR-MANAGEMENT COUNCIL, AND FOR OTHER PURPOSE, EO 180 dated June 1, 1987.

[12] G.R. No. 181866, March 18, 2010.

[13] G.R. No. 174941, February 1, 2012.

[14] G.R. No. 163782, March 24, 2006.

- [15] Prisma Construction and Development Corporation vs. Arthur Menchavez, G.R. No. 160545, arch 9, 2010.
- [16] G.R. No. 165442, August 25, 2010, citing Pantranco Employees Association (PEA-PTGWO) vs. National Labor Relations Commission, G.R. Nos. 170689 & 170705, March 17, 2009, 581 SCRA 598, 614.
- [17] PNB vs. Hydro Resources Contractors Corporation, G.R. No. 167530, March 13, 2013.
- [18] G.R. No. 171993, December 12, 2011.
- [19] Digital Telecommunications, Philippines, Inc. vs. Digitel Employees Union, et., al., G.R. Nos. 184903, October 10, 2012 . citing Nueva Ecija I Electric Cooperative, Inc. (NEECO I) Employees Association v. National Labor Relations Commission, 380 Phil. 44, 57-58 (2000).
- [20] Asian International Manpower Services, Inc. vs. Court of Appeals, G.R. No. 169652, October 9, 2006.

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