

ALFIE I. GALANG, PETITIONER, VS. NATIONAL LABOR RELATIONS COMMISSION (THIRD DIVISION), TOYOTA MOTORS PHILS. CORP., NOBUHARU TABATA AND NELSON MANGLO, RESPONDENTS.

Ponente: SADANG, J.

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SADANG, J.:

This is a petition for certiorari under Rule 65 of the Rules of Court seeking to set aside the July 30, 2010 Resolution[1] of the National Labor Relations Commission in NLRC LAC Case No. 05-001177-10 (NLRC RAB IV Case No. 07-00697-09-L), and the October 18, 2010 Resolution[2] denying the motion for reconsideration.

Records show that on July 3, 2009, petitioner Alfie I. Galang (hereafter, petitioner) filed a complaint[3] for illegal dismissal, regularization, payment of 13[th] month pay, and damages against Toyota Motors Philippines Corporation (TMPC) and its president, Nobuharu Tabata, and human resource supervisor, Nelson Manglo (hereafter, respondents).

In his Position Paper,[4] petitioner averred that: from April 16, 2004 to September 16, 2004, he worked as assembler with TMPC as part of his on- the-job training; after a three-month's rest, he directly applied for a job with TMPC, passed the interview conducted by Mr. Maanyo, department head (resin shop), and submitted all the requirements; on January 19, 2005, he was given a job orientation and apprised of the company rules and regulations; he received a daily salary of P300.00 and worked from January 24, 2005 until he was illegally dismissed on January 23, 2006; his work was the same as other regular employees but made more difficult because he installed air-conditioners on Toyota Innovas and brake fluid tube lines on the chassis of Toyota Corollas; on January 6, 2006, he was informed by Manglo that there would be less production of Toyota Innovas, hence, he will no longer be given assignments; on January 24, 2006, he was no longer allowed to work and was told to claim his proportionate 13[th] month pay after three months.

Petitioner averred that: he was a regular employee of TMPC and his job as assembler was necessary and desirable in the TMPC's usual business or trade; he had been employed for more than one year when he was dismissed and was not given his 13[th] month pay despite his entitlement thereto; he was illegally terminated because he did not commit any of the acts enumerated under Article 282 of the Labor Code and respondents failed to observe his right to procedural due process under. He claimed entitlement to moral, exemplary, and nominal damages and attorney's fees. He also alleged that as officers of TMPC, Tabata and Manglo are personally responsible for his illegal dismissal.

In their Position Paper,[5] respondents alleged that: petitioner was hired as a contractual employee for the period January 24, 2005 to January 24, 2006 and this is clearly stated in the Employment Agreement; upon the termination of his employment, petitioner voluntarily executed a Release, Waiver and Quitclaim[6] in favor of TMPC and its officers; the validity of fixed term employment has already been upheld and the Supreme Court had set guidelines to ensure that it would not be used to subvert the law; the fact that an employee's task is necessary and desirable in the usual business of the employer is not conclusive as to the regularity of his employment; when

petitioner was hired by TMPC, he understood the nature of his employment and knew that the company did not hire him as a regular employee; petitioner was never forced to sign the contract; he is not entitled to reinstatement and backwages because there is no illegal dismissal and his fixed term employment just expired; Tabata and Manglo should not have been impleaded as respondents because corporate officers acting in their official capacity cannot be held liable for the monetary claims of an employee; and petitioner is not entitled to damages and attorney's fees.

Petitioner filed a Complainant's Reply[7] alleging that the parties did not deal with each other on equal terms when they entered into the Employment Agreement. He alleged that: he was already working for three weeks when he was shown the contract and made to sign it; he was hired to work in the painting line section but was instead made to install air-conditioners in Innova vehicles; his quitclaim should not be given probative value because he received no substantial consideration and the amount of P748.00 that he received represents only the balance of his 13[th] month pay.

Respondents filed a Reply[8] arguing that: if petitioner believed that he had a cause of action, he should have filed a complaint at the earliest opportunity and not after almost four years from his alleged illegal dismissal; petitioner's claim for his alleged 13[th] month pay has already prescribed pursuant to Article 291 of the Labor Code.

On January 12, 2010, the Labor Arbiter (LA) rendered a Decision,[9] the decretal part of which reads:

WHEREFORE, premises considered, the above-entitled case is DISMISSED for lack of merit.

SO ORDERED.[10]

Petitioner appealed to the NLRC. In his Appeal Memorandum,[11] petitioner stressed that he signed the Employment Agreement even if the terms thereof had not been explained to him for fear of losing his job.

On July 30, 2010, the NLRC rendered a Decision, the fallo of which reads:

WHEREFORE, premises considered, the appeal is DISMISSED for lack of merit and the Decision dated 12 January 2010 is hereby AFFIRMED in its entirety.

SO ORDERED.[12]

Petitioner filed a Motion for Reconsideration[13] but it was denied in a Resolution[14] dated October 18, 2010; hence, this petition on the following grounds:

THE NLRC COMMITTED GRAVE ABUSE OF DISCRETION IN RULING THAT PETITIONER IS A FIXED PERIOD EMPLOYEE WHO WAS NOT ILLEGALLY DISMISSED, AND IS NOT ENTITLED TO THE RELIEFS PRAYED FOR HAVING COMMITTED ESTOPPEL.

THE NLRC COMMITTED GRAVE ABUSE OF DISCRETION IN RULING THAT PETITIONER'S MONEY CLAIMS HAS (sic) PRESCRIBED.[15]

Ruling

Petitioner contends that the NLRC erred in applying the doctrine of estoppel because "the cause of action for illegal dismissal prescribes in four years" and "the fact that it took him more than three years to summon his resources to mount a protracted legal battle against the giant multinational" should not be taken against him; he was placed under a fixed term employment despite the fact that his work as assembler is not essentially a fixed term position; there is no evidence of negotiation between him and TMPC, hence, there was moral dominance on the part of TMPC; he was made to sign the agreement three weeks after he started working; he was hired to do assembly work but ended up installing air-conditioners on Innova cars.

In their Comment, TMPC and the other respondents countered that: fixed term employment is allowed by law; petitioner was never forced or manipulated to sign the agreement; petitioner has already signed a quitclaim and is estopped from assailing the agreement; petitioner is guilty of laches for not filing his complaint within the period of three (3) years pursuant to Article 291 of the Labor Code.

We deny the petition.

The Labor Code provides:

ART. 280. Regular and casual employment. — The provisions of written agreement to the contrary notwithstanding and regardless of the oral agreement of the parties, an employment shall be deemed to be regular where the employee has been engaged to perform activities which are usually necessary or desirable in the usual business or trade of the employer, except where the employment has been fixed for a specific project or undertaking the completion or termination of which has been determined at the time of the engagement of the employee or where the work or services to be performed is seasonal in nature and the employment is for the duration of the season.

An employment shall be deemed to be casual if it is not covered by the preceding paragraph: Provided, That, any employee who has rendered at least one year of service, whether such service is continuous or broken, shall be considered a regular employee with respect to the activity in which he is employed and his employment shall continue while such activity exists.

The foregoing provision classifies employees into three (3) categories: regular, project and casual employees. Regular employees are further classified into: (1) regular employees by nature of work or those who perform activities that are necessary or desirable in the usual business or trade of the employer; and (2) regular employees by years of service or those who have been performing the job for at least a year.[16]

Article 280 does not, however, prohibit an employment contract with a fixed period. It does not necessarily follow that where the duties of the employee consist of activities usually necessary or desirable in the usual business of the employer, the parties are forbidden from agreeing on a period of time for the performance of such activities. There is nothing essentially contradictory between a definite period of employment and the nature of the employee's duties.[17]

Although fixed term employment is not prohibited under Article 280, it must, nevertheless, meet any of the following guidelines in order that it cannot be said to circumvent security of tenure: 1) that the fixed period of employment was knowingly and voluntarily agreed upon by the parties, without any force, duress or improper pressure being brought to bear upon the employee and absent any other circumstances vitiating his consent; or 2) it satisfactorily appears that the employer and employee dealt with each other on more or less equal terms with no moral dominance whatever being exercised by the former on the latter.[18] Moreover, a fixed-term employment will not be considered valid where, from the circumstances, it is apparent that the periods have been imposed to preclude acquisition of tenurial security by the employee.[19]

In affirming the Decision of the LA, the NLRC ruled that petitioner is estopped from assailing the Employment Agreement. It ratiocinated thus:

Assailing the Employment Contract (sic)[20] that was duly signed, implemented and has lawfully ceased due to the expiration of the period provided in the contract, three and a half years after is clearly an afterthought. Also, the principle of estoppel applies to complainant-appellant (petitioner) herein. By complainant-appellant's acts of signing an employment agreement, thereafter performing his task until the expiration of the contract and thereafter executing a Release Waiver and Quitclaim without any objection raised, complainant-appellant cannot now deny or disproved (sic) said acts as against respondents-appellees who relied that

complainant-appellant has no problem with his fixed term employment. Complainant-appellant is now estopped from assailing the manner by which his acts of signing the employment agreement and later the Release, Waiver and Quitclaim were done.

We agree with the ruling of the NLRC. The evidence shows that petitioner never questioned his having been hired as a fixed term employee and he continued to perform his work as such until the expiration of the contract when he then signed a quitclaim. The NLRC correctly ruled that petitioner is estopped from denying his status as a fixed term employee. Under the doctrine of estoppel, an admission or representation is rendered conclusive upon the person making it, and cannot be denied or disproved as against the person relying thereon. A party may not go back on his own acts and representations to the prejudice of the other party who relied upon them.[21] In this case, the Employment Agreement clearly provides that petitioner's employment was only "for a specific and definite term of twelve (12) months ("Term") from 1/24/2005 to 1/23/2006." If petitioner believed that he was hired as a regular employee then he should have immediately called the attention of his employer and showed proof thereof; unfortunately, he failed to do so. Neither did he present to the LA competent evidence to support his claim that he was hired as a regular employee and dismissed as such. In illegal dismissal cases, the burden is on the employee to show the existence of an employer-employee relationship.[22] In this case, the only evidence on record of said relationship is the Employment Agreement. It proves that petitioner was hired as fixed term employee.

We find puerile the contention of petitioner that he was hired to work at the painting or assembly line but was instead tasked to install air-conditioners on Innova cars. As noted by the LA, the Employment Agreement provides that petitioner's work "is not only in the painting line section but also in the manufacturing division." It is also not difficult to imagine that the installation of air-conditioners is part and parcel of the manufacture and assembly of cars.

The absence of minutes of negotiations between petitioner and TMPC does not prove "moral dominance" as contended by petitioner. Negotiation is done not only in face to face meetings wherein minutes may be taken but also through written correspondence and, if the parties agree, it culminates in a letter informing the employee of his hiring and the terms thereof. Or, the employer may simply act on the employee's application by asking the employee to sign an agreement, as what happened in this case. If petitioner believed that he was hired as a regular employee, he could have easily presented pertinent evidence thereof and such would have demonstrated that he was either forced or tricked into signing the fixed term agreement instead. Unfortunately, other than his mere allegation that he signed the agreement after working for three weeks, there is no evidence to support a finding that he and TMPC did not deal with each other on more or less equal terms and that TMPC exerted moral dominance over him. As correctly ruled by the LA: "It was not shown that complainant (petitioner) was forced or fraudulently manipulated by the company to sign the contract. From the moment he signed the contract, he knew that his employment ends on 24 January 2006." [23]

We also agree with the finding of the NLRC that petitioner's complaint is barred by prescription. Article 291 of the Labor Code provides that "(a)ll money claims arising from employer-employee relations accruing during the effectivity of this Code shall be filed within three (3) years from the time the cause of action accrued; otherwise, they shall be forever barred." A cause of action has three elements: 1) a right in favor of the plaintiff by whatever law it arises or is created; 2) an obligation on the part of the defendant to respect or not to violate such right; 3) an act or omission on the part of such defendant violative of the right of the plaintiff or constituting a breach of the obligation of the defendant to the plaintiff.[24] The issue in this case concerns the third element. Considering that petitioner alleged that TMPC no longer allowed him to work on January 24, 2006 and he believed that it was his right to continue working because he is a regular employee, the legal possibility that he was illegally dismissed accrued on that date. Otherwise put, his cause of action arose on that date. Thus, he had three (3) years from

January 24, 2006, or until January 24, 2009, within which to file a case for illegal dismissal; unfortunately, he did so only on July 3, 2009, or beyond the prescriptive period.

WHEREFORE, the petition is DENIED for lack of merit. The July 30, 2010 and October 18, 2010 Resolutions of the National Labor Relations Commission (Third Division) in NLRC LAC Case No. 05-001177-10 (NLRC RAB IV Case No. 07-00697-09-L) are AFFIRMED.

SO ORDERED.

Librea-Leagogo, (Chairperson), and Diamante, JJ., concur.

[1] Rollo, pp. 107-115.

[2] Id., 120-121.

[3] Id., p. 47.

[4] Id., pp. 31-43.

[5] Id., pp. 48-67.

[6] Id., pp. 73-74.

[7] Id., pp. 132-141.

[8] Id., pp. 143-150.

[9] Id., pp. 75-83.

[10] Id., p. 83.

[11] Id., pp. 84-105.

[12] Id., pp. 114-115.

[13] Id., pp. 116-119.

[14] Id., pp. 120-121.

[15] Id., p. 7.

[16] Pangilinan v. General Milling Corp., G.R. No. 149329, July 12, 2004; Viernes v. NLRC, 400 SCRA 557 (2003); E. Ganzon, Inc. v. NLRC, G.R. No. 123769, December 22, 1999.

[17] Rowell Industrial Corp. v. Court of Appeals, G.R. No. 167714, March 7, 2007; Pangilinan v. General Milling Corp., supra.

[18] Murillo v. Court of Appeals, G.R. No. 164652, June 8, 2007; Rowell Industrial Corp. v. Court of Appeals, supra; Philippine National Oil Co.-Energy Development Corp. v. NLRC, G.R. No. 97747, March 31, 1993.

[19] Universal Robina Sugar Milling Corp. v. Acibo, G.R. No. 186439, January 15, 2014; Innodata Philippines, Inc. v. Lopez, G.R. No. 162839, October 12, 2006; Cielo v. NLRC, 271 Phil. 433, 442 (1991).

[20] Should be Employment Agreement (Annex 1); Rollo, pp. 68-72.

[21] Equitable-PCI Banking Corp. v. RCBC Capital Corp., G.R. No. 182248, December 18, 2008, citing

Phillipine Savings Bank v. Chowking Food Corp., G.R. No. 177526, July 4, 2008.

[22] Basay v. Hacienda Consolacion, G.R. No. 175532, April 19, 2010.

[23] Rollo, p. 82.

[24] R. Serrano v. Court of Appeals, et al, G.R. No. 139420, August 15, 2001.

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