

MARINA L. JACOB, HAZEL P. RABE, SANDRA W. PEREZ, SARAH D. NABUS, ALICIA A. BLANCO, ANNIE. D. NADURA, EDITHA L. MAGTIBAY, MARIALIE N. NILLASCA, LAGRIMAS A. RAZ, MARINA E. BUNITE...

Ponente: CASTILLO, M., J.

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CASTILLO, M., J.:

This is a petition for certiorari under Rule 65 of the Rules of Court assailing the decision dated 21 March 2013 rendered by public respondent National Labor Relations Commission (NLRC)[1] affirming the decision of the Labor Arbiter, which found that petitioners herein were not illegally dismissed. The dispositive portion of said assailed decision reads:

WHEREFORE, premises considered, com-plainants' appeal is hereby DISMISSED for lack of merit. The assailed decision is AFFIRMED.

SO ORDERED.[2]

Petitioners filed a motion for reconsideration of the foregoing decision, but the same was denied in public respondent's resolution dated 30 April 2013[3].

The factual antecedents of the case are as follows:

Petitioners filed their complaints for illegal dismissal, payment of backwages; underpayment of salary/wages, overtime pay, holiday pay, and 13[th] month pay; non-payment of service incentive leave pay; moral and exemplary damages, attorney's fees, and other causes of action. These complaints were consolidated.

The employment records of petitioners show the following:

1. Marialie Nillasca was employed as Reviser in October 1987 until she was dismissed on 11 January 2011. Her daily salary was P315.00 daily.
2. Hazel P. Rabe was employed as Reviser in May 1989 until she was dismissed on 16 February 2011. Her daily salary was P315.00.
3. Editha Magtibay was employed as Reviser in March 1992 until she was dismissed on 28 February 2011. Her daily salary was P315.00.
4. Sandra Perez was employed as Reviser in March 1993 until she was dismissed on 31 January 2011. Her daily salary was P315.00.
5. Alicia Blanco was employed as Reviser in January 1994 until she was dismissed in February 2011. Her daily salary was P315.00.
6. Lagrimas A. Raz was employed as Reviser in August 1994 until she was dismissed in January 2011. Her daily salary was P315.00.

7. Maria Teresa Balberan was employed as Reviser in March 2000 until she was dismissed in January 2011. Her daily salary was P315.00.

8. Maria Bunite was employed as Reviser in October 2000 until she was dismissed in February 2011. Her daily salary was P315.00.

9. Marina Jacobe was employed as Reviser in June 2000 until she was dismissed in February 2011. Her daily salary was P315.00.

10. Sara Nabus was employed as Reviser in August 2003 until she was dismissed in February 2011. Her daily salary was P315.00.

11. Annie De Luna was employed as Reviser in June 2003 until she was dismissed on 15 February 2011. Her daily salary was P315.00.[4]

As Revisers, petitioners' duties and responsibilities included (1) bundling and wrapping of the products and merchandise of the clients with the use of boxes, containers, and cartons produced inside the factory of private respondents; (2) operating the stitching and gluing machines; (3) sorting; and (4) acting as quality controllers. These functions were usually necessary and desirable in the ordinary course of business of private respondents, which involved a production of branded name boxes, containers, and cartons used in packaging or wrapping of food products and various merchandise of the clients being sold worldwide. By virtue of the length of petitioners' services and of the nature of their work, they became regular employees of private respondents. To prove that they were regular employees of private respondents, petitioners presented their identification cards.[5]

Petitioners alleged that they were required to report for work from 6:00am to 6:00pm or 7:00am to 7:00pm or 8:00am to 8:00pm depending on the schedule of each petitioner. In other words, they rendered regular four (4) hours daily overtime work, but they were not paid their exact overtime pay because their wages were below the minimum wage. They were not also paid their exact wages, holiday pay, 13th month pay, and service incentive leave pay. Petitioners claimed that every time they received their underpaid salaries, they were made to sign two (2) payrolls. In the first payroll, it indicated that their wages were based on the minimum wage law but such amounts were not given to them. In the second payroll, the amounts of their wages were smaller and below the minimum wage, which amounts they actually received every payday. The first payroll was kept secret and confidential by private respondents, and they refused to give a copy to petitioners.[6]

In the early part of 2009, private respondent Johnny Uy talked individually to petitioners and informed them that they would transfer their place of work from Cubao, Quezon City to Carmona, Cavite. He said that those who would refuse to transfer would be dismissed from their jobs. Thus, being in dire need of employment to survive, petitioners followed the instruction of private respondent Uy. While working in Carmona, Cavite, private respondent Uy told petitioners that they were employed under UYB, the sister company of private respondent UKC Commercial Press Corp. (UKC, hereinafter), and that their new agency was Gojehs Manpower and Industrial Services (Gojehs, hereinafter). Petitioners further claimed that private respondent Uy registered petitioners as employees of private respondent Satur General Services Trading (Satur, hereinafter) and Gojehs to purposely free UYB and private respondent UKC from any liability and obligation under the law while engaging the services of petitioners. Gojehs and private respondent Satur were not legitimate labor contractors but merely agents of UYB and private respondent UKC since Gojehs and private respondent Satur had no license or permit to act as such. They had no investments in the form of capital, tools, and machinery. Gojehs and private respondent Satur were mere labor-only contractors acting for the benefit of UYB and private respondent UKC.[7]

Two years after working in Carmona, Cavite, petitioners were surprised and dismayed when private respondent Uy told them that their employment already expired. When petitioners asked for any benefit that may be extended

to them under the law, private respondent Uy told them, “Wala quits quits na lang tayo kasi nakinabang din kayo at nakinabang din kami.” Thereafter, petitioners filed their respective complaint for illegal dismissal against private respondents before the Labor Arbiter. They also prayed for the award of attorney's fees, moral and exemplary damages.[8]

After consideration and evaluation of the evidence presented by the parties, the Labor Arbiter rendered the decision dismissing petitioners' consolidated complaints for illegal dismissal. However, private respondent Satur was ordered by the Labor Arbiter to pay petitioners their salary differentials, 13[th] month pay, as well as attorney's fees.[9] Aggrieved, petitioners appealed this decision to public respondent NLRC, which dismissed the appeal and affirmed the ruling of the Labor Arbiter.[10]

Hence, the instant petition.

Petitioners raised the following issues[11] for Our consideration:

1. Whether or not the Hon. NLRC 3[th] Division gravely abused its discretion amounting to lack or excess of jurisdiction when it ruled that the petitioners were not illegally dismissed because they allegedly executed resignation letters and waiver, quitclaim and release.
2. Whether or not the Hon. NLRC 3[th] Division gravely abused its discretion amounting to lack or excess of jurisdiction when it affirmed the decision of the Labor Arbiter that the petitioners are not employees of respondents UKC and Uy family but employees of employment agencies (Satur and Gojehs), which are labor-only contractors.
3. Whether or not the Hon. NLRC 3[th] Division gravely abused its discretion amounting to lack or excess of jurisdiction when it affirmed the decision of the Labor Arbiter that there is no illegal dismissal and denied petitioners of reinstatement plus full backwages despite the fact that the petitioners had already attained regular employment status with UKC.

In support of the first issue, petitioners insist that they did not resign and did not execute any release, waiver, or quitclaim. In fact, they have denied under oath the authenticity and due execution of the documents purporting to be their resignation letters and waivers. They claim that private respondents fabricated such documents. Petitioners were in dire need of employment, and that to resign and waive their rights as employees of private respondents would not be one of the things they would do. They could not have resigned on 18 March 2008, as shown by their resignation letters, because they continued to work as employees of private respondents after 18 March 2008. This fact is evidenced by their payslips for the year 2008. Thus, they neither resigned nor signed any alleged release and quitclaim. There is also no showing that the releases and waivers were based on a reasonable consideration given the fact that petitioners had been working with private respondents for eight (8) to twenty-four (24) years. It is unbelievable and highly irregular for employees, after spending many years of their lives in the company, to execute resignation letters with release and waiver without any reasonable consideration. The assailed decision is thus baseless.[12]

Petitioners further point out that quitclaims, waivers, or release are frowned upon and largely ineffective to bar claims enforcing the rights of workers. The burden is on the employer to prove that the requisites for a valid quitclaim is satisfied. Clearly, the alleged waiver, release, and quitclaim of petitioners are not valid.[13]

We are not persuaded.

In rendering the assailed decision, the Labor Arbiter did not give credence to the quitclaims, releases, and waivers executed by petitioners. In fact, it held that such releases, waivers, and quitclaims had no reasonable and credible consideration, and the same were not notarized.[14] The invalidity of these releases, quitclaims, and waiver was

not, however, the basis of the Labor Arbiter in awarding petitioners their salary differentials, 13th month pay, and attorney's fees.[15] The contention that public respondent NLRC gravely abused its discretion when it held that petitioners were not illegally dismissed on the basis of such quitclaims, releases, and waivers is incorrect and misleading. A scrutiny of the decision of the Labor Arbiter, which was affirmed by public respondent, would show that the legal basis for dismissing petitioners' case for illegal dismissal is insufficiency of evidence – not petitioners' releases, waivers, and quitclaims.

While the Labor Arbiter and public respondent NLRC did not give credence to said quitclaims, waivers, and releases, they gave weight to the resignation letters of petitioners. The Labor Arbiter held that petitioners' mere denial that they did not resign is not equivalent to proof. While the filing of the illegal dismissal case is inconsistent with resignation, this rule does not apply where the filing of an illegal dismissal by an employee who resigned was a mere afterthought.[16] The case cited by the Labor Arbiter found that the illegal dismissal case was filed not because an employee wanted to return to work but to claim separation pay and backwages, such as in the instant case.[17]

The Labor Arbiter further held that the presentation of payslips for the year 2008 showing that petitioners continuously worked after their resignation deserved scant consideration. These payslips were computer-print outs and unauthenticated. They contained handwritten entries, but were not signed by the person who made them. They were unreliable and without any probative value in administrative proceedings.[18] Public respondent upheld these findings of the Labor Arbiter. It found that petitioners did not want to be reinstated but merely wanted to claim separation pay and backwages. Such intention of petitioners did not conform with their allegations that they were unjustly deprived of their employment, because it showed that they were no longer interested in continuing their employment.[19] The relief they sought in their complaint were consistent with resignation[20], and it was inconsistent with their claim of illegal dismissal. Public respondent further observed that there was no proof that petitioners were forced, intimidated, or coerced to resign. Neither was there proof showing forgery on the part of private respondents. It held that a comparison of their signatures in petitioners' resignation letters with those affixed in their complaints were similar.[21]

Therefore, no grave abuse of discretion amounting to lack or excess of jurisdiction can be imputed to the above findings of the public respondent. An act of a court or tribunal can only be considered as committed with grave abuse of discretion when such act is done in a “capricious or whimsical exercise of judgment as is equivalent to lack of jurisdiction.”[22] The abuse of discretion must be so patent and gross.[23] Public respondent NLRC committed no such abuse of discretion. Since private respondents presented resignation letters to prove that petitioners resigned from their employment, the burden is on the latter to prove that such resignations were in fact fabricated. Mere denial would not suffice to negate the existence of these resignation letters. Fabrication, like other mechanisms of fraud, is never presumed in our jurisdiction.[24]

Fraud is comprised of anything calculated to deceive, including all acts, omissions, and concealment involving a breach of legal or equitable duty, trust or confidence justly reposed, resulting in the damage to another or by which an undue and unconscionable advantage is taken of another.[25] It is a question of fact that must be alleged and proved clearly and convincingly, and the burden of proof lies on the party alleging the same.[26] Petitioners failed to discharge such burden. There is no iota of evidence that they were deceived, coerced, or intimidated into signing the resignation letters. Neither did they attempt to present evidence that their signatures in said letters were forged. As petitioners failed to prove by clear and convincing evidence that their resignation letters were fabricated/forged, public respondent correctly ruled that there is insufficient evidence to support their claim of illegal dismissal. To rule otherwise, without competent evidence and factual basis to support the same, would be tantamount to grave abuse of discretion amounting to lack or excess of jurisdiction.

Records of the case would show that in the complaints before the Labor Arbiter dated September 2011, petitioners initially sought the award of money claims.[27] At that time, they did not allege illegal dismissal as a cause of action. It was only in February 2012, or about four (4) months later, that they amended their complaints claiming that there was illegal dismissal. Yet, they still never prayed for reinstatement following such amendment. If it were true that they were in dire need of employment and that they would never think of resigning, they could have at least prayed to be reinstated to their former jobs if they were in fact illegally dismissed. However, no such relief was sought despite the fact that there was no allegation nor indication of any strained relations between the parties. Instead, they prayed for the award of separation pay and backwages, which contradicted their contention that they needed their jobs desperately. As observed by public respondent, such actuation on petitioners' part is consistent with their resignation. It supports the finding that the subsequent amendment of petitioners' complaints to include illegal dismissal as a cause of action was an afterthought.

As regards the contention that public respondent NLRC gravely abused its discretion when it found that petitioners were employees of Gojehs and private respondent Satur, and not private respondents UKC and Uy, such contention is meritorious. It appeared that private respondent Satur provided workers (herein petitioners) to private respondent UKC to be the “facilitators” of the latter.[28] Although petitioners' applications for employment, their employment contracts, payslips, and resignation letters showed the letterhead of private respondent Satur, it does not, however, necessarily prove that Satur was the employer of petitioners. Being a company who is engaged in the business of providing workers or laborers to other companies, it is crucial to determine first whether private respondent Satur is a labor-only contractor or an independent contractor. If it is engaged in labor-only contracting, the principal (private respondent UKC) is petitioners' employer. If private respondent Satur is an independent legitimate contractor, it is the employer of petitioners. In determining whether a contractor is a labor-only contractor or an independent contractor, the Supreme Court laid down the following rules and guidelines:

Labor-only contracting, a prohibited act, is an arrangement where the contractor or subcontractor merely recruits, supplies, or places workers to perform a job, work, or service for a principal. In labor-only contracting, the following elements are present: (a) the contractor or subcontractor does not have substantial capital or investment to actually perform the job, work, or service under its own account and responsibility; and (b) the employees recruited, supplied or placed by such contractor or subcontractor perform activities which are directly related to the main business of the principal. These differentiate it from permissible or legitimate job contracting or subcontracting, which refers to an arrangement whereby a principal agrees to put out or farm out with the 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. A person is considered engaged in legitimate job contracting or subcontracting if the following conditions concur: (a) the contractor carries on a distinct and independent business and partakes the contract work on his account under his own responsibility according to his own manner and method, free from the control and direction of his employer or principal in all matters connected with the performance of his work except as to the results thereof; (b) the contractor has substantial capital or investment; and (c) the agreement between the principal and the contractor or subcontractor assures the contractual employees' entitlement to all labor and occupational safety and health standards, free exercise of the right to self-organization, security of tenure, and social welfare benefits.[29]

In holding that Gojehs and private respondent Satur were the employers of petitioners, and not private respondent UKC, public respondent held:

Complainants' asseveration that respondents Satur and Gojehs are Labor Only Contractors and were not given any permit to operate as contractors are likewise mere self-serving allegations that deserve scant consideration as the same was never supported by any evidence. As above said, the dictum “he who asserts, not he who

denies, bears the burden of proof” is still the prevailing rule.[30]

To reiterate, public respondent NLRC held that since there was no evidence that Gojehs and private respondent Satur were labor-only contractors, they were the employers of petitioners. Such conclusion is tantamount to grave abuse of discretion because public respondent is grossly ignorant of the legal presumption in labor contracting, that is, the contractor is presumed to be a labor-only contractor unless the contractor overcomes the burden of proving that it has the substantial capital, investment, tools and the like.[31] Hence, the dictum “he who asserts, not he who denies, bears the burden of proof”, as applied by public respondent, is not the applicable rule in this case. Since there is no evidence that Gojehs and private respondent Satur have substantial capital, investment, and tools to prove their status as legitimate independent contractors, the presumption that they are labor-only contractors stands. As labor-only contractors, Gojehs and private respondent Satur acted as mere agents of private respondent UKC. The latter was the employer of petitioners.

Nevertheless, the fact that Gojehs and private respondent Satur were not petitioners' employers does not negate the finding that petitioners were not illegally dismissed. At this juncture, regardless of who, or which, is the employer of petitioners, We sustain the factual finding of the Labor Arbiter and public respondent that petitioners voluntarily resigned from their jobs. Petitioners failed to prove by clear and convincing evidence that their respective resignation letters were forged or fabricated. By virtue of these resignations, their contention that they have attained regular employment status is already beside the point.

Finally, records of this case show that petitioners Sandra W. Perez, Sarah D. Nabus, Alicia A. Blanco, and Editha L. Magtibay entered into a Compromise Agreement[32] with private respondent UKC before the Appellate Court Mediator (ACM), Atty. Jack Andrew Miranda, on 27 February 2014. Said parties manifested that after reaching said compromise agreement, the instant case is deemed completely closed and terminated as between them.[33] A study of said Compromise Agreement would show that the same is not contrary to law, morals, public order, or public policy. In this agreement, private respondent UKC bound itself to pay the named petitioners therein the amount of P40,000.00 each as complete settlement of the latter's claims against the former. Accordingly, this Court approves the Compromise Agreement between the above-named petitioners and private respondents.

WHEREFORE, premises considered, the instant petition is DISMISSED. The decision dated 21 March 2013 rendered by public respondent National Labor Relations Commission is AFFIRMED with MODIFICATION in view of the Compromise Agreement[34] entered into by and between petitioners Sandra W. Perez, Sarah D. Nabus, Alicia A. Blanco, and Editha L. Magtibay and private respondent UKC Commercial Press Corp. before the Appellate Court Mediator.

The decision of the Labor Arbiter dated 31 October 2012[35] is modified in that private respondent UKC Commercial Press Corp., represented by George Uy, Juanito “Johnny” Uy, Jonathyan Uy, Guilliver Uy, and Michael Chua, is ordered to pay petitioners Sandra W. Perez, Sarah D. Nabus, Alicia A. Blanco, and Editha L. Magtibay the amount of P40,000.00 each as full settlement of their respective claims against the former. By virtue of this Compromise Agreement, the present case is completely closed and terminated as between the aforementioned petitioners and private respondent UKC Commercial Press Corp.

The foregoing decision of the Labor Arbiter is further modified in that private respondent UKC Commercial Press Corp., not private respondent Satur General Services Trading, is ordered to pay the salary differentials, 13th month pay, and attorney's fees in favor of the rest of petitioners who are not parties to the Compromise Agreement.

SO ORDERED.

Lazaro-Javier and Galapate-Laguilles, JJ., concur.

[1] Rollo, p. 67.

[2] Rollo, p. 84.

[3] Rollo, p. 91.

[4] Rollo, pp. 14-15.

[5] Rollo, pp. 15-16.

[6] Rollo, pp. 16-17.

[7] Rollo, pp. 17-18.

[8] Rollo, pp. 18-19.

[9] Rollo, pp. 39-64.

[10] Rollo, pp. 65-84.

[11] Rollo, p. 20.

[12] Rollo, pp. 21-23.

[13] Rollo, p. 23.

[14] Rollo, pp. 56-57.

[15] Rollo, pp. 59-63.

[16] Citing Welli Hahn Enterprises v. Maghuyop, G.R. No. 160348, December 17, 2004; Rollo, p. 54.

[17] Rollo, pp. 54-55

[18] Rollo, pp. 55-56.

[19] Rollo, p. 81.

[20] Id, pp. 81-82.

[21] Rollo, p. 82.

[22] Malayang Manggagawa ng Stayfast Phils., Inc. v, National Labor Relations Commission, G.R. No. 155306, August 28, 2013.

[23] Id.

[24] See Rabaja Ranch Development Corporation v. AFP Retirement and Separation Benefits System, G.R. No. 177181, July 7, 2009.

[25] Makati Sports Club, Inc. v. Cheng, G.R. No. 178523, June 16, 2010.

[26] Id.

[27] Rollo, pp. 94-101.

[28] Rollo, pp. 146-147.

[29] Norkis Trading Corporation v. Buenavista, G.R. No. 182018, October 10, 2012

[30] Rollo, p. 82.

[31] Garden of Memories Park v. National Labor Relations Commission, G.R. No. 160278 February 8, 2012;
ALPS Transportation v. Rodriguez, G.R. No. 186732, June 13, 2013.

[32] Rollo, pp. 416-418.

[33] Rollo, p. 417.

[34] Supra, note 30.

[35] Rollo, pp. 39-64.

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