

SAMUEL B. ZAMORA, GERALD ALOG, JOSEPH CADAYONA, ROGIE CADIMAS, ELSA DOMINGO, JOHN REY DOMINGO, JOEL ELAURIA, BENIGNO SANDOY AND FELIPE PORCADILLA, JR., PETITIONERS, V. THE NATIO...

Ponente: ELBINIAS, J.

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ELBINIAS, J.:

For disposition is a Petition for Certiorari[1] filed under Rule 65 of the Rules of Court. The Petition assails the Resolution[2] dated March 24, 2010 of public respondent National Labor Relations Commission (“NLRC” for brevity) in the consolidated cases NLRC LAC No. 04-001095-09, NLRC NCR Case No. 09-13306-08, NLRC NCR Case No. 09-13387-08, and NLRC NCR Case No. 09-13439-08, which Resolution reversed public respondent NLRC's earlier Decision[3] dated October 23, 2009 and reinstated the Labor Arbiter's Decision[4] dated February 13, 2009.

Among the salient facts are those as stated in public respondent NLRC's Decision[5] dated October 23, 2009 which are as follows:

“Respondent Bib Bakeshop (private respondent here) is engaged in the business of maintaining a bakery. It is owned by the other respondent, Mr. Antonio Binos (private respondent here). The complainants (petitioners here), on the other hand, were regular employees of respondent, working on the different aspects of the production and sale of bread and other bakes goods. They hold positions such as ovenman, baker, helper, repacker and salesman until their alleged illegal dismissal on September 19, 2008.

Prior to the filing of these cases, complainants (petitioners) filed before the arbitration branch of this Commission complaints for money claims based on underpayment and/or non-payment of wages, overtime pay, holiday pay, rest day, service incentive leave, 13th month pay, ECOLA and night shift differential. The cases were assigned to Labor Arbiter Geobel A. Bartolobac and Dominador B. Medroso Jr.

In the course of the proceedings, all the complainants (petitioners) in the said cases agreed to settle their claims amicably. On May 20, 2008, the complainants (petitioners) executed a Quitclaim and Release. In view of said settlement, Labor Arbiter Bartolobac issued an Order on May 21, 2008, a part of which reads:

'For and in consideration of a sum of money, all the complainants in the above-entitled case except Vicente Richel Garcia agreed to settle their claims against respondents.

In view thereof, except for complainant Vicente Garcia, the claims of the complainants are hereby considered settled, closed and terminated. xx[']

On September 23, 2008, the complainants (petitioners) commenced the instant complaints for illegal dismissal before the arbitration branch of this Commission. The complainants (petitioners) alleged in their Position Paper that they continue to work with the company after the settlement of their money claims; that on September 19, 2008 when Mr. Antonio Binos (private respondent) verbally informed them to the effect that: 'Huling sweldo na ninyo ngayon. Wala nang gawa o trabaho. Kung may reklamo kayo, pumunta na lang kayo sa labor'; and that their

dismissal is without just cause and due process.

Denying the charge of illegal dismissal, respondents (private respondents) countered in their Position Paper, that they merely implemented the Order of Med-Arbiter Alma E. Magaroag-Alba, thus effecting the separation of the complainants (petitioners) from their employment. According to respondents, (private respondents) the complainants (petitioners) never contested the said Order; that they are not entitled to money claims in view of the settlement of the earlier cases; that the acceptance of the separation pay therein is equivalent to a severance of the employer-employee relationship; and that the filing of the instant cases is equivalent to forum shopping.”[6] (Emphasis Supplied; Italics was made in the original)

On February 13, 2009, the Labor Arbiter rendered a Decision[7] dismissing petitioners' consolidated cases on ground of res judicata. This was because, according to the Labor Arbiter, petitioners had earlier “agreed to settle their claims amicably by executing a Quitclaim and Release on May 20, 2008 and June 25, 2008 acknowledging receipt of a sums of money (sic) to their full and complete satisfaction. As a consequence xxx, complainants released and discharged respondents herein from any liabilities arising from their employment with BIB Bakeshop xxx the case is considered settled, closed and terminated as per Order issued by Labor Arbiter Bartolabac on May 21, 2008 xxx”[8].

Petitioners filed their appeal before public respondent NLRC. On October 23, 2009, public respondent NLRC rendered a Decision[9], which set aside and reversed the Labor Arbiter's Decision[10]. The dispositive portion of public respondent NLRC's Decision[11] stated:

“WHEREFORE, the foregoing premises considered, the appeal is GRANTED. The Decision dated 13 February 2009 is REVERSED AND SET ASIDE and a new one is entered as follows:

1. Finding complainants Samuel Zamora, Gerald Alog, Joseph Cadayona, Rogie Cadimas, Elsa Domingo, John Rey Domingo, Joel Elauria, Benigno Sandoy, Rudy Ostria, Felipe Porcadilla, Jr., and Roque Malayo, Jr., to have been illegally dismissed;
2. Ordering respondents Bib Bakeshop and Antonio Binos to reinstate the above named complainants to their former positions without loss of seniority rights;
3. Ordering respondents to pay the above named complainants their full backwages from the time the same was withheld until the finality of this judgment; and
4. Dismissing the claim for moral and exemplary damages, as well as attorney's fees for lack of merit.

SO ORDERED.”[12] (Emphasis was made in the original)

Private respondents filed their Motion for Reconsideration[13].

On March 24, 2010, public respondent NLRC issued its assailed Resolution[14], the dispositive portion of which read:

“WHEREFORE, Our 23 October 2009 Decision is REVERSED and SET ASIDE and the 13 February 2009 Decision of the Labor Arbiter finding the complainants not illegally dismissed is REINSTATED.”[15] (Emphasis was made in the original)

Petitioners then filed the Petition at bench, praying that:

“WHEREFORE, premises considered and in the best interest of justice, it is respectfully prayed of this Honorable Court to order that:

1. The instant Petition for Certiorari be given due course;

2. The Resolution dated 24 March 2010 of Public Respondent which reinstated the Labor Arbiter's Decision be reversed and set aside; and

3. Judgment be rendered declaring the petitioners illegally dismissed and ordering the respondents to pay them the amount of separation pay, full backwages, moral and exemplary damages and attorney's fees.

Other reliefs, just and equitable under the premises, are likewise prayed for.”[16]

Petitioners raised the following issues:

“I. Whether or not the Public Respondent committed grave abuse of discretion amounting to lack or excess of jurisdiction in its Resolution dated March 24, 2010 which reversed and set aside its earlier Resolution dated October 23, 2009, on account of private respondents' motion for reconsideration?

II. Whether or not the Public Respondent committed grave abuse of discretion amounting to lack or excess of jurisdiction by reinstating the Labor Arbiter's Decision dated 13 February 2009 which held the validity of petitioners dismissal despite the lack of substantive and administrative due process?”[17]

To begin with, the Petition for Certiorari at bench is readily defective and dismissible. This is because petitioners failed to file a Motion for Reconsideration of the assailed public respondent NLRC's Resolution[18] dated March 24, 2010 before filing the Petition at bench. Such failure violates the pronouncement of the Supreme Court in Republic of the Philippines, represented by the Privatization and Management Office (PMO) vs. Pantranco North Express, Inc. (PNEI), et. al.[19], as follows:

“The well-established rule is that a motion for reconsideration is an indispensable condition before an aggrieved party can resort to the special civil action for certiorari under Rule 65 of the 1997 Rules of Civil Procedure, as amended. A motion for reconsideration of the order, resolution or decision of the NLRC should be seasonably filed as a precondition for pursuing any further or subsequent recourse; otherwise, the order, resolution or decision would become final and executory after ten calendar days from receipt thereof. The rationale for the rule is that the law intends to afford the NLRC an opportunity to rectify such errors or mistakes it may have committed before resort to courts of justice can be had.” (Emphasis Supplied)

Even if petitioners' failure to file a Motion for Reconsideration could be considered as an exception to the rule[20] that such a Motion should be filed, still, after a careful study of the Petition, petitioners' positions were revealed to be unmeritorious.

Contrary to petitioners' arguments in their assigned grounds I. and II., no employer-employee relationship existed between petitioners and private respondents.

In claiming that petitioners were illegally dismissed employees of private respondents, petitioners had argued as follows:

“In this case, the very wrong and mischief sought to be prevented by our labor laws occurred – petitioners suffered arbitrary, oppressive and unceremonious dismissal from their jobs. There exists no serious, just and lawful cause for their discharge from employment. This is the height of injustice when workers who have served their employers dutifully and for the longest time would just be casually and whimsically told that today would be their last day in their jobs without even providing a warning, notice or sufficient explanation. It is unfair, illegal and immoral.

Worse, apart from this absence of any just or authorized cause, private respondents grossly violated the procedural requirements of valid dismissal. It is provided that, while the procedure prior to dismissal of an employee need not be observed to the letter, it must nonetheless follow the natural sequence of notice, hearing and judgment. The procedure for termination is mandatory and failure to comply with the same taints the dismissal with illegality and any judgment reached by management is void and inexistent.

xxx

In any case, as adverted to earlier, petitioners' employment continued uninterrupted after the dispositive of the earlier labor case for money claims, as they reported to work for another three (3) more months, or until their illegal dismissal on 19 September 2008. Thus, the intent of the parties and the contemporaneous circumstances clearly indicate that the usual, regular and continued employment of petitioners was undisturbed.”[21]

Prevailing over petitioners' arguments however, is that petitioners failed to substantiate their claim that an employer-employee relationship still existed between petitioners and private respondents before the latter filed their consolidated cases for Illegal Dismissal on September 23, 2008 against private respondents. This, especially considering that petitioners, who were claiming to be employees of private respondents, had the burden of proving the existence of such employer-employee relationship by substantial evidence[22]. Such is pursuant to the following declaration of the Supreme Court in *Bitoy Javier (Danilo P. Javier) vs. Fly Ace Corporation/Flordelyn Castillo*[23]:

“In dealing with factual issues in labor cases, 'substantial evidence – that amount of relevant evidence which a reasonable mind might accept as adequate to justify a conclusion – is sufficient.'

xxx Accordingly, the petitioner needs to show by substantial evidence that he was indeed an employee of the company against which he claims illegal dismissal.

xxx

The Court is of the considerable view that on Javier lies the burden to pass the well-settled tests to determine the existence of an employer-employee relationship, viz: (1) the selection and engagement of the employee; (2) the payment of wages; (3) the power of dismissal; and (4) the power to control the employee's conduct. Of these elements, the most important criterion is whether the employer controls or has reserved the right to control the employee not only as to the result of the work but also as to the means and methods by which the result is to be accomplished.” (Emphasis Supplied)

Here, records revealed that when petitioners filed their consolidated cases for Illegal Dismissal on September 23, 2008 against private respondents, petitioners were no longer working for private respondents. This was shown by the “QUITCLAIM & RELEASE”[24] dated May 20, 2008 which was executed by petitioners before Labor Arbiter Geobel A. Bartolabac (“Labor Arbiter Bartolabac” for brevity), and which provided the following, among others:

“That for and in consideration of the sum of TWO HUNDRED SIXTY THOUSAND (P260,000.00) SIXTY THOUSAND PESOS (Php60,000.00) to us paid by BIB BAKESHOP in settlement of all my claims as FINANCIAL ASSISTANCE receipt of which is hereby acknowledged to my complete and full satisfaction, I hereby RELEASE and DISCHARGE the said BIB BAKESHOP and [i]ts officer(s) from any/all claims by way of unpaid wages, separation pay, overtime pay, salary differential pay or otherwise as may be due me in connection with my past employment with said establishment and its office.”[25] (Emphasis, Italics, Underlining, and Strikethrough were made in the original)

Considering further that the “QUITCLAIM & RELEASE”[26] dated May 20, 2008 which was executed by petitioners before Labor Arbiter Bartolabac was not shown to have been obtained through fraud, misrepresentation, or coercion, then petitioners were bound by such “QUITCLAIM & RELEASE”[27]. That this is the consequence is pursuant to Article 227 of the Labor Code, to wit:

“Any compromise settlement, including those involving labor standard laws, voluntarily agreed upon by the parties with the assistance of the Bureau or the regional office of the Department of Labor, shall be final and binding upon the parties. The National Labor Relations Commission or any court shall not assume jurisdiction

over issues involved therein except in case of non-compliance thereof or if there is prima facie evidence that the settlement was obtained through fraud, misrepresentation, or coercion.” (Emphasis Supplied)

Not only that, but such “QUITCLAIM & RELEASE”[28] dated May 20, 2008 had the effect of res judicata. That this is so is in accordance with the following declaration of the Supreme Court in *J-Phil Marine, Inc., et. al. vs. National Labor Relations Commission and Warlito E. Dumalaog*[29]:

“In *Olaybar v. NLRC*, the Court, recognizing the conclusiveness of compromise settlements as a means to end labor disputes, held that Article 2037 of the Civil Code, which provides that '[a] compromise has upon the parties the effect and authority of res judicata,' applies suppletorily to labor cases even if the compromise is not judicially approved.

XXX

It bears noting that, as reflected earlier, the Quitclaim and Waiver was subscribed and sworn to before the Labor Arbiter.” (Emphasis Supplied; Italics was made in the original)

Given that petitioners were no longer the employees of private respondents, then private respondents could not have been illegally dismissed by petitioners.

No cogent reason was therefore shown to justify deviation from the following findings of public respondent NLRC, which were in accordance with the facts and the law:

“xxx In the Motion to Admit, respondents (private respondents) adduced in evidence payrolls for the period May 26, 2008 to October 1, 2008 duly signed by the workers of the bakery. A perusal of the said payrolls' would show that the complainants (petitioners) were no longer reporting for work during the aforesaid period, contrary to their claim that they still worked for three (3) more months after the execution of the quitclaim. As between the allegation of the complainants (petitioners) that they reported back for work and the documentary evidence presented by the respondents (private respondents), this Commission is incline to give credence to the latter. Indeed, said documents substantially strengthen respondents' allegation that complainants (petitioners) were no longer employees of the respondents (private respondents) subsequent to the execution of the quitclaim and release. Again, we reiterate that the degree of proof required in labor cases is not as stringent as in other types of cases. Only substantial evidence, or such relevant evidence as a reasonable mind might accept as adequate to support a conclusion, is required. Verily, respondents (private respondents) were able to show by substantial evidence that complainants (petitioners) ceased working with the respondents after receipt of the monetary benefits under the quitclaim and release. There being no illegal dismissal here, this Commission has no other recourse but to reverse the herein assailed Decision.[30] (Emphasis Supplied)

Indeed, the rule is settled that the findings of the Labor Arbiter, when affirmed by the NLRC, as in the instant case, are accorded due respect and even finality, and are binding upon the court[31] especially when supported by substantial evidence, as in this case.

After careful consideration of all the facts, arguments, and issues appearing on the records, as well as of the pertinent laws and jurisprudence, and, in accordance with what is best determined to be just under the circumstances, the following disposition is therefore made on these matters.

IN VIEW OF ALL THESE, the Petition is DENIED.

SO ORDERED.

Dicdican (Chairperson) and Paredes, JJ., concur.

- [1] Rollo, pp. 3-24
- [2] Rollo, pp. 27-32
- [3] Rollo, pp. 34-44
- [4] Rollo, pp. 95-96
- [5] Rollo, pp. 34-44
- [6] Rollo, pp. 35-36
- [7] Rollo, pp. 95-96
- [8] Rollo, p. 96
- [9] Rollo, pp. 34-44
- [10] Rollo, pp. 95-96
- [11] Rollo, pp. 34-44
- [12] Rollo, p. 43
- [13] Rollo, pp. 156-163
- [14] Rollo, pp. 27-32
- [15] Rollo, p. 31
- [16] Rollo, p. 21
- [17] Rollo, p. 11
- [18] Rollo, pp. 27-32
- [19] G.R. No. 178593, February 15, 2012
- [20] Republic of the Philippines, represented by the Privatization and Management Office (PMO) vs. Pantranco North Express, Inc. (PNEI), et al., G.R. No. 178593, February 15, 2012
- [21] Rollo, pp. 14-17
- [22] Bitoy Javier (Danilo P. Javier) v. Fly Ace Corporation/Flordelyn Castillo, G.R. No. 192558, February 15, 2012; Charlie Jao v. BCC Products Sales Inc., and Terrance Ty, G.R. No. 163700, April 18, 2012
- [23] G.R. No. 192558, February 15, 2012
- [24] Rollo, pp. 58-59
- [25] Rollo, p. 58
- [26] Rollo, pp. 58-59
- [27] Rollo, pp. 58-59
- [28] Rollo, pp. 58-59
- [29] G.R. No. 175366, August 11, 2008

[30] Rollo, pp. 30-31

[31] La Union Cement Workers Union & Arnulfo Almoite vs. National Labor Relations Commission and Bacnotan Cement Corporation (now Holcim Philippines, Inc.), G.R. No. 174621, January 30, 2009

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