

**CLARISSA U. MATA, DOING BUSINESS UNDER THE FIRM NAME
BESSANG PASS SECURITY AGENCY, PETITIONER, VS. ALEXANDER M.
AGRAVANTE, EDDIE E. SANTILLAN, PATRICIO A. ARMODIA,
ALEJANDRO A. ...**

G.R. No. 147597. August 06, 2008

Ponente: NACHURA, J.

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NACHURA, J.:

Before us is a petition for review on certiorari assailing the decision[1] of the Court of Appeals (CA) which dismissed petitioner's complaint for damages filed against the respondents.

The antecedent facts are as follows:

Respondents Eddie E. Santillan, Patricio A. Armodia, Alejandro A. Almaden and Hermenegildo G. Saldo were former security guards of the Bessang Pass Security Agency, owned by herein petitioner Clarissa Mata.

On October 27, 1993, the respondents, assisted by their counsel, Atty. Alexander Agravante, filed a complaint with the National Labor Relations Commission (NLRC) in Cebu City for non-payment of salaries/wages and other benefits.[2] Subsequently, they filed an affidavit-complaint with the Philippine National Police (PNP) in Cramp Crame, Quezon City requesting an investigation of the Bessang Pass Security Agency and cancellation of its license to operate as security agency for violation of labor laws. Copies of this affidavit-complaint were likewise sent to the following offices: (1) Office of the President, (2) Office of the Secretary of Public Works and Highways, (3) Office of the PNP Director General, (4) PNP Chief Superintendent Warlito Capitan, (5) Office of the DILG Secretary, (6) Ombudsman Conrado Vasquez and (7) Office of the Vice-President.

On January 6, 1994, petitioner instituted an action for damages against the respondents averring that respondents filed unfounded, baseless complaints before the NLRC for alleged violation of the labor laws and with the PNP for cancellation of its license to operate. She further alleged that by furnishing the government offices copies of these complaints, especially the Department of Public Works and Highways which was its biggest client, the agency's reputation was besmirched, resulting in the loss of contracts/projects and income in the amount of at least P5,000,000.00. Petitioner then declared that respondents' deliberate and concerted campaign of hate and vilification against the Bessang Pass Security Agency violated the provisions of Articles 19, 20, and 21 of the Civil Code, and thus, prayed that the respondents be held jointly and severally liable to pay her the sum of P1,000,000.00 as moral damages, attorney's fees in the amount of P200,000.00 and other reliefs.

On August 4, 1999, the trial court rendered judgment, the dispositive portion of which reads, as follows:

WHEREFORE, premises considered, judgment is hereby rendered in favor of plaintiff and against defendants ordering the latter to pay plaintiff the sum of ONE MILLION (P1,000,000.00) PESOS as moral damages.[3]

On the basis of the evidence adduced by the petitioner ex parte, the trial court found preponderant evidence

enough to justify petitioner's cause of action. It gave credence to the petitioner's contentions that the respondents had no other motive in sending the letter to the seven (7) government offices except to unduly prejudice her good name and reputation. The trial court, however, did not award the sum of P5,000,000.00 as petitioner's estimated loss of income for being speculative.

On appeal, the CA reversed and set aside the trial court's decision. It dismissed the complaint for lack of merit.

Hence, this petition anchored on the following grounds:

WITH ALL DUE RESPECT, THE HONORABLE COURT OF APPEALS COMMITTED A SERIOUS REVERSIBLE ERROR, AMOUNTING TO GRAVE ABUSE OF DISCRETION WHEN IT REVERSED AND SET ASIDE THE DECISION OF THE REGIONAL TRIAL COURT, BRANCH 89 IN QUEZON CITY AND FURTHER CONCLUDED THAT RESPONDENTS' ACT OF FURNISHING COPIES OF THEIR LETTER-COMPLAINT NOT ONLY TO SEVEN (7) NATIONAL AGENCIES BUT ALSO TO PETITIONER'S BIGGEST CLIENT, WAS NOT TAINTED WITH BAD FAITH AND WITH THE SOLE MOTIVE TO MALIGN THE GOOD NAME AND REPUTATION OF PETITIONER.

WITH ALL DUE RESPECT, THE HONORABLE COURT OF APPEALS COMMITTED SERIOUS ERROR IN THE APPRECIATION OF FACTS AND APPLICATION OF LAWS, WHICH IF NOT RECTIFIED, WOULD CAUSE IRREPARABLE INJURY AND DAMAGE TO HEREIN PETITIONER.

WITH ALL DUE RESPECT, THE HONORABLE COURT OF APPEALS COMMITTED A SERIOUS REVERSIBLE ERROR, AMOUNTING TO GRAVE ABUSE OF DISCRETION, WHEN IT REVERSED AND SET ASIDE THE DECISION OF THE REGIONAL TRIAL COURT, BRANCH 89 IN QUEZON CITY, NOTWITHSTANDING RESPONDENTS HAVING BEEN DECLARED IN DEFAULT.[4]

Petitioner contends that the respondents were so driven by unrestrained hatred and revenge that they not only succeeded in disseminating the letter-complaint to the 7 government offices but to the DPWH, her biggest client, with the intention to destroy her reputation and, more importantly, her business. She posits that this would mean a loss of employment for numerous employees throughout the country who solely depend on the security agency for their existence, and that respondents obviously failed to see this fact. She claims that the respondents have abused their rights, to her prejudice, and that of the security agency which has tried very hard to protect its name and hard-earned reputation. Petitioner then concludes that the respondents have violated Articles 19 and 21 of the Civil Code and should be held liable for damages.[5]

We are not impressed. We are more in accord with the findings and conclusions of the respondent court that petitioner is not entitled to any award of damages. We agree with the respondent court's explanation, viz.:

In filing the letter-complaint (Exhibit "D") with the Philippine National Police and furnishing copies thereof to seven (7) other executive offices of the national government, the defendants-appellants may not be said to be motivated simply by the desire to "unduly prejudice the good name and reputation" of plaintiff-appellee. Such act was consistent with and a rational consequence of seeking justice through legal means for the alleged abuses defendants-appellants suffered in the course of their employment with plaintiff-appellee, which started with the case for illegal dismissal and non-payment of backwages and benefits earlier filed with the NLRC Regional Arbitration Branch in Cebu City. In exhausting the legal avenues to air their legitimate grievances, the paramount and overriding concern of the defendants-appellants - who had already suffered from retaliatory acts of their employer when they manifested their desire to take formal action on the violations of labor laws committed by employer - is to secure government intervention or action to correct or punish their employer, plaintiff-appellee, in accordance with the provisions of existing laws or rules and regulations which may be applicable to their situation. And in this process, the intervention of the Philippine National Police was sought in view of its mandated role of administrative supervision over security agencies like plaintiff-appellee.

Section 8 of Republic Act No. 5487, otherwise known as the "Private Security Agency Law," empowered the Chief of the former Philippine Constabulary (PC) at any time "to suspend or cancel the licenses of private watchman or security guard agency found violating any of the provisions of this Act or of the rules and regulations promulgated by the Chief of Constabulary pursuant thereto." With the enactment of Republic Act No. 6975 ("Department of the Interior and Local Government Act of 1990"), the PC-INP was abolished and in its place, a new police force was established, the Philippine National Police (PNP). Among the administrative support units of the PNP under the new law is the Civil Security Unit which shall provide administrative services and general supervision over the organization, business operation and activities of all organized private detectives, watchmen, security guard agencies and company guard houses. It was thus but logical for defendants-appellants, as advised by their counsel, to also communicate their grievances against their employer security guard agency with the PNP. The act of furnishing copies to seven (7) other executive offices, including that of the Office of the President, was merely to inform said offices of the fact of filing of such complaint, as is usually done by individual complainants seeking official government action to address their problems or grievances. Their pending case with the NLRC would not preclude them from seeking assistance from the PNP as said agency is the national body that exercises general supervision over all security guard agencies in the country, the defendants-appellants were of the honest belief that the violation of labor laws committed by their employer will elicit proper action from said body, providing them with a relief (cancellation of license) distinct from those reliefs sought by them from the NLRC (payment of backwages and benefits). Certainly, defendants-appellants had good reason to believe that bringing the matter to PNP is justified as no private security agency found to be violating labor laws should remain in good standing with or [be] tolerated by the PNP. Despite the pendency of the NLRC case, such request for investigation of plaintiff-appellee could not in any way be tainted with malice and bad faith where the same was made by the very individuals who suffered from the illegal labor practices of plaintiff-appellee. Moreover, no liability could arise from defendants-appellants' act of filing of the labor case with the NLRC which plaintiff-appellee claimed to have resulted in the agency's not being able to secure contracts because of such pending labor case, defendants-appellants merely exercised a right granted to them by our labor laws.[6]

It has been held that Article 19,[7] known to contain what is commonly referred to as the principle of abuse of rights, is not a panacea for all human hurts and social grievances. The object of this article is to set certain standards which must be observed not only in the exercise of one's rights but also in the performance of one's duties. These standards are the following: act with justice, give everyone his due, and observe honesty and good faith. Its antithesis is any act evincing bad faith or intent to injure.[8] Article 21 refers to acts contra bonos mores and has the following elements: (1) an act which is legal; (2) but which is contrary to morals, good custom, public order or public policy; and (3) is done with intent to injure. The common element under Articles 19 and 21 is that the act complained of must be intentional,[9] and attended with malice or bad faith. There is no hard and fast rule which can be applied to determine whether or not the principle of abuse of rights may be invoked. The question of whether or not this principle has been violated, resulting in damages under Articles 20 and 21,[10] or other applicable provision of law, depends on the circumstances of each case.[11] In the case before us, as correctly pointed out by the CA, the circumstances do not warrant an award of damages. Thus, the award of P1,000,000.00 as moral damages is quite preposterous. We agree with the appellate court that in the action of the respondents, there was no malicious intent to injure petitioner's good name and reputation. The respondents merely wanted to call the attention of responsible government agencies in order to secure appropriate action upon an erring private security agency and obtain redress for their grievances. So, we reiterate the basic postulate that in the absence of proof that there was malice or bad faith on the part of the respondents, no damages can be awarded.

WHEREFORE, the petition is DENIED. The Decision of the Court of Appeals is AFFIRMED.

SO ORDERED.

Ynares-Santiago, (Chairperson), Austria-Martinez, Chico-Nazario, and Reyes, JJ., concur.

[1] Penned by Associate Justice Martin S. Villarama, Jr., with Associate Justices Conrado M. Vasquez, Jr. and Perlita J. TriaTirona, concurring; rollo, pp. 38-44.

[2] NLRC Case No. RAB-VII-10-0899-93.

[3] Rollo, p. 75.

[4] Id. at 18-19.

[5] Id. at 24.

[6] Id. at 42-43.

[7] Art. 19. Every person must in the exercise of his rights and in the performance of his duties, act with justice, give everyone his due, and observe honesty and good faith.

[8] Nikko Hotel Manila Garden v. Reyes, G.R. No. 154259, February 28, 2005, 452 SCRA 532, 546-547.

[9] Id. at 547.

[10] Art. 20. Every person who, contrary to law, willfully or negligently causes damage to another, shall indemnify the latter for the same.

Art. 21. Any person who willfully causes loss or injury to another in a manner that is contrary to morals, good customs or public policy shall compensate the latter for the damage.

[11] Albenson Enterprises Corporation v. Court of Appeals, G.R. No. 88694, January 11, 1993, 217 SCRA 16, 25.

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