BERNARDINO LABAYOG, CRESENCIO GRANZORE, JEANETTE GONZALES, NOEME DADIZ, GEMMA PANGANIBAN, DALISAY BUENVIAJE, VICTORIANA RUEDAS, MA. VICTORIA CABALONG, AMALIA SALVARRI, ROWENA FE...

G.R. NO. 148102. July 11, 2006

Ponente: CORONA, J.

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CORONA, J.:

The subject of this petition for review on certiorari is the resolution[3] of the Court of Appeals (CA) dated January 31, 2001 in CA-G.R. SP No. 51390, the dispositive portion of which read:

> WHEREFORE, private respondents' motion for reconsideration is GRANTED. The decision of this court, promulgated [on] September 12, 2000, is REVERSED and SET ASIDE. The decision of the National Labor Relations Commission dated August 22, 1997 and its resolution dated November 24, 1997 are hereby AFFIRMED. No costs.

At the outset, this petition should have been denied for lack of proper verification and certification of non-forum shopping. Of the 35 petitioners, only Bernardino Labayog, Luningning Angeles and Rosanna Roldan signed.[4] But even if, in the exercise of its discretion and in the interest of substantial justice, this Court grants a liberal interpretation of the rules on verification and certification of non-forum shopping, this petition should nonetheless fail for lack of merit.

The facts follow.

On various dates in 1992, petitioners entered into contracts of employment with respondent company as mixers, packers and machine operators for a fixed term. On the expiration of their contracts, their services were terminated. Forthwith, they each executed a quitclaim.

On April 15, 1993, petitioners filed complaints for illegal dismissal, underpayment of wages, non-payment of overtime, night differential and 13th month pay, damages and attorney's fees. The labor arbiter ruled their dismissal to be illegal[5] on the ground that they had become regular employees who performed duties necessary and desirable in respondent company's business. The labor arbiter ordered the reinstatement of petitioners with award of backwages, 13th month pay and service incentive leave pay. The claim for moral and exemplary damages was denied for failure to establish bad faith on the part of respondents. All other claims were likewise denied.

On appeal to the National Labor Relations Commission (NLRC), the decision of the labor arbiter was set aside.[6] Having entered into their employment contracts freely and voluntarily, they knew that their employment was only for a fixed period and would end on the prescribed expiration date. Petitioners' motion for reconsideration was denied.[7]

In a petition for certiorari filed by petitioners, the CA set aside the NLRC decision and reinstated the decision of

the labor arbiter.[8] However, on respondents' motion for reconsideration, the CA reversed itself. The CA reasoned that, while petitioners performed tasks which were necessary and desirable in the usual business of respondent company, their employment contracts providing for a fixed term remained valid. No force, duress, intimidation or moral dominance was exerted on them. Respondents dealt with petitioners in good faith and within the valid parameters of management prerogatives.[9] Petitioners' motion for reconsideration was denied.[10] Hence, this recourse.

The petition is denied for lack of merit.

The Labor Code states:

> 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 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.

Where the duties of the employee consist of activities which are necessary or desirable in the usual business of the employer, the parties are not prohibited from agreeing on the duration of employment. Article 280 does not proscribe or prohibit an employment contract with a fixed period[11] provided it is not intended to circumvent the security of tenure.

Two criteria validate a contract of employment with a fixed period: (1) 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 on the employee and without any circumstances vitiating 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. [12] Against these criteria, petitioners' contracts of employment with a fixed period were valid.

Each contract provided for an expiration date. Petitioners knew from the beginning that the employment offered to them was not permanent but only for a certain fixed period.[13] They were free to accept or to refuse the offer. When they expressed their acceptance, they bound themselves to the contract.

In this case, there was no allegation of vitiated consent. Respondents did not exercise moral dominance over petitioners. The contracts were mutually advantageous to the parties. While respondents were able to augment increased demand in production by hiring petitioners on an as-needed basis, petitioners found gainful employment if only for a few months.

Simply put, petitioners were not regular employees. While their employment as mixers, packers and machine operators was necessary and desirable in the usual business of respondent company, they were employed temporarily only, during periods when there was heightened demand for production. Consequently, there could have been no illegal dismissal when their services were terminated on expiration of their contracts. There was even no need for notice of termination because they knew exactly when their contracts would end. Contracts of employment for a fixed period terminate on their own at the end of such period.[14]

Contracts of employment for a fixed period are not unlawful. What is objectionable is the practice of some scrupulous employers who try to circumvent the law protecting workers from the capricious termination of employment. Employers have the right and prerogative to choose their workers. "The law, while protecting the rights of the employees, authorizes neither the oppression nor destruction of the employer. When the law angles

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the scales of justice in favor of labor, the scale should never be so tilted if the result is an injustice to the employer."[15]

WHEREFORE, the petition is hereby DENIED. The resolution of the Court of Appeals dated January 31, 2001 is AFFIRMED.

No costs.

SO ORDERED.

Puno, (Chairperson), Sandoval-Gutierrez, Azcuna, and Garcia, JJ., concur.

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[1] "Helen Varayuga" in some parts of the records.

[2] In the motion for extension of time to file petition for review, Cecilia Buhay and Jhuliet Cenidoza were also named as petitioners but they were excluded in the petition for review.

[3] Penned by Associate Justice Oswaldo Agcaoili and concurred in by Associate Justices Wenceslao I. Agnir, Jr. (now retired) and Jose L. Sabio, Jr. of the Special Former Fifth Division of the Court of Appeals; rollo, pp. 53-64.

[4] Rollo, pp. 48-49.

[5] Penned by Labor Arbiter Pedro C. Ramos dated March 31, 1995; rollo, pp. 67-81.

[6] Penned by Commissioner Vicente S.E. Veloso and concurred in by Presiding Commissioner Bartolome S. Carale and Commissioner Alberto R. Quimpo of the First Division, dated August 22, 1997; rollo, pp. 103-112.

[7] Per curiam resolution of the First Division; rollo, pp. 120-125.

[8] Penned by Associate Justice Oswaldo D. Agcaoili (now retired) and concurred in by Associate Justices Angelina Sandoval-Gutierrez (now Associate Justice of the Supreme Court) and Wenceslao I. Agnir, Jr. (now retired) of the Fifth Division of the Court of Appeals, dated September 12, 2000; rollo, pp. 189-201.

[9] The assailed January 31, 2001 resolution.

[10] Dated May 7, 2001; rollo, p. 66.

[11] Pangilinan v. General Milling Corporation, G.R. No. 149329, 12 July 2004, 434 SCRA 159.

[12]Philippine National Oil Company Energy Development Corporation v. National Labor Relations Commission, G.R. No. 97747, 31 March 1993, 220 SCRA 695.

[13] The duration of the contracts ranges from 3 ½ months to 6 months.

[14] Supra at note 9.

[15] St. Theresa's School of Novaliches Foundation v. NLRC, 351 Phil. 1038 (1998).

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