

**JOHN G. KNUST, PLAINTIFF AND APPELLANT, VS. J. P. MORSE, DOING BUSINESS UNDER THE NAME AND STYLE OF
“FRENCH-AMERICAN IMPORT COMPANY,” DEFENDANT AND APPELLANT.**

G. R. No. 15026. November 17, 1920

Ponente: MALCOLM, J.

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MALCOLM, J.:

While counsel have just about exhausted the lexicons in their use of choice adjectives intended to overwhelm their opponent's case, the salient facts are few and the applicable principles of law are well recognized.

The action is one to recover damages in the amount of P15,000 for the alleged breach of a contract for services because of dismissal without just cause. The answer alleged that the discharge of plaintiff was justified. The defense further set up a counterclaim for a debt of P8,229.14. The judgment awarded the plaintiff the sum of P1,169.84, with interest from August 22, 1917, and absolved the plaintiff from the counterclaim. From this judgment both the plaintiff and the defendant have appealed.

The relations between the plaintiff and the defendant in the embroidery business are governed by a contract (Exhibits B and C). Notwithstanding, plaintiff was dismissed by the representative of the defendant on August 8, 1917, on six counts. (Exhibit M.)

On this issue of fact, the trial court found that the plaintiff had been wrongfully discharged. A painstaking consideration of the evidence leads us to the same conclusion. In employments such as the one before us, which involve a high order of services and some degree of discretion and judgment, it would be unreasonable to regard employees as subject to the whim and caprice of their employers or as deprived of all right of action to such a degree as to be liable to lose their places upon every omission to obey orders involving no serious consequences. (Shaver vs. Ingham [1886], 58 Mich., 649.)

This brings us to the general consideration of the liability of defendant to plaintiff and to the specific consideration of plaintiff-appellant's assignments of error. A number of decisions of this and other courts have discussed this question. The general rule is nowhere better stated than in Aldaz vs. Gay ([1907], 7 Phil., 268), wherein the Supreme Court of the Philippine Islands, through Mr. Justice Johnson, held:

"In an action for breach of a contract for labor where the employee is wrongfully discharged, such employee is entitled to recover damages to the extent of the amount stipulated to be paid to him by the terms of said contract. This prima facie damage may be reduced, however, by showing: First, that the person so discharged failed to seek other employment of the same kind in the same vicinity and that if he had sought such employment he might have obtained it; or, second, that he actually obtained other employment, for which he received a certain compensation. While it is the duty of an employee who has been wrongfully discharged to be diligent in seeking other employment of a like nature in the same vicinity, the burden of showing that he has not complied with this obligation is upon the defendant." (Syllabus. See also, Hicks vs. Manila Hotel Co.

[1914], 28 Phil., 325, and Lemoine vs. Alkan [1916], 33 Phil., 162.)

Recurring now to the facts, it is first to be noted that plaintiff was discharged on August 8, 1917, when his contract should have expired on March 1, 1919. The contract fixed plaintiff's salary at P500 per month. It is to be presumed that the salary from August 1 to August 8 had not been paid because plaintiff was to receive his salary semi-monthly. His share in the profits was calculated by plaintiff and defendant at P150 a month at the least. Plaintiff's prima facie damages would thus amount to his salary, P500 a month, plus P150 a month, or P650 a month for one year and seven months. Total, P12,350. No deduction from the amount of the wages for the full term need be made since the employer has not proved either lack of diligence on the part of plaintiff in seeking other employment, or the amount the plaintiff has earned in the business in which he did engage, that of selling embroidery and hats at retail.

We agree with plaintiff-appellant that the plaintiff should be awarded damages in the amount stipulated in the contract, or P12,350.

This leaves for decision defendant-appellant's eighth and ninth assignments of error concerning the obligation of the plaintiff to satisfy his indebtedness to the company. This contention of the defendant is correct, as is demonstrated by a perusal of paragraph 12 of the contract of services. The obligation of the plaintiff became absolute on the same date that the contract ended. His debt of P8,229.14 should, accordingly, be deducted from the damages allowed the plaintiff.

The result is, to permit the plaintiff to recover damages for the breach of the contract in the amount of P12,350, and to permit the defendant to recoup from the plaintiff his debt to the company of P8,229.14; or, if we can consider this as in the nature of an accounting between the parties, there is, consequently, due the plaintiff from the defendant a net amount of P4,120.86.

Judgment is reversed, and the plaintiff shall have and recover from the defendant the sum of P4,120.86, without interest, and without special finding as to costs in either instance. So ordered.

Mapa, C. J., Johnson, Araullo, Avanceña and Villamor, JJ., concur.

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