

ROBERTO T. DOMONDON, PETITIONER, VS. NATIONAL LABOR RELATIONS COMMISSION, VAN MELLE PHILS., INC. AND NIELS H.B. HAVE, RESPONDENTS.*G.R. NO. 154376. September 30, 2005*

Ponente: PUNO, J.

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This is a petition for review on certiorari seeking the reversal of the February 28, 2002 Decision[1] of the Court of Appeals in CA-G.R. SP No. 65130 and its July 17, 2002 Resolution,[2] denying petitioner's motion for reconsideration. The assailed Decision affirmed the rulings of the National Labor Relations Commission (NLRC) and the Labor Arbiter, which held that petitioner was not illegally dismissed but voluntarily resigned.

On November 20, 1998, petitioner Roberto T. Domondon filed a complaint before the Regional Arbitration Branch of the NLRC, Quezon City, against private respondent Van Melle Phils., Inc. (VMPI) and its President and General Manager, private respondent Niels H.B. Have. He claimed illegal dismissal and prayed for reinstatement, payment of full backwages inclusive of allowances, 14[th] month pay, sick and vacation leaves, share in the profits, moral and exemplary damages and attorney's fees.[3]

Petitioner alleged that on January 8, 1997, private respondent VMPI, a manufacturing company engaged in the production and distribution of confectionaries and related products, hired him as Materials Manager through its then President and General Manager Victor M. Endaya. He was tasked to supervise the Inventory Control, Purchasing, and Warehouse and Distribution Sections of the company. He was given a guaranteed monthly salary of ninety-eight thousand (P98,000.00) pesos for fourteen (14) months with annual merit adjustment, profit sharing bonus from 0-2 months based on individual, company and corporate performance,[4] and a brand new 1600cc Honda VTEC[5] with 300 liters monthly gas allowance.[6]

Petitioner claimed that things worked out well for him in the beginning until Endaya was transferred to China in August 1997 and was replaced by private respondent Have, a Dutch national. According to petitioner, private respondent Have immediately set a one-on-one meeting with him and requested his courtesy resignation. Alleging that the decision came from the Asia Regional Office, private respondent Have wanted to reorganize and put his people in management. Petitioner refused to resign and life got difficult for him. His decisions were always questioned by private respondent Have. He was subjected to verbal abuse. His competence was undermined by baseless and derogatory memos, which lay the bases for his removal from the company. He also did not receive his 14[th] month pay.[7]

Petitioner further stated that the final straw came on June 10, 1998, in another one-on-one meeting with private respondent Have. Private respondent Have informed petitioner that things would get more difficult for him if he does not resign. Private respondent Have threw a veiled threat at petitioner to the effect that "a dignified resignation would be infinitely better than being fired for a fabricated lawful cause." Private respondent Have offered financial assistance if petitioner would leave peacefully but the offer must be accepted immediately or it

would be withdrawn. Thus, petitioner signed a "ready-made" resignation letter without deliberation and evaluation of the consequences. His main concern then was to prevent the "end of his professional career." [8]

Petitioner stated that on the same day that he handed in his resignation letter, private respondent VMPI posted a memorandum with information of his replacement. He claimed that to lend a semblance of credibility to his forced resignation, private respondents released to him a portion of the offered financial package. [9]

On their part, private respondents admitted hiring petitioner under the circumstances set forth by him but denied illegally dismissing him. They maintained that with his educational and professional background, petitioner could not have been coerced and intimidated into resigning from the company. Instead, they claimed that he voluntarily resigned "to embark on management consultancy in the field of strategic planning and import/export." [10] They stated that petitioner informed them about his intention to resign and requested a "soft landing" financial support in the amount of three hundred thousand (P300,000.00) pesos on top of accrued benefits due him upon resignation. Private respondents granted the request. Subsequently, however, petitioner proposed the transfer of ownership of the car assigned to him in lieu of the financial assistance from the company. Since company policy prohibits disposition of assets without valuable consideration, the parties agreed that petitioner shall pay for the car with the P300,000.00 "soft landing" financial assistance from private respondent VMPI.

Private respondents averred that petitioner, who was then in charge of the disposition of the assets of the company, effected the registration of the car in his name. [11] Joannes Cornelis Kuiten, then Vice-President for Finance, signed for the company. [12] On July 30, 1998, P300,000.00 was credited to petitioner's payroll account [13] but he did not use it to pay for the car as agreed upon. Repeated demands for payment were unheeded. In its letter of demand dated October 28, 1998, private respondent VMPI gave petitioner an option to apply the P169,368.32 total cash conversion of his sick and vacation leave credits, 13th and 14th months' pay less taxes as partial payment for the car and pay the balance of P130,631.68, or return the car to the company. [14] Petitioner did not exercise either option. Instead, on November 20, 1998, he filed a complaint for illegal dismissal against private respondents.

On June 14, 1999, the Labor Arbiter [15] ruled for private respondents, viz:

WHEREFORE, premises considered, the complaint for illegal dismissal is hereby dismissed for lack of merit, and the claim for damages and attorney's fees denied.

The complainant has the option to reconvey to respondents the car sold to him and thus retain full credit of the P300,000.00 "soft landing" assistance, or retain ownership of the car by paying respondents the purchase price of P300,000.00 minus any amount due him corresponding to his accrued benefits that has been applied by respondents as partial payment for the car.

The NLRC affirmed the Decision of the Labor Arbiter [16] on January 26, 2001 and denied petitioner's motion for reconsideration on March 5, 2001. Petitioner went to the Court of Appeals on a special civil action for certiorari but failed for the third time. The appellate court dismissed the petition on February 28, 2002 and denied petitioner's motion for reconsideration on July 17, 2002; hence, this petition for review on certiorari.

Petitioner raises as error the failure of the appellate court to apply the rule in termination of employment that the burden rests upon the employer to prove by substantial evidence that the employee was removed for lawful or authorized cause. He also questions the jurisdiction of the Labor Arbiter to resolve the issue of the transfer of car-ownership by private respondents.

I.

The first issue raises factual matters which may not be reviewed by the Court. Our jurisdiction is limited to reviewing errors of law. Not being a trier of facts, the Court cannot re-examine and re-evaluate the probative value of evidence presented to the Labor Arbiter, the NLRC and the Court of Appeals, which formed the basis of the questioned decision and resolution.[17] Indeed, their findings when in absolute agreement are accorded not only respect but even finality as long as they are supported by substantial evidence.[18]

In any event, we combed the records of the case at bar and found no compelling reason to disturb the uniform findings and conclusions of the Court of Appeals, the NLRC and the Labor Arbiter. There was no arbitrary disregard or misapprehension of evidence of such nature as to compel a contrary conclusion if properly appreciated. Petitioner's letter of resignation, his educational attainment, and the circumstances antecedent and contemporaneous to the filing of the complaint for illegal dismissal are substantial proof of petitioner's voluntary resignation.

Petitioner's letter of resignation was categorical that he was resigning "to embark on management consultancy in the field of strategic planning and import/export." [19] Petitioner was holding a managerial position at private respondent VMPI and he was previously Vice-President for strategic planning at LG Collins Electronics. Thus, "management consultancy in the field of strategic planning" was a logical reason for the resignation, which either petitioner or private respondents may provide.

"Import/export," whether inclusive or exclusive of the clause "managerial consultancy," on the other hand, could neither be inferred from petitioner's nature of work with private respondent VMPI nor from his past work experiences. Thus, even if petitioner was correct in arguing that he could not have considered it given the state of the country's economy, anyone may provide it as reason for the resignation, including him and private respondents.

But assuming that private respondents prepared the letter of resignation for petitioner to sign as claimed, the Court is not convinced that petitioner was coerced and intimidated into signing it. Petitioner is no ordinary employee with limited education. He has a Bachelor of Arts Degree in Economics from the University of Santo Tomas, has completed academic requirements for Masters of Business Economics from the University of Asia and the Pacific, and studied law for two (2) years at Adamson University. He also has a good professional record, which highlights his marketability. Thus, his reliance on the case of *Molave Tours Corporation v. NLRC*, [20] where the employee found to have been forced to resign was a mere garage custodian, is clearly misplaced.

In termination cases, the employer decides for the employee. It is different in resignation cases for resignation is a formal pronouncement of relinquishment of an office. It is made with the intention of relinquishing the office accompanied by an act of relinquishment. [21] In the instant case, petitioner relinquished his position when he submitted his letter of resignation. His subsequent act of receiving and keeping his requested "soft landing" financial assistance of P300,000.00, and his retention and use of the car subject of his arrangement with private respondents showed his resolve to relinquish his post.

Thus, we affirm the findings of the Labor Arbiter, the NLRC and the Court of Appeals that private respondents were able to prove through substantial evidence that petitioner was not illegally dismissed. [22]

II.

The next issue involves the jurisdiction of the Labor Arbiter to hear and decide the question on the transfer of ownership of the car assigned to petitioner. He contends that it is the regular courts that have jurisdiction over the

question and not the Labor Arbiter.

This is not an issue of first impression. The jurisdiction of Labor Arbiters is provided under Article 217(a) of the Labor Code, as amended, viz:

(a) Except as otherwise provided under this Code the Labor Arbiters shall have original and exclusive jurisdiction to hear and decide, within thirty (30) calendar days after the submission of the case by the parties for decision without extension, even in the absence of stenographic notes, the following cases involving all workers, whether agricultural or non-agricultural:

- Unfair labor practice cases;
- Termination disputes;
- If accompanied with a claim for reinstatement, those cases that workers may file involving wages, rates of pay, hours of work and other terms and conditions of employment;
- Claims for actual, moral, exemplary and other forms of damages arising from employer-employee relations;
- Cases arising from any violation of Article 264 of this Code, including questions involving the legality of strikes and lockouts;
- Except claims for Employees Compensation, Social Security, Medicare and maternity benefits, all other claims, arising from employer-employee relations, including those of persons in domestic or household service, involving an amount exceeding five thousand pesos (P5,000.00) regardless of whether accompanied with a claim for reinstatement.

In all these instances, the matrix is the existence of an employer-employee relationship. In the case at bar, there is no dispute that petitioner is an employee of the respondents. In *Bañez v. Valdevilla*,^[23] we held:

x x x Presently, and as amended by R.A. 6715, the jurisdiction of Labor Arbiters and the NLRC in Article 217 is comprehensive enough to include claims for all forms of damages "arising from the employer-employee relations."

Whereas this Court in a number of occasions had applied the jurisdictional provisions of Article 217 to claims of damages filed by employees,^[24] we hold that by the designating clause "arising from the employer-employee relations" Article 217 should apply with equal force to the claim of an employer for actual damages against its dismissed employee, where the basis for the claim arises from or is necessarily connected with the fact of termination, and should be entered as a counterclaim in the illegal dismissal case.

Bañez is in accord with paragraph 6 of Article 217(a), which covers "all other claims, arising from employer-employee relations," viz:

- Except claims for Employees Compensation, Social Security, Medicare and maternity benefits, all other claims, arising from employer-employee relations, including those of persons in domestic or household service, involving an amount exceeding five thousand pesos (P5,000.00) regardless of whether accompanied with a claim for reinstatement.

In the case at bar, petitioner claims illegal dismissal and prays for reinstatement, payment of full backwages inclusive of allowances, 14th month pay, sick and vacation leaves, share in the profits, moral and exemplary damages and attorney's fees.^[25] These causes of action clearly fall within the jurisdiction of the Labor Arbiter, specifically under paragraphs 2, 3 and 4 of Article 217(a). On the other hand, private respondents made a counterclaim involving the transfer of ownership of a company car to petitioner. They maintain that he failed to pay for the car in accordance with their agreement. The issue is whether this claim of private respondents arose

from the employer-employee relationship of the parties pursuant to paragraph 6 of Article 217(a) under the general clause as quoted above.

The records show that the initial agreement of the parties was that petitioner would be extended a "soft-landing" financial assistance in the amount of P300,000.00 on top of his accrued benefits at the time of the effectivity of his resignation. However, petitioner later changed his mind. He requested that he be allowed to keep the car assigned to him in lieu of the financial assistance. However, company policy prohibits transfer of ownership of property without valuable consideration. Thus, the parties agreed that petitioner shall still be extended the P300,000.00 financial support, which he shall use to pay for the subject car. On July 30, 1998, private respondent VMPI deposited the agreed amount in petitioner's account.[26] Despite having registered the car in his name and repeated demands from private respondents, petitioner failed to pay for it as agreed upon. Petitioner did not also return the car. Without doubt, the transfer of the ownership of the company car to petitioner is connected with his resignation and arose out of the parties' employer-employee relations. Accordingly, private respondents' claim for damages falls within the jurisdiction of the Labor Arbiter.

III.

Petitioner was not illegally dismissed but voluntarily resigned. His claims for reinstatement, payment of full backwages inclusive of allowances, moral and exemplary damages and attorney's fees must necessarily fail. However, he is entitled to his 14[th] month pay, cash conversion of accrued sick and vacation leaves and profit share in the aggregate amount of P169,368.32, the total of which is not disputed. The amount shall be applied to his obligation to pay P300,000.00 for the company car, which ownership was transferred to him. The return of the company car to private respondents, given the period that has lapsed from the offer, ceased to be an option open to petitioner.

IN VIEW WHEREOF, the decision of the Court of Appeals is AFFIRMED with MODIFICATION. Petitioner Roberto T. Domondon is ORDERED to pay private respondent Van Melle Phils., Inc. the amount of P130,631.68, representing the balance of the purchase price of the car in his custody after deducting his entitlement to 14[th] month pay, cash conversion of accrued sick and vacation leaves and profit share in the total amount of P169,368.32 from the P300,000.00 "soft-landing" financial assistance he received from private respondent.

SO ORDERED.

Austria-Martinez, Callejo, Sr., Tinga, and Chico-Nazario, JJ., concur

[1] Penned by Associate Justice Eriberto U. Rosario, Jr., concurred in by Associate Justices Portia Aliño-Hormachuelos and Mariano C. Del Castillo.

[2] Ibid.

[3] Docketed as NLRC NCR-11-09459-98.

[4] Given every May of each year.

[5] Manual transmission with Plate Number URD 498, company maintained and insured, and title to be transferred after forty-eight (48) months.

[6] Employment Contract, January 8, 1997; Rollo, pp. 59-60.

[7] Petitioner's Position Paper, February 22, 1999; Rollo, pp. 46-51.

[8] Ibid.

[9] Id.

[10] Letter of Resignation, June 10, 1998; Rollo, p. 61.

[11] See December 4, 1998 Affidavit of Joannes Cornelis Kuiten, Vice-President for Finance, private respondent VMPI; Rollo, p. 99.

[12] Ibid.

[13] The January 19, 1999 Payroll Credit Certification issued by the Bank of the Philippine Islands, Mandaluyong City Branch states that: "This is to certify that Mr. Roberto Domondon under current account no. 0015-0162-64 has a payroll credit amounting to PHP369,600.00 last July 30, 1998." The amount credited as "soft landing" financial assistance was P300,000.00 only.

[14] Respondents' Position Paper, Annex "3"; Rollo, pp. 69-70.

[15] Edgardo M. Madriaga, National Capital Region Arbitration Branch, Quezon City.

[16] Resolution penned by Commissioner Angelita A. Gacutan, concurred in by Commissioners Raul T. Aquino and Victoriano R. Calaycay.

[17] Hantex Trading Co., Inc. and/or Chua v. Court of Appeals, et al., 390 SCRA 181 (2002), citing Leonardo v. NLRC, 333 SCRA 589 (2000).

[18] Ibid., citing Permex, Inc. v. NLRC, 323 SCRA 121 (2000).

[19] 10 June 1998

VAN MELLE PHILS. INC.

4 Pioneer St.,
Mandaluyong City

Attention: MR. NIELS H.B. HAVE
President/GM

Dear Mr. Have:

Effective closing hours, 31 July 1998, please consider me as resigned from my position of Materials Manager.

I have decided to embark on management consultancy in the field of strategic planning and import/export.

Very truly yours,

(signed)

ROBERTO T. DOMONDON
11 Moonstone Road,
Pillar Village
Las Piñas City

[20] 250 SCRA 325 (1995).

[21] Valdez v. NLRC, 286 SCRA 87 (1998), citing Dosch v. NLRC, et al., 123 SCRA 296 (1983); Magtoto v. NLRC, et al., 140 SCRA 58 (1985); Molave Tours Corporation v. NLRC, et al., 250 SCRA 325 (1995), citing Intertrod Maritime, Inc., et al. v. NLRC, et al., 198 SCRA 318 (1991).

[22] Notably, in the United States, an employee's resignation is presumed voluntary and the employee bears the burden of rebutting the presumption. This presumption applies even when an employee is threatened with termination for cause and resigns instead, provided there is a good cause for termination; a resignation is not rendered involuntary because an employee tenders his resignation to avoid termination for cause. (Travis v. Tacoma Public School District, 120 Wash.App. 542, 85 P.3d 959, March 9, 2004.)

[23] 331 SCRA 584 (2000).

[24] Citing Poloton-Tuvera v. Dayrit, 160 SCRA 423 (1988); Dizon v. Court of Appeals, 210 SCRA 107 (1992); Pepsi-Cola Bottling Company of the Philippines v. Martinez, 198 Phil. 296.

[25] See note 3.

[26] See note 13.

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