

GRAND ASIAN SHIPPING LINES, INC., EDUARDO P. FRANCISCO AND WILLIAM HOW, PETITIONERS, VS. WILFREDO GALVEZ, JOEL SALES, CRISTITO GRUTA, DANILO ARGUELLES, RENATO BATAYOLA, PATRICIO...*G.R. No. 178184. January 29, 2014*

Ponente: DEL CASTILLO, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-178184/>**DEL CASTILLO, J.:**

The employer has broader discretion in dismissing managerial employees on the ground of loss of trust and confidence than those occupying ordinary ranks. While plain accusations are not sufficient to justify the dismissal of rank and file employees, the mere existence of a basis for believing that managerial employees have breached the trust reposed on them by their employer would suffice to justify their dismissal.[1]

Before us is a Petition for Review on Certiorari[2] assailing the September 12, 2006 Decision[3] of the Court of Appeals (CA) in CA-G.R. SP No. 82379, which annulled the September 10, 2003 Decision[4] and January 14, 2004 Resolution[5] of the National Labor Relations Commission (NLRC), thereby reinstating the August 30, 2001 Decision[6] of the Labor Arbiter for having attained finality as a result of petitioners' failure to post the correct amount of bond in their appeal before the NLRC. Likewise assailed is the May 23, 2007 Resolution[7] of the CA which denied petitioners' Motion for Reconsideration.[8]

Factual Antecedents

Petitioner Grand Asian Shipping Lines, Inc. (GASLI) is a domestic corporation engaged in transporting liquified petroleum gas (LPG) from Petron Corporation's refinery in Limay, Bataan to Petron's Plant in Ugong, Pasig and Petron's Depot in Rosario, Cavite. Petitioners William How and Eduardo Francisco are its President and General Manager, respectively. Respondents, on the other hand, are crewmembers of one of GASLI's vessels, M/T Dorothy Uno, with the following designations: Wilfredo Galvez (Galvez) as Captain; Joel Sales (Sales) as Chief Mate; Cristito Gruta (Gruta) as Chief Engineer; Danilo Arguelles (Arguelles) as Radio Operator; Renato Batayola (Batayola), Patricio Fresmillo (Fresmillo) and Jovy Noble (Noble) as Able Seamen; Emilio Dominico (Dominico) and Benny Nilmao (Nilmao) as Oilers; and Jose Austral (Austral) as 2[nd] Engineer.

Sometime in January 2000, one of the vessel's Oilers, Richard Abis (Abis), reported to GASLI's Office and Crewing Manager, Elsa Montegrigo (Montegrigo), an alleged illegal activity being committed by respondents aboard the vessel. Abis revealed that after about four to five voyages a week, a substantial volume of fuel oil is unconsumed and stored in the vessel's fuel tanks. However, Gruta would misdeclare it as consumed fuel in the Engineer's Voyage Reports. Then, the saved fuel oil is siphoned and sold to other vessels out at sea usually at nighttime. Respondents would then divide among themselves the proceeds of the sale. Abis added that he was hesitant at first to report respondents' illegal activities for fear for his life.

An investigation on the alleged pilferage was conducted. After audit and examination of the Engineer's Voyage

Reports, GASLI's Internal Auditor, Roger de la Rama (De la Rama), issued a Certification of Overstatement of Fuel Oil Consumption[9] for M/T Dorothy Uno stating that for the period June 30, 1999 to February 15, 2000 fuel oil consumption was overstated by 6,954.3 liters amounting to P74,737.86.[10]

On February 11, 2000, a formal complaint[11] for qualified theft was filed with the Criminal Investigation and Detection Group (CIDG) at Camp Crame against respondents, with Montegricon's Complaint-Affidavit[12] attached. On February 14, 2000, Abis submitted his Sinumpaang Salaysay,[13] attesting to the facts surrounding respondents' pilferage of fuel oil while on board the vessel, which he alleged started in August of 1999. On March 22, 2000, GASLI's Port Captain, Genaro Bernabe (Bernabe), and De la Rama submitted a Complaint-Joint Affidavit,[14] stating that in Gruta's Engineer's Voyage Reports, particularly for the period June 30, 1999 to February 15, 2000, he overstated the number of hours the vessel's main and auxiliary engines, as well as its generators, were used resulting in the exaggerated fuel consumption. They also stated that according to independent surveyor Jade Sea-Land Inspection Services, the normal diesel fuel consumption of M/T Dorothy Uno for Petron Ugong-Bataan Refinery-Petron Ugong route averaged 1,021 liters only. Thus, comparing this with the declared amount of fuel consumed by the vessel when manned by the respondents, Bernabe and De la Rama concluded that the pilferage was considerable.[15] In her Supplementary Complaint Affidavit,[16] Montegricon implicated respondents except Sales, in the illegal activity. Bernabe, in his Reply-Affidavit,[17] further detailed their analysis of the voyage reports vis-a-vis the report of Jade Sea-Land Inspection Services to strengthen the accusations.

In their Joint Counter-Affidavit[18] and Joint Rejoinder-Affidavit,[19] respondents denied the charge. They alleged that the complaint was based on conflicting and erroneous computation/estimates of fuel consumption; that the complaint was fabricated as borne out by its failure to specify the exact time the alleged pilferage took place; that the allegations that the pilferage has been going on since August 1999 and that Austral and Sales acted as lookouts are not true because both embarked on the vessel only on December 28, 1999 and January of 2000, respectively; that four other officers who were on board the vessel much longer than Austral and Sales were not included in the charge; and, that the complaint was intended as a mere leverage.

In a letter[20] dated April 14, 2000, the CIDG referred the case to the Office of the City Prosecutor of Manila, which, after finding a prima facie case, filed the corresponding Information for Qualified Theft[21] dated August 18, 2000 with the Regional Trial Court (RTC) of Manila.

Meanwhile, GASLI placed respondents under preventive suspension. After conducting administrative hearings, petitioners decided to terminate respondents from employment. Respondents (except Sales) were thus served with notices[22] informing them of their termination for serious misconduct, willful breach of trust, and commission of a crime or offense against their employer.

It appears that several other employees and crewmembers of GASLI's two other vessels were likewise suspended and terminated from employment. Nine seafarers of M/T Deborah Uno were charged and terminated for insubordination, defying orders and refusal to take responsibility of cargo products/fuel.[23] For vessel M/T Coral Song, two crewmembers were dismissed for serious act of sabotage and grave insubordination.[24]

Proceedings before the Labor Arbiter

Respondents and the other dismissed crewmembers of M/T Deborah Uno and M/T Coral Song (complainants) filed with the NLRC separate complaints[25] for illegal suspension and dismissal, underpayment/non-payment of salaries/ wages, overtime pay, premium pay for holiday and rest day, holiday pay, service incentive leave pay, hazard pay, tax refunds and indemnities for damages and attorney's fees against petitioners. The complaints, docketed as NLRC NCR Case Nos. 00-04-02026-00, 00-04-02062-00, 00-05-02620-00 and 00-07-03769-00,

were consolidated.

On August 30, 2001, the Labor Arbiter rendered a Decision[26] finding the dismissal of all 21 complainants illegal. As regards the dismissal of herein respondents, the Labor Arbiter ruled that the filing of a criminal case for qualified theft against them did not justify their termination from employment. The Labor Arbiter found it abstruse that the specific date and time the alleged pilferage took place were not specified and that some crewmembers who boarded the vessel during the same period the alleged pilferage transpired were not included in the charge. With regard to the other complainants, petitioners likewise failed to prove the legality of their dismissal.

The Labor Arbiter ordered petitioners to reinstate complainants with full backwages and to pay their money claims for unpaid salary, overtime pay, premium pay for holidays and rest days, holiday and service incentive leave pay, as indicated in the Computation of Money Claims. Complainants were likewise awarded damages due to the attending bad faith in effecting their termination, double indemnity prescribed by Republic Act (RA) No. 8188[27] in view of violation of the Minimum Wage Law, as well as 10% attorney's fee. With respect to the claim for tax refund, the same was referred to the Bureau of Internal Revenue, while the claim for hazard pay was dismissed for lack of basis. The Labor Arbiter modified and recomputed the money claims of respondents, as follows:

1. Wilfredo Galvez – (Dismissed in Mar. 2000)

Backwages from Mar. 2000 to
May 2001 (P8,658.74 x 14 mos.)

P 121,225.16

13[th] Month Pay for the period

8,658.94

Unpaid Salary from Feb 16 to 29, 2000

3,985.38

Non-payment of Premium Pay for Holiday;
Restday and Non-payment of Holiday Pay;
(limited to 3 years' only = P7,372.90 x 3 yrs.)

22,188.70

Non-payment of (5 days) Service Incentive
Leave Pay (for every year of service, but
Limited to 3 years only): = P1,423.35 x 3 yrs.)

P 4,270.05

Actual Moral Exemplary & Compensatory

Damages

P 100,000.00

(P260,258.23)

Ten (10%) Percent Attorney's Fees

P 26,025.82

TOTAL

P 286,284.05

2. JOEL SALES – (Dismissed in Mar. 2000)

Backwages from Mar. 2000 to May 2001

(P8,274.14 x 14 mos.)

P 115,840.76

13[th] Month Pay for the period

8,274.34

Actual, Moral, Exemplary &
Compensatory Damages

P 100,000.00

(P224,115.10)

Ten (10%) Percent Attorney's Fees

P 22,411.51

TOTAL

P 246,526.61

3. CRISTITO G. GRUTA – (Dismissed in Mar. 2000)

Backwages from Mar. 200[0] to May 2001

(P8,274.14 x 14 mos.)

P 115,840.76

13[th] Month Pay for the period

8,274.34

Non-payment of Premium Pay for Holiday; Restday and

Non-payment of Holiday Pay: (P7,045.57 x 2 yrs.)

14,091.51

Non-payment of (5 days) Service Incentive Leave Pay

(for every year of service = P1,360.15 x 2 yrs.)

2,720.30

Actual, Moral, Exemplary &
Compensatory Damages

P 100,000.00

(P240,926.91)

Ten (10%) Percent Attorney's Fees

P 24,092.69

TOTAL

P 265,019.60

4. DANILO ARGUELLES – (Dismissed in Feb. 2000)

Backwages from Mar. 2000 to May 2001

(P7,340.62 x 15 mos.)

[P]110,109.30

13[th] Month Pay for the period

7,340.62

Unpaid Salary from Feb. 16 to 29, 2000

(P225.00 x 14 days)

3,150.00

Underpayment/Non-payment of Salary/Wages:

A. From April 98 to Nov. 98 (7 mos.)

Minimum Wage – P198 x 391.5 [/] 12 =

P 6,459.75

Actual Basic Wage for the period

4,320.00

Difference

P 2,139.75

x 7 mos.

P 14,978.25

Double Indemnity prescribed by Rep. Act 8188, Sec. 4

P 29,956.50

B. From Dec. 98 to Mar. 2000 (16 mos.)

Minimum Wage – P225 391.5 [/] 12 =

P 7,340.62

Actual Basic Wage for the period

6,240.00

Difference

P 1,100.62

x 16 mos

.

P 17,609.92

Double Indemnity prescribed by Rep. Act 8188, Sec. 4

P 35,219.84

Underpayment/Non-payment of Overtime Pay:

A. From Apr. 98 to Nov. 98 (7 mos.)

30% of Minimum Wage –

(P6,459.75 x 30%)

P 1,937.92

30% of Salary Actually Paid –

(P4,320.00 x 30%)

1,872.00

Difference

P 641.92

x 7 mos.

P 4,493.44

P 4,493.44

B. From Dec. 98 to Mar. 2000 (16 mos.)

30% of Minimum Wage –

2,202.18

(P7,340.62 x 30%)

30% of Salary Actually Paid –

1,872.00

(P6,240.00 x 30%)

P 330.18

Difference

x 16 mos.

P 5,282.88

P 5,282.88

Non-payment of Premium Pay for Holiday; Restday and

P 11,655.00

Non-payment of Holiday Pay (P5,872.50 x 2 yrs.)

Non-payment of (5 days) Service Incentive Leave Pay

(for every year of service/but limited to 2 yrs. only):

2,250.00

= P 1,125.00 x 2 yrs.

P 100,000.00

Actual, Moral, Exemplary &

Compensatory Damages

(P309,457.58)

Ten (10%) Percent Attorney's Fees

P 30,945.75

TOTAL

P 340,403.33

5. RENATO BATAYOLA

6. PATRICIO FRESNILLO

7. JOVY NOBLE

8. EMILIO DOMINICO

9. BENNY NILMAO – (All dismissed in Feb. 2001)

Backwages from Mar. 2000 to May 2001

(P7,340.62 x 15 mos.)

P 110,109.30

13[th] Month Pay for the period

7,340.62

Unpaid Salary from Feb. 16 to 29, 2000

P 3,150.00

(P225.00 x 14 days)

Underpayment/Non-payment of Salary/Wages:

A. From Apr. 97 to Jan. 98 ([9] mos.)

Minimum Wage – P185 x 391.5 [/] 12 =

P 6,035.62

Actual Basic Wage for the period

4,098.24

Difference

P 1,932.58

x 9 mos.

P 17,436.42

Double Indemnity prescribed by Rep. Act 8188, Sec. 4

P 34,872.84

B. From Feb. 98 to Nov. 98 (10 mos.)

Minimum Wage – P198 x 391.5 [/] 12 =

P 6,459.75

Actual Basic Wage for the period

4,098.24

Difference

P 2,361.51

x 10 mos.

P 23,615.10

Double Indemnity prescribed by Rep. Act 8188, Sec. 4

P 47,230.20

C. From Dec. 98 to Mar. 2000 (16 mos.)

Minimum Wage – P225 x 391.5 [/] 12 =

7,340.62

Actual Basic Wage for the period

6,022.00

Difference

P 1,318.62

x 16 mos.

P 21,098.00

Double Indemnity prescribed by Rep. Act 8188, Sec. 4

P 42,196.00

Underpayment/Non-payment of Overtime Pay:

A. From Apr. 97 to Jan. 98 (9 mos.)

30% Minimum Wage –

(P6,035.62 x 30%)

P 1,810.68

30% of Salary Actually Paid –

(P4,098.24 x 30%)

1,226.77

Difference

P 583.91

x 9 mos.

P 5,255.19

- P 5,255.19

B. From Feb. 98 to Nov. 98 (10 mos.)

30% Minimum Wage –

(P6,459.75 x 30%)

P 1,937.92

30% of Salary Actually Paid –

(P4,098.24 x 30%)

1,226.72

Difference

P 711.15

x 10 mos.

P 7,111.70

- P 7,111.70

C. From Dec. 98 to Mar. 2000 (16 mos.)

30% Minimum Wage –

P 2,202.18

(P7,340.62 x 30%)

30% of Salary Actually Paid –

P 1,806.75

(P6,022.50 x 30%)

P 395.43

Difference

x 16 mos.

P 6,326.97**- P 6,326.97**

Non-Payment of Premium Pay for Holiday & Restday; and

Non-Payment of Holiday Pay: (P5,827.50 x 3 yrs.)

P 17,482.50

Non-Payment of (5 days) Service Incentive Leave Pay

(for every year of service/but limited to 3 years only)

= P1,125.00 x 3 yrs.)

3,375.00

Actual, Moral, Exemplary &

Compensatory Damages

100,000.00

(P384,450.12)

Ten (10%) Percent Attorney's Fees

P 38, 445.01

TOTAL (each)

P 422,895.13

(Total for 5 above-named Complainants)

P2,114,475.00)

10. JOSE AUSTRAL – (Dismissed in Feb. 2000)

Backwages from Mar. 2000 to May 2001

(P8,900.00 x 15 mos.)

P 133.500.00

13[th] Month Pay for the period

8,900.00

Unpaid Salary from Feb. 16 to 29, 2000

(P8,900.00 x 12 mos. / 365 days = (P292.60 x 14 days)

4,096.40

Actual, [M]oral, Exemplary &

Compensatory Damages

P 100,000.00

(P246,496.40)

Ten (10%) Percent Attorney's Fees

P 24,679.64

TOTAL

P 271, 146.04[28]

The dispositive portion of the Labor Arbiter's Decision reads:

WHEREFORE, premises all considered, judgment is hereby rendered finding the dismissal of all 21 complainants herein as illegal and ordering respondents Grand Asian Shipping Lines, Inc., Eduardo P. Franscisco and William How to pay, jointly and severally, each complainant the amounts, as follows, to wit:

A)

1. Wilfredo Galvez
2. Joel Sales
3. Cristito G. Gruta
4. Danilo Arguelles
5. Renato Batayola
6. Patricio Fresnillo
7. Jovy Noble
8. Emilio Dominico
9. Benny Nilmao

10. Jose Austral
11. Nobelito Rivas
12. Elias Facto
13. Jeremias Bonlagua
14. Rannie Canon
15. Fernando Malia
16. Calixto Flores
17. Necito Llanzana
18. Ramie Barrido
19. Albert Faulan
20. Magno Tosalem
21. Rolando Dela Guardia

P 286,284.05

246,526.61

265,019.60

340,403.33

422,895.13

422,895.13

422,895.13

422,895.13

422,895.13

271,146.04

281,900.13

259,471.41

316,683.53

391,816.70

411,355.45

411,355.45

411,355.45

411,355.45

265,982.28

419,352.79

419,352.79

(Grand Total)

P 7,104,483.84

B)

The awards of P100,000.00 each, as indemnity for damages and ten percent (10%) of the total amount, as attorney's fees, are included in the above-individual amount so awarded.

C)

Respondents should immediately reinstate all the complainants to their former position without loss of seniority [sic] and other benefits; and to pay them full backwages up to the time of their actual reinstatement.

All other claims of complainants, not included in the above awards, are hereby ordered dismissed for lack of merit.

SO ORDERED.[29]

Proceedings before the National Labor Relations Commission

Petitioners filed a Notice of Appeal With A Very Urgent Motion to Reduce Bond[30] before the NLRC and posted a cash bond in the amount of P500,000.00. In a Supplemental Motion to Reduce Bond,[31] petitioners cited economic depression, legality of the employees' termination, compliance with labor standards, and wage increases as grounds for the reduction of appeal bond.

The NLRC issued an Order[32] dated February 20, 2002 denying petitioners' motion to reduce bond and directing them to post an additional bond in the amount of P4,084,736.70 in cash or surety within an unextendible period of 10 days; otherwise, their appeal would be dismissed. Petitioners failed to comply with the Order. Thus, on February 3, 2003, complainants moved for the dismissal of the appeal since petitioners had thus far posted only P1.5 million supersedeas bond and P500,000.00 cash bond, short of the amount required by the NLRC.[33]

In a Decision[34] dated September 10, 2003, the NLRC, despite its earlier Order denying petitioners' motion for the reduction of bond, reduced the amount of appeal bond to P1.5 million and gave due course to petitioners' appeal. It also found the appeal meritorious and ruled that petitioners presented sufficient evidence to show just causes for terminating complainants' employment and compliance with due process. Accordingly, complainants' dismissal was valid, with the exception of Sales. The NLRC adjudged petitioners to have illegally dismissed Sales as there was absence of any record that the latter received any notice of suspension, administrative hearing, or termination.

The NLRC struck down the monetary awards given by the Labor Arbiter, which, it ruled, were based merely on the computations unilaterally prepared by the complainants. It also ruled that Galvez, a ship captain, is considered a managerial employee not entitled to premium pay for holiday and rest day, holiday pay and service incentive leave pay. As for the other complainants, the award for premium pay, holiday pay, rest day pay and overtime pay had no factual basis because no proof was adduced to show that work was performed on a given holiday or rest day or beyond the eight hours normal work time. Even then, the NLRC opined that these claims had already been given since complainants' salaries were paid on a 365-day basis. Likewise, service incentive leave pay, awards for damages and double indemnity were deleted. Further, the NLRC sustained respondents' contention that it is the Secretary of Labor or the Regional Director who has jurisdiction to impose the penalty of double indemnity for violations of the Minimum Wage Laws and not the Labor Arbiter. The NLRC disposed of the case as follows:

WHEREFORE, premises considered, the assailed Decision is hereby reversed as to all complainants but modified with respect to Joel Sales. Respondents are adjudged not guilty of illegal dismissal with respect to all complainants except complainant Joel Sales. With the exception of Joel Sales, all the monetary awards to all complainants are deleted from the decision.

Respondents are ordered to pay, jointly and severally complainant Joel Sales his backwages in the amount of P124,115.10 as computed in the assailed decision plus ten (10%) thereof as attorney's fees.

We also sustain the order to reinstate him to his former position without loss of seniority rights and other benefits and to pay him backwages up to the time of his actual reinstatement.

SO ORDERED.[35]

Complainants filed Motions for Reconsideration while petitioners filed a Motion for Partial Reconsideration. In a Resolution[36] dated January 14, 2004, the NLRC reconsidered its ruling with respect to Sales, absolving petitioners from the charge of illegally dismissing him as Sales was neither placed under preventive suspension nor terminated from the service. The NLRC upheld petitioners' claim that it was Sales who abandoned his work

by failing to report back for re-assignment. The dispositive portion of the Resolution reads:

WHEREFORE, premises considered, the Motions for Reconsideration filed by complainants are denied for lack of merit. The Motion for Partial Reconsideration filed by respondents is granted. The assailed decision is reconsidered in that Respondents are likewise adjudged not guilty of illegal dismissal with respect to complainant Joel Sales. The monetary awards in favor of complainant Joel Sales as well as the reinstatement order are hereby deleted from the Decision.

SO ORDERED.[37]

Proceedings before the Court of Appeals

Respondents, excluding the other complainants, filed a Petition for Certiorari[38] with the CA, attributing grave abuse of discretion on the part of the NLRC in entertaining the appeal despite the insufficiency of petitioners' appeal bond. Respondents also assailed the NLRC's ruling upholding the validity of their dismissal. They posited that the charge of pilferage is not supported by clear, convincing and concrete evidence. In fact, the RTC, Branch 15 of Manila already rendered a Decision[39] on December 19, 2003 acquitting them of the crime of qualified theft lodged by the petitioners. Respondents further prayed for the reinstatement of the Labor Arbiter's monetary awards in their favor.

In a Decision[40] dated September 12, 2006, the CA set aside the NLRC's Decision and Resolution. It held that the NLRC's act of entertaining the appeal is a jurisdictional error since petitioners' failure to post additional bond rendered the Labor Arbiter's Decision final, executory and immutable. The CA, nonetheless, proceeded to discuss the merits of the case insofar as the illegal dismissal charge is concerned. The CA conformed with the Labor Arbiter's ruling that petitioners' evidence was inadequate to support the charge of pilferage and justify respondents' termination. The CA ruled that Sales was also illegally dismissed, stating that Sales' active participation in the labor case against petitioners belies the theory that he was not terminated from employment. The dispositive portion of the CA Decision reads:

WHEREFORE, the petition is GRANTED and the assailed September 10, 2003 Decision and January 14, 2003 Resolution are, accordingly, ANNULLED and SET ASIDE. In lieu thereof, the Labor Arbiter's August 30, 2001 Decision is ordered REINSTATED.

SO ORDERED.[41]

Petitioners filed a Motion for Reconsideration,[42] questioning the CA in finding that respondents were illegally dismissed, in reinstating the monetary awards granted by the Labor Arbiter without passing upon the merits of these money claims and in ascribing grave abuse of discretion on the part of the NLRC in taking cognizance of the appeal before it.

On May 23, 2007, the CA issued a Resolution[43] denying petitioners' Motion for Reconsideration. Hence, the instant Petition.

Issues

Petitioners assign the following errors:

I.

THE HONORABLE COURT OF APPEALS RULED CONTRARY TO APPLICABLE JURISPRUDENCE WHEN IT CONCLUDED THAT RESPONDENTS WERE ILLEGALLY DISMISSED.

- THIS HONORABLE COURT OF APPEAL[S] OF APPEALS [sic] DISREGARDED THE FACT THAT THE OFFICE OF THE CITY PROSECUTOR OF MANILA DETERMINED THAT THERE WAS A PRIMA FACIE CASE FOR QUALIFIED THEFT AGAINST PETITIONERS, CONTRARY TO DECISIONS THIS

MOST HONORABLE COURT OF APPEAL[S] HAS HELD WHERE SIMILAR FINDINGS OF THE INVESTIGATING PUBLIC PROSECUTOR HAD BEEN CONSIDERED SUBSTANTIAL EVIDENCE TO JUSTIFY TERMINATION OF EMPLOYMENT BASED ON LOSS OF TRUST AND CONFIDENCE.

- THIS HONORABLE COURT OF APPEAL[S] GRIEVOUSLY ERRED IN DISCREDITING PRIVATE RESPONDENTS' EVIDENCE ONE BY ONE WHEN, TAKEN TOGETHER, SUCH EVIDENCE PROVIDED ADEQUATE BASIS FOR THE DISMISSAL OF PETITIONERS IN ACCORDANCE WITH RELEVANT SUPREME COURT OF APPEAL [sic] DECISIONS.

- IN SUM, PETITIONERS WERE NOT ILLEGALLY DISMISSED SINCE THE SUBSTANTIVE AND PROCEDURAL REQUIREMENTS FOR THE TERMINATION OF THEIR EMPLOYMENT WERE SATISFIED IN THIS CASE.

- THIS HONORABLE COURT OF APPEAL[S] GRIEVOUSLY ERRED IN RULING THAT PETITIONER JOEL SALES WAS ILLEGALLY DISMISSED.

II.

THE HONORABLE COURT OF APPEALS RULED CONTRARY TO APPLICABLE JURISPRUDENCE WHEN IT CONCLUDED THAT PETITIONERS WERE NOT ABLE TO VALIDLY PERFECT [THEIR] APPEAL OF THE LABOR ARBITER'S DECISION.[44]

Petitioners claim that the NLRC properly took cognizance of their appeal and properly granted their motion for reduction of the appeal bond, explaining that strict implementation of the rules may be relaxed in certain cases so as to avoid a miscarriage of justice. Petitioners also claim that there was adequate basis to render respondents' dismissal from service valid, as correctly ruled by the NLRC.

Our Ruling

The assailed CA Decision must be vacated and set aside.

There was substantial compliance with the rules on appeal bonds.

In order to perfect an appeal from the Decision of the Labor Arbiter granting monetary award, the Labor Code requires the posting of a bond, either in cash or surety bond, in an amount equivalent to the monetary award. Article 223 of the Labor Code provides:

ART. 223. Appeal. – Decisions, awards, or orders of the Labor Arbiter are final and executory unless appealed to the Commission by any or both parties within ten (10) calendar days from receipt of such decisions, awards, or orders. x x x

x x x x

In case of a judgment involving a monetary award, an appeal by the employer [may] be perfected only upon the posting of a cash or surety bond issued by a reputable bonding company duly accredited by the Commission in the amount equivalent to the monetary award in the judgment appealed from.

Nonetheless, we have consistently held that rules should not be applied in a very rigid and strict sense.[45] This is especially true in labor cases wherein the substantial merits of the case must accordingly be decided upon to serve the interest of justice.[46] When there has been substantial compliance, relaxation of the Rules is warranted.[47]

In *Mendoza v. HMS Credit Corporation*,[48] we held that the posting of an appeal bond in the amount of P650,000.00 instead of P1,025,081.82 award stated in the Decision of the Labor Arbiter is substantial compliance with the requirement under Article 223. Likewise, in *Pasig Cylinder Mfg. Corp. v. Rollo*,[49] we ruled that the

filing of a reduced appeal bond of P100,000.00 is not fatal in an appeal from the labor arbiter's ruling awarding P3,132,335.57 to the dismissed employees. In *Rosewood Processing, Inc. v. National Labor Relations Commission*,^[50] we allowed the filing of a reduced bond of P50,000.00, accompanied with a motion, in an appeal from the Labor Arbiter's award of P789,154.39.

In the case at bench, petitioners appealed from the Decision of the Labor Arbiter awarding to crewmembers the amount of P7,104,483.84 by filing a Notice of Appeal with a Very Urgent Motion to Reduce Bond and posting a cash bond in the amount of P500,000.00 and a supersedeas bond in the amount of P1.5 million. We find this to be in substantial compliance with Article 223 of the Labor Code. It is true that the NLRC initially denied the request for reduction of the appeal bond. However, it eventually allowed its reduction and entertained petitioners' appeal. We disagree with the CA in holding that the NLRC acted with grave abuse of discretion as the granting of a motion to reduce appeal bond lies within the sound discretion of the NLRC upon showing of the reasonableness of the bond tendered and the merits of the grounds relied upon.^[51] Hence, the NLRC did not err or commit grave abuse of discretion in taking cognizance of petitioners' appeal before it.

Galvez and Gruta were validly dismissed on the ground of loss of trust and confidence; there were no valid grounds for the dismissal of Arguelles, Batayola, Fresnillo, Noble, Dominico, Nilmao and Austral .

We do not, however, agree with the findings of the NLRC that all respondents were dismissed for just causes. In termination disputes, the burden of proving that the dismissal is for a just or valid cause rests on the employers. Failure on their part to discharge such burden will render the dismissal illegal.^[52]

As specified in the termination notice, respondents were dismissed on the grounds of (i) serious misconduct, particularly in engaging in pilferage while navigating at sea, (ii) willful breach of the trust reposed by the company, and (iii) commission of a crime or offense against their employer. Petitioners claim that based on the sworn statement of Abis, joint affidavit of Bernabe and De la Rama, letter of petitioner Francisco requesting assistance from the CIDG, formal complaint sheet, complaint and supplementary complaint affidavit of Montegrigo, CIDG's letter referring respondents' case to the Office of the City Prosecutor of Manila, resolution of the City Prosecutor finding a prima facie case of qualified theft, and the Information for qualified theft, there is a reasonable ground to believe that respondents were responsible for the pilferage of diesel fuel oil at M/T Dorothy Uno, which renders them unworthy of the trust and confidence reposed on them.

After examination of the evidence presented, however, we find that petitioners failed to substantiate adequately the charges of pilferage against respondents. "[T]he quantum of proof which the employer must discharge is substantial evidence. x x x Substantial evidence is that amount of relevant evidence as a reasonable mind might accept as adequate to support a conclusion, even if other minds, equally reasonable, might conceivably opine otherwise."^[53] Here, the mere filing of a formal charge, to our mind, does not automatically make the dismissal valid. Evidence submitted to support the charge should be evaluated to see if the degree of proof is met to justify respondents' termination. The affidavit executed by Montegrigo simply contained the accusations of Abis that respondents committed pilferage, which allegations remain uncorroborated. "Unsubstantiated suspicions, accusations, and conclusions of employers do not provide for legal justification for dismissing employees."^[54] The other bits of evidence were also inadequate to support the charge of pilferage. The findings made by GASLI's port captain and internal auditor and the resulting certification executed by De la Rama merely showed an overstatement of fuel consumption as revealed in the Engineer's Voyage Reports. The report of Jade Sea Land

Inspection Services only declares the actual usage and amount of fuel consumed for a particular voyage. There are no other sufficient evidence to show that respondents participated in the commission of a serious misconduct or an offense against their employer.

As for the second ground for respondents' termination, which is loss of trust and confidence, distinction should be made between managerial and rank and file employees. "[W]ith respect to rank-and-file personnel, loss of trust and confidence, as ground for valid dismissal, requires proof of involvement in the alleged events x x x [while for] managerial employees, the mere existence of a basis for believing that such employee has breached the trust of his employer would suffice for his dismissal." [55]

In the case before us, Galvez, as the ship captain, is considered a managerial employee since his duties involve the governance, care and management of the vessel. [56] Gruta, as chief engineer, is also a managerial employee for he is tasked to take complete charge of the technical operations of the vessel. [57] As captain and as chief engineer, Galvez and Gruta perform functions vested with authority to execute management policies and thereby hold positions of responsibility over the activities in the vessel. Indeed, their position requires the full trust and confidence of their employer for they are entrusted with the custody, handling and care of company property and exercise authority over it.

Thus, we find that there is some basis for the loss of confidence reposed on Galvez and Gruta. The certification issued by De la Rama stated that there is an overstatement of fuel consumption. Notably, while respondents made self-serving allegations that the computation made therein is erroneous, they never questioned the competence of De la Rama to make such certification. Neither did they question the authenticity and validity of the certification. Thus, the fact that there was an overstatement of fuel consumption and that there was loss of a considerable amount of diesel fuel oil remained unrefuted. Their failure to account for this loss of company property betrays the trust reposed and expected of them. They had violated petitioners' trust and for which their dismissal is justified on the ground of breach of confidence.

As for Arguelles, Batayola, Fresnillo, Noble, Dominico, Nilmao and Austral, proof of involvement in the loss of the vessel's fuel as well as their participation in the alleged theft is required for they are ordinary rank and file employees. And as discussed above, no substantial evidence exists in the records that would establish their participation in the offense charged. This renders their dismissal illegal, thus, entitling them to reinstatement plus full backwages, inclusive of allowances and other benefits, computed from the time of their dismissal up to the time of actual reinstatement.

No evidence of Sales' dismissal from employment.

The rule that the employer bears the burden of proof in illegal dismissal cases finds no application when the employer denies having dismissed the employee. [58] The employee must first establish by substantial evidence the fact of dismissal [59] before shifting to the employer the burden of proving the validity of such dismissal.

We give credence to petitioners' claim that Sales was not dismissed from employment. Unlike the other respondents, we find no evidence in the records to show that Sales was preventively suspended, that he was summoned and subjected to any administrative hearing and that he was given termination notice. From the records, it appears Sales was not among those preventively suspended on February 26, 2000. To bolster this fact, petitioners presented the Payroll Journal Register for the period March 1-15, 2000 [60] showing that Sales was still included in the payroll and was not among those who were charged with an offense to warrant suspension. In fact, Sales' signature in the Semi-Monthly Attendance Report for February 26, 2000 to March 10, 2000 [61] proves that he continued to work as Chief Mate for the vessel M/T Dorothy Uno along with a new set of crewmembers. It

is likewise worth noting that in the Supplemental Complaint Affidavit of Montegrigo, Sales was not included in the list of those employees who were accused of having knowledge of the alleged pilferage. This only shows that he was never subjected to any accusation or investigation as a prelude to termination. Hence, it would be pointless to determine the legality or illegality of his dismissal because, in the first place, he was not dismissed from employment.

Respondents are not entitled to their money claims except 13th month pay for the period of their illegal dismissal, unpaid salaries, salary differentials, double indemnity for violation of the Minimum Wage Law and attorney's fees.

As for the money claims of respondents, we note that petitioners did not bring this issue before us or assign it as error in this Petition. It was raised by the petitioners only in their Memorandum of Appeal filed with the NLRC and in their Motion for Reconsideration of the CA's Decision reinstating the Labor Arbiter's award. Nonetheless, in order to arrive at a complete adjudication of the case and avoid piecemeal dispensation of justice, we deem it necessary to resolve the validity of respondents' money claims and to discuss the propriety of the Labor Arbiter's award.

Galvez and Gruta, as managerial employees, are not entitled to their claims for holiday pay, service incentive leave pay and premium pay for holiday and restday. Article 82 of the Labor Code specifically excludes managerial employees from the coverage of the law regarding conditions of employment which include hours of work, weekly rest periods, holidays, service incentive leaves and service charges.[62]

As for Arguelles, Batayola, Fresnillo, Noble, Dominico, Nilmao and Austral, we cannot sustain the argument that they are classified as field personnel under Article 82 of the Labor Code who are likewise excluded. Article 82 defines field personnel as referring to "non-agricultural employees who regularly perform their duties away from the principal place of business or branch office of the employer and whose actual hours of work in the field cannot be determined with reasonable certainty." They are those who perform functions which "cannot be effectively monitored by the employer or his representative." [63] Here, respondents, during the entire course of their voyage, remain on board the vessel. They are not field personnel inasmuch as they were constantly supervised and under the effective control of the petitioners through the vessel's ship captain.

Nevertheless, we cannot grant them their claims for holiday pay, premium pay for holiday and restday, overtime pay and service incentive leave pay. Respondents do not dispute petitioners' assertion that in computing respondents' salaries, petitioners use 365 days as divisor. In fact, this was the same divisor respondents used in computing their money claims against petitioners. Hence, they are paid all the days of the month, which already include the benefits they claim.[64] As for overtime pay and premium pay for holidays and restdays, no evidence was presented to prove that they rendered work in excess of the regular eight working hours a day or worked during holidays and restdays. In the absence of such proof, there could be no basis to award these benefits.[65]

For the claim of service incentive leave pay, respondents did not specify what year they were not paid such benefit. In addition, records show that they were paid their vacation leave benefits.[66] Thus, in accordance with Article 95 of the Labor Code,[67] respondents can no longer claim service incentive leave pay.

On the other hand, for failure to effectively refute the awards for 13th month pay for the period that respondents were illegally dismissed, unpaid salaries and salary differentials,[68] we affirm the grant thereof as computed by the Labor Arbiter. Petitioners' evidence which consist of a mere tabulation[69] of the amount of actual benefits

paid and given to respondents is self-serving as it does not bear the signatures of the employees to prove that they had actually received the amounts stated therein.

Next, we come to the legitimacy of the Labor Arbiter's authority to impose the penalty of double indemnity for violations of the Minimum Wage Law. Petitioners argue that the authority to issue compliance orders in relation to underpayment of wages is vested exclusively on the Secretary of Labor or the Regional Director and that the Labor Arbiter has no jurisdiction thereover. They cite Section 12 of RA 6727,[70] as amended by RA 8188, which provides:

Sec. 12. Any person, corporation, trust, firm, partnership, association or entity which refuses or fails to pay any of the prescribed increases or adjustments in the wage rates made in accordance with this Act shall be punished by a fine [of] not less than Twenty-five thousand pesos (P25,000) nor more than One hundred thousand pesos (P100,000) or imprisonment of not less than two (2) years nor more than four (4) years or both such fine and imprisonment at the discretion of the court: Provided, That any person convicted under this Act shall not be entitled to the benefits provided for under the Probation Law.

The employer concerned shall be ordered to pay an amount equivalent to double the unpaid benefits owing to the employees: Provided, That payment of indemnity shall not absolve the employer from the criminal liability under this Act.

If the violation is committed by a corporation, trust or firm, partnership, association or any other entity, the penalty of imprisonment shall be imposed upon the entity's responsible officers including but not limited to, the president, vice president, chief executive officer, general manager, managing director or partner.

Petitioners' contention is untenable. First, there is no provision in RA 6727 or RA 8188 which precludes the Labor Arbiter from imposing the penalty of double indemnity against employers. Second, Article 217 of the Labor Code gives the Labor Arbiter jurisdiction over cases of termination disputes and those cases accompanied with a claim for reinstatement. Thus, in *Bay Haven, Inc. v. Abuan*[71] the Court held that an allegation of illegal dismissal deprives the Secretary of Labor of jurisdiction over claims to enforce compliance with labor standards law. This was also pronounced in *People's Broadcasting Service (Bombo Radyo Phils., Inc.) v. Secretary of the Department of Labor and Employment*,[72] wherein we stated that the Secretary of Labor has no jurisdiction in cases where employer-employee relationship has been terminated. We thus sustain the Labor Arbiter's award of double indemnity.

We also sustain the award of attorney's fees since respondents were compelled to file a complaint for the recovery of wages and were forced to litigate and incur expenses.[73]

The Labor Arbiter's grant of actual/compensatory, moral and exemplary damages in the amount of P100,000.00 is, however, incorrect. In order to recover actual or compensatory damages, it must be capable of proof and must be necessarily proved with a reasonable degree of certainty.[74] While moral damages is given to a dismissed employee when the dismissal is attended by bad faith or fraud or constitutes an act oppressive to labor, or is done in a manner contrary to good morals, good customs or public policy. Exemplary damages, on the other hand, is given if the dismissal is effected in a wanton, oppressive or malevolent manner.[75] Here, the Labor Arbiter erred in awarding the damages by lumping actual, moral and exemplary damages. Said damages rest on different jural foundations and, hence, must be independently identified and justified.[76] Also, there are no competent evidence of actual expenses incurred that would justify the award of actual damages. Lastly, respondents were terminated after being accused of the charge of pilferage of the vessel's fuel oil after examination of the report made by the vessel's chief engineer which showed a considerable amount of fuel lost. Although the dismissal of Arguelles, Batayola, Fresnillo, Noble, Dominico, Nilmao and Austral is illegal, based on the circumstances surrounding their dismissal, petitioners could not have been motivated by bad faith in deciding to terminate their services.

Lastly, this Court exculpates petitioners Francisco and How from being jointly and severally liable with GASLI for the illegal dismissal and payment of money claims of herein respondents. In order to hold them liable, it must first be shown by competent proof that they have acted with malice and bad faith in directing the corporate affairs.[77] For want of such proof, Francisco and How should not be held liable for the corporate obligations of GASLI.

WHEREFORE, the Court of Appeals' Decision dated September 12, 2006 and the Resolution dated May 23, 2007 in CA-G.R. SP No. 82379 are ANNULLED and SET ASIDE. Respondents Wilfredo Galvez and Cristito Gruta are hereby DECLARED dismissed from employment for just cause while respondent Joel Sales was not dismissed from employment. Respondents Danilo Arguelles, Renato Batayola, Patricio Fresnillo, Jovy Noble, Emilio Dominico, Benny Nilmao, and Jose Austral are DECLARED to have been illegally dismissed; hence, petitioners are ordered to reinstate them to their former position or its equivalent without loss of seniority rights and to pay them full backwages, inclusive of allowances and other benefits, computed from the time of dismissal up to the time of actual reinstatement, as well as 13th month pay for the period of their illegal dismissal.

Petitioner Grand Asian Shipping Lines, Inc. is also ordered to pay respondents Wilfredo Galvez, Danilo Arguelles, Renato Batayola, Patricio Fresnillo, Jovy Noble, Emilio Dominico, Benny Nilmao and Jose Austral unpaid salaries from February 16 to 29, 2000, as computed by the Labor Arbiter; and to pay respondents Danilo Arguelles, Renato Batayola, Patricio Fresnillo, Jovy Noble, Emilio Dominico and Benny Nilmao salary differentials plus double indemnity, as computed by the Labor Arbiter. Ten percent (10%) of the monetary award should be added as and by way of attorney's fees. Interest at the rate of six percent (6%) per annum shall be imposed on all monetary awards from date of finality of this Decision until full payment pursuant to *Nacar v. Gallery Frames*.^[78]

Petitioners Eduardo P. Francisco and William How are absolved from the liability adjudged against petitioner Grand Asian Shipping Lines, Inc.

SO ORDERED.

Carpio, (Chairperson), Brion, Perez, and Perlas-Bernabe, JJ., concur.

[*] Sometimes referred to as Patricio Fresnillo in some parts of the records.

[1] *Lima Land, Inc. v. Cuevas*, G.R. No. 169523, June 16, 2010, 621 SCRA 36, 46.

[2] *Rollo*, pp. 11-59.

[3] *CA rollo*, pp. 583-600; penned by Associate Justice Rebecca De Guia-Salvador and concurred in by Associate Justices Magdangal M. De Leon and Ramon R. Garcia.

[4] *Id.* at 32-50; penned by Commissioner Angelita A. Gacutan and concurred in by Presiding Commissioner Raul T. Aquino and Commissioner Victoriano R. Calaycay.

[5] *Id.* at 58-64.

[6] *Id.* at 137-154; penned by Labor Arbiter Ramon Valentin C. Reyes.

[7] *Id.* at 640.

[8] *Id.* at 601-632.

[9] *Id.* at 372.

[10] Based on the then prevailing price of P10.747 per liter.

[11] CA rollo, p. 364.

[12] Id. at 365-366.

[13] Id. at 367-369.

[14] Id. at 370-371.

[15] See Dorothy Uno Fuel Consumption Analysis Report for Voyages Nos. 1005-1081 for the period July-December 1999 and January-February 2000, id. at 373-375.

[16] Id. at 376-377.

[17] Id. at 381-385.

[18] Id. at 99-100.

[19] Id. at 101-103.

[20] Id. at 378-380.

[21] Id. at 388-389.

[22] Id. at 460-468.

[23] See Notices of Termination For Just Cause dated May 2, 2000, id. at 469-477.

[24] See Notice of Termination For Just Cause dated April 17, 2000, id. at 478.

[25] Id. at 178-183.

[26] Id. at 137-154.

[27] AN ACT INCREASING THE PENALTY AND INCREASING DOUBLE INDEMNITY FOR VIOLATION OF THE PRESCRIBED INCREASES OR ADJUSTMENT IN THE WAGE RATES, AMENDING FOR THE PURPOSE SECTION TWELVE OF REPUBLIC ACT NUMBERED SIXTY-SEVEN HUNDRED TWENTY-SEVEN, OTHERWISE KNOWN AS THE WAGE RATIONALIZATION ACT.

[28] Id. at 142-146.

[29] Id. at 153-154.

[30] Id. at 193-194.

[31] Id. at 507-511.

[32] Id. at 156-158.

[33] See Complainants' Motion to Dismiss Respondents' Appeal and to Remand Case to the Labor Arbiter for Execution, id. at 159-160.

[34] Id. at 32-50.

[35] Id. at 49-50.

[36] Id. at 58-64.

- [37] Id. at 63.
- [38] Id. at 13-30.
- [39] Id. at 161-166.
- [40] Id. at 583-600.
- [41] Id. at 599.
- [42] Id. at 601-632.
- [43] Id. at 640.
- [44] Rollo, pp. 29-30.
- [45] Millenium Erectors Corporation v. Magallanes, G. R. No. 184362, November 15, 2010, 634 SCRA 708, 713.
- [46] Anib v. Coca-Cola Bottlers Phils., Inc., G.R. No. 190216, August 16, 2010, 628 SCRA 371, 377.
- [47] Ong v. Court of Appeals, 482 Phil. 170, 181 (2004).
- [48] G.R. No. 187232, April 17, 2013.
- [49] G.R. No. 173631, September 8, 2010, 630 SCRA 320, 329-330.
- [50] 352 Phil. 1013 (1998).
- [51] Nicol v. Footjoy Industrial Corporation, 555 Phil. 275, 287 (2007).
- [52] Gurango v. Best Chemicals and Plastics Inc., G.R. No. 174593, August 25, 2010, 629 SCRA 311, 322.
- [53] AMA Computer College-East Rizal v. Ignacio, G. R. No. 178520, June 23, 2009, 590 SCRA 633, 652.
- [54] Century Canning Corporation v. Ramil, G.R. No. 171630, August 9, 2010, 627 SCRA 192, 202.
- [55] Velez v. Shangri-la's Edsa Plaza Hotel, 535 Phil. 12, 27 (2006).
- [56] Inter-Orient Maritime Enterprises, Inc. v. National Labor Relations Commission, G.R. No. 115286, August 11, 1994, 235 SCRA 268, 276.
- [57] Association of Marine Officers and Seamen of Reyes and Lim Co. v. Laguesma, G.R. No. 107761, December 27, 1994, 239 SCRA 460, 467.
- [58] Machica v. Roosevelt Services Center, Inc. and/or Dizon, 523 Phil. 199, 210 (2006).
- [59] Verdadero v. Barney Autolines Group of Companies Transport, Inc., G.R. No. 195428, August 29, 2012, 679 SCRA 545, 558.
- [60] CA rollo, pp. 528.
- [61] Id. at 529.
- [62] Dela Cruz v. National Labor Relations Commission, 359 Phil. 316, 330 (1998).
- [63] Duterte v. Kingswood Trading Co., Inc., G.R. No. 160325, October 4, 2007, 534 SCRA 607, 617.
- [64] The Chartered Bank Employees Association v. Hon. Ople, 222 Phil. 570, 577 (1985); Leyte IV Electric Cooperative, Inc. v. LEYECO IV Employees Union-ALU, 562 Phil. 743, 757 (2007).

[65] *Serrano v. Gallant Maritime Services, Inc.*, G.R. No. 167614, March 24, 2009, 582 SCRA 254, 303-304; *PCL Shipping Phils., Inc. v. National Labor Relations Commission*, 540 Phil. 65, 83-84 (2006).

[66] See GASLI Transmittal Slip for M/T Dorothy Uno for the year 1998, showing that respondents were paid vacation and sick leave benefit for the particular period. CA rollo, p. 502.

[67] Art. 95. Right to service incentive leave. – (a) Every employee who has rendered at least one year of service shall be entitled to a yearly service incentive leave of five days with pay.

(b) This provision shall not apply to those who are already enjoying the benefit herein provided, those enjoying vacation leave with pay of at least five days and those employed in establishments regularly employing less than ten employees or in establishments exempted from granting this benefit by the Secretary of Labor after considering the viability or financial condition of such establishment.

(c) The grant of benefit in excess of that provided herein shall not be made a subject of arbitration or any court of administrative action.

[68] In the computation of the individual money claims of respondents, the Labor Arbiter, in his Decision, used the term “Underpayment/Non-payment of Salary/Wages” in referring to the award of salary differentials to respondents.

[69] CA rollo, p. 512-514.

[70] Wage Rationalization Act.

[71] G.R. No. 160859, July 30, 2008, 560 SCRA 457, 469.

[72] G.R. No. 179652, March 6, 2012, 667 SCRA 538, 547.

[73] *PCL Shipping Phils., Inc. v. National Labor Relations Commission*, supra note 65 at 84-85.

[74] *Wuerth Philippines, Inc. v. Ynson*, G.R. No. 175932, February 15, 2012, 666 SCRA 151, 169-170.

[75] *Quadra v. Court of Appeals*, 529 Phil. 218, 223-224 (2006).

[76] *Herbosa v. Court of Appeals*, 425 Phil. 431, 449 (2002).

[77] *Lynvil Fishing Enterprises, Inc. v. Ariola*, G.R. No. 181974, February 1, 2012, 664 SCRA 679, 698.

[78] G.R. No. 189871, August 13, 2013.

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