

MA. JOY TERESA O. BILBAO, PETITIONER, VS. SAUDI ARABIAN AIRLINES, RESPONDENT.

G.R. No. 183915. December 14, 2011

Ponente: LEONARDO-DE CASTRO, J.

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LEONARDO-DE CASTRO, J.:

Before the Court is a petition for review on certiorari seeking the reversal of the May 30, 2008 Decision[1] of the Court of Appeals in CA-G.R. No. 102319 and its July 22, 2008 Resolution[2] denying petitioner Ma. Joy Teresa O. Bilbao's (Bilbao) motion for reconsideration. The assailed decision affirmed the ruling of the National Labor Relations Commission (NLRC) which held that Bilbao was not illegally dismissed and had voluntarily resigned. The NLRC reversed and set aside the decision of the Labor Arbiter which ruled that Bilbao, together with two other complainants, was illegally dismissed by respondent Saudi Arabian Airlines (Saudia) and ordered the payment of full backwages, separation pay, and attorney's fees.

The facts are as follows:

Bilbao was a former employee of respondent Saudia, having been hired as a Flight Attendant on May 13, 1986 until her separation from Saudia in September 2004. During the course of her employment, Bilbao was assigned to work at the Manila Office, although the nature of her work as a flight attendant entailed regular flights from Manila to Jeddah, Saudi Arabia, and back.

On August 25, 2004, the In-Flight Service Senior Manager of Saudia assigned in Manila received an inter-office Memorandum dated August 17, 2004 from its Jeddah Office regarding the transfer of 10 flight attendants from Manila to Jeddah effective September 1, 2004. The said memorandum explained that such transfer was made "due to operational requirements." [3] Bilbao was among the 10 flight attendants to be transferred.

Bilbao initially complied with the transfer order and proceeded to Jeddah for her new assignment. However, on September 7, 2004, she opted to resign and relinquish her post by tendering a resignation letter, which reads:

Jeddah IFS Base Manager (F)
F/A Maria Joy Teresa O. Bilbao
PRN: 3006078
22 / 07 / 1425 H 7 / 09 / 2004

RESIGNATION

I am tendering my resignation with one (1) month notice effective 18 October 2004. Thank you for the support you have given me during my 18 years of service.

(signed)

F/A's SIGNATURE

3006078

(signed) September 7, 2004

AMIN GHABRA
SNR. MGR. IFS JED (F)

(signed)

ABDULLAH BALKHOYOUR
GM IFS CABIN CREW
8/8/1425

21/9/04 ADMIN ACKNOWLEDGEMENT / DATE[4]

On October 28, 2004, Bilbao executed and signed an Undertaking[5] similar to that of a Receipt, Release and Quitclaim wherein she acknowledged receipt of a sum of money as "full and complete end-of-service award with final settlement and have no further claims whatsoever against Saudi Arabian Airlines." [6]

In spite of this signed Undertaking, however, on July 20, 2005, Bilbao filed with the NLRC a complaint for reinstatement and payment of full backwages; moral, exemplary and actual damages; and attorney's fees. Two of the other flight attendants who were included in the list for transfer to Jeddah, Shalimar Centi-Mandanas and Maria Lourdes Castells, also filed their respective complaints against Saudia. These complaints were eventually consolidated into NLRC-NCR Case Nos. 00-07-06315-05 and 00-08-06745-05, and assigned to Labor Arbiter Ramon Valentin C. Reyes.

For her part, Bilbao maintained that her resignation from Saudia was not voluntary. She narrated that she was made to sign a pre-typed resignation letter and was even reminded that the same was a better option than termination which would tarnish her record of service with Saudia. Bilbao and her co-complainants shared a common theory that their transfer to Jeddah was a prelude to their termination since they were all allegedly between 39 and 40 years of age.

Upon the other hand, Saudia averred that the resignation letters from Bilbao and her co-complainants were voluntarily made since they were actually hand-written and duly signed. Saudia asserted that Bilbao and her co-complainants were not subjected to any force, intimidation, or coercion when they wrote said resignation letters and even their undertakings, after receiving without protest a generous separation package despite the fact that employees who voluntarily resign are not entitled to any separation pay. Saudia also added that the transfer of flight attendants from their Manila Office to the Jeddah Office was a valid exercise of its management prerogative.

On August 31, 2006, Labor Arbiter Reyes rendered a Decision[7] declaring that Bilbao, together with co-complainants Centi-Mandanas and Castells, was illegally dismissed, and ordering Saudia to pay each of the complainants full backwages from the time of the illegal dismissal until the finality of the decision, separation pay of one month for every year of service less the amount already received, plus ten percent (10%) attorney's fees on the amounts actually determined to be due the complainants.

Saudia filed an appeal before the NLRC alleging that Bilbao and her co-complainants voluntarily executed their resignation letters and undertakings; thus, they were not illegally dismissed. Moreover, Saudia opined that Bilbao and her co-complainants' claim of illegal dismissal was a mere afterthought as they waited for almost one year from the date of their alleged dismissal to file their respective complaints.

Bilbao followed suit and also appealed before the NLRC, arguing that she was entitled to the payment of moral

and exemplary damages since her termination was allegedly attended by bad faith, fraud and deceit.

On June 25, 2007, the NLRC granted Saudia's appeal, and reversed and set aside the decision of the Labor Arbiter. The decretal portion of the NLRC decision reads:

WHEREFORE, the foregoing premises considered, the respondents' appeal is hereby GRANTED. The decision appealed from is REVERSED and SET ASIDE and a new one is issued finding the respondent not guilty of illegal dismissal.

For lack of merit, the complainant Bilbao's appeal is DISMISSED.

Accordingly, the complaint is DISMISSED.[8]

In a Resolution[9] dated October 26, 2007, the NLRC amended its earlier Resolution dated June 25, 2007, to state that Castells and Centi-Mandanas were also not entitled to moral and exemplary damages. Moreover, the NLRC failed to find any compelling justification or valid reason to modify, alter or reverse its earlier resolution, thus:

WHEREFORE, the foregoing premises considered, the Appeals and Motions for Reconsideration of complainants Maria Lourdes Castells and Shalimar Centi-Mandanas are hereby DISMISSED for lack of merit.

Likewise, the Motion for Reconsideration of Maria Joy Teresa Bilbao is DENIED.

No further motion of similar nature shall be entertained.[10]

Bilbao went to the Court of Appeals via a petition for certiorari alleging grave abuse of discretion on the part of the NLRC in ruling that she was not illegally dismissed and not entitled to the payment of moral and exemplary damages.

On May 30, 2008, the Court of Appeals affirmed the Resolutions of the NLRC dated June 25, 2007 and October 26, 2007, and held that the resignation of Bilbao was "of her own free will and intelligent act." [11]

Dissatisfied, Bilbao filed a motion for reconsideration which was denied by the Court of Appeals in the Resolution dated July 22, 2008.

Hence, the instant petition for review filed by Bilbao on the following grounds:

6. GROUND FOR THIS PETITION/ISSUES

6.1. The Court of Appeals committed reversible error in upholding the erroneous Decision of the NLRC, Third Division which Decision reversed the Labor Arbiter's findings. The Court of Appeals decided the case in a way probably not in accord with law or with applicable decisions of the Supreme Court.

6.2. The Court of Appeals committed palpable error in ruling that petitioner was not forced to resign; the Court of Appeals decided the case in a way probably not in accord with law and contrary to applicable decisions of the Supreme Court.

6.3. The Court of Appeals committed patent mistake in ruling that the petitioners' (sic) termination was valid because respondent had the right to terminate the petitioner even without just cause; this is an outright violation of the Labor Code and applicable laws and jurisprudence; The Court of Appeals likewise erred in validating the resignation because it was accompanied with words of gratitude and payment of separation benefits.[12]

In her Petition[13] dated September 15, 2008, Bilbao asserts that the initial step of Saudia in transferring her to Jeddah was, by itself, constructive dismissal since the transfer order was unreasonable, discriminatory, attended by bad faith, and would result to demotion in rank or diminution in pay. Moreover, Bilbao maintains that her

resignation letter was not voluntarily made as it was in a pre-typed form supplied by Saudia, and was accomplished when she was under pressure and had no choice but to resign. Lastly, Bilbao insists that the undertaking or waiver and quitclaim that she signed in favor of Saudia was invalid as she particularly puts in issue the voluntariness of its execution.

In its Comment[14] dated November 14, 2008, Saudia preliminarily asserts that the petition raises the factual issue of whether or not Bilbao voluntarily resigned from her employment with Saudia, which is not proper for a petition for review under Rule 45 of the Rules of Court, thus warranting its outright dismissal. Nonetheless, Saudia presents its arguments and contends that it validly exercised its management prerogative in transferring Bilbao to another work station. Saudia then enumerates the following factual circumstances which allegedly reveal the voluntariness of Bilbao's resignation, to wit:

- a) [Bilbao's] resignation letter was penned in her own handwriting and duly signed by her;
- b) [Bilbao] tendered her letter of resignation in Jeddah, KSA on 07 September 2004;
- c) [Bilbao] is of sufficient age and discretion, could read, write, and understand English and a college graduate;
- d) There is no proof that any material or physical force was applied on her person or her family;
- e) [Bilbao] then voluntarily executed an Undertaking acknowledging receipt of various sums of money and irrevocably and unconditionally releasing Saudia, its directors, stockholders, officers and employees from any claim or demand whatsoever in law or equity which they may have in connection with her employment with respondent;
- f) [Bilbao] received generous financial benefits without protest;
- g) It took [Bilbao] at least one (1) year from the date of the alleged dismissal to file her Complaint against [Saudia]; and
- h) The intimidation, force or coercion allegedly employed by [Saudia] surfaced, for the first time, when the Complaint were (sic) filed on 20 July 2005, which was then amended on 01 September 2005.[15]

Lastly, Saudia claims that Bilbao is not entitled to any award of moral and exemplary damages since there is no dismissal, much less illegal dismissal committed by Saudia, as Bilbao voluntarily resigned from her employment.

This Court finds no merit in the petition.

At the outset, it bears stressing that the jurisdiction of this Court in a petition for review under Rule 45 of the Rules of Court, as amended, is generally confined only to errors of law. It does not extend to questions of fact. This rule, however, admits of exceptions, such as in the instant case, where the findings of fact and the conclusions of the Labor Arbiter are inconsistent with those of the NLRC and the Court of Appeals.[16] To recall, the Labor Arbiter found that Saudia illegally dismissed Bilbao, while the NLRC and the Court of Appeals are in agreement that Bilbao voluntarily tendered her resignation.

After a review of the case, we uphold the findings of the Court of Appeals that Bilbao voluntarily resigned from her employment with Saudia. Her resignation letter and undertaking that evidenced her receipt of separation pay, when taken together with her educational attainment and the circumstances surrounding the filing of the complaint for illegal dismissal, comprise substantial proof of Bilbao's voluntary resignation.

Resignation is the voluntary act of an employee who is in a situation where one believes that personal reasons cannot be sacrificed in favor of the exigency of the service, and one has no other choice but to dissociate oneself from employment. It is a formal pronouncement or relinquishment of an office, with the intention of relinquishing

the office accompanied by the act of relinquishment. As the intent to relinquish must concur with the overt act of relinquishment, the acts of the employee before and after the alleged resignation must be considered in determining whether he or she, in fact, intended to sever his or her employment.[17]

In the instant case, Bilbao tendered her resignation letter a week after her transfer to the Jeddah office. In the said letter, Bilbao expressed her gratitude for the support which Saudia had given her for her eighteen years of service. Clearly, her use of words of appreciation and gratitude negates the notion that she was forced and coerced to resign. Besides, the resignation letter was hand-written by Bilbao on a Saudia form and was in English, a language she is conversant in.

Additionally, instead of immediately filing a complaint for illegal dismissal after she was allegedly forced to resign, Bilbao executed an Undertaking in favor of Saudia, wherein she declared that she received her full and complete end-of-service award with final settlement, to wit:

I, the undersigned employee

Name/ MARIA JOY TERESA O. BILBAO

PRN/ 3006078

hereby declare that I have received my full and complete end-of-service award with final settlement and have no further claims whatsoever against Saudi Arabian Airlines.

By signing this undertaking, I also fully Understand that any other future claims filed by me shall not be considered, accepted, or entertained.

Name: MARIA JOY TERESA O. BILBAO

PRN: 3006078

Signature: (SGD.)

Date: October 25, 2004[18]

What is more, Bilbao waited for more than 10 months after her separation from Saudia to file a complaint for illegal dismissal.

Despite the foregoing circumstances, Bilbao maintains that she was forced and coerced into writing the said resignation letter in the form prepared by Saudia, and that she was left with no other option but to resign. Saudia, on the other hand, claims that Bilbao's resignation was voluntary, thus, there could be no illegal dismissal.

Even assuming that Saudia prepared the form in which Bilbao wrote her resignation letter as claimed, this Court is not convinced that she was coerced and intimidated into signing it. Bilbao is no ordinary employee who may not be able to completely comprehend and realize the consequences of her acts. She is an educated individual. It is highly improbable that with her long years in the profession and her educational attainment, she could be tricked and forced into doing something she does not intend to do. Under these circumstances, it can hardly be said that Bilbao was coerced into resigning from Saudia.

Besides, Bilbao did not adduce any competent evidence to prove that she was forced or threatened by Saudia. It must be remembered that for intimidation to vitiate consent, the following requisites must be present: (1) that the intimidation caused the consent to be given; (2) that the threatened act be unjust or unlawful; (3) that the threat be real or serious, there being evident disproportion between the evil and the resistance which all men can offer, leading to the choice of doing the act which is forced on the person to do as the lesser evil; and (4) that it produces a well-grounded fear from the fact that the person from whom it comes has the necessary means or ability to inflict the threatened injury to his person or property.[19] In the instant case, Bilbao did not prove the existence of any one of these essential elements. Bare and self-serving allegations of coercion or intimidation, unsubstantiated

by evidence, do not constitute proof to sufficiently support a finding of forced resignation. It would be utterly unfair and unjust to hold that Saudia illegally dismissed Bilbao and to impose upon it the burden of accepting back Bilbao who unequivocally and voluntarily manifested her intent and willingness to sever her employment ties.

Anent the Undertaking signed by Bilbao, this Court is of the opinion that the same was validly and voluntarily executed. Indeed, not all waivers and quitclaims are invalid as against public policy. There are legitimate waivers and quitclaims that represent a voluntary and reasonable settlement of workers' claims which should be respected by the courts as the law between the parties.[20] And if such agreement was voluntarily entered into and represented a reasonable settlement, it is binding on the parties and should not later be disowned.

Periquet v. National Labor Relations Commission,[21] held that:

Not all waivers and quitclaims are invalid as against public policy. If the agreement was voluntarily entered into and represents a reasonable settlement, it is binding on the parties and may not later be disowned simply because of a change of mind. It is only where there is clear proof that the waiver was wangled from an unsuspecting or gullible person, or the terms of settlement are unconscionable on its face, that the law will step in to annul the questionable transaction. But where it is shown that the person making the waiver did so voluntarily, with full understanding of what he was doing, and the consideration for the quitclaim is credible and reasonable, the transaction must be recognized as a valid and binding undertaking. x x x.[22]

This Court quotes with approval the finding of the NLRC, to wit:

Having signed the waiver, it is hard to conclude that [Bilbao was] merely forced by the necessity to execute the "undertaking." [Bilbao is] not [a] gullible nor unsuspecting [person] who can easily be tricked or inveigled and, thus, need the extra protection of law. [She is a] well-educated and highly experienced flight [attendant]. The "undertaking" executed by [Bilbao is] therefore considered valid and binding on [her] and [Saudia].

Due to [her] voluntary resignation, [Bilbao is] actually not entitled to any separation pay benefits. Thus, the financial package given to [her] is more than sufficient consideration for [her] execution of the "undertaking." [23]

Clearly then, Bilbao's claim that she was illegally dismissed cannot be sustained. There is no showing that the Undertaking and resignation letter were executed by Bilbao under force or intimidation. Bilbao's claims for reinstatement, payment of backwages without loss of seniority rights and with interest, moral and exemplary damages, and attorney's fees must inevitably fail.

This Court has always reminded that:

Although the Supreme Court has, more often than not, been inclined towards the workers and has upheld their cause in their conflicts with the employers, such inclination has not blinded it to the rule that justice is in every case for the deserving, to be dispensed in the light of the established facts and applicable law and doctrine. An employee who resigns and executes a quitclaim in favor of the employer is generally stopped from filing any further money claims against the employer arising from the employment.[24]

WHEREFORE, the petition is DENIED. The Decision dated May 30, 2008 and the Resolution dated July 22, 2008 of the Court of Appeals in CA-G.R. No. 102319 are AFFIRMED.

SO ORDERED.

Corona, C.J., (Chairperson), Bersamin, Villarma, Jr., and Reyes, JJ., concur.

[*] Per Raffle dated November 28, 2011.

[1] Rollo, pp. 31-45; penned by Associate Justice Mariano C. del Castillo (now a member of this Court) with Associate Justices Arcangelita Romilla-Lontok and Ricardo R. Rosario, concurring.

[2] Id. at 47-48.

[3] Id. at 137.

[4] Id. at 143.

[5] Id. at 145.

[6] Id. at 143.

[7] Id. at 150-164.

[8] Id. at 176-177.

[9] Id. at 179-181.

[10] Id. at 181.

[11] Id. at 44.

[12] Id. at 15.

[13] Id. at 9-29.

[14] Id. at 201-246.

[15] Id. at 217-218.

[16] Nasipit Lumber Company v. National Organization of Workingmen (NOWM), G.R. No. 146225, November 25, 2004, 444 SCRA 158, 170.

[17] BMG Records (Phils.), Inc. v. Aparecio, G.R. No. 153290, September 5, 2007, 532 SCRA 300, 313-314.

[18] Rollo, p. 145.

[19] Guatson International Travel and Tours, Inc. v. National Labor Relations Commission, G.R. No. 100322, March 9, 1994, 230 SCRA 815, 822.

[20] Magsalin v. National Organization of Working Men, 451 Phil. 254, 263 (2003).

[21] 264 Phil. 1115 (1990).

[22] Id. at 1122.

[23] Rollo, p. 174.

[24] Alfaro v. Court of Appeals, 416 Phil. 310, 321 (2001).

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