

TRANSGLOBAL MARITIME AGENCY, INC., GOODWOOD SHIPMANAGEMENT PTE., LTD. AND/OR MICHAEL ESTANIEL, PETITIONERS, VS. VICENTE D. CHUA, JR., RESPONDENT.

G.R. No. 222430. August 30, 2017

Ponente: PERALTA, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-222430/>

PERALTA, J.:

Before this Court is the petition for review on certiorari filed by herein petitioners Transglobal Maritime Agency, Inc. (Transglobal), Goodwood Shipmanagement Pte., Ltd. (Goodwood), and Michael Estaniel, assailing the Decision[1] and Resolution,[2] dated July 20, 2015 and January 12, 2016, respectively, of the Court of Appeals (CA) in CA-G.R. SP No. 133683.

The facts follow.

Transglobal and Goodwood hired respondent Vicente D. Chua, Jr. (Chua) as Able Seaman and boarded M.T. WAWASAN RUBY on October 12, 2011. As stated in the appointment letter[3] dated September 29, 2011, Chua joined the vessel on a 9-month duty with the first three (3) months as probation period at the owner's option to continue his service for further period of six (6) months subject to satisfactory performance. On January 14, 2012, he was re-hired as Able Seaman under the following terms and conditions:

1.1 Duration Contract

6 MONTHS

1.2 Position

ABLE SEAMAN

1.3 Basic monthly salary

USD 603.00

1.4 Hours of work

44 HOURS/WEEK

1.5 Overtime

US\$ 3.95/HOUR

GOT USD 375.00/MO.

1.6 Vacation Leave with Pay

USD 221.00/MO.

SHIP MAINTENANCE BONUS

(SMB): USD 77.00/MO.

1.7 Point of Hire Manila, PHILS. SERVICE INCENTIVE BONUS: USD 7.50/MO.[4]

While at the port of Mailiao, Taiwan on January 26, 2012, Chua and his four (4) companions left the vessel for shore leave from 7:00 p.m. to 10:00 p.m. When they returned at around 11:40 p.m., the ship captain was infuriated. On January 30, 2012, the ship captain called Chua and the others, and were served with a written reprimand regarding the incident. The written reprimand reads:

This is to state that the above seafarer has been found to be in breach of the shipboard discipline standards as outlined in the ship administration guidelines.

xxx The seafarer returned to vessel only near to pilot boarding time after midnight. On being questioned for returning late AB (Chua) started misbehaving and arguing with Chief Officer in Master's presence.

AB Chua has been found an average performer on board. This is his first contract with company and he has just finished three months on board. This sort of indiscipline cannot be tolerated on board.

On this 30[th] day of January '12 at 0800 hrs the above seafarer Mr. Vicente Jr. Chua is hereby reprimanded in writing that if his behavior does not comply with the shipboard discipline standards he may be dismissed from the vessel.[5]

However, they refused to sign and acknowledge receipt of the reprimand and, subsequently, the vessel's logbook entry on the matter. Thereafter, Chua and the others disembarked and returned to the Philippines on February 3, 2012.[6]

On March 20, 2012, Chua filed a complaint for illegal dismissal, non-payment of salaries, withholding of documents, moral and exemplary damages and attorney's fees against petitioners. Chua alleged that he and his companions returned later than their shore leave because of a problem with their contracted vehicle. They immediately went to the ship's office to return their passports and documents. However, the ship captain was furious and asked to explain their tardiness. Chua also alleged that they declined to sign the written reprimand for it contained falsehoods. They were repatriated on February 2, 2012 without authorized and justifiable reason and without notice of termination.[7]

The petitioners, on the other hand, maintained that Chua was dismissed for a just cause. His refusal to sign the written reprimand is a clear act of insubordination and disrespect towards superior officers. A General Report regarding the incident was entered in the vessel log, which Chua and the others also refused to sign. Petitioners alleged that they agreed to be dismissed in the presence of the vessel's master, Chief Officer and Chief Engineer.

In a Decision[8] dated May 31, 2013, the Labor Arbiter (LA) ruled that Chua was discharged for just cause, but was not served with the required notice of termination as he agreed to be dismissed. The LA observed that Chua's failure to return to the ship on time for whatever reason constitutes the offense of failure to observe regulations on the expiration of shore liberty under Section 33. C, No. 9 (h) of the 2010 Philippine Overseas Employment Administration-Standard Employment Contract (POEA-SEC) which provides the penalty of reprimand for first offense. However, his refusal to sign his receipt of the written reprimand and the vessel's logbook despite being instructed by the vessel master or superior officers constitutes insubordination, an offense which carries the penalty of dismissal and payment of the cost of repatriation and replacement. While Chua and the others allegedly returned at 11:45 p.m. and not at 12 midnight as specified in the reprimand letter, the fact remains that he returned

after the expiration of his shore leave. Since petitioners did not deny or respond to Chua's other money claims, the LA granted the same for it is petitioners' burden to prove their payment of salaries and benefits. The dispositive portion of the decision reads:

WHEREFORE, premises considered, [petitioners] TRANSGLOBAL MARITIME AGENCY INC., GOODWOOD SHIPMANAGEMENT PTE., LTD., MICHAEL ESTANIEL are hereby ordered to pay, jointly and severally, [respondent] VICENTE D. CHUA, JR. the following monetary awards:

1. Total unpaid wages up to February 2, 2012

Plus unpaid vacation leave

-

US\$1,429.10

2. Unpaid/un-remitted allotment for December 14, 2011 to January 13, 2012

-

603.00

3. Total unpaid wages and benefits from January 14 to February 1, 2012

-

773.96

TOTAL

US\$2,806.06

4. 10% Attorney's Fees

-

280.61

GRAND TOTAL

US\$3,086.67

or its peso equivalent at the time of payment.

The complaint for illegal dismissal, damages, withholding of documents and other money claims are hereby DISMISSED for lack of merit.

SO ORDERED.[9]

In a Decision[10] dated September 30, 2013, the National Labor Relations Commission (NLRC) in NLRC-LAC No. (M) 07-000704-13, affirmed the findings of the LA that Chua was legally dismissed, but awarded nominal damages for being dismissed without due process. The NLRC held that Chua's unreasonable refusal to receive the written reprimand was substantiated by the vessel's logbook. The entries made in the logbook by the person in the performance of a duty required by law are prima facie evidence of facts stated therein. It considered Chua's "arguing and misbehaving" after he returned from shore leave as insubordination which is punishable by dismissal under the POEA-SEC. The decretal portion of the decision reads:

WHEREFORE, premises considered, the Decision dated May 31, 2013 is AFFIRMED with modification that [petitioners] Transglobal Maritime Agency, Inc., Goodwood Shipmanagement Pte. Ltd., and Michael Estaniel, are ordered to solidarity pay [respondent] Vicente D. Chua, Jr. the additional amount of [P]50,000.00 as nominal damages, aside from the monetary awards stated in the appealed Decision.

SO ORDERED.[11]

In a Decision dated July 20, 2015, the CA granted the petition for certiorari filed by Chua, and reversed and set aside the decision of the NLRC. The CA found that the NLRC overlooked pieces of evidence decisive of the controversy. It held that while the order to sign the receipt of written reprimand may be lawful or reasonable, the same, however, does not pertain to Chua's duty which he had been engaged to discharge. It ruled that Chua's dismissal was disproportionate to the act complained of, that is his refusal to sign receipt of a written reprimand. Thus:

WHEREFORE, premises considered, the Petition is hereby GRANTED. The Decision dated 30 September 2013 and Resolution dated 25 November 2013 of the National Labor Relations Commission (NLRC) are REVERSED and SET ASIDE. A NEW ONE is entered finding private respondent illegally dismissed by petitioners and ordering petitioners to pay private respondent the following:

1)

The payment of his wages and other benefits corresponding to the unexpired portion of his employment contract in U.S. Dollars or its peso equivalent at the time of payment, reckoned from the time of private respondent's termination on February 2, 2012;

2)

Unpaid or unremitted allotment or wages plus unpaid vacation leave during his employment, in U.S. Dollars or its peso equivalent at the time of payment;

3)

The amount of [P]50,000.00 as moral damages;

4)

The amount of [P]30,000.00 as exemplary damages;

5)

Ten percent (10%) of the total judgment award as and for attorney's fees;

6)

Legal interest of 12% per annum of the total monetary awards computed from date of illegal dismissal or on 2

February 2012 until finality of judgment and 6% per annum from finality of judgment until their full satisfaction; and

7)

Costs of the suit.

The Labor Arbiter is ORDERED to compute the total monetary benefits awarded and due to private respondent in accordance with this decision.

Also, the Motion for Reconsideration of the Resolution dated 31 March 2015 with Motion to Admit Copy of Previously Filed Memorandum which was received by this Court on 27 April 2015 is DENIED.

SO ORDERED.[12]

Upon denial of its Motion for Reconsideration, the petitioners elevated the case before this Court raising the following issues:

- THE FACTUAL FINDINGS OF THE NLRC AND THE LABOR ARBITER ARE BINDING ON THE HONORABLE COURT OF APPEALS ABSENT ANY OF THE JURISPRUDENTIAL EXCEPTIONS. CONSEQUENTLY, THE CONCLUSION THAT THE DISMISSAL OF RESPONDENT WAS FOR A JUST CAUSE MUST BE UPHELD AND NO LONGER DISTURBED.

- THE POEA STANDARD EMPLOYMENT CONTRACT (POEA-SEC) GOVERNS THE EMPLOYMENT RELATIONSHIP BETWEEN PETITIONERS AND RESPONDENT. RESPONDENT WAS VALIDLY DISMISSED UNDER SECTION 33-C, NO. 5-A OR THE OFFENSE OF INSUBORDINATION. SIMILARLY, THE ACT OF INSUBORDINATION IS A JUST CAUSE FOR DISMISSAL UNDER THE LABOR CODE OF THE PHILIPPINES.

- ASSUMING ARGUENDO THAT PETITIONER FAILED TO OBSERVE PROCEDURAL DUE PROCESS IN THE TERMINATION OF RESPONDENT'S EMPLOYMENT, SUCH FAILURE DOES NOT MAKE THE DISMISSAL ILLEGAL, BUT ONLY MAKES THEM LIABLE FOR NOMINAL DAMAGES.[13]

This Court finds the instant petition partly meritorious.

Petitioners allege that the petition for certiorari will issue only to correct errors of jurisdiction and not mere errors of judgment. The factual findings of administrative officials and agencies that have acquired expertise in the performance of their official duties and the exercise of their primary jurisdiction are generally accorded respect and, at times, finality. The issue of whether the dismissal was valid is clearly a question of fact. In this case, there was substantial evidence, such as ship logbook entry, statements of witnesses, and POEA contract, to support the finding that Chua was legally dismissed.

Courts generally accord great respect and finality to factual findings of administrative agencies, like labor tribunals, in the exercise of their quasi-judicial function. However, this doctrine espousing comity to administrative findings of facts are not infallible and cannot preclude the courts from reviewing and, when proper, disregarding these findings of facts when shown that the administrative body committed grave abuse of discretion.[14]

In labor cases elevated to it via petition for certiorari under Rule 65, the CA can grant this prerogative writ when the factual findings complained of are not supported by the evidence on record; when it is necessary to prevent a substantial wrong or to do substantial justice; when the findings of the NLRC contradict those of the LA; and when necessary to arrive at a just decision of the case.[15] To make this finding, the CA necessarily has to view the evidence if only to determine if the NLRC ruling had basis in evidence.[16]

After a thorough examination of the records, this Court finds that the ruling of the NLRC is not sufficiently supported by evidence. Although the LA and the NLRC concluded that Chua was legally dismissed, they considered different acts he committed which constituted as insubordination. For the LA, it was Chua's unjustified refusal to sign the written reprimand, while the NLRC considered Chua's arguing and misbehavior after returning late from shore leave. Thus, this Court rules that it is within the CA's power to review the factual findings of the labor tribunals. Accordingly, this Court does not find erroneous the course that the CA took in resolving that Chua was illegally dismissed.

We, in turn, have the same authority to sift through the factual findings of both the CA and the labor tribunals in the event of their conflict.[17] This Court, therefore, is not precluded from reviewing the factual issues when there are conflicting findings by the Labor Arbiter, the NLRC and the Court of Appeals.[18]

In termination cases, the employer bears the burden of proving that the dismissal of the employee is for a just or an authorized cause. Failure to dispose of the burden would imply that the dismissal is not lawful.[19] It is incumbent upon petitioners to present substantial evidence to bolster their claim that Chua's acts constitute insubordination as would warrant his dismissal.

Petitioners maintain that, as found by the LA and the NLRC, Chua's unwarranted refusal to acknowledge receipt of the reprimand letter and to sign the ship logbook mentioning their arrival after the expiration of shore leave, and his arguing and misbehaving, constitute insubordination. To support their contention, petitioners presented the written reprimand, the General Reporting in the ship's logbook, and the Statement of Witnesses.

We reiterate that the LA found that Chua was guilty of insubordination based on his unjust refusal to obey an order from his superior officers to sign the receipt of written reprimand and the ship logbook entry. It was never established in the LA ruling that Chua was found arguing and misbehaving upon his late return from shore leave. Subsequently, the CA declared that Chua's refusal to sign the said documents does not constitute insubordination or willful disobedience since it does not pertain to his duty to which he had been engaged to discharge.

The vessel's logbook is the official repository of the day-to-day transactions and occurrences on board the vessel.[20] It is where the captain records the decisions he has adopted, a summary of the performance of the vessel, and other daily events.[21] In the case at bar, the General Reporting[22] on the refusal of Chua and his companions to sign the receipt of written reprimand reads:

Date and hour of the occurrence

Place of the occurrence or situation by latitude and longitude at sea

Date of Entry

Nature of event or incident

State fine imposed if any

30.01.2012

1600LT

AT SEA

31°53'N

126° 04' E

30.01.2012

THIS IS TO PLACE ON RECORD THAT THE BELOW SEAFARERS HAVE BEEN FOUND TO BE IN

BREACH OF THE SHIPBOARD DISCIPLINE STANDARDS AS OUTLINED IN THE SHIP ADMINISTRATION GUIDELINES. THE SEAFARER'S (sic) WILFULLY DISOBEYED MASTER AND C/OFF INSTRUCTIONS AND DID NOT RETURN TO VESSEL FROM SHORE LEAVE AS INSTRUCTED BY CHIEF OFFICER. VESSEL WAS DISCHARGING ALONGSIDE AT MAILIAO AND SHORE LEAVE EXPIRY WAS SET TO 2200 HRS LT ON 26[TH] JANUARY 2012. THE SEAFARERS RETURNED TO VESSEL ONLY NEAR TO PILOT BOARDING TIME AFTER MIDNIGHT.

THE BELOW SEAFARERS WERE REPRIMANDED IN WRITING TODAY AT 0800 HRS LT BUT REFUSED TO SIGN WRITTEN REPRIMAND.

THE BELOW SEAFARERS ARE HEREBY WARNED THAT IF THEY DO NOT SIGN THE LOG ENTRY, THEY WILL BE IMMEDIATELY DISMISSED FROM VESSEL.

ALL FOUR REFUSED TO SIGN & AGREE TO BE DISMISSED.

A perusal of the January 30, 2012 General Reporting on the ship's logbook reveals that Chua was penalized with a written reprimand for his arrival after the expiration of shore leave. It was also indicated that he refused to sign the receipt of the written reprimand, and that he was warned of immediate dismissal if he refused to sign the logbook entry. From the foregoing, it can be logically concluded that Chua's dismissal was contemplated only after his refusal to sign the logbook entry.

The Statements of the Witnesses, on the other hand, partly reads:

This is to place on record that the below mention[ed] four seafarers have been found to be in breach of the shipboard discipline standards as outlined in the ship administration guidelines. The seafarers willfully disobeyed Master and Ch. Off instructions and did not return to vessel from shore leave as instructed by Chief officer. Vessel was discharging alongside at Mailiao and shore leave expiry was set to 2200 Hrs LT on 26[th] January 2012. The Chief officer instructed the crew to return before shore leave expiry time of 2200 Hrs. LT. The instructions were given in [the] presence of duty officer 3[rd] Officer Ajay S. Yadav. The seafarer returned to vessel only near the Pilot boarding time after midnight.

On returning from shore leave, Chief Cook Zandro Fernandes & AB Vicente Jr. Chua started arguing and misbehaving with Chief Officer in [the] CCR in presence of duty officer 3/Off Ajay S. Yadav. xxx

The below seafarers were reprimanded in writing on 31[st] January 2012 at 0800 hrs LT and they refused to

sign the 'Written Reprimand[.]' The below seafarers were warned for their conduct and asked to sign Log entry but they refused and stated that they agree to be dismissed in [the] presence of Master, C/Off & C/E.

xxx[23]

The above Statement of Witnesses, like the other evidence presented by petitioners, merely stated that Chua "has been found to be in breach of the shipboard discipline standards." Any supporting evidence regarding the allegation of "arguing and misbehaving" of Chua that night was never specified in the statement, as well as in the logbook. That the undated statement of witnesses was executed after Chua's dismissal due to refusal to sign the logbook entry was evident from the fact that the said detail was included therein. It was executed to confirm the fact that Chua and his companions refused to receive the written reprimand and agreed to be dismissed. As such, it could not have been used to corroborate the charge against Chua when the written reprimand was served on January 30, 2012.

As far as proving Chua's alleged arguing and misbehaving upon his return from shore leave is concerned, this Court finds that the logbook entry is self-serving and uncorroborated. The petitioners should have presented the logbook entry of the January 26, 2012 incident to substantiate any allegations of Chua's misbehavior when he and the others returned from their shore leave. It is apparent that what was established was that Chua was warned of immediate dismissal if he refused to sign the ship logbook entry, and that his refusal to sign the written reprimand and the logbook entry prompted his dismissal.

The petitioners cited the case of *Singa Ship Management Phils., Inc. v. NLRC*[24] wherein a seafarer who returned late from shore leave was dismissed for a valid cause. While the petitioners admit that the instant case is not in all fours with the Singa case, they nonetheless invoke the same to demonstrate that it is not always required that the employer must establish that the act was prejudicial to the business.

We are not persuaded. It was held in the 1997 Singa case that the seafarer's shouting and cursing at the Master was an act of gross disrespect and insubordination against his superior. Thus:

xxx The master was acting in the performance of his duty when he particularly demanded from the private respondent an explanation for his group's tardiness. xxx [I]nstead of giving an explanation, the private respondent shouted at the master and cursed him. This was an act of gross disrespect and insubordination against his superior and the highest official of the vessel. xxx[25]

However, as discussed earlier, Chua's arguing and misbehaving when he returned after his shore leave was not sufficiently established. Nevertheless, this Court, in a recent case, expounded that insubordination or willful disobedience, as a just cause for the dismissal of an employee, necessitates the concurrence of at least two requisites: (1) the employee's assailed conduct must have been willful, that is, characterized by a wrongful and perverse attitude; and (2) the order violated must have been reasonable, lawful, made known to the employee, and must pertain to the duties which he had been engaged to discharge.[26]

Moreover, a willful or intentional disobedience of such rule, order or instruction justifies dismissal only where such rule, order or instruction is (1) reasonable and lawful, (2) sufficiently known to the employee, and (3) connected with the duties which the employee has been engaged to discharge.[27]

By virtue of the POEA-SEC, Chua is indeed bound to obey the lawful commands of the captain of the ship, but only as long as these pertain to his duties.[28] The CA correctly opined that there is no relevance to the order to sign the documents in Chua's performance of his duty as a seaman. We find that the pieces of evidence presented are insufficient to establish that Chua's refusal was characterized by a wrongful and perverse mental attitude rendering his act inconsistent with proper subordination. Chua had explained that he refused to sign the written

reprimand for he maintained that the same contained falsehoods. Based on the statement of witnesses, it was someone else who started arguing and misbehaving before the Master when asked for a reason for not signing the written reprimand.[29]

It was held in *Gold City Integrated Port Services, Inc. (INPORT) v. National Labor Relations Commission*: [30]

We believe that not every case of insubordination or willful disobedience by an employee of a lawful work-connected order of the employer or its representative is reasonably penalized with dismissal. For one thing, Article 282 (a) refers to "serious misconduct or willful disobedience". There must be reasonable proportionality between, on the one hand, the willful disobedience by the employee and, on the other hand, the penalty imposed therefor.[31]

Assuming arguendo that the commands of the ship captain to sign the receipt of the written reprimand and to sign the ship's logbook are lawful commands supposed to be obeyed by the complement of a ship, Chua's refusal to do the same does not warrant the supreme penalty of dismissal. This Court finds that dismissal is too harsh a penalty to be imposed due to Chua's supposed disobedience. As discussed, petitioners failed to establish that Chua's disobedience was characterized by a wrongful and perverse mental attitude given that he believed the written reprimand and logbook contained falsities for he maintained that he had an explanation for his late arrival.

To amount to a valid dismissal, an erring seafarer must be handed a written notice of the charge against him and must be given the opportunity to explain himself — unless, of course, there is a clear and existing danger against the safety of the crew or the vessel in which case notice may be dispensed with.[32]

Section 17 of the 2010 POEA-SEC provides the disciplinary procedures against an erring seaman, thus:

SECTION 17. DISCIPLINARY PROCEDURES. —

The Master shall comply with the following disciplinary procedures against an erring seafarer:

A. The Master shall furnish the seafarer with a written notice containing the following:

- Grounds for the charges as listed in Section 33 of this Contract or analogous act constituting the same.
- Date, time and place for a formal investigation of the charges against the seafarer concerned.

B. The Master or his authorized representative shall conduct the investigation or hearing, giving the seafarer the opportunity to explain or defend himself against the charges. These procedures must be duly documented and entered into the ship's logbook.

C. If after the investigation or hearing, the Master is convinced that imposition of a penalty is justified, the Master shall issue a written notice of penalty and the reasons for it to the seafarer, with copies furnished to the Philippine agent.

D. Dismissal for just cause may be effected by the Master without furnishing the seafarer with a notice of dismissal if there is a clear and existing danger to the safety of the crew or the vessel. The Master shall send a complete report to the manning agency substantiated by witnesses, testimonies and any other documents in support thereof.[33]

In this case, no hearing was conducted respecting Chua's alleged insubordination. The pieces of evidence presented were also silent about whether Chua was given the opportunity to explain or defend himself. There was also no showing of imminent danger to the crew or the vessel, so that the required notice may be dispensed with.

As to the correct rate of imposable interest, petitioners argue that the interest of total monetary awards is pegged at six percent (6%) interest per annum pursuant to the ruling in the case of *Nacar v. Gallery Frames*. [34]

The case of Nacar is instructive anent the legal interest imposable, to wit:

To recapitulate and for future guidance, the guidelines laid down in the case of Eastern Shipping Lines are accordingly modified to embody BSP-MB Circular No. 799, as follows:

I. When an obligation, regardless of its source, i.e., law, contracts, quasi-contracts, delicts or quasi-delicts is breached, the contravenor can be held liable for damages. The provisions under Title XVIII on "Damages" of the Civil Code govern in determining the measure of recoverable damages.

II. With regard particularly to an award of interest in the concept of actual and compensatory damages, the rate of interest, as well as the accrual thereof, is imposed, as follows:

- When the obligation is breached, and it consists in the payment of a sum of money, i.e., a loan or forbearance of money, the interest due should be that which may have been stipulated in writing. Furthermore, the interest due shall itself earn legal interest from the time it is judicially demanded. In the absence of stipulation, the rate of interest shall be 6% per annum to be computed from default, i.e., from judicial or extrajudicial demand under and subject to the provisions of Article 1169 of the Civil Code.

- When an obligation, not constituting a loan or forbearance of money, is breached, an interest on the amount of damages awarded may be imposed at the discretion of the court at the rate of 6% per annum. No interest, however, shall be adjudged on unliquidated claims or damages, except when or until the demand can be established with reasonable certainty. Accordingly, where the demand is established with reasonable certainty, the interest shall begin to run from the time the claim is made judicially or extrajudicially (Art. 1169, Civil Code), but when such certainty cannot be so reasonably established at the time the demand is made, the interest shall begin to run only from the date the judgment of the court is made (at which time the quantification of damages may be deemed to have been reasonably ascertained). The actual base for the computation of legal interest shall, in any case, be on the amount finally adjudged.

- When the judgment of the court awarding a sum of money becomes final and executory, the rate of legal interest, whether the case falls under paragraph 1 or paragraph 2, above, shall be 6% per annum from such finality until its satisfaction, this interim period being deemed to be by then an equivalent to a forbearance of credit.

And, in addition to the above, judgments that have become final and executory prior to July 1, 2013, shall not be disturbed and shall continue to be implemented applying the rate of interest fixed therein.[35]

From the foregoing, the actual base for the computation of legal interest of the total monetary awards shall be on the amount finally adjudged. Moreover, the Court emphasized that the six percent (6%) legal interest shall be applied prospectively, thus, the twelve percent (12%) legal interest shall continue to be applied on judgments that have become final and executory prior to July 1, 2013.[36] The CA erred in imposing twelve percent (12%) interest on the total monetary awards computed from the date of illegal dismissal, or on February 2, 2012, until the finality of judgment. Since the instant case has not attained finality before July 1, 2013, the correct imposable interest for the total awards is six percent (6%) from the finality of this judgment until their full satisfaction based on the prevailing jurisprudence.

WHEREFORE, the petition for review on certiorari is DENIED. The Decision and Resolution, dated July 20, 2015 and January 12, 2016, respectively, of the Court of Appeals are hereby AFFIRMED with MODIFICATION, in that petitioners are ordered to pay Vicente D. Chua, Jr., jointly and severally, the awards specified in CA-G.R. SP No. 133683, to pay the legal interest of six percent (6%) per annum from the finality of judgment until full satisfaction of the award.

SO ORDERED.

Carpio,[*] (Chairperson), Perlas-Bernabe, Caguioa, and Reyes, Jr., JJ., concur.

[*] Acting Chief Justice per Special Order No. 2475 dated August 29, 2017.

[1] Penned by Associate Justice Socorro B. Inting, with Associate Justices Remedios A. Salazar-Fernando and Priscilla J. Baltazar-Padilla, concurring; rollo pp. 35-48.

[2] Id. at 50-51.

[3] Rollo, p. 92.

[4] Records p. 37.

[5] Id. at 60. (Emphasis ours)

[6] Rollo, pp. 97-98.

[7] Id. at 98.

[8] Penned by Labor Arbiter Alberto B. Dolosa; rollo, pp. 96-102.

[9] Id. at 101-102.

[10] Penned by Presiding Commissioner Joseph Gerard E. Mabilog, with Commissioners Isabel G. Panganiban-Ortiguerra and Nieves E. Vivar-De Castro, concurring, id. at 103-111.

[11] Id. at 110.

[12] Id. at 47-48.

[13] Id. at 12-13.

[14] *Diamond Taxi v. Llamas, Jr.*, 729 Phil. 364, 376 (2014).

[15] *Univac Development, Inc. v. Soriano*, 711 Phil. 516, 525 (2013).

[16] *Diamond Taxi v. Llamas, Jr.*, supra note 14.

[17] *Pepsi-Cola Products Philippines, Inc. v. Molon*, 704 Phil. 120, 133 (2013).

[18] *Plastimer Industrial Corporation, et al. v. Gopo, et al.*, 658 Phil. 627, 633 (2011).

[19] *Noblado v. Alfonso*, G.R. No. 189229, November 23, 2015.

[20] *Maersk-Filipinas Crewing, Inc. v. Avestruz*, 754 Phil. 307, 320-321 (2015).

[21] *Sadagnot v. Reinier Pacific International Shipping, Inc.*, 556 Phil. 252, 258 (2007).

[22] Records p. 61; General Reporting (Emphasis supplied).

[23] Records, p. 62. (Emphasis supplied).

[24] 342 Phil. 161 (1997).

[25] *Singa Ship Management Phils., Inc. v. NLRC*, supra, at 171.

[26] *Maersk-Filipinas Crewing, Inc. v. Avestruz*, supra note 20, at 319, citing *Grandteq Industrial Steel Products*,

Inc. v. Estrella, 661 Phil. 735, 744 (2011).

[27] Nissan Motors Phils. Inc. v. Angelo, 673 Phil. 150, 160 (2011).

[28] Stolt-Nielsen Marine Services (Phils.), Inc. v. National Labor Relations Commission, 328 Phil. 161, 167 (1996).

[29] Records p. 62.

"When Ch. Cook Zandro Fernandes was asked reason for not signing the reprimand, he started shouting and misbehaving with Master and stated that it is a small matter and no need for reprimand."

[30] 267 Phil. 863 (1990).

[31] Gold City Integrated Port Services, Inc. (INPORT) v. NLRC, *supra*, at 870. (Emphasis ours).

[32] INC Shipmanagement, Inc. v. Camporedondo, G.R. No. 199931, September 7, 2015.

[33] Emphases supplied.

[34] 716 Phil. 267 (2013).

[35] Nacar v. Gallery Frames, *supra*, at 281-283. (Emphasis in the original, citation omitted)

[36] *Id.* at 283.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.