

EDIQUILLO CUALES, PETITIONER, VS. NATIONAL LABOR RELATIONS COMMISSION, PHIL-SINGAPORE PORT CORPORATION, AND GALAXY CATERING & COMMISSARY SERVICE, INC., RESPONDENTS.

G.R. No. 56379. April 28, 1983

Ponente: CONCEPCION JR., J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-56379/>

CONCEPCION JR., J.:

Review on certiorari of the decision of the National Labor Relations Commission which reversed the decision of Labor Arbiter Ruben A. Aquino in Case No. NCR-STF-8-4823-79, entitled: "Ediquillo Cuales, complainant, versus Phil-Singapore Port Corporation and Galaxy Catering & Commissary Service, Inc., respondents."

The record of the case shows that on November 1, 1977, herein petitioner Ediquillo Cuales was hired as a cook by the respondent Phil-Singapore Port Corporation for its project at Jeddah, Kingdom of Saudi Arabia, for a total monthly income of not less than \$375.00 per calendar month, for a term of twenty-four (24) calendar months, effective upon the actual arrival of the employee at the site of work or within five (5) days from his date of departure from the Philippines, whichever comes first.

Sometime in January, 1978, the petitioner was absorbed into the payroll of respondent Galaxy Catering & Commissary Services, Inc., a sister company of respondent Phil-Singapore Port Corporation, where the petitioner continued to perform the same job for which he was hired and likewise remained in the same work-site.

However, on July 8, 1978, the petitioner was recommended for repatriation to the Philippines because of an illness diagnosed as "Spina Bifida S-1, Uretrolithiasis" which required surgical treatment. Surgery in Jeddah, Saudi Arabia was not advised as it would entail more financial burden for the respondents.

As a result, the petitioner was sent back to the Philippines and was later operated on at the Martinez Memorial Hospital, Caloocan City, for "pathology in his sacral vertebra" and "possible stone in the left ureter," for which operation the respondents paid the sum of P7,612.55.

The surgeon, Dr. Jose M. Pujalte, to whom the petitioner was sent for treatment and who performed the surgery on the petitioner, certified on January 4, 1979 and November 12, 1979, that the petitioner was fit for duty. But, the private respondent refused to re-employ the petitioner. Consequently, on August 10, 1980, the petitioner filed a complaint for illegal dismissal and non-payment of overtime pay against the private respondents. The case was docketed as Case No. NCR-STF-8-4823-79. After due hearing, on January 10, 1980, Labor Arbiter Ruben A. Aquino rendered judgment in favor of the petitioner, as follows:

"RESPONSIVE TO THE FOREGOING, respondents are hereby directed, within ten (10) days from receipt hereof, to pay complainant his salaries for the unexpired portion of the contract, effective January 4, 1979, computed at US\$375/month, which is his guaranteed income, per contract.

"The claim for overtime pay is hereby dismissed for lack of merit."[1]

Upon appeal, however, the National Labor Relations Commission reversed the decision and dismissed the petitioner's complaint.[2] Hence, the present recourse.

The petitioner contends that the respondent National Labor Relations Commission committed a grave abuse of discretion, amounting to lack of jurisdiction, in upholding the dismissal of the petitioner from his employment with the private respondents.

The Solicitor General, counsel for the public respondent, National Labor Relations Commission, agrees with the petitioner and joins him in praying that the petition be granted.

The private respondents, upon the other hand, claim that the petitioner was not illegally dismissed from his employment since the contract of employment expired upon the petitioner's arrival in the Philippines; that the petitioner could not be returned to his work abroad as he is unfit for duty; and that they are not liable to the petitioner by reason of the release and quitclaim executed by the petitioner on May 16, 1979 wherein, for and in consideration of the refund to him of the Return Travel Fund (RTF) he waived, released and forever discharged the respondents and any of its officers and agents from any and all claims arising from his employment.

We find merit in the petition. The contention of the respondents that the contract of employment expired or was terminated upon the petitioner's arrival in the Philippines to undergo surgery and medical treatment is untenable. Thus, the contract of employment entered into by and between the petitioner and the private respondents provides, among others, the following:

"2. The contract of employment shall be for a period of twenty-four (24) calendar months effective upon the actual arrival of the EMPLOYEE at the 'site of work' or within five (5) days from his date of departure from the Philippines, whichever comes first. The contract term shall terminate upon the EMPLOYEE'S arrival in the Philippines or within five (5) days from the date of departure from the 'site of work', whichever comes first. This Contract of Employment is extendible at the option of both parties but subject to the approval of the Department of Labor of the Republic of the Philippines."

As clearly stated therein, the employment of the petitioner is for a definite period of 24 months, its effectivity to commence upon the employee's actual arrival at the work-site or within five (5) days from his departure from the Philippines, and the contract term of twenty-four (24) months shall terminate upon the employee's arrival in the Philippines or within five (5) days from the date of his departure from the worksite, whichever comes first. The following observation of the Solicitor General is well taken:

"Moreover, if private respondent's pretension were followed that, indeed, the contract is terminable upon employee's arrival in the Philippines, then each time that the employee avails himself of the one-month vacation leave (to which he is entitled for every 11 months of service) to visit the Philippines [provisions Nos. 8 and 11] of the Contract), his employment is deemed terminated. This is blatantly unwarranted.

"It is a fact, and the same is admitted by private respondent, that the only reason the petitioner was transported back to the Philippines prior to the expiration of the contract term was that private respondent's physician recommended that 'Surgery to be done here in Jeddah is not advisable as this will entail more financial burden' (Clinical Summary dated July 7, 1978, Annex A-1, Record; also Annex D). The petitioner's repatriation to the Philippines was thus for the sole benefit and advantage of the employer, and cannot certainly be used now to disadvantage the petitioner.

"Furthermore, as correctly explained by the Labor Arbiter in his decision—

'. . . Needless to state complainant could have insisted—given proper legal advice—to be operated in Saudi Arabia. For complainant had contributed, thru salary deductions, his share in accordance with the Social Insurance regulations of the Kingdom of Saudi Arabia, and for which workmen's compensation shall be

provided to the subject employee under Saudi Arabian laws or Philippine laws, whichever is more beneficial to the employee (Sec. 4, AMENDMENT/ADDENDUM TO CONTRACT OF EMPLOYMENT).' (p. 5, Decision of Labor Arbiter, January 10, 1980)."[3]

There is also no merit in the respondents' claim that the petitioner could not be returned to his employment abroad because he was unfit for duty. The respondents' claim is based upon the opinion of the company's physician, Dr. Edgardo Orlina, who merely examined the hospital record of the petitioner in the Martinez General Hospital without examining the patient, whereas Dr. Jose Pujalte, who performed the surgery on the petitioner and under whose care the petitioner recovered from his ailment, certified twice, on January 4, 1979 and November 12, 1979, that the petitioner was fit for duty. As between the certification of Dr. Pujalte who performed the surgery on the petitioner and the unverified opinion of Dr. Edgardo Orlina who merely examined the hospital record of the petitioner, without examining the patient, the certification of Dr. Pujalte certainly carries more weight.

Finally, the findings of the respondent National Labor Relations Commission that the Release and Quitclaim executed by the petitioner is binding to release and forever discharge the private respondents from all claims arising out of the contract of employment, cannot also be sustained for being arbitrary and oppressive. To begin with, there was no consideration for the said Release and Quitclaim because what was actually paid to the petitioner was the Return and Travel Fund (RTF) which had been regularly deducted by the private respondents from the salary of the petitioner pursuant to the following provisions of the Contract of Employment:

"SECTION 11a—Return and Travel Fund—The EMPLOYEE shall allow the EMPLOYER to retain a portion of his monthly pay to constitute the EMPLOYEE's return travel fund as specified in the schedule below, until the retention of the cost of one return fare ticket shall have been made, the employer shall properly inform the employees of such deductions and the full amount to be retained."

Besides, the Release and Quitclaim is inequitable and incongruous to the declared public policy of the State to afford protection to labor and to assure the rights of workers to security of tenure. This Court, in the case of *De Leon vs. NLRC, et al.*,^[4] has ruled that receipt of separation pay is no bar to contesting the legality of dismissal from employment. The Court said:

"The contention of respondents that petitioner is barred from contesting the illegality of his dismissal since he has already received his separation pay cannot be sustained. Since he was forced to retire, he suddenly found himself jobless with a family of eight (8) children to support. He had no alternative but to accept what was offered him. He needed money to support his family. He had to grab whatever was offered to show his non-acquiescence to what amounted to dismissal. Employees who received their separation pay are not barred from contesting the legality of their dismissal. The acceptance of those benefits would not amount to estoppel as held in the leading case of *Mercury Drug Co. vs. CIR* (56 SCRA 694; See also *L.R. Aguinaldo & Co. vs. CIR*, 82 SCRA 309, 316) as aptly cited in the decision of the Labor Arbiter."

Furthermore, the said Release and Quitclaim violates the security of tenure under the contract of employment which specifically provides that the contract term shall be for a period of twenty-four (24) calendar months. It results that the said Release and Quitclaim does not constitute a waiver to demand and claim for his rights under the contract of employment and under the law. Consequently, the petitioner should be paid his salary for the unexpired portion of the contract of employment.

WHEREFORE, the decision of the National Labor Relations Commission, dated December 29, 1980, in Case No. NCR-STF-8-4823-79 should be, as it is hereby REVERSED and SET ASIDE and another one entered affirming the decision of the Labor Arbiter dated January 10, 1980. With costs against the private respondents.

SO ORDERED.

Makasiar (Chairman), Guerrero, Abad Santos, De Castro and Escolin, JJ., concur.

Aquino, J., dissents for reason stated in the opinion of the National Labor Relations Commission.

[1] Rollo, p. 9.

[2] Id., p. 31.

[3] Id., pp. 66-67.

[4] G.R. No. 52056, Oct. 30, 1980, 100 SCRA 691.

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.