

Title: **Filamer Christian Institute vs. Hon. Court of Appeals, et al.**

Facts:

1. **Incident Occurrence**: On October 20, 1977, at 6:30 PM, Potenciano Kapunan, Sr., an 82-year-old retired schoolteacher, was struck by a Pinoy jeep. The jeep was owned by Filamer Christian Institute and driven by Daniel Funtecha.
2. **Driver Details**: Funtecha, holding only a student driver's permit, had persuaded Allan Masa, the permitted driver, to let him drive. The jeep had a faulty headlight at the time of the accident. After the accident, both individuals fled the scene.
3. **Medical Consequences**: Kapunan, Sr. suffered multiple injuries and was hospitalized for twenty days. A tricycle driver took him to the hospital.
4. **Criminal Proceedings**: Kapunan, Sr. filed a criminal case against Funtecha for serious physical injuries due to reckless imprudence. The City Court of Roxas City convicted Funtecha, and this conviction was upheld by the Court of First Instance of Capiz.
5. **Civil Case Initiation**: Kapunan, Sr. subsequently filed a civil case for damages against Filamer Christian Institute, Daniel Funtecha, and Agustin Masa (Filamer's director and president). Allan Masa was not included as a defendant.
6. **RTC Judgment**: On December 14, 1983, the RTC found Filamer Christian Institute and Daniel Funtecha liable and awarded various damages to Kapunan, Sr.
7. **Appeals**: Filamer Christian Institute and Zenith Insurance Corporation appealed to the Court of Appeals. Zenith Insurance's appeal was dismissed due to non-payment of docket fees. On December 17, 1985, the Court of Appeals affirmed the RTC's decision. Filamer Christian Institute then petitioned for review by the Supreme Court.

Issues:

1. **Employer-Employee Relationship**:
 - Whether there existed an employer-employee relationship between Filamer Christian Institute and Daniel Funtecha under Article 2180 of the Civil Code.
2. **Scope of Employment**:
 - Whether Funtecha was acting within the scope of his alleged employment at the time of the accident.
3. **Liability Under Quasi-Delict**:
 - The determination of Filamer Christian Institute's liability under Article 2176 and Article 2180 of the Civil Code.

Court's Decision:

1. **Employer-Employee Relationship**:

- The Court held that there was no employer-employee relationship between Filamer Christian Institute and Funtecha based on Section 14, Rule X of Book III of the Labor Code. Funtecha was a working scholar, rendering service in exchange for free tuition, and not included in the payroll.

2. **Scope of Employment:**

- The Court ruled that even if an employer-employee relationship was assumed, Funtecha was not acting within the scope of his duties (which were janitorial services) when he drove the vehicle. Thus, Filamer Christian Institute was not liable for his actions.

3. **Liability Under Quasi-Delict:**

- The Court found that Filamer Christian Institute could not be held liable under quasi-delict principles as Funtecha was acting outside the scope of his employment and his actions were for personal purposes.

Doctrine:

- **Labor Code Section 14, Rule X of Book III:** This provision clarifies that there is no employer-employee relationship between working scholars and educational institutions, aiming to eliminate ambiguities in labor relations for this category of students.

- **Article 2180 of the Civil Code:** Employers are liable for the negligent acts of their employees only if such acts are within the scope of their assigned tasks. Negligence committed outside the scope of employment does not bind the employer.

Class Notes:

1. **Key Elements:**

- **Employer-Employee Relationship:** Analyzing if a relationship exists based on statutory definitions.

- **Scope of Employment:** Determining the liability under Article 2180 depends on whether the employee was acting within his assigned duties.

- **Quasi-Delict:** Article 2176 holds individuals liable for damage caused by fault or negligence outside of contractual relations.

2. **Statutory Provisions:**

- **Article 2176 Civil Code**

- **Article 2180 Civil Code**

- **Section 14, Rule X of Book III, Labor Code**

3. **Application:** In cases of tortious acts by employees, verify the employer-employee relationship and assess whether the act was within the scope of employment tasks. For working scholars, statutory definitions from the Labor Code eliminate potential employer liability.

Historical Background:

- This case provides insight into the legal treatment and regulatory framework around working scholars in the Philippines. It also highlights jurisprudence related to employer liability for quasi-delicts committed by employees, clarifying principles that distinguish between personal negligence and acts within the employment scope. The ruling reflects the evolving labor laws that shape the relationship between educational institutions and their students under scholarship arrangements.