



Republic of the Philippines
Supreme Court
Manila

FIRST DIVISION

**JULIAN TUNGCU TUPPIL,
JR., DIOSDADO D.
BATERNA, NICANOR M.
MAPA, DEMETRIO B.
BAUTISTA, JR., NORBERTO
Y. NAVARRO, MARLO A.
MERCED, ROLDAN P.
RAMACULA, RAYMUND E.
ALENTAJAN, FERDINAND
M. HOSANA, ROEL L. SOLIS,
RICARDO D. FLORES,
LARRY T. BORJA, RIZALDY
S. DE LEON, RICO D.
ESPEÑA, MARCOS L.
VASQUEZ, ZALDY V.
PEDRO, JOSEPH R. REYES,
and ARIEL S. RAMOS,**

Petitioners,

— versus —

**LBP SERVICE
CORPORATION,**
Respondent.

G.R. No. 228407

Present:

PERALTA, *CJ.*, Chairperson,
CAGUIOA,
REYES, J., JR.,
LAZARO-JAVIER, and
LOPEZ, *JJ.*

Promulgated:

JUN 10 2020

X-----X

R E S O L U T I O N

LOPEZ, J.:

The validity of fixed-term employment and the legality of dismissal are the main issues in this petition for review on *certiorari* under Rule 45 of the

Rules of Court assailing the Court of Appeal's Decision dated July 1, 2016¹ in CA-G.R. SP No. 142370, which affirmed the findings of the National Labor Relations Commission.

ANTECEDENTS

LBP Service Corporation entered into a manpower services agreement² with Land Bank of the Philippines and deployed janitors, messengers and utility persons³ in its different branches in Metro Manila.⁴ These workers are Julian Tuppil, Jr., Diosdado Baterna, Nicanor Mapa, Demetrio Bautista, Jr., Norberto Navarro, Roldan Ramacula, Raymund Alentajan, Roel Solis, Ricardo Flores, Rizaldy De Leon, Zaldy Pedro, Joseph Reyes, and Ariel Ramos (Tuppil, *et al.*); and Larry Borja, Marlo Merced, Ferdinand Hosana, Rico Espeña and Marcos Vasquez (Borja, *et al.*).⁵

In 2014, the contract between LBP Service and Land Bank expired resulting in the recall of affected employees which included Tuppil, *et al.* and Borja *et al.*⁶ Upon receipt of notices of recall,⁷ Tuppil, *et al.* resigned.⁸ Thereafter, Tuppil, *et al.* and Borja, *et al.* filed a complaint for illegal dismissal against LBP Service before the Labor Arbiter.⁹ Allegedly, they are regular employees performing services necessary and desirable to LBP Service's business. For its part, LBP Service countered that the recalled workers are supposed to be reassigned but Tuppil, *et al.* opted to resign.¹⁰

On December 10, 2014, the Labor Arbiter dismissed the complaint on the ground that Tuppil, *et al.* and Borja *et al.* are fixed-term contractual employees. Moreover, there is no evidence that LBP Service terminated their contracts. The notice of recall did not amount to termination of services. Accordingly, Borja, *et al.* were ordered to report for work because their engagement merely lapsed when the contract between LBP Service and Land Bank expired. They are still in LBP Service's workforce and may be deployed to its other clients. However, the arbiter declared that Tuppil, *et al.* voluntarily resigned from their work,¹¹ viz.:

WHEREFORE, judgment is hereby rendered, as follows:

1. DISMISSING the Complaint as against complainants Tuppil, Alentajan, Baterna, Bautista, De Leon, Flores, Mapa, Navarro, Pedro, Ramacula, Ramos, Reyes and Solis for lack of merit;

¹ *Rollo*, pp. 29-38; penned by Associate Justice Agnes Reyes-Carpio, with the concurrence of Presiding Justice Andres B. Reyes, Jr. (retired member of this Court) and Associate Justice Romeo F. Barza.

² *Id.* at 704-709; 710-713; and 714-716.

³ *Id.* at 562-563.

⁴ *Id.* at 49-50.

⁵ *Id.* at 639-701.

⁶ *Id.* at 717-725.

⁷ *Id.* at 726-741.

⁸ *Id.* at 742-751.

⁹ *Id.* at 82-86.

¹⁰ *Id.* at 48-53.

¹¹ *Id.* at 53-57.

2. ORDERING complainants Borja, Espena, Hosan, Merced and Vasquez to report back to work but without the payment of backwages. It must be clarified, however, that this return-to-work order is NOT a reinstatement order contemplated under Article 279 of the Labor Code for the simple reason that there is NO findings of dismissal, much less illegal.

All other claims are dismissed for lack of merit.

SO ORDERED.¹²

Aggrieved, Tuppil, *et al.* and Borja, *et al.* appealed to the National Labor Relations Commission. On May 31, 2015, the NLRC affirmed the Labor Arbiter's findings that Tuppil, *et al.* and Borja, *et al.* are contractual employees and that they failed to prove the fact of dismissal. It reiterated that Tuppil, *et al.*'s resignation letters were voluntarily executed.¹³ Unsuccessful at a reconsideration,¹⁴ Tuppil, *et al.* and Borja, *et al.* filed a petition for *certiorari* before the Court of Appeals. In its Decision dated July 1, 2016, the CA affirmed the ruling of the NLRC,¹⁵ thus:

In the instant case, the facts and the evidence do not establish a prima facie case that petitioners were dismissed from employment. As aptly found by the Labor Arbiter, no termination took place, instead, the petitioners' respective contractual employments merely lapsed as a result of Land Bank's decision not to renew its manpower services with LBPSC.

There is no dispute as to the fact that LBPSC is an independent contractor and petitioners were deployed to different Land Bank branches as janitors, messengers and utility workers. The contract they knowingly and voluntarily signed assigning them to various Land Bank branches fixed the duration of their respective employment and specifically noted that one of the causes for their recall or termination is "non-renewal or termination of [our] contract with the Client Company [where you are assigned]." Significantly, no allegations were made that petitioners were forced or pressured into affixing their signatures on the contract. There was also no evidence extant on records showing that petitioners were duped into signing the contract or forced to accept the conditions set forth therein.

x x x x

With respect to the Tuppil group, just like the Borja group, the issuance of the notice of recall did not result to their termination from employment. What actually caused their severance from employment with LBPSC was their voluntary resignation from service. x x x

¹² *Id.* at 58.

¹³ *Id.* at 62-66.

¹⁴ *Id.* at 67-68.

¹⁵ *Id.* at 34-36.

WHEREFORE, premises considered, the instant petition is DISMISSED. The May 31, 2015 Decision and the subsequent July 29, 2015 Resolution of the National Labor Relations Commission in NLRC LAC No. 03-000695-15 [and] NLRC NCR Case No. 07-09196-14 are hereby AFFIRMED.

SO ORDERED.¹⁶

Tuppil, *et al.* and Borja, *et al.* sought reconsideration but was denied.¹⁷ Hence, this petition alleging that the CA committed serious error in the appreciation of evidence and that its decision has no factual and legal bases. Tuppil, *et al.* and Borja, *et al.* maintained that they are regular employees and were illegally dismissed.¹⁸

RULING

Tuppil, *et al.* and Borja, *et al.* raised a question regarding the CA and labor tribunals' appreciation of the evidence which is one of fact and is beyond the ambit of this Court's jurisdiction in a petition for review on *certiorari*. It is not this Court's task to go over the evidence presented below to ascertain if they were appreciated and weighed correctly, most especially when the CA, NLRC and Labor Arbiter speak as one in their findings and conclusions.¹⁹ While it is widely held that this rule of limited jurisdiction admits of exceptions, none exists in the instant case. At any rate, the Court agrees with the CA and labor tribunals that Tuppil, *et al.* and Borja, *et al.* are fixed-term contractual employees.

Contracts of employment for a fixed term are not unlawful unless it is apparent from the circumstances that the periods have been imposed to circumvent the laws on security of tenure. The case of *Pure Foods Corporation v. NLRC*²⁰ laid down the criteria of a valid fixed-term employment, to wit:

1. The fixed period of employment was knowingly and voluntarily agreed upon by the parties without any force, duress, or improper pressure being brought to bear upon the employee and absent any other circumstances vitiating his consent; or
2. It satisfactorily appears that the employer and the employee dealt with each other on more or less equal terms with no moral dominance exercised by the former or the latter.

¹⁶ *Id.* at 35-37.

¹⁷ *Id.* at 40-41.

¹⁸ *Id.* at 14-15.

¹⁹ *Edith Salindog Agayan v. Kital Philippines Corporation, Inc.*, G.R. No. 229703, December 4, 2019; *Pascual v. Burgos, et. al.*, 776 Phil. 167 (2016); *Bacsasar v. Civil Service Commission*, 596 Phil. 858 (2009).

²⁰ 347 Phil. 434 (1997).

Here, Tuppil, *et al.* and Borja, *et al.* were employed on a contract basis to meet the LBP Service's commitment to its client. At the time of their hiring, they were informed that their engagement was for a specific period. To be sure, their employment contracts expressly stipulated the duration of their services, to wit:

Causes for Recall or End of Employment/Termination - **You should also understand and agree that your employment with us shall be considered ended/terminated or you may be the subject of a recall** under any of the following conditions:

Your voluntary resignation. x x x

x x x

Non-renewal or termination of our contract with the Client Company where you are assigned.

When your company of assignment no longer needs your services. **LBPSC however shall keep your name in its roster of reserves for future referral and employment with other client company.**²¹ (Emphases Supplied)

Moreover, there was no evidence indicating that Tuppil, *et al.* and Borja, *et al.* were pressured into signing their fixed-term contracts or that LBP Service exhibited dominance over them. They had the chance to refuse but they consciously accepted their contracts. The periods and conditions stipulated in their contracts were likewise not intended to deny them from acquiring security of tenure. Inarguably, Tuppil, *et al.* and Borja, *et al.* are fixed-term employees. As such, the employment contract governs the relationship of the parties.

Similarly, Tuppil, *et al.* and Borja, *et al.*'s claim that they are regular employees are untenable. The fact that an employee is engaged to perform activities that are necessary and desirable in the usual business of the employer does not prohibit the fixing of employment for a definite period.²² As elucidated in *St. Theresa's School of Novaliches Foundation v. NLRC*:²³

Article 280 of the Labor Code does not proscribe or prohibit an employment contract with a fixed period provided the same is entered into by the parties, without any force, duress or improper pressure being brought to bear upon the employee and absent any other circumstance vitiating consent. **It does not necessarily follow that where the duties of the employee consist of activities usually necessary or desirable in the usual business of the employer, the parties are forbidden from agreeing on a period of time for the performance of such activities.** There is thus nothing essentially contradictory between a definite period of employment and the nature of the employee's duties. (Emphasis Supplied).

²¹ *Rollo*, pp. 639-701.

²² *Caparoso v. Court of Appeals*, 544 Phil. 721 (2007).

²³ 351 Phil. 1038 (1998).

Consequently, there was no illegal dismissal when Tuppil, *et al.* and Borja, *et al.*'s services were terminated after the contract between LBP Service and Land Bank expired. There was even no need for a notice of termination because they knew exactly when their contracts would end. Contracts of employment for a fixed period terminate on their own at the end of such period.²⁴ Notably, Tuppil, *et al.* and Borja, *et al.* can still be deployed to other clients. Yet, Tuppil, *et al.* opted not to wait for the reassignments and submitted their resignation letters. On this point, we quote with approval the Labor Arbiter's discussion as to the voluntariness of their resignation, thus:

Since they submitted resignation letters, it is incumbent upon complainants to prove that their resignation was, in fact, involuntary. In the case at bench, complainants failed to substantiate their bare allegations that their resignation[s] were involuntary. In fact, they even admitted during the mandatory conference on September 16, 2014 that they are already working for another manpower agency which in turn deployed them to Land Bank. The intention of Tuppil's group is clear: they resigned from LBPSC simply because they want to continue being deployed to Land Bank. Such overt act is a manifestation of their intention to sever their employment relationship with LBPSC. Indeed, the voluntariness of complainants' resignation is unmistakable. In their resignation letters, it can clearly be deduced that complainants' resignation[s] were moved by personal and professional reasons, wherein they even expressed gratitude to LBPSC with Ramacula specifically stating that he is transferring to LBPRDC, which is presumably the new manpower agency of Land Bank. Certainly, these statements of complainants cannot be construed as an indication that they were forced to resign from service. Moreover, complainants even gave thanks and wished LBPSC good luck in its endeavors. As correctly pointed out by [respondent], these expressions of gratitude could not have come from employees who were forced by their employer to resign from service.²⁵

Notably, Tuppil, *et al.*'s intention to leave their posts became more evident when they refused to accept LBP Service's offer to report back for work so they would be deployed to other clients.²⁶ Neither did the filing of a complaint for illegal dismissal suggest the involuntariness of their resignation since it did not include a prayer for reinstatement.

In sum, the CA and the labor tribunals did not commit grave abuse of discretion in denying the complaint for illegal dismissal. Grave abuse of discretion refers to the arbitrary, capricious, whimsical, or despotic exercise of judgment as when the assailed order is bereft of any factual and legal justification.²⁷ There is none in this case.

²⁴ *Labayog v. M.Y. San Biscuits, Inc.*, 527 Phil. 67 (2006).

²⁵ *Rollo*, p. 53.

²⁶ *Id.* at 37.

²⁷ *Senate Blue Ribbon Committee v. Majaducon*, 455 Phil. 61 (2003).



FOR THESE REASONS, the petition is **DENIED**. The Court of Appeal's Decision dated July 1, 2016 in CA-G.R. SP No. 142370 is **AFFIRMED**.

SO ORDERED.

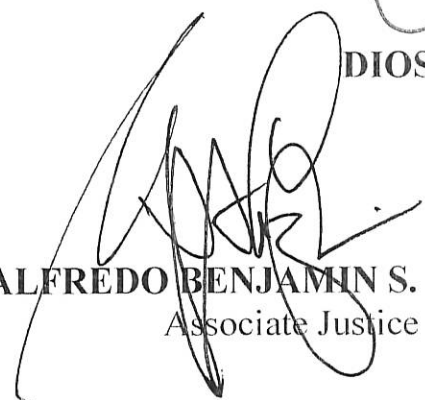


MARIO N. LOPEZ
Associate Justice

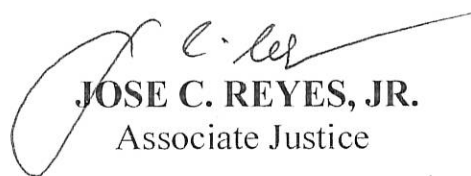
WE CONCUR:



DIOSDADO M. PERALTA
Chief Justice



ALFREDO BENJAMIN S. CAGUIOA
Associate Justice



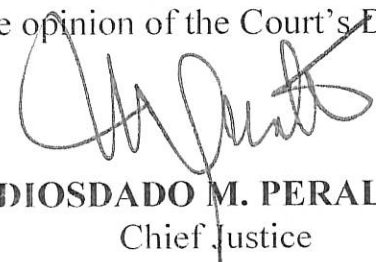
JOSE C. REYES, JR.
Associate Justice



AMY C. LAZARO-JAVIER
Associate Justice

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, I certify that the conclusions in the above Resolution had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



DIOSDADO M. PERALTA
Chief Justice

