



SUPREME COURT OF THE PHILIPPINES
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Republic of the Philippines
Supreme Court
Manila

THIRD DIVISION

NORI CASTRO DE SILVA,
Petitioner,

G.R. No. 251156

Present:

- versus -

LEONEN, J.,
Chairperson,
CARANDANG,
ZALAMEDA,
ROSARIO, and
DIMAAMPAO, JJ.

URBAN KONSTRUCT STUDIO,
INC., FORMERLY C.A. TEAM
PLUS CONSTRUCTION INC./CNP
CONSTRUCTION, INC., AND
PATRICK CANDELARIA,
Respondent.

Promulgated:

November 10, 2021

Mis-DCBatt

DECISION

CARANDANG, J.:

Before this Court is a Petition for Review on *Certiorari*¹ filed by petitioner Nori Castro De Silva (Nori) assailing the Resolutions dated February 28, 2019² and January 7, 2020³ of the Court of Appeals (CA) in CA-G.R. SP No. 159508 dismissing his petition for *certiorari*.

According to Nori, he was employed in April 2009 by Urban Konstruct Studio, Inc. (Urban Konstruct) as a carpenter. For eight years, Nori performed carpentry works for three different construction companies owned by respondent Patrick Candelaria (Patrick), namely: CA Team Plus Construction, Inc. (CA Team Plus), CNP Construction, Inc. (CNP Construction), and Urban Konstruct.⁴ As proof of his employment, Nori

¹ Rollo, pp. 8-23.

² Penned by Associate Justice Elihu A. Ybañez, with the concurrence of Associate Justices Ma. Luisa Quijano-Padilla and Henri Jean Paul B. Inting (now a Member of this Court); id. at 534-536.

³ Penned by Associate Justice Elihu A. Ybañez, with the concurrence of Associate Justices Fernanda Lampas-Peralta and Ma. Luisa Quijano-Padilla; id. at 33-41.

⁴ Id. at 8.

submitted the four company identification cards (IDs)⁵ issued in his name by Urban Konstruct, CA Team Plus, and CNP Construction. All four company IDs indicate Nori's name, position, address, and date of validity. The company ID issued by CNP Construction and another one issued by CA Team Plus with validity date December 30, 2016 indicate M.L. Lopez Construction Services as Nori's employer, while the name of employer was left blank for the IDs issued by Urban Konstruct and by CA Team Plus with validity date June 30, 2017.⁶

On January 4, 2018, Nori's brother, Adlir de Silva (Adlir), the leadman of Urban Konstruct, informed Nori that he was already dismissed from employment. "*Umuwi ka na, wag ka na daw magtrabaho*,"⁷ said Adlir to Nori. Hence, on January 25, 2018, Nori filed a complaint against Urban Konstruct, formerly CA Team Plus Construction, CNP Construction, and Patrick, for constructive dismissal, non-payment of service incentive leave, and 13th month pay. Nori also claims that he was entitled to retirement pay since he worked with respondents for eight years. Lastly, Nori prayed for moral and exemplary damages and attorney's fees.⁸

In their defense, respondents averred that Nori was employed only on January 25, 2017 when Urban Konstruct was incorporated. According to Urban Konstruct, Nori was initially an employee of M.L. Lopez Construction Services until the death of its owner, Marcos Lopez (Lopez) sometime in December 2016. As Lopez' good friend, Patrick absorbed some of his employees. Nori was one of them.⁹

On January 3, 2018, without the knowledge of the respondents, Nori filed a complaint before the Department of Labor and Employment (DOLE) CAMANAVA Office, for constructive dismissal, payment of his retirement benefits, and other monetary claims.¹⁰ On the following day, January 4, 2018, Patrick received a letter¹¹ from Nori:

To: Mr. Patrick Candelaria (Architect)
Pres. & Gen. Manager

May I request in your good office my retirement pay and 13th month pay within the period of eight years.

I claim this benefits because it is mandatory in the Labor Code because I am reached the retirement age (*sic*).¹²

Upon receipt of the letter, Patrick asked Adlir to tell Nori to come to the office so that they can talk about his demand. Nori did not go to the office,

⁵ Id. at 129.

⁶ Id.

⁷ Id. at 8.

⁸ Id. at 134-135.

⁹ Id. at 147.

¹⁰ Id.

¹¹ Id. at 208.

¹² Id.

and neither did he report again to work.¹³ This was corroborated in a *Sinumpaang Salaysay*¹⁴ executed by Romano M. Calayag (Romano), another foreman employed by Urban Konstruct:

5. *Noong ika-4 ng Enero taong 2018, ipinagbigay-alam sa akin ni Adler de Silva, ang isang sa aking leadman at kapatid ni Mang Nori, imbes na magreport si Mang Nori sa trabaho ay kinuha nito ang kanyang gamit sa construction site kung saan kami nakatalagang matrabaho.*

6. *Pagkatapos kong mabalitaan iyo, inireport ko agad ang nangyari kay Architect Patrick. Dahil magkapitbahay naman si Mang Adler at si Mang Nori, sinabihan ako ni Sir Patrick na kausapin si Mang Adlir na papuntahin si Mang Nori sa kanyang opisina para makausap ito ni Architect Patrick ng personal.*

7. *Agad kong sinabi kay Mang Adler ang utos ni Sir Patrick ngunit ayaw niyang kausapin ang kanyang kapatid na si Mang Nori dahil mayroon daw sila ng di pagkakaunawaan. Kaya naman ipinaabot ko na lang ang mensahe ni Sir Patrick sa kaibigan at kapitbahay ni Mang Nori, na nagkataong katrabaho rin namin, na si Christopher Oligario.*

8. *Noong bumalik sa akin si Christopher Oligario, sinabi niya sa akin na ayaw daw pumunta ni Mang Nori sa opisina dahil baka daw sampahan siya ng kaso ni Sir Patrick o ipakulong nito.*¹⁵

Eventually, Patrick learned about the complaint Nori filed with the DOLE.

Respondents argued that Nori was not illegally dismissed because the latter abandoned his work without justifiable cause. Moreover, Nori is not entitled to retirement pay because he was employed for just more than a year, short of the five-year requirement under Article 302 of the Labor Code.¹⁶

Ruling of the Labor Arbiter

In its Decision¹⁷ dated June 21, 2018, the Labor Arbiter (LA) dismissed the complaint for failure to adduce evidence that Nori was illegally dismissed and that he is entitled to his monetary claims. The LA explained that Nori could have submitted an affidavit of his brother, Adlir, to prove his allegation that he was told to go home upon the orders of Patrick. Neither was there a written notice of dismissal, nor any proof that Nori was prevented from entering the premises of Urban Konstruct. Furthermore, the LA found no basis to uphold Nori's claim that the three construction companies, namely, CA

¹³ Id. at 196-197.

¹⁴ Id.

¹⁵ Id.

¹⁶ Id. at 150-154.

¹⁷ Id. at 471-477.

Team Plus, CNP Construction, and Urban Konstruct are one and the same. There was also no evidence showing that Patrick owned and managed all three construction companies.¹⁸

Ruling of the National Labor Relations Commission

Nori appealed, but the National Labor Relations Commission (NLRC) affirmed the Decision of the LA in its Decision¹⁹ dated September 13, 2018. The NLRC noted that Nori's letter demanding payment of his retirement benefits is "very telling in negating his claim for illegal dismissal, constructive or actual. The contents of complainant's letter do not at all demonstrate any hostility or ill feeling towards respondents. It was a courteous request for the payment of retirement and 13th month pay, and contrary to human experience not to harbor any anger towards someone who did you wrong."²⁰ Since Nori failed to establish that either of the respondent companies committed a wrong against him, there is no reason to apply the doctrine of piercing the corporate veil. The NLRC applied the general rule that the respondent corporations have personalities separate and distinct from each other, in the absence of a concrete and clear evidence that either of the companies is essentially a farce, or that any of them is so organized and controlled and its affairs conducted as to make it merely an instrumentality, agency, conduit or adjunct of the other respondent corporations. Accordingly, Nori's claims for retirement pay, 13th month pay and service incentive leave for eight years should be denied because records reveal that he actually rendered service only at most one year with Urban Konstruct.²¹ Finally, since there was no finding of illegal dismissal nor abandonment of work, the NLRC ordered Nori to return to work and for Urban Konstruct to admit him back to work.²²

The NLRC likewise denied Nori's motion for reconsideration for having been filed beyond the reglementary period.²³

Ruling of the Court of Appeals

Nori filed a special civil action for *certiorari*²⁴ with the CA. In a Resolution²⁵ dated February 28, 2019, the CA denied the petition for non-compliance with the Rules of Court: (1) failure to indicate the material dates showing when the assailed decision was received; (2) failure to attach proof of service of the petition to the adverse party; and (3) the motion for reconsideration filed by Nori before the NLRC was filed out of time.²⁶

¹⁸ Id. at 475-476.

¹⁹ Penned by Presiding Commissioner Gerardo C. Nograles, with the concurrence of Commissioners Gina F. Cenit-Escoto and Romeo L. Go; id. at 309-322.

²⁰ See id. at 319.

²¹ Id. at 320.

²² Id. at 321.

²³ Id. at 323-325.

²⁴ Id. at 98-122.

²⁵ Supra note 2.

²⁶ *Rollo*, pp. 534-535.

Subsequently, Nori filed a Motion for Reconsideration,²⁷ but the same was denied by the CA in its Resolution²⁸ dated January 7, 2020.

Petitioner's Arguments

In the present Petition for Review on *Certiorari*, Nori prays that the case be resolved on the merits to advance social justice and for the protection of his constitutional right to security of tenure.²⁹ Nori maintains that he was illegally dismissed when he was verbally instructed not to go to work. More importantly, Nori insists on his entitlement to retirement pay for having worked with the respondents for eight years.³⁰

Respondents' Arguments

In their Comment,³¹ respondents point out the failure of petitioner to strictly comply with the requirements of the Rules of Court and A.M. No. 10-3-7-S³² for filing a petition for review on *certiorari*.³³ As regards the substantive issues, respondents reiterate the finding of the labor tribunals that Nori failed to substantiate his claim of illegal dismissal and his entitlement to retirement benefits.³⁴

Ruling of the Court

The policy of our judicial system is to encourage full adjudication of the merits of an appeal.³⁵ In the past, the Court also held that in cases where the ends of substantial justice would be better served, the application of technical rules of procedure may be relaxed. Hence, in the exercise of its equity jurisdiction, this Court may reverse the dismissal of appeals that are grounded merely on technicalities.³⁶ Procedural lapses may then be disregarded by the Court to allow an examination of the conflicting rights and responsibilities of the parties in a case.³⁷

Records show that the CA dismissed Nori's petition for *certiorari* on the following grounds:

- (1) Failure to indicate the material dates showing when the Decision was received, when a motion for reconsideration was filed, and when the Resolution denying the Motion for Reconsideration was received, in violation of Section 3, paragraph 2, Rule 46, of the Revised Rules of Court;

²⁷ Id. at 72-88.

²⁸ Supra note 3.

²⁹ *Rollo*, p. 13.

³⁰ Id. at 16-21.

³¹ Id. at 363-388.

³² Re: Proposed Rules on E-Filing.

³³ *Rollo*, pp. 369-373.

³⁴ Id. at 383-388.

³⁵ *Atty. Uy v. Villanueva*, 553 Phil. 69, 80 (2007).

³⁶ *EDI Staff Builders International, Inc. v. Magsino*, 411 Phil. 730, 738 (2001).

³⁷ *Havtor Management Phils., Inc. v. NLRC*, 423 Phil. 509, 513 (2001).

(2) Failure to attach proof of service of the petition to the adverse parties, in violation of Section 13, Rule 13 and Section 3, paragraph 3, Rule 46, both of the Revised Rules of Court; and

(3) The Motion for Reconsideration filed by herein petitioner with public respondent NLRC from the NLRC Decision dated 13 September 2018 was filed out of time. Per records of the NLRC, the said Decision was received by said petitioner on 19 September 2018. Thus, petitioner had ten (10) days from 29 September 2018, or until 29 September 2018 to file Motion for Reconsideration. But since the last day to file the motion fell on a Saturday, petitioner had until 1 October 2018, Monday to file the same. However, the Motion for Reconsideration was filed on 11 October 2018 only or 11 days late, rendering the NLRC Decision dated 13 September 2018 final and executory.³⁸

Subsequently, Nori filed a Motion for Reconsideration³⁹ pleading the appellate court to rule on the merits of the case and uphold the constitutional mandate on protection of labor.⁴⁰ In a Resolution⁴¹ dated January 7, 2020, the CA refused to reconsider the Motion, holding that:

The circumstances surrounding this case do not warrant the relaxation of the rules of procedure considering that petitioner still failed to substantially rectify all the procedural infirmities cited in the Resolution dated January 26, 2011.⁴²

To resolve this case, the ruling of the Court in *Diamond Taxi v. Llamas, Jr.*⁴³ is most instructive:

Under Article 221 (now Article 227) of the Labor Code, “the Commission and its members and the Labor Arbiters shall use every and all reasonable means to ascertain the facts in each case speedily and objectively and without regard to technicalities of law or procedure, all in the interest of due process.” Consistently, we have emphasized that “rules of procedure are mere tools designed to facilitate the attainment of justice. A strict and rigid application which would result in technicalities that tend to frustrate rather than promote substantial justice should not be allowed x x x No procedural rule is sacrosanct if such shall result in subverting justice.’ Ultimately, what should guide judicial action is that a party is given the fullest opportunity to establish the merits of his action or defense rather than for him to lose life, honor, or property on mere technicalities.

³⁸ Supra note 2 at 534-535.

³⁹ *Rollo*, pp. 72-88.

⁴⁰ *Id.* at 76.

⁴¹ Supra note 3.

⁴² *Rollo*, p. 36.

⁴³ 729 Phil. 364 (2014).

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Then, too, we should remember that “the dismissal of an employee's appeal on purely technical ground is inconsistent with the constitutional mandate on protection to labor.” Under the Constitution and the Labor Code, the State is bound to protect labor and assure the rights of workers to security of tenure – tenurial security being a preferred constitutional right that, under these fundamental guidelines, technical infirmities in labor pleadings cannot defeat.⁴⁴ (Citations omitted)

In dismissing Nori's petition on technicalities, the CA overlooked the right of Nori that his case be fully adjudicated on the merits. Rules of procedure are mere tools designed to expedite the decision or resolution of cases and other matters pending in court. A strict and rigid application of rules on the basis of technicalities that tend to frustrate rather than promote substantial justice must be avoided.⁴⁵

Thus, We give due course to this petition before Us.

Nori is an employee of the respondents from April 2009 up to January 4, 2018.

The issue of whether or not an employee-employer relationship existed between Nori and the respondents is essentially a question of fact. In dealing with such question, substantial evidence is sufficient. Although no particular form of evidence is required to prove the existence of the relationship, and any competent and relevant evidence to prove the relationship may be admitted, a finding that the relationship exists must nonetheless rest on substantial evidence.⁴⁶

Nori's evidence consists of the following: (1) his own statements;⁴⁷ (2) four company IDs;⁴⁸ and (3) Certificates of Incorporation of the respondents, together with their Articles of Incorporation and By-Laws.⁴⁹ Respondents' evidence, on the other hand, consists of (1) counter-statements;⁵⁰ (2) *Simumpaang Salaysay* executed by Romano;⁵¹ and (3) Nori's letter to Patrick demanding payment of his retirement benefits.⁵²

At this point, We should note the following from the evidence on hand:

⁴⁴ Id. at 379-380.

⁴⁵ *Cusi-Hernandez v. Sps. Diaz*, 390 Phil. 1245, 1252 (2000).

⁴⁶ *Masing and Sons Dev't. Corp. v. Rogelio*, 670 Phil. 120, 129-130 (2011).

⁴⁷ *Rollo*, pp. 133-145; 161-178; 180-186.

⁴⁸ Id. at 129.

⁴⁹ Id. at 258-308.

⁵⁰ Id. at 146-154; 188-193; 198-205.

⁵¹ Id. at 196-197.

⁵² Id. at 208.

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First, the company IDs issued by CA Team Plus and Urban Konstruct show that the two corporations share the same business address and telephone number.⁵³

Second, the primary purpose of CA Team Plus and Urban Konstruct, as indicated in their Articles of Incorporation, are the same: “[t]o engage in the business of general construction, maintenance and landscaping of residential, commercial and industrial structures or facilities covering the exterior and/or interior thereof and both vertical and horizontal in nature.”⁵⁴

Third, Patrick is one of the incorporators of both Urban Konstruct and CNP Construction.⁵⁵ Though Patrick is not an incorporator of CA Team Plus, in all the pleadings submitted respondents acknowledged that Urban Konstruct is *formerly* CA Team Plus.⁵⁶

Fourth, the company IDs issued by CNP Construction and CA Team Plus both indicate M.L. Lopez Construction Services as employer.⁵⁷

Verily, all three construction companies, namely: CNP Construction, CA Team, and Urban Konstruct, are related. Thus, there is more reason to believe Nori’s claim that he worked as carpenter for the three construction companies since April 2009. It is also important to point out that while the respondents insist that Nori was hired only on January 25, 2017 when Urban Konstruct was incorporated, there is no explanation why Nori was issued company IDs by CNP Construction on December 30, 2011 and by CA Team Plus on December 30, 2016 and June 30, 2017.⁵⁸ There is also no proof showing that CNP Construction and CA Team Plus were already dissolved. The company IDs, the Certificates of Incorporation, Articles of Incorporation, and By-Laws – all submitted by Nori - constitute relevant evidence, which to a reasonable mind can justify the conclusion that Nori was an employee of CA Team Plus, Urban Konstruct, and CNP Construction, not M.L. Lopez Construction Services.

Respondents made it appear that this case involves job contracting wherein the respondents are the principal, M.L. Lopez Construction Services (M.L. Lopez Construction) as the contractor or subcontractor, and Nori as the worker engaged by M.L. Lopez Construction. Under Department Order No. 174, Series of 2017, contracting or subcontracting shall only be allowed if all of the following circumstances concur: (1) the contractor or subcontractor is engaged in a distinct and independent business and undertakes to perform the job or work on its own responsibility, according to its own manner and method; (2) the contractor or subcontractor has substantial capital to carry out the job farmed out by the principal on his account, manner and method, investment in the form of tools, equipment, machinery and supervision; (3) in

⁵³ Id. at 129.

⁵⁴ Id. at 261, 295.

⁵⁵ Id. at 279, 296.

⁵⁶ Id. at 310.

⁵⁷ Id. at 129.

⁵⁸ Id.

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performing the work farmed out, the contractor or subcontractor is free from the control and/or direction of the principal in all matters connected with the performance of the work except as to the result thereto; and (4) the Service Agreement ensures compliance with all the rights and benefits for all the employees of the contractor or subcontractor under labor laws.⁵⁹

Absent any of the foregoing requisites makes the entity/person a labor-only contractor resulting to a working arrangement that is absolutely and totally prohibited under Article 106⁶⁰ of the Labor Code and the implementing rules.⁶¹ Labor-only contracting refers to an arrangement where the contractor or subcontractor merely recruits, supplies or places workers to perform a job or work for a principal.

There is no evidence showing that M.L. Lopez Construction is an independent contractor and the respondents did not submit any proof that M.L. Lopez Construction is not engaged in labor-only contracting.

A finding that a contractor is engaged in a 'labor-only' contracting arrangement is equivalent to a declaration that there is an employer-employee relationship between the principal and the employees of the supposed contractor.⁶² In this case, the employer-employee relationship between respondents and Nori becomes all the more apparent since the respondents issued to Nori the company IDs instead of M.L. Lopez Construction.

**Nori was illegally dismissed
from employment on January
4, 2018.**

Respondents' pleadings and other filings submitted before the labor tribunals do not convince Us that petitioner failed to adduce evidence that he

⁵⁹ Section 8, Department Order No. 174, Series of 2017; *Almeda v. Asahi Glass Philippines, Inc.*, 586 Phil. 103, 111-112 (2008).

⁶⁰ Article 106. *Contractor or Subcontractor.* – Whenever an employer enters into a contract with another person for the performance of the former's work, the employees of the contractor and of the latter's subcontractor, if any, shall be paid in accordance with the provisions of this Code. In the event that the contractor or subcontractor fails to pay the wages of his employees in accordance with this Code, the employer shall be jointly and severally liable with his contractor or subcontractor to such employees to the extent of the work performed under the contract, in the same manner and extent that he is liable to employees directly employed by him. The Secretary of Labor and Employment may, by appropriate regulations, restrict or prohibit the contracting-out of labor to protect the rights of workers established under this Code. In so prohibiting or restricting, he may make appropriate distinctions between labor-only contracting and job contracting as well as differentiations within these types of contracting and determine who among the parties involved shall be considered the employer for purposes of this Code, to prevent any violation or circumvention of any provision of this Code.

There is "labor-only" contracting where the person supplying workers to an employer does not have substantial capital or investment in the form of tools, equipment, machineries, work premises, among others, and the workers recruited and placed by such person are performing activities which are directly related to the principal business of such employer. In such cases, the person or intermediary shall be considered merely as an agent of the employer who shall be responsible to the workers in the same manner and extent as if the latter were directly employed by him.

⁶¹ *Manila Water Co., Inc. v. Pena*, 478 Phil. 68, 78-79 (2004); *Corporal, Sr. v. NLRC*, 395 Phil. 890; 898-899 (2000).

⁶² *Alilin v. Petron Corporation*, 735 Phil. 509, 527 (2014), citing *Superior Packaging Corp. v. Balagsay*, 697 Phil. 62, 73 (2012).

was illegally dismissed, for the following reasons: (1) respondents did not deny Nori's assertion that he was verbally instructed not to report to work anymore. The *Sinumpaang Salaysay*⁶³ executed by Romano merely narrated how Patrick allegedly sought for a meeting with Nori to settle the issue on his retirement pay; (2) the *Sinumpaang Salaysay* is self-serving. It was executed only on April 4, 2018, when the complaint was already pending before the LA. Sending a written response to Nori's letter would have been a more prudent course of action for Patrick upon learning that Nori did not want to meet with him. Also, respondents should have issued a Notice to Return to Work when Nori stopped reporting to work; (3) the possibility that Nori was dismissed from employment is not negated by the fact that the complaint for illegal dismissal was filed a day before Nori wrote Patrick a letter⁶⁴ demanding payment of his retirement benefits. The absence of any hostility or ill feeling in Nori's letter cannot be an indication that he abandoned his employment and not illegally dismissed. Noticeably, Nori cannot adopt a belligerent attitude against his employer when he is asking for his retirement pay after eight years of service.

On the basis of the evidence submitted by both parties, the Court resolves that Nori had been dismissed from employment on January 4, 2018 when Adlir told him "*Umuwi ka na, wag ka na daw magtrabaho.*"⁶⁵ After having been told not to report to work, the most that Nori – a simple laborer - can do is to ask for his retirement pay. This Court re-affirms the principle that in any controversy between a laborer and his master, doubts, if any, arising from the evidence are resolved in favor of the laborer.

Further, the burden of proving that the dismissal of an employee was for a valid or authorized cause lies on the employer. The failure to discharge this burden makes the employer liable for illegal dismissal. In this case, respondents did not present any proof that Nori was dismissed for a valid or authorized cause. There was also no evidence submitted to prove that procedural due process was complied with.

Nori is entitled to the retirement benefits under Article 302 of the Labor Code.

Under Article 302⁶⁶ of the Labor Code, five years is the minimum number of years to be rendered by the employee before he can avail of the

⁶³ *Rollo*, pp. 196-197.

⁶⁴ *Id.* at 208.

⁶⁵ *Id.* at 8.

⁶⁶ Article 302. *Retirement.* – x x x.

In the absence of a retirement plan or agreement providing for retirement benefits of employees in the establishment, an employee upon reaching the age of sixty (60) years or more, but not beyond sixty-five (65) years which is hereby declared the compulsory retirement age, who has served at least five (5) years in the said establishment, may retire and shall be entitled to retirement pay equivalent to at least one-half (1/2) month salary for every year of service, a fraction of at least six (6) months-being considered as one (1) whole year.

x x x.

retirement benefits upon reaching optional or compulsory retirement age. Said entitlement to retirement benefit was enacted as a labor protection measure and as a curative statute to respond, in part at least, to the financial well-being of workers during their twilight years soon following their life of labor.⁶⁷

Having reached the conclusion that Nori is an employee of respondents since April 2009, and considering that respondents did not raise any other ground for relief from their duty of providing retirement benefits to their employees, this Court sees no reason why Nori should not be entitled to the retirement benefits provided under Article 302 of the Labor Code. The same reasoning applies for Nori's entitlement to service incentive leave pay and 13th month pay.

Nori was already 63 years old when he filed his complaint before the LA in January 2018. Were it not for his illegal dismissal, Nori could have continued his employment until reaching the compulsory retirement age of sixty-five on December 6, 2019.⁶⁸ Hence, the backwages, retirement benefits, incentive leave pay, and 13th month pay shall accordingly be computed until December 6, 2019.

Nori is entitled to moral and exemplary damages.

Moral damages are awarded in illegal dismissal cases when the employer acted (a) in bad faith or fraud; (b) in a manner oppressive to labor; or (c) in a manner contrary to morals, good customs, or public policy. In addition to moral damages, exemplary damages may be imposed by way of example or correction for the public good.⁶⁹

Respondents clearly acted in bad faith. There was deception when respondents tried to avoid Nori's entitlement to retirement benefits by making it appear that he was an employee of Urban Konstruct only. Thus, Nori is entitled to moral and exemplary damages, a lesson for employers to learn and be reminded that the weak, the ignorant, and the disadvantaged must be protected and treated with respect.

Nori is entitled to attorney's fees of 10% of the total monetary award since he was forced to litigate to vindicate his rights which had been unjustly violated by the respondents.

WHEREFORE, the petition is **GRANTED**. The assailed Resolutions dated February 28, 2019 and January 7, 2020 of the Court of Appeals in CA-G.R. SP No. 159508 are **REVERSED** and **SET ASIDE**. CA Team Plus Construction, CNP Construction, Inc., Urban Konstruct Studio, Inc., and Patrick Candelaria are **ORDERED** to solidarily pay petitioner Nori Castro De Silva the following:

⁶⁷ *Oro Enterprises, Inc. v. National Labor Relations Commission*, 308 Phil. 108, 116 (1994).

⁶⁸ *Rollo*, p. 25.

⁶⁹ *Daguinod v. Southgate Foods, Inc.*, G.R. No. 227795, February 20, 2019.

- (a) full backwages from January 4, 2018 until December 6, 2019;
- (b) retirement pay until December 6, 2019;
- (c) service incentive leave pay;
- (d) 13th month pay;
- (e) moral damages of ₱50,000.00;
- (f) exemplary damages of ₱50,000.00; and
- (g) attorney's fees equivalent to ten percent (10%) of all monetary award.

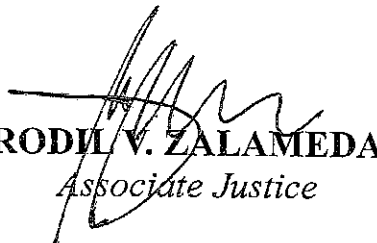
Further, all monetary award shall earn interest at the rate of six percent (6%) *per annum* from finality of this Decision until fully paid. This case is hereby **REMANDED** to the Labor Arbiter for computation and execution of these monetary awards to petitioner Nori Castro De Silva.

SO ORDERED.


ROSMARI D. CARANDANG
Associate Justice

WE CONCUR:


MARVIC MARIO VICTOR F. LEONEN
Associate Justice



RODIL V. ZALAMEDA
Associate Justice


RICARDO R. ROSARIO
Associate Justice


JAPAR B. DIMAAMPAO
Associate Justice

ATTESTATION

I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.


MARVIC MARIO VICTOR F. LEONEN
Associate Justice

CERTIFICATION

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


ALEXANDER G. GESMUNDO
Chief Justice