

SECOND DIVISION

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

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

D E C I S I O N

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 30th 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, nonpayment 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 | - <u>773.96</u> |
| TOTAL | US\$2,806.06 |
| 4. 10% Attorney's Fees | - <u>280.61</u> |
| GRAND TOTAL | <u>US\$3,086.67</u> |

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:

- I. 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.

II. 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.

III. 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.