

EN BANC

[G.R. No. 170139, August 05, 2014]

**SAMEER OVERSEAS PLACEMENT AGENCY, INC., PETITIONER, VS.
JOY C. CABILES, RESPONDENT.**

DECISION

LEONEN, J.:

This case involves an overseas Filipino worker with shattered dreams. It is our duty, given the facts and the law, to approximate justice for her.

We are asked to decide a petition for review^[1] on certiorari assailing the Court of Appeals' decision^[2] dated June 27, 2005. This decision partially affirmed the National Labor Relations Commission's resolution dated March 31, 2004,^[3] declaring respondent's dismissal illegal, directing petitioner to pay respondent's three-month salary equivalent to New Taiwan Dollar (NT\$) 46,080.00, and ordering it to reimburse the NT\$3,000.00 withheld from respondent, and pay her NT\$300.00 attorney's fees.^[4]

Petitioner, Sameer Overseas Placement Agency, Inc., is a recruitment and placement agency.^[5] Responding to an ad it published, respondent, Joy C. Cabiles, submitted her application for a quality control job in Taiwan.^[6]

Joy's application was accepted.^[7] Joy was later asked to sign a one-year employment contract for a monthly salary of NT\$15,360.00.^[8] She alleged that Sameer Overseas Agency required her to pay a placement fee of P70,000.00 when she signed the employment contract.^[9]

Joy was deployed to work for Taiwan Wacoal, Co. Ltd. (Wacoal) on June 26, 1997.^[10] She alleged that in her employment contract, she agreed to work as quality control for one year.^[11] In Taiwan, she was asked to work as a cutter.^[12]

Sameer Overseas Placement Agency claims that on July 14, 1997, a certain Mr. Huwang from Wacoal informed Joy, without prior notice, that she was terminated and that "she should immediately report to their office to get her salary and passport."^[13] She was asked to "prepare for immediate repatriation."^[14]

Joy claims that she was told that from June 26 to July 14, 1997, she only earned a total of NT\$9,000.^[15] According to her, Wacoal deducted NT\$3,000 to cover her plane ticket to Manila.^[16]

On October 15, 1997, Joy filed a complaint^[17] with the National Labor Relations

Commission against petitioner and Wacoal. She claimed that she was illegally dismissed.^[18] She asked for the return of her placement fee, the withheld amount for repatriation costs, payment of her salary for 23 months as well as moral and exemplary damages.^[19] She identified Wacoal as Sameer Overseas Placement Agency's foreign principal.^[20]

Sameer Overseas Placement Agency alleged that respondent's termination was due to her inefficiency, negligence in her duties, and her "failure to comply with the work requirements [of] her foreign [employer]."^[21] The agency also claimed that it did not ask for a placement fee of ₱70,000.00.^[22] As evidence, it showed Official Receipt No. 14860 dated June 10, 1997, bearing the amount of ₱20,360.00.^[23] Petitioner added that Wacoal's accreditation with petitioner had already been transferred to the Pacific Manpower & Management Services, Inc. (Pacific) as of August 6, 1997.^[24] Thus, petitioner asserts that it was already substituted by Pacific Manpower.^[25]

Pacific Manpower moved for the dismissal of petitioner's claims against it.^[26] It alleged that there was no employer-employee relationship between them.^[27] Therefore, the claims against it were outside the jurisdiction of the Labor Arbiter.^[28] Pacific Manpower argued that the employment contract should first be presented so that the employer's contractual obligations might be identified.^[29] It further denied that it assumed liability for petitioner's illegal acts.^[30]

On July 29, 1998, the Labor Arbiter dismissed Joy's complaint.^[31] Acting Executive Labor Arbiter Pedro C. Ramos ruled that her complaint was based on mere allegations.^[32] The Labor Arbiter found that there was no excess payment of placement fees, based on the official receipt presented by petitioner.^[33] The Labor Arbiter found unnecessary a discussion on petitioner's transfer of obligations to Pacific^[34] and considered the matter immaterial in view of the dismissal of respondent's complaint.^[35]

Joy appealed^[36] to the National Labor Relations Commission.

In a resolution^[37] dated March 31, 2004, the National Labor Relations Commission declared that Joy was illegally dismissed.^[38] It reiterated the doctrine that the burden of proof to show that the dismissal was based on a just or valid cause belongs to the employer.^[39] It found that Sameer Overseas Placement Agency failed to prove that there were just causes for termination.^[40] There was no sufficient proof to show that respondent was inefficient in her work and that she failed to comply with company requirements.^[41] Furthermore, procedural due process was not observed in terminating respondent.^[42]

The National Labor Relations Commission did not rule on the issue of reimbursement of placement fees for lack of jurisdiction.^[43] It refused to entertain the issue of the alleged transfer of obligations to Pacific.^[44] It did not acquire jurisdiction over that issue because Sameer Overseas Placement Agency failed to appeal the Labor

Arbiter's decision not to rule on the matter.^[45]

The National Labor Relations Commission awarded respondent only three (3) months worth of salary in the amount of NT\$46,080, the reimbursement of the NT\$3,000 withheld from her, and attorney's fees of NT\$300.^[46]

The Commission denied the agency's motion for reconsideration^[47] dated May 12, 2004 through a resolution^[48] dated July 2, 2004.

Aggrieved by the ruling, Sameer Overseas Placement Agency caused the filing of a petition^[49] for certiorari with the Court of Appeals assailing the National Labor Relations Commission's resolutions dated March 31, 2004 and July 2, 2004.

The Court of Appeals^[50] affirmed the decision of the National Labor Relations Commission with respect to the finding of illegal dismissal, Joy's entitlement to the equivalent of three months worth of salary, reimbursement of withheld repatriation expense, and attorney's fees.^[51] The Court of Appeals remanded the case to the National Labor Relations Commission to address the validity of petitioner's allegations against Pacific.^[52] The Court of Appeals held, thus:

Although the public respondent found the dismissal of the complainant-respondent illegal, we should point out that the NLRC merely awarded her three (3) months backwages or the amount of NT\$46,080.00, which was based upon its finding that she was dismissed without due process, a finding that we uphold, given petitioner's lack of worthwhile discussion upon the same in the proceedings below or before us. Likewise we sustain NLRC's finding in regard to the reimbursement of her fare, which is squarely based on the law; as well as the award of attorney's fees.

But we do find it necessary to remand the instant case to the public respondent for further proceedings, for the purpose of addressing the validity or propriety of petitioner's third-party complaint against the transferee agent or the Pacific Manpower & Management Services, Inc. and Lea G. Manabat. We should emphasize that as far as the decision of the NLRC on the claims of Joy Cabiles, is concerned, the same is hereby affirmed with finality, and we hold petitioner liable thereon, but without prejudice to further hearings on its third party complaint against Pacific for reimbursement.

WHEREFORE, premises considered, the assailed Resolutions are hereby partly **AFFIRMED** in accordance with the foregoing discussion, but subject to the caveat embodied in the last sentence. No costs.

SO ORDERED.^[53]

Dissatisfied, Sameer Overseas Placement Agency filed this petition.^[54]

We are asked to determine whether the Court of Appeals erred when it affirmed the

ruling of the National Labor Relations Commission finding respondent illegally dismissed and awarding her three months' worth of salary, the reimbursement of the cost of her repatriation, and attorney's fees despite the alleged existence of just causes of termination.

Petitioner reiterates that there was just cause for termination because there was a finding of Wacoal that respondent was inefficient in her work.^[55] Therefore, it claims that respondent's dismissal was valid.^[56]

Petitioner also reiterates that since Wacoal's accreditation was validly transferred to Pacific at the time respondent filed her complaint, it should be Pacific that should now assume responsibility for Wacoal's contractual obligations to the workers originally recruited by petitioner.^[57]

Sameer Overseas Placement Agency's petition is without merit. We find for respondent.

I

Sameer Overseas Placement Agency failed to show that there was just cause for causing Joy's dismissal. The employer, Wacoal, also failed to accord her due process of law.

Indeed, employers have the prerogative to impose productivity and quality standards at work.^[58] They may also impose reasonable rules to ensure that the employees comply with these standards.^[59] Failure to comply may be a just cause for their dismissal.^[60] Certainly, employers cannot be compelled to retain the services of an employee who is guilty of acts that are inimical to the interest of the employer.^[61] While the law acknowledges the plight and vulnerability of workers, it does not "authorize the oppression or self-destruction of the employer."^[62] Management prerogative is recognized in law and in our jurisprudence.

This prerogative, however, should not be abused. It is "tempered with the employee's right to security of tenure."^[63] Workers are entitled to substantive and procedural due process before termination. They may not be removed from employment without a valid or just cause as determined by law and without going through the proper procedure.

Security of tenure for labor is guaranteed by our Constitution.^[64]

Employees are not stripped of their security of tenure when they move to work in a different jurisdiction. With respect to the rights of overseas Filipino workers, we follow the principle of *lex loci contractus*.

Thus, in *Triple Eight Integrated Services, Inc. v. NLRC*,^[65] this court noted:

Petitioner likewise attempts to sidestep the medical certificate requirement by contending that since Osdana was working in Saudi Arabia, her employment was subject to the laws of the host country.

Apparently, petitioner hopes to make it appear that the labor laws of Saudi Arabia do not require any certification by a competent public health authority in the dismissal of employees due to illness.

Again, petitioner's argument is without merit.

First, established is the rule that ***lex loci contractus (the law of the place where the contract is made) governs in this jurisdiction. There is no question that the contract of employment in this case was perfected here in the Philippines. Therefore, the Labor Code, its implementing rules and regulations, and other laws affecting labor apply in this case.*** Furthermore, settled is the rule that the courts of the forum will not enforce any foreign claim obnoxious to the forum's public policy. Here in the Philippines, employment agreements are more than contractual in nature. The Constitution itself, in Article XIII, Section 3, guarantees the special protection of workers, to wit:

The State shall afford full protection to labor, local and overseas, organized and unorganized, and promote full employment and equality of employment opportunities for all.

It shall guarantee the rights of all workers to self-organization, collective bargaining and negotiations, and peaceful concerted activities, including the right to strike in accordance with law. They shall be entitled to security of tenure, humane conditions of work, and a living wage. They shall also participate in policy and decision-making processes affecting their rights and benefits as may be provided by law.

. . . .

This public policy should be borne in mind in this case because to allow foreign employers to determine for and by themselves whether an overseas contract worker may be dismissed on the ground of illness would encourage illegal or arbitrary pre-termination of employment contracts.^[66] (Emphasis supplied, citation omitted)

Even with respect to fundamental procedural rights, this court emphasized in *PCL Shipping Philippines, Inc. v. NLRC*,^[67] to wit:

Petitioners admit that they did not inform private respondent in writing of the charges against him and that they failed to conduct a formal investigation to give him opportunity to air his side. *However, petitioners contend that the twin requirements of notice and hearing applies strictly only when the employment is within the Philippines and that these need not be strictly observed in cases of international maritime or overseas employment.*

The Court does not agree. ***The provisions of the Constitution as well***