

## THIRD DIVISION

[ G.R. No. 191459, January 17, 2011 ]

**BERNADETH LONDONIO AND JOAN CORCORO, PETITIONERS, VS.  
BIO RESEARCH, INC. AND WILSON Y. ANG, RESPONDENTS.**

### DECISION

**CARPIO MORALES, J.:**

Petitioners Bernadeth E. Londonio (Bernadeth) and Joan T. Corcoro (Joan) were hired by respondent Bio Research Inc. (Bio Research) as graphic/visual artists on February 12 and October 19, 2004, respectively.

In a Memorandum dated April 30, 2005 which petitioners received on May 7, 2005,<sup>[1]</sup> Bio Research informed its employees including petitioners that pursuant to its plan to reduce the workforce in order to prevent losses, it would be severing their employment with the company. On May 9, 2005, Bio Research filed an Establishment Termination Report<sup>[2]</sup> with the Department of Labor and Employment (DOLE) stating that it was retrenching 18 of its employees including petitioners due to redundancy and to prevent losses.

Bernadeth and Joan were in fact retrenched on May 26 and May 18, 2005, respectively.

Joan accepted her retrenchment pay in the sum of P9,990.14 and executed a Quitclaim and Waiver<sup>[3]</sup> reading:

FOR AND IN CONSIDERATION OF THE SUM OF NINE THOUSAND NINE HUNDRED NINETY PESOS & 14/100 (P9,990.14), as financial assistance, receipt whereof in settlement of my claims, I x x x do hereby release/discharge xxx with principal office at x x x and/or its officers, from any or all claims/liabilities by way of unpaid wages, overtime pay, separation pay, retirement benefits, 13<sup>th</sup> month, or otherwise as may be due me incident to my past employment with the said x x x. I hereby state further that I have no more claim or cause of action of whatsoever nature whether past, present or contingent, including my alleged right for continued employment with xxx, and/or any of its officers.

This QUITCLAIM AND WAIVER may be used to secure dismissal of any complaint or action already filed or may be subsequently filed either by myself, my heirs and successors in interests.

I have executed this QUITCLAIM AND WAIVER voluntarily and of my own freewill and I understand the legal and factual consequences.

Bernadeth refused to accept hers.

Petitioners later filed a complaint for illegal dismissal, moral and exemplary damages and attorney's fees against respondent Bio Research and its co-respondent President/CEO Wilson Y. Ang (Ang). Petitioners claimed that their dismissal was done in bad faith and tainted with malice, being retaliatory in nature, following the filing by Bernadeth of a complaint against Jose Ang, Jr. (Jose), one of Bio Research's managers, for a sexual harassment incident that occurred in his office on February 19, 2005.

In support of their claim that their dismissal was retaliatory in nature, petitioners alleged that soon after the filing by Bernadeth of the sexual harassment complaint, [4] several members of the management approached Joan, to whom Bernadeth had poured her heart out after the incident, urging her to convince her friend Bernadeth to drop the complaint, to which she (Joan) paid no heed as she expressed support for Bernadeth's cause.

Petitioners added that an administrative investigation [5] of the sexual harassment complaint was in fact conducted by Bio Research but before it could be resolved, Jose resigned on April 15, 2005. [6]

To refute Bio Research's claim that it had been incurring business losses, Joan cited the recommendation for her regularization on April 12, 2005, 18 days before she received a copy of the Memorandum of April 30, 2005.

Bio Research, disclaiming that the sexual harassment case had anything to do with its decision to terminate the services of petitioners, maintained that financial reverses prompted it to take such drastic action. It went on to stress that as Joan had already received her separation pay and had in fact signed a waiver and quitclaim in its favor, she is estopped from challenging the validity of her dismissal.

By Decision of March 31, 2006, [7] the Labor Arbiter (LA) ruled in favor of petitioners, the dispositive portion of which reads:

WHEREFORE, premises considered, judgment is entered finding that complainants were illegally dismissed by respondents in bad faith, ORDERING respondents BIO RESEARCH CORP. and/or WILSON ANG (President/Manager), to reinstate complainants to their former positions, without loss of seniority rights and benefits, and pay them full backwages from date of illegal dismissal/illegal retrenchments of complainants, Bernadette Londonio on 05/26/2005, Joan Corcoro is 05/18/2005, until actually reinstated, and to pay them moral and exemplary damages in the combined amount of P125,000.00 each, plus to pay them 10% of the total award as attorney's fees. Complainants' full backwages, as of date of this decision is shown hereunder:

**Bernadette  
Londonio**

1) Basic	P95,000.00	(05/26/2005-03/31/2006 10 months x P9,500)
2) 13 <sup>th</sup> month pay	P7,307.69	(1/12 P95,000.00)
3) 5 days SILP	P1,314.16	(P9,500.00/30=P316.66 x 5 x .83 year)
4) COLA	P15,208.33	(P50.00 X 365/12 - P1,520.00 X 10months)
<b>Total FB</b>	<b>P118,830.18</b>	

#### **Joan Corcoro**

1) Basic	P93,600.00	(05/18/2005 - 03/31/2006 10.4 months x P9,000)
2) 13 <sup>th</sup> month pay	P7,800.00	(1/12 P93,600.00)
3) 5 days SILP	P1,290.00	(P9,000.00/30 = P300.00 X 5 X .86 YEAR)
4) COLA	P15,816.66	(P50.00 X 365/12+p1,520.00 X 10.4 Months)
<b>Total FB</b>	<b>P118,506.66</b>	

In finding against Bio Research, the LA held that it failed to prove financial losses to justify its call for the retrenchment of petitioners, and to use fair and reasonable criteria to ascertain who to dismiss or retain; and that Bio Research failed to comply with the requirements of Article 283 of the Labor Code – that notice should be given to the DOLE and employees concerned at least a month before the intended retrenchment.

Finally, the LA held that since Joan's receipt of her salary for the period April 11, 2005 - April 18, 2005, the amount which was lumped with her retrenchment pay, was conditioned on her signing the quitclaim, the execution thereof was done through force, hence, not valid.

On appeal by respondents, the National Labor Relations Commission (NLRC), by Resolution of February 18, 2008,<sup>[8]</sup> *affirmed* the LA's decision. And it denied respondents' reconsideration of its decision by Resolution of May 30, 2008.

The Court of Appeals to which respondents assailed the NLRC resolutions by certiorari, *sustained* the *ratio decidendi* behind the NLRC decision in favor of petitioners, by Decision of May 27, 2009.<sup>[9]</sup> Specifically with respect to Joan, however, it pronounced that she could no longer question the legality of her dismissal in light of her execution of the quitclaim and waiver.

Further, the appellate court departed from the NLRC ruling holding respondent Ang solidarily liable with Bio Research for the money claims of petitioners, the latter having failed to show that Ang was impelled by malice and bad faith in dismissing them. Thus the appellate court held: