

## SECOND DIVISION

[ G.R. No. 156766, April 16, 2009 ]

**ROSARIO A. GATUS, PETITIONER, VS. QUALITY HOUSE, INC.  
AND CHRISTOPHER CHUA, RESPONDENTS.**

### DECISION

**BRION, J.:**

Assailed before this Court *via* a petition for review under Rule 45 of the Rules of Court are:

- (a) the Decision of the Court of Appeals (CA) promulgated on September 25, 2002<sup>[1]</sup> which reversed and set aside the decision of the National Labor Relations Commission (NLRC) promulgated on July 28, 1999<sup>[2]</sup>; and
- (b) the Resolution of the CA promulgated on January 15, 2003, which denied the motion for reconsideration of its September 25, 2002 Decision.<sup>[3]</sup>

### THE FACTS

Petitioner Rosario A. Gatus (*petitioner*) started her employment as an assembler with respondent Quality House, Inc. (*respondent company*) on July 14, 1987. The respondent company placed her under preventive suspension on July 1, 1997 through a notice that partly stated: "In view of the incident that occurred yesterday, 30 June 1997, between 4:00 to 4:30 p.m. at Mapa Avenue, Sta. Mesa, Manila involving your husband, Ferdinand Gatus, yourself and your co-employee, Leonilo Echavez,<sup>[4]</sup> you are hereby given a preventive suspension starting today, 01 July 1997, to end on 08 July 1997, pending investigation of the case."<sup>[5]</sup>

The assailed decision narrated the June 30, 1997 incident as follows:

It appears that on June 30, 1997, Mr. Echavez [*petitioner*] and her husband and other employees of [*respondent*] corporation, namely, Nelia Burabo and Reynaldo Padayao, were in a waiting shed when [*petitioner's*] husband suddenly turned towards Echavez and mauled the latter. Echavez fell to the ground and sustained several bruises, soft tissue swelling and musculoskeletal pain, as shown by a medico-legal report (*Rollo*, p. 65) and Echavez' affidavit (*Rollo*, pp. 70-71). Witnesses executed affidavits stating that private respondent had instigated her husband by urging him: "*Sige pa! sige pa!*"<sup>[6]</sup>

**The petitioner promptly submitted on the same date her explanation in response to the respondent company's July 1, 1997 notice.<sup>[7]</sup> She**

complained in Filipino that she was experiencing difficulties in her work, caused by her co-employees Shelly, Rene and Nilo Echavez, due to her trade union activities. She claimed that she was being harassed by the three, especially Nilo Echavez, because she did not join the Philippine Association of Free Labor Unions (PAFLU). She said she preferred to be an independent unionist. She narrated that the harassment and humiliation persisted to the point of becoming unbearable; she was left with no recourse but to tell her husband about her workplace problems. This made her husband mad.

The petitioner responded to the preventive suspension by filing, on July 7, 1997, a complaint for illegal suspension and damages against the respondents. In a memorandum dated July 9, 1997, the respondent company, through Director Carmelita C. Go, terminated the petitioner's employment.<sup>[8]</sup> The petitioner accordingly amended her complaint on September 10, 1997, to reflect her charges of unfair labor practice and illegal dismissal, with claims for moral and exemplary damages.

**The petitioner reiterated before the labor arbiter her concerns about her workplace difficulties.** She especially bewailed the discrimination against her by the respondents and by supervisor Leonilo Echavez on account of her active participation in the formation of the Quality House, Inc. Workers Union (an independent labor union) and her disaffiliation, together with other employees, from PAFLU. She reported her difficulties to her husband Ferdinand Gatus (Ferdinand), who promptly confronted Echavez; the confrontation led to the encounter between Ferdinand and Echavez when the latter was about to attack Ferdinand.<sup>[9]</sup>

The respondents' Reply narrated the infractions the petitioner committed during her employment that showed her continuing poor work attitude, and for which she received the penalties of reprimand and two suspensions. She was also transferred to another section when her work attitude turned from bad to worse. The last infraction was the June 30, 1997 incident when, at her instigation, her husband Ferdinand physically attacked Leonilo Echavez. The respondent company terminated her services when it found her explanation unsatisfactory. The termination was effective upon her receipt of the respondent company's memo dated July 9, 1997.<sup>[10]</sup>

Labor Arbiter Potenciano S. Cañizares, Jr. dismissed the complaint for lack of merit on March 25, 1998.<sup>[11]</sup> The arbiter found no substantial evidence that showed that the respondents committed unfair labor practice. He likewise found that the mauling incident that occurred outside, but adjacent to, the respondent company's premises was instigated by petitioner; that it was a work-related matter; and that her act of bringing her husband Ferdinand to physically assault her supervisor was worse than if she did the assault herself. The arbiter concluded that the petitioner's continued service with the company would be inimical to the employer's interest, and that her dismissal was for a just cause under Art. 282 of the Labor Code.

The petitioner appealed to the NLRC on April 30, 1998.<sup>[12]</sup> On July 28, 1999, the NLRC affirmed the labor arbiter's ruling, finding that the physical assault on Leonilo Echavez that the petitioner instigated constitutes a just cause for the termination of her employment.<sup>[13]</sup>

The petitioner moved for, and successfully secured, a reconsideration of the NLRC's decision.<sup>[14]</sup> The new NLRC ruling, promulgated on June 8, 2001,<sup>[15]</sup> referred the case to Labor Arbiter Luis D. Flores for review and hearing, with instructions to rely on Article 221 of the Labor Code if necessary.<sup>[16]</sup> On November 15, 2000, Arbiter Flores submitted a report recommending the petitioner's reinstatement, with full backwages and without loss of seniority rights. The NLRC found the report to be supported by the facts and the law and, on this basis, reversed its earlier decision. The respondents unsuccessfully moved for the reconsideration of the NLRC's reconsidered ruling, and thereafter sought relief from the CA by way of a petition for *certiorari* and prohibition under Rule 65 of the Rules of Court.

In view of the variance in the findings of fact of the labor arbiter with those of the NLRC, as well as the allegation of grave abuse of discretion, the CA opted to review the facts of the case, as an exception to the rule that factual findings of quasi-judicial agencies, like the NLRC, are accorded respect and finality, if supported by substantial evidence. On September 25, 2002, the CA promulgated the decision assailed in the present petition, ruling that the NLRC committed grave abuse of discretion amounting to lack of jurisdiction when it reinstated the petitioner and awarded her monetary benefits. The petitioner filed the present petition with this Court when the CA denied, on January 15, 2003, the motion for reconsideration she subsequently filed.<sup>[17]</sup>

### **THE PETITION**

The petition is anchored on the following grounds --

1. the CA erred in reversing and setting aside the decision of the NLRC and reinstating that of the labor arbiter, contrary to the evidence and settled jurisprudence.
2. the CA erred in not resolving the doubt in the evidence presented by the employee and that of the employer in favor of the employee.

In a memorandum filed on August 13, 2003,<sup>[18]</sup> the petitioner claims that: the CA did not give any plausible or legal reason in upholding the findings of the labor arbiter and disregarding those of the NLRC - it merely brushed aside the NLRC's well-founded conclusions and adopted the factual findings of the labor arbiter; and, these findings of the labor arbiter rested solely on the respondents' naked assertions and self-serving statements, in marked contrast with the findings of the NLRC which are entitled to respect and finality because they are supported by substantial evidence. Citing *Sanyo Travel Corporation, et al. v. NLRC, et al.*,<sup>[19]</sup> the petitioner posits that the employer must prove the validity of a dismissal; it is not for the employee to prove its invalidity.

The petitioner further contends that the respondents failed to prove that her dismissal was for a just and valid cause; thus, her dismissal was illegal for contravening Article 277 (b)<sup>[20]</sup> of the Labor Code. She essentially questions the CA's finding that she instigated her husband's assault on her supervisor. Her alleged utterance of the words "*sige pa, sige pa*" was never proven; even the statements of her supervisor, Leonilo Echavez, regarding the incident (which the labor arbiter relied upon) were inconsistent. In fact, the affidavit which Echavez submitted to the

Office of the Prosecutor did not state that she uttered the words "*sige pa, sige pa*"; thus, the Prosecutor's Office did not find sufficient evidence to conclude that she participated in the incident. The petitioner also claims that the CA wrongly adopted the labor arbiter's conclusion that her act of complaining to her husband about her supervisor constitutes an admission of her participation in the assault. She alleges that it is only natural for a wife to relate to her husband her workplace experiences, as she has no one to talk to except the person closest to her heart; this communication cannot thus be considered an act of instigation. The petitioner asserts that since doubts exist regarding the alleged instigation, such doubts should be resolved in her favor.

The petitioner also submits that the act attributed to her does not pertain to the performance of her duties, and is not an act that would render her unfit to continue working for the company.

Further, the petitioner faults the CA for citing her poor work attitude as an additional basis for dismissal and as a reason that militates against her retention in the company; she claimed that this cited reason is not true, is beside the point and an afterthought. She argues that her previous infractions may be used as a ground for dismissal only if they directly relate to the proximate cause of dismissal; this linkage was not shown in the present case.

Lastly, the petitioner claims that she was dismissed without prior administrative investigation that allowed her to confront her accusers and the witnesses against her; she was simply placed under preventive suspension and eventually dismissed from work without any hearing.

### **THE CASE FOR RESPONDENTS**

In a memorandum filed on August 21, 2003,<sup>[21]</sup> the respondents raise the following issues -

1. whether the petition distinctly sets forth questions of law;
2. whether the findings of fact of the CA are conclusive;
3. whether the appellate court erred in rendering the decisions subject of the petition; and
4. whether the petitioner's termination from employment is valid.

On the first issue, the respondents claim that the petition is fatally defective because it did not raise questions of law, as required under Rule 45 of the Rules of Court. They contend that the petition calls for a re-evaluation and re-assessment of the evidence considered and passed upon by the appellate court.

The respondents see no need for the re-examination of the facts since the CA's findings of fact are conclusive on the Court and are supported by substantial evidence. To stress that the assailed CA rulings are supported by evidence, they point to the previous dismissals of the petitioner's complaint: *first*, by the labor arbiter in his March 25, 1998 decision<sup>[22]</sup> in NLRC-NCR Case No. 00-07-04771-97; *second*, by the NLRC's July 28, 1999 decision,<sup>[23]</sup> and *third*, by the CA's decision<sup>[24]</sup>

dated September 25, 2002, and resolution<sup>[25]</sup> dated January 15, 2003.

The respondents insist that the CA committed no error in reviewing the evidence presented. While the factual findings of the NLRC are generally conclusive and binding on the appellate courts, there were conflicting factual findings by the labor arbiter and by the NLRC, which necessitated a re-examination of the evidence.

### **OUR RULING**

**We find no merit in the petition.** The CA correctly reversed the NLRC, thereby giving way to the labor arbiter's ruling that the petitioner was not illegally dismissed.

At the outset, we clarify that the petition properly raises both factual and legal questions. The variance in the factual findings below compels us to look at the evidence to settle the factual issues raised. The petition likewise raises the legal issue of whether the petitioner has been accorded due process.

### **The Evidentiary Issue**

We concur with the CA that there is substantial evidence to support the conclusion that petitioner was dismissed for a just cause. We likewise conclude that no doubt exists in the evidence presented that would call for the application of the rule that doubts must be resolved in favor of the employee.<sup>[26]</sup>

Our own reading of the evidence tells us that the assault on supervisor Leonilo Echavez on June 30, 1997<sup>[27]</sup> did indeed take place; that the person who assaulted Echavez was Ferdinand Gatus, the petitioner's husband, is also beyond doubt. Thus, the real factual issue is reduced to the petitioner's connection with, or participation in, the assault on Echavez. If she did cause, motivate or participate in the attack, then the labor arbiter and the CA are correct in their conclusions; otherwise, we should uphold the NLRC's factual findings.

We find in the first place that the petitioner harbored a deep resentment against Nilo Echavez, which she reported to her husband Ferdinand. This report infuriated Ferdinand. The petitioner herself provided the basis for this conclusion when she stated in her June 30, 1997 explanation that:

*Talagang guilty si Nilo na talagang pinahihirapan ako sa trabaho. Hindi sa nagrereklamo ako; talagang sinasadya nila dahil independent ako. Iyan ang talagang dahilan kaya nila ako ginaganun sa trabaho. Sinabi ko kay Rene noong Sabado dahil hindi ko na matiis ang ginagawa nila sa akin. Sabi ni Rene kayo ang nagsisimula eh. At saka sa trabaho nakikita ko si Shelly, Nelia at Nilo na nagtatawanan tapos nakatingin sa akin. Minsan nahuli ko si Nelia at Shelly na nahihirapan na raw ako. [sic] Kaya sinumbong ko si Nilo sa mister ko kaya nagalit.*

More than providing for the motivation, the petitioner was at the scene of the attack and actively encouraged it. Thus, the CA concluded--

It is undisputed that private respondent's act of instigating her husband to inflict more violence ("Sige pa! Sige pa!") on her supervisor enraged and emboldened him. The incident was work-related having been brought