

FIRST DIVISION

[G.R. NO. 152777, December 09, 2005]

LOLITA R. LACUESTA, PETITIONER, VS. ATENEO DE MANILA UNIVERSITY, DR. LEOVINO MA. GARCIA AND DR. MARIJO RUIZ, RESPONDENTS.

D E C I S I O N

QUISUMBING, J.:

This petition for review on certiorari assails the **Decision**^[1] dated October 12, 2001 of the Court of Appeals in CA-G.R. SP No. 61173 and its **Resolution**^[2] dated February 21, 2002, denying the motion for reconsideration. The appellate court affirmed the **Decision**^[3] dated February 24, 2000 of the National Labor Relations Commission (NLRC), which had reversed the Decision dated March 20, 1998 of the Labor Arbiter.

The facts are undisputed.

Respondent Ateneo de Manila University (Ateneo) hired, on a contractual basis, petitioner Lolita R. Lacuesta as a part-time lecturer in its English Department for the second semester of school year 1988-1989. She was re-hired, still on a contractual basis, for the first and second semesters of school year 1989-1990.

On July 13, 1990, the petitioner was first appointed as full-time instructor on probation, in the same department effective June 1, 1990 until March 31, 1991. Thereafter, her contract as faculty on probation was renewed effective April 1, 1991 until March 31, 1992. She was again hired for a third year effective April 1, 1992 until March 31, 1993. During these three years she was on probation status.

In a letter dated January 27, 1993, respondent Dr. Leovino Ma. Garcia, Dean of Ateneo's Graduate School and College of Arts and Sciences, notified petitioner that her contract would no longer be renewed because she did not integrate well with the English Department. Petitioner then appealed to the President of the Ateneo at the time, Fr. Joaquin Bernas, S.J.

In a letter dated February 11, 1993, Fr. Bernas explained to petitioner that she was not being terminated, but her contract would simply expire. He also stated that the university president makes a permanent appointment only upon recommendation of the Dean and confirmation of the Committee on Faculty Rank and Permanent Appointment. He added that any appointment he might extend would be tantamount to a midnight appointment.

In another letter dated March 11, 1993, Fr. Bernas offered petitioner the job as book editor in the University Press under terms comparable to that of a faculty member.

On March 26, 1993, petitioner applied for clearance to collect her final salary as instructor. Petitioner also signed a Quitclaim, Discharge and Release on April 16, 1993.^[4]

Petitioner worked as editor in the University Press from April 1, 1993 to March 31, 1994 including an extension of two months after her contract expired. Upon expiry of her contract, petitioner applied for clearance to collect her final salary as editor. Later, she agreed to extend her contract from June 16, 1994 to October 31, 1994. Petitioner decided not to have her contract renewed due to a severe back problem. She did not report back to work, but she submitted her clearance on February 20, 1995.

On December 23, 1996, petitioner filed a complaint for illegal dismissal with prayer for reinstatement, back wages, and moral and exemplary damages. Dr. Leovino Ma. Garcia and Dr. Marijo Ruiz were sued in their official capacities as the previous and present deans of the College of Arts and Sciences, respectively.

Labor Arbiter Manuel P. Asuncion held that petitioner may not be terminated by mere lapse of the probationary period but only for just cause or failure to meet the employer's standards. Moreover, said the Labor Arbiter, the quitclaim, discharge and release executed by petitioner was not a bar to filing a complaint for illegal dismissal.^[5] Thus, he ordered reinstatement with payment of full back wages.

The NLRC upon appeal of respondents reversed the Labor Arbiter's decision and ruled that petitioner was not illegally dismissed, and that her quitclaim was valid. Petitioner sought reconsideration but it was denied. She then filed a petition for certiorari before the Court of Appeals assailing the NLRC decision. The appellate court dismissed the petition saying there was no grave abuse of discretion and affirmed the NLRC decision. It ruled:

WHEREFORE, the petition is hereby **denied** and accordingly **DISMISSED.**^[6]

Hence, this instant petition where petitioner assigns the following as errors:

1. The Court of Appeals erred in ruling that it is the Manual of Regulations For Private Schools, not the Labor Code, that determines the acquisition of regular or permanent status of faculty members in an educational institution;
2. The Court of Appeals erred in upholding the Quitclaim that was signed by the Petitioner and in taking that against her claims for illegal dismissal and for moral and exemplary damages against the respondents.^[7]

Simply put, the issue in this case is whether the petitioner was illegally dismissed.

Petitioner contends that Articles 280 and 281 of the Labor Code,^[8] not the Manual of Regulations for Private Schools, is the applicable law to determine whether or not an employee in an educational institution has acquired regular or permanent status. She argues that (1) under Article 281, probationary employment shall not exceed

six (6) months from date of employment unless a longer period had been stipulated by an apprenticeship agreement; (2) under Article 280, if the apprenticeship agreement stipulates a period longer than one year and the employee rendered at least one year of service, whether continuous or broken, the employee shall be considered as regular employee with respect to the activity in which he is employed while such activity exists; and (3) it is with more reason that petitioner be made regular since she had rendered services as part-time and full-time English teacher for four and a half years, services which are necessary and desirable to the usual business of Ateneo.^[9]

Furthermore, the petitioner contends that her clearance was granted and completed only after she signed the quitclaim on April 16, 1993. She contends also that the respondents failed to show that her quitclaim was voluntary.

Respondents, for their part, contend that the Manual of Regulations for Private Schools is controlling. In the Manual, full-time teachers who have rendered three consecutive years of satisfactory service shall be considered permanent. Respondents also claim that the petitioner was not terminated but her employment contract expired at the end of the probationary period. Further, institutions of higher learning, such as respondent Ateneo, enjoy the freedom to choose who may teach according to its standards. Respondents also argue that the quitclaim, discharge and release by petitioner is binding and should bar her complaint for illegal dismissal.

After considering the contentions of the parties in the light of the circumstances in this case, we find for respondents.

The Manual of Regulations for Private Schools, and not the Labor Code, determines whether or not a faculty member in an educational institution has attained regular or permanent status.^[10] In *University of Santo Tomas v. National Labor Relations Commission* the Court *en banc* said that under Policy Instructions No. 11 issued by the Department of Labor and Employment, "the probationary employment of professors, instructors and teachers shall be subject to the standards established by the Department of Education and Culture." Said standards are embodied in paragraph 75^[11] (now Section 93) of the Manual of Regulations for Private Schools.^[12]

Section 93^[13] of the 1992 Manual of Regulations for Private Schools provides that full-time teachers who have satisfactorily completed their probationary period shall be considered regular or permanent.^[14] Moreover, for those teaching in the tertiary level, the probationary period shall not be more than six consecutive regular semesters of satisfactory service.^[15] The requisites to acquire permanent employment, or security of tenure, are (1) the teacher is a full-time teacher; (2) the teacher must have rendered three consecutive years of service; and (3) such service must have been satisfactory.^[16]

As previously held, a part-time teacher cannot acquire permanent status.^[17] Only when one has served as a full-time teacher can he acquire permanent or regular status. The petitioner was a part-time lecturer before she was appointed as a full-time instructor on probation. As a part-time lecturer, her employment as such had ended when her contract expired. Thus, the three semesters she served as part-