



SUPREME COURT OF THE PHILIPPINES
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Republic of the Philippines
Supreme Court
Manila

FIRST DIVISION

RINGO B. DAYOWAN
TRANSPORT SERVICES OR
RINGO B. DAYOWAN,

G.R. No. 226409

Petitioner, Present:

PERALTA,
Chairperson,
CAGUIOA,
CARANDANG,
ZALAMEDA
GAERLAN, *JJ.*

- versus -

DIONITO D. GUARINO, JR.

Respondent.

Promulgated:

NOV 10 2020

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DECISION

CARANDANG, J.:

This is a Petition for Review on *Certiorari*¹ under Rule 45 of the Rules of Court seeking to reverse and set aside the Decision² dated March 31, 2016 of the Court of Appeals (CA) in CA-G.R. SP No. 141585, which reversed and set aside the Decision³ dated April 14, 2015 and the Resolution⁴ dated June 5,

¹ *Rollo*, pp. 10-21.

² Penned by Associate Justice Amy C. Lazaro-Javier (now a Member of this Court), with the concurrence of Associate Justices Celia C. Librea-Leagogo and Melchor Q.C. Sadang; *id.* at 55-72.

³ Penned by Presiding Commissioner Gerardo C. Nograles, with the concurrence of Commissioner Romeo L. Go; *id.* at 46-51.

⁴ *Id.* at 52-54.

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2015 of the National Labor Relations Commission (NLRC) in NLRC LAC Case No. 02-000288-15.

Facts of the Case

Dionito D. Guarino (Dionito) was employed as a jeepney driver by Ringo B. Dayowan (Ringo), doing business under the name of Ringo B. Dayowan Transport Services. Compensated on boundary basis, Dionito was required to drive Ringo's jeepney five times a week on a ten to twelve-hour schedule. Dionito earned around ₱600.00 to ₱800.00 per day. Since the start of his employment on July 9, 2009, Dionito was required to deposit to Ringo ₱20.00 per day for his Social Security System (SSS) contribution. Sometime in March 2014, Dionito discovered that Ringo was not remitting his daily deposit to the SSS. On March 5, 2014, Dionito confronted Ringo about it. Ringo then told Dionito: "*Kung ayaw mo ng patakaran dito, wag ka na bumiyaha.*"⁵ The following day, Dionito reported to work. However, Ringo informed him that he is no longer allowed to drive the jeepney. Ringo also asked Dionito to sign a resignation letter. Dionito refused and insisted that he still wants to continue working.⁶

Ringo claims that Dionito voluntarily quit his job. To show that Dionito's allegation is baseless, Ringo submitted in evidence SSS receipts⁷ proving that the SSS contributions of Dionito and of all seven other drivers were duly remitted. According to Ringo, Dionito surrendered the jeepney with plate number PKN 375 and its keys on March 4, 2014 because he did not like the imposed increase on the boundary rate. Ringo asked Dionito to make a resignation letter but Dionito refused, saying that a resignation letter is unnecessary. Then, Ringo asked Dionito how would he pay for his unremitted boundary and cash advances in the total amount of ₱19,500.00 reflected in the PUJ Daily Logbook for PUJ PKN 375.⁸ Dionito told Ringo to just consider the amount as financial assistance. Insulted, Ringo immediately sought the assistance of the barangay.⁹ His "*Sumbong*"¹⁰ dated March 5, 2014 before the Tanggapan ng Punong Barangay states:

Nagpunta po ako dito sa barangay para humingi ng tulong tungkol po sa aking drayber na si Dionito Guarino Jr. dahil hindi po siya nagbibigay ng tama o saktong boundary ng jeep. Kinausap ko na po siya kasama ang kanyang asawa tungkol sa boundary at sila ay pumayag, pero noong nag boundary siya ay kulang parin. Muli ko siyang kinausap at ang sagot niya ay aalis nalang daw siya o mag resign. At noong pagawain ko siya ng salaysay ay ayaw niyang gumawa. Pinapapirma kop o siya ng resignation letter ay ayaw din niya. Hindi po malinaw sa akin kung siya ay

⁵ Id. at 33.

⁶ Id.

⁷ CA rollo, pp. 47-81.

⁸ Rollo, pp. 58-60.

⁹ Id. at 39-40.

¹⁰ CA rollo, p. 34.

magre-resign o hindi kaya po ako nandito sa Barangay Hall
175.¹¹

On March 12, 2014 and in the presence of Punong Barangay Ruben Dela Cruz, a “*Kasunduang Pag-Aayos*”¹² was signed by Ringo and Dionito:

*Ang magkabilang panig ay nagkasundo na ang dyep na minamaneho ng ipinagsumbong [Dionito] ay ipapalabas na sa ibang driver dahil hindi niya kaya ang taas ng boundary. Ang paglagda ng bawat panig ay hudyat ng kanilang pagkakasundo sa araw na ito.*¹³

On April 11, 2014, Dionito filed a Complaint¹⁴ for illegal dismissal against Ringo. Dionito prayed for reinstatement, payment of backwages and other benefits, as well as moral and exemplary damages.¹⁵

Ruling of the Labor Arbiter

The Labor Arbiter (LA) dismissed Dionito’s complaint for illegal dismissal. In its Decision¹⁶ dated October 30, 2014, the LA found that there is no termination or dismissal because Dionito voluntarily resigned when he refused to pay the ₱20.00 increase in the boundary rate per day. This finding is supported by the “*Sumbong*” and the “*Kasunduang Pag-aayos*” executed before the barangay officials who are presumed to be in the regular performance of official duties. Proceedings at the barangay level also includes conciliation, with the aim of letting the parties settle amicably. As such, the LA stated that Dionito cannot claim that he did not understand the said proceedings. The LA further noted that Dionito’s allegation of non-remittance of SSS contributions was refuted when Ringo submitted copies of receipts issued by SSS. Lastly, the LA denied Dionito’s claim for moral and exemplary damages because of failure to provide evidence of bad faith, fraud, violence, or intimidation on the part of Ringo.¹⁷

Ruling of the National Labor Relations Commission

On appeal, the NLRC affirmed the Decision of the LA dismissing Dionito’s complaint for illegal dismissal. The NLRC agreed with the LA that there was no dismissal or termination of employment in the case at bar. In its Decision¹⁸ dated April 14, 2015, the NLRC explained that it is clear that a misunderstanding existed between Dionito and Ringo because of the increase in the boundary rate. The NLRC found that the increase in the boundary rate is a valid exercise of management prerogative. Dionito’s claim that he did not resign is immaterial because during the barangay proceedings, he manifested

¹¹ Id.

¹² Id. at 36.

¹³ Id.

¹⁴ Id. at 20.

¹⁵ Id.

¹⁶ Penned by Labor Arbiter Marita V. Padolina; *rollo*, pp. 37-45.

¹⁷ Id. at 41-45.

¹⁸ *Supra* note 3.

his intention to relinquish his employment because he could not afford the additional boundary. Furthermore, the tenor of the “*Sumbong*” also shows that Dionito did not remit the correct boundary and when he was reminded about it, he refused to pay and said that he would just resign. Dionito, however, refused to give nor sign any resignation letter. The NLRC ruled that it would be unfair if Ringo would be left in a limbo on whether Dionito would report to work or not, and whether he should assign the jeepney to another driver. These matters, if left unclear, will be detrimental to the daily operations of Ringo’s business. Moreover, Ringo’s words “*kung ayaw mo ng patakaran dito, ‘wag ka na bumiyahe, umalis ka na lang*”¹⁹ cannot be interpreted as an outright dismissal. It only implies that Dionito was given options: (a) to comply with the policy of remitting additional ₱20.00 boundary or; (b) to resign. To interpret Ringo’s statement as terminating Dionito’s employment will result in cuddling an employee who does not want to comply with the valid company policy but who at the same time does not want to resign simply because he needs a job.²⁰

Ruling of the Court of Appeals

Dionito filed a Petition for *Certiorari*²¹ before the CA. In its Decision²² dated March 31, 2016, the CA found that Dionito had been illegally dismissed. The following circumstances show that Dionito never really intended to relinquish his employment: (1) Dionito still reported back for work the day after he was told “*kung ayaw mo ng patakaran dito, ‘wag ka na bumiyahe, umalis ka na lang.*”²³ (2) Dionito refused to sign the resignation letter and pleaded that he be allowed to continue driving; and (3) Dionito was only compelled to submit a resignation letter during the barangay proceeding.²⁴ Ringo, as an employer, failed to prove that Dionito was dismissed for a just or valid cause and that the employee was afforded procedural due process. The CA found that the record is devoid of proof that Dionito was given the requisite notices before his employment was terminated. The CA ordered Ringo to pay Dionito backwages and separation pay in lieu of reinstatement. According to the CA, there was bad faith on the part of Ringo when he dismissed Dionito from employment when he inquired about his SSS contribution. Hence, the CA awarded moral damages in the amount of ₱50,000.00 in favor of Dionito.²⁵

Ringo assails the CA ruling through the present Petition for Review on *Certiorari*. Ringo avers that Dionito’s overt acts show that he voluntarily discontinued his work as jeepney driver due to his dislike of the increase in the daily boundary rate. He further claims that Dionito filed the baseless illegal dismissal complaint in order to avoid payment of his unsettled debt.²⁶

¹⁹ Rollo, p. 50.

²⁰ Id. at 49-50.

²¹ CA rollo, pp. 2-15.

²² Supra note 2.

²³ Rollo, p. 66.

²⁴ Id.

²⁵ Id. at 67-70.

²⁶ Id. at 16-18.

Meanwhile, in his Comment²⁷ filed before this Court, Dionito maintains that he was illegally dismissed because he never really intended to relinquish his employment. *First*, he reported back to work after he was told to resign. *Second*, he refused to sign or execute a resignation letter. *Third*, he immediately filed a complaint for illegal dismissal. *Lastly*, Dionito claims that he did not understand the “*Kasunduang Pag-Aayos*” he was made to sign.²⁸

Ruling of the Court

For the resignation of an employee to be a viable defense in an action for illegal dismissal, an employer must prove that the resignation was voluntary, and its evidence thereon must be clear, positive, and convincing. The employer cannot rely on the weakness of the employee’s evidence.²⁹

In this case, Ringo, as an employer, was able to present sufficient evidence to establish that Dionito resigned as Ringo’s jeepney driver. As borne out by the “*Sumbong*”³⁰ and the “*Kasunduang Pag-aayos*”,³¹ Dionito did not want to comply with the increased boundary rate imposed by Ringo. Both the “*Sumbong*” and the “*Kasunduang Pag-aayos*” are plainly worded and written in simple language, which a person of ordinary intelligence can discern the consequences thereof. The NLRC correctly found that the “*Kasunduang Pag-aayos*” is clear in its tenor and the parties’ intention does not require different interpretation.³² Hence, Dionito’s claim that he did not understand the “*Kasunduang Pag-aayos*” is not to be believed.

It is also of no contention that the imposed increase in boundary rate is Ringo’s exercise of management prerogative. Records fail to show any reason why Dionito should not abide by this employer’s right to control and manage his enterprise effectively, especially when it is reasonable and exercised in good faith.³³

By returning the jeepney and its keys, coupled with his non-payment of the adjusted boundary rate, Dionito has opted to leave rather than stay employed where he believes that personal reasons cannot be sacrificed for the favor of employment.³⁴ Indeed, Dionito has resigned from employment. Resignation – the formal renunciation or relinquishment of a position or office – is the voluntary act of an employee compelled by personal reason(s) to dissociate himself from employment.³⁵ Like in this case of Dionito, resignation was done with the intention of relinquishing an office, accompanied by the act of manifesting this intent.³⁶

²⁷ Id. at 118-131.

²⁸ Id. at 125-128.

²⁹ *D.M. Consunji Corp. v. Bello*, 715 Phil. 335, 347 (2013).

³⁰ Supra note 10.

³¹ Supra note 12.

³² *Rollo*, p. 53

³³ *Endico v. Quantum Foods Distribution Center*, 597 Phil. 295, 305-306 (2009).

³⁴ *Chiang Kai Shek College v. Torres*, 731 Phil. 177, 186 (2014).

³⁵ *San Miguel Properties Phils. Inc. v. Gucaban*, 669 Phil. 288, 297 (2011).

³⁶ *Fortuny Garments/Johnny Co v. Castro*, 514 Phil. 317, 323 (2005).

Furthermore, no substantial evidence was presented to show that Dionito was dismissed or was prevented from returning to work. The fact that Dionito filed a Complaint³⁷ for illegal dismissal is not by itself sufficient indicator that he had no intention of deserting his employment since the totality of his acts – surrendering the jeepney and its keys to his employer³⁸ – palpably display the contrary. The substantial evidence proffered by the employer that he had not, in the first place, terminated the employee, should not simply be ignored on the pretext that the employee would not have filed the complaint for illegal dismissal if he had not really been dismissed.³⁹ Absent any showing of an overt or positive act proving that Ringo had dismissed Dionito from employment, the latter's self-serving claim of illegal dismissal cannot be sustained.

WHEREFORE, the Decision dated March 31, 2016 and the Resolution dated August 15, 2016 of the Court of Appeals in CA-G.R. SP No. 141585 are **REVERSED** and **SET ASIDE**. The Decision dated April 14, 2015 of the National Labor Relations Commission affirming the Decision dated October 30, 2014 of the Labor Arbiter is **REINSTATED**.

SO ORDERED.



ROSMARID D. CARANDANG
Associate Justice

³⁷ Supra note 14.

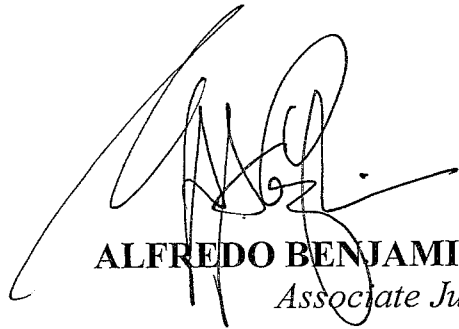
³⁸ *Rollo*, p. 59.

³⁹ *Abad v. Roselle Cinema*, 520 Phil. 135, 146 (2006).

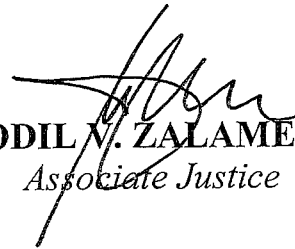
WE CONCUR:



DIOSDADO M. PERALTA
Chief Justice



ALFREDO BENJAMIN S. CAGUIOA
Associate Justice



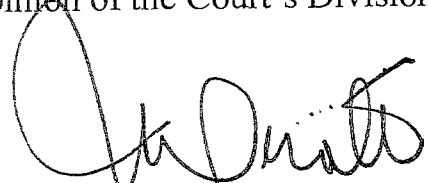
RODIL N. ZALAMEDA
Associate Justice



SAMUEL H. GAERLAN
Associate Justice

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



DIOSDADO M. PERALTA
Chief Justice