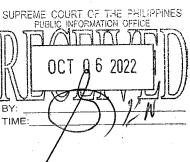


# Republic of the Philippines Supreme Court Manila



#### FIRST DIVISION

G & S TRANSPORT

G.R. No. 243768

CORPORATION,

Petitioner,

Present:

GESMUNDO, C.J., Chairperson, HERNANDO, ZALAMEDA, ROSARIO, and MARQUEZ, JJ.

- versus -

Promulgated:

REYNALDO A. MEDINA,

Respondent.

SEP 0 5 2022

#### DECISION

#### HERNANDO, J.:

Challenged in this Petition for Review on *Certiorari*<sup>1</sup> under Rule 45 of the Rules of Court are the April 27, 2018 Decision<sup>2</sup> and the December 17, 2018 Resolution<sup>3</sup> of the Court of Appeals (CA) in CA-G.R. SP No. 149247. The CA held that respondent Reynaldo A. Medina (Medina) was illegally dismissed from employment by petitioner G & S Transport Corporation (G & S).

<sup>&</sup>lt;sup>1</sup> Rollo, pp. 20-33.

Id. at 34-42. Penned by Associate Justice Mario V. Lopez (now a member of the Court) and concurred in by Associate Justices Victoria Isabel A. Paredes and Carmelita Salandanan Manahan.

Id. at 43-44. Penned by Associate Justice Mario V. Lopez (now a member of the Court) and concurred in by Associate Justices Victoria Isabel A. Paredes and Carmelita Salandanan Manahan.

#### Factual Antecedents

G & S, more popularly known as "Avis Rent-A-Car," is a corporation engaged in the business of renting cars to the public.<sup>4</sup> On September 15, 2008, G & S hired Medina for the position of driver.<sup>5</sup> Medina was primarily responsible for fetching tourists to and from the airport and onward to their next destination.<sup>6</sup> Medina was in the employ of G & S for seven years with no derogatory record.<sup>7</sup> However, on the night of February 12, 2015, Medina was involved in misconduct for the first time in his career.<sup>8</sup>

Based on the records, Medina was engaged in a heated argument with a co-employee. Medina averred that he was on his shift from 6:00 a.m. to 3:00 p.m. on February 12, 2015. At around 5:00 p.m., Medina left the premises of G & S. However, at around 10:00 p.m. on the same day, Medina returned to G & S to retrieve his personal belongings. At the gate, Medina chanced upon his co-employee, Felix Pogoy (Pogoy), who was staring sharply at him. Medina accosted Pogoy and asked if there was a problem. Pogoy fired back and asked Medina the same question. A heated argument with shoving then ensued. Another employee, Jose Viggayan (Viggayan), broke up the melee and led Medina away from Pogoy.

G & S, however, countered that Medina was drunk when he assaulted Pogoy to the point of boxing and strangling the latter.<sup>18</sup> In fact, Medina and Pogoy had to be restrained by G & S' security guards.<sup>19</sup> However, Medina allegedly "refused to be controlled, until [Viggayan] arrived, and led [Medina] outside the garage."<sup>20</sup>

<sup>&</sup>lt;sup>4</sup> Id. at 46.

<sup>&</sup>lt;sup>5</sup> Id.

<sup>6</sup> Id.

<sup>&</sup>lt;sup>7</sup> Id. at 40.

<sup>&</sup>lt;sup>8</sup> Id.

<sup>&</sup>lt;sup>9</sup> Id. at 47.

<sup>&</sup>lt;sup>10</sup> Id.

<sup>11</sup> Id.

<sup>12</sup> Id.

<sup>&</sup>lt;sup>13</sup> Id.

<sup>1</sup>d.

<sup>15</sup> Ta

<sup>&</sup>lt;sup>16</sup> Id.

<sup>&</sup>lt;sup>7</sup> Id.

<sup>&</sup>lt;sup>18</sup> Id.

<sup>&</sup>lt;sup>19</sup> Id.

<sup>&</sup>lt;sup>20</sup> Id.

After the submission of various written explanations,<sup>21</sup> Medina was placed under preventive suspension.<sup>22</sup> An administrative hearing was conducted.<sup>23</sup> G & S concluded that Medina violated the Code of Discipline when he fought with a co-employee inside the work premises.<sup>24</sup> Thus, Medina was terminated from employment on March 20, 2015.<sup>25</sup>

Aggrieved, Medina filed a Complaint<sup>26</sup> for illegal dismissal, actual, moral, and exemplary damages, and attorney's fees.

#### Ruling of the Labor Arbiter

Based on the respective Position Papers<sup>27</sup> of the parties, the Labor Arbiter (LA) rendered a Decision<sup>28</sup> dated April 29, 2016. In dismissing Medina's Complaint, the LA found that there was no illegal dismissal because fighting with a co-employee within work premises is considered serious misconduct and a valid ground for termination of Medina's employment.<sup>29</sup> There was no discussion on Medina's monetary claims.<sup>30</sup>

The dispositive portion of the Decision reads:

WHEREFORE, premises considered, a decision is hereby rendered dismissing the present complaint.

#### SO ORDERED.31

Aggrieved, Medina appealed<sup>32</sup> the LA Decision before the National Labor Relations Commission (NLRC).

#### Ruling of the National Labor Relations Commission

On September 23, 2016, the NLRC rendered its Decision<sup>33</sup> affirming the LA.<sup>34</sup> The dispositive portion of the Decision reads:

<sup>&</sup>lt;sup>21</sup> Id.

<sup>&</sup>lt;sup>22</sup> ld.

<sup>&</sup>lt;sup>23</sup> Id.

<sup>&</sup>lt;sup>24</sup> Id. at 47-48.

<sup>&</sup>lt;sup>25</sup> Id.

<sup>&</sup>lt;sup>26</sup> Id. at 58, 64-65.

<sup>&</sup>lt;sup>27</sup> Id. at 66-95, 96-116.

<sup>&</sup>lt;sup>28</sup> Id. at 56-63. Penned by Labor Arbiter Romelita N. Rioflorido.

<sup>&</sup>lt;sup>29</sup> Id. at 60-62.

<sup>&</sup>lt;sup>30</sup> Id. at 62.

<sup>&</sup>lt;sup>31</sup> Id. at 63.

<sup>&</sup>lt;sup>32</sup> Id. at 124-137.

Id. at 45-52. Penned by Commissioner Romeo L. Go and concurred in by Presiding Commissioner Gerardo
 C. Nograles (on leave) and Commissioner Gina F. Cenit-Escoto.

<sup>&</sup>lt;sup>34</sup> Id. at 52.

WHEREFORE, the instant appeal is dismissed for lack of merit and the [LA]'s Decision dated April 29, 2016 is affirmed.

#### SO ORDERED.35

Medina sought reconsideration<sup>36</sup> of the NLRC Decision but it was denied for lack of merit in a Resolution<sup>37</sup> dated November 17, 2016.

Undaunted, Medina filed a Petition for *Certiorari*<sup>38</sup> under Rule 65 of the Rules of Court before the CA. According to Medina, the NLRC committed grave abuse of discretion when it ruled that he was validly terminated from employment<sup>39</sup> and was not entitled to his monetary claims.<sup>40</sup>

#### Ruling of the Court of Appeals

On April 27, 2018, the appellate court rendered its assailed Decision<sup>41</sup> disposing as follows:

FOR THESE REASONS, the petition is GRANTED. [Medina] is entitled to reinstatement without loss of seniority rights and the payment of full backwages corresponding to the period from his illegal dismissal up to actual reinstatement. ACCORDINGLY, the case is REMANDED to the [LA] for computation of backwages.

#### SO ORDERED.42

The CA reversed the findings of the labor tribunals and found that Medina was illegally dismissed from employment since "what transpired between [Medina] and Pogoy x x x was a petty quarrel that merely involved shoving or slight pushing. The incident did not cause bodily harm, except a minor scratch in [Medina's] knee, nor did it in any manner interfere with fellow employees, or the operations of the business." For this reason, the CA found the penalty of dismissal too harsh and not commensurate with the act committed.<sup>44</sup>

<sup>&</sup>lt;sup>35</sup> · Id.

<sup>&</sup>lt;sup>36</sup> Id. at 138-145,

Id. at 53-55. Penned by Commissioner Romeo L. Go and concurred in by Presiding Commissioner Gerardo
 C. Nograles and Commissioner Gina F. Cenit-Escoto.

<sup>&</sup>lt;sup>38</sup> Id. at 146-163.

<sup>&</sup>lt;sup>39</sup> Id. at 11-14.

<sup>40</sup> ld. at 15-17.

<sup>41</sup> Id. at 34-42.

<sup>42</sup> Id. at 42.

<sup>&</sup>lt;sup>43</sup> Id. at 40.

<sup>44</sup> Id. at 41.

Aggrieved, G & S sought reconsideration<sup>45</sup> from the appellate court. However, a Resolution<sup>46</sup> dated December 17, 2018 denied the same.

G & S interposed its appeal<sup>47</sup> before Us praying for the setting aside of the CA's assailed Decision. G & S argues that the appellate court gravely erred in reversing the findings of the labor tribunals<sup>48</sup> and makes much of the fact that the assailed CA Decision "accorded more weight to the testimony of Viggayan x x x."<sup>49</sup> Furthermore, G & S argues that "[t]he assailed [D]ecision is littered with quoted testimonies of witnesses, their credibility and determination of their weight. These are no doubt in the nature of findings of facts and therefore, beyond the province of a writ of *certiorari* under Rule 65."<sup>50</sup>

#### Issue

The main issue is whether the appellate court committed grave abuse of discretion in reversing the uniform decisions of the labor tribunals and exceeded its appellate jurisdiction.

#### **Our Ruling**

The petition is without merit. The appellate court did not commit grave abuse of discretion nor did it exceed its jurisdiction when it concluded that Medina was illegally dismissed from employment by G & S.

#### Judicial review of a labor case

The judicial review of labor cases begins with a special civil action for *certiorari* under Rule 65 of the Rules of Court filed with the CA assailing the adverse decision or final order of the NLRC on the ground that the labor tribunal acted with grave abuse of discretion amounting to excess or lack of jurisdiction.<sup>51</sup> The appellate court is tasked to ascertain whether it should reverse or modify the NLRC decision on such exclusive ground.<sup>52</sup>

The labor case may be appealed to this Court through a petition for review on *certiorari* under Rule 45 of the Rules of Court on pure questions of law.

<sup>45</sup> Id. at 168-171.

<sup>&</sup>lt;sup>46</sup> Id. at 43-44.

<sup>47</sup> Id. at 20-33.

<sup>48</sup> Id. at 25-26.

<sup>&</sup>lt;sup>49</sup> Id. at 26,

<sup>&</sup>lt;sup>50</sup> Id. at 207.

Philam Homeowners Association, Inc. v. De Luna, G.R. No. 209437, March 17, 2021, citing Stanfilco – A Division of DOLE Philippines, Inc. v. Tequillo, G.R. No. 209735, July 17, 2019.

Philam Homeowners Association, Inc. v. De Luna, supra, citing Philippine National Bank v. Gregorio, 818 Phil. 321, 333 (2017).

Questions of law are questions on the application of the law on a certain set and state of established facts.<sup>53</sup> On the other hand, questions of fact may only be entertained and reviewed in exceptional circumstances.<sup>54</sup>

Thus, when a labor case is brought to Us for final review, We are tasked to resolve a pure question of law: has the CA correctly determined whether grave abuse of discretion attended the determination and resolution of the NLRC?<sup>55</sup>

Grave abuse of discretion is defined in jurisprudence as such capricious and arbitrary exercise of judgment as equivalent, in the eyes of the law, to lack of jurisdiction. <sup>56</sup> There is grave abuse of discretion where the power is exercised in an arbitrary or despotic manner by reason of passion, prejudice, or personal hostility amounting to an evasion of a positive duty, or a virtual refusal to perform the duty enjoined, or to act at all in contemplation of law. <sup>57</sup> Through time, the meaning of grave abuse of discretion has been expanded to include any action done contrary to the Constitution, the law, or jurisprudence. <sup>58</sup>

Accordingly, on the basis of the parties' presentations, We conduct an examination on whether the CA correctly determined that at the NLRC level: (1) all the adduced pieces of evidence were considered; (2) no evidence which should not have been considered was considered; and (3) the evidence presented supports the NLRC's findings.<sup>59</sup> This is the stern duty of the courts in order to arrive at a just decision in the case.

Factual findings of the NLRC are accorded great respect, but the appellate court is not precluded from reviewing evidence alleged to be arbitrarily considered or otherwise disregarded by the former

The argument of G & S that the appellate court went beyond its jurisdiction when it reassessed the testimonies of witnesses and the factual findings of the NLRC must fail.

<sup>53</sup> Pacific Royal Basic Foods, Inc. v. Noche, G.R. No. 202392, October 4, 2021.

Philam Homeowners Association, Inc. v. De Luna, supra, citing Century Iron Works, Inc. v. Bañas, 711 Phil. 576, 585 (2013).

<sup>55</sup> Philam Homeowners Association, Inc. v. De Luna, supra.

<sup>&</sup>lt;sup>56</sup> Bacelonia v. Court of Appeals, 445 Phil. 300, 307-308 (2003); Vda. De Bacaling v. Laguna, 153 Phil. 524, 533-534 (1973);.

<sup>57</sup> Benito v. Commission on Elections, 402 Phil. 764, 773 (2001); Cuison v. Court of Appeals, 351 Phil. 1089, 1102 (1998).

<sup>&</sup>lt;sup>58</sup> Republic v. COCOFED, 423 Phil. 735, 774 (2001).

Philam Homeowners Association, Inc. v. De Luna, supra, citing Gabriel v. Petron Corporation, 829 Phil. 454, 462 (2018).

In jurisprudence, We have recognized the expertise and authority of the NLRC in ascertaining labor matters. 60 Similar to this Court's appreciation of a trial court's factual findings, the latter being in the best position to observe the demeanor and conduct of the witnesses, We regard and value the competence of the LA and the NLRC in resolving labor disputes. 61 The NLRC's conclusions relating to questions of fact set forth in the case are accorded great weight and respect, and even clothed with finality and binding on this Court especially if they are supported by sufficient and substantial evidence. 62

However, the appellate court is not precluded from reviewing evidence alleged to be arbitrarily considered or otherwise disregarded by the NLRC. In fact, the CA's power of judicial review under Rule 65 of the Rules of Court empowers it "to examine the records and evaluate the pieces of evidence in order to confirm their materiality and significance, and to disregard the labor tribunal's factual findings whenever its conclusions were not substantiated by the evidence on record."<sup>63</sup> The CA may review evidence alleged to have been capriciously, whimsically, and arbitrarily relied upon or disregarded in the following instances:<sup>64</sup>

[The CA can grant this prerogative writ] when the factual findings complained of are not supported by the evidence on record; when it is necessary to prevent a substantial wrong or to do substantial justice; when the findings of the NLRC contradict those of the LA; and when necessary to arrive at a just decision of the case. To make this finding, the CA necessarily has to view the evidence if only to determine if the NLRC ruling had basis in evidence.<sup>65</sup> (Emphasis supplied)

In the case at bar, the appellate court exercised its awesome power of review to appreciate the evidence previously presented by the parties in their respective Position Papers. The testimony of the security guard on duty<sup>66</sup> as well as the transcript of the administrative hearing<sup>67</sup> were attached to G&S' Position Paper. On the other hand, the testimony of Viggayan<sup>68</sup> was attached to Medina's Position Paper.

The testimony of the security guard on duty stated that he saw Medina boxing and strangling Pogoy on the night of February 12, 2015.<sup>69</sup> To counter G

<sup>60</sup> Philam Homeowners Association, Inc. v. De Luna, supra.

<sup>61</sup> Id.

<sup>62</sup> Id., citing Eastern Shipping Lines, Inc. v. Canja, 771 Phil. 169, 176 (2015).

<sup>63</sup> Id., citing Paredes v. Feed the Children Philippines, Inc., 769 Phil. 418, 443 (2015).

<sup>&</sup>lt;sup>64</sup> Philam Homeowners Association, Inc. v. De Luna, supra note 51.

<sup>&</sup>lt;sup>65</sup> Id., citing Paredes v. Feed the Children Philippines, Inc., 769 Phil. 418, 434-435 (2015).

<sup>66</sup> Rollo, p. 78.

<sup>67</sup> Id. at 83-93.

<sup>68</sup> Id. at 107.

<sup>&</sup>lt;sup>69</sup> Id. at 78.

& S' argument, Viggayan's testimony revealed that he saw Medina and Pogoy pushing or shoving each other, not boxing or strangling. Quoted below are salient portions of Viggayan's testimony:

Noong x x x February 12, 2015 pasado 10:00 ng gabi[,] x x x. Agad akong pumunta doon sa malapit sa gate at nakita ko ang pagtutulakan nina Ginoong [Pogoy] at [Medina] kung saan si Ginoong Medina ay natumba. Agad kong niyakap si Ginoong Medina at inilayo kay Ginoong Pogoy para di na magkasakitan pa. 70 (Emphasis and italics supplied)

The statement that there was no boxing or strangling is consistent with Medina's statements during the administrative hearing. The transcript revealed:

PRB: Sinabi mo ano problema mo, sumagot din siya ikaw anong problema mo. Sinong unang nanapak?

Medina: Tumulak lang po ko sa kanya, humawak lang po ko sa balikat niya hindi ko naman po siya sinakal at kung sinapak ko po siya dapat meron siyang bukol sa mukha.

PRB: So hindi totoo yung sinabi ng guard na nagsuntukan kayo?

Medina: Maari hong gumalaw yung isa kong kamay na akala niya sapak kasi nagtutulakan ho kami iba na ho kasi ang tendency ng patutulukan sa suntukan. Ang suntukan ho talaga magkakayakapan yan eh kami ho ay nagkahiwalay ibig sabihin yung tulakan naming yung pagganon ng isang kamay ko akala ng guard sinusuntok ko siya.<sup>71</sup> (Emphasis and italics supplied)

By appreciating the respective testimonies of the security guard on duty<sup>72</sup> and Viggayan,<sup>73</sup> as well as the transcript of the administrative hearing,<sup>74</sup> the CA was able to arrive at a just decision of the case and correctly concluded that "what transpired between [Medina] and Pogoy x x x was a petty quarrel that merely involved shoving or slight pushing. The incident did not cause bodily harm, except a minor scratch in [Medina's] knee, nor did it in any manner interfere with fellow employees, or the operations of the business."<sup>75</sup> This finding of fact by the appellate court is crucial in determining whether Medina was illegally dismissed.

Thus, We cannot subscribe to G & S' allegation that the appellate court gravely erred in resolving the factual issues of the case. As discussed, it is well within the powers and jurisdiction of the CA to evaluate the evidence alleged to

<sup>&</sup>lt;sup>70</sup> Id. at 107.

<sup>&</sup>lt;sup>71</sup> Id. at 86.

<sup>&</sup>lt;sup>72</sup> Id. at 39, 78.

<sup>&</sup>lt;sup>73</sup> Id. at 39, 107.

<sup>&</sup>lt;sup>74</sup> Id. at 39-40, 83-93.

<sup>&</sup>lt;sup>75</sup> Id. at 40.

have been capriciously, whimsically, or arbitrarily disregarded by the NLRC. This Court finds that the CA did not commit grave abuse of discretion. Hence, there was no violation of the Constitution, the law, and jurisprudence. Therefore, the resolution of the doubt as to whether Medina was illegally dismissed based on the evidence on record was proper.

Serious misconduct, as a just cause for termination of employment under the Labor Code of the Philippines (Labor Code),<sup>76</sup> is absent in the case at bar

Based on Our judicious review of the records, We agree with the appellate court that there is no serious misconduct to warrant the dismissal of Medina from employment.

Misconduct is generally defined as "a transgression of some established and definite rule of action, a forbidden act, a dereliction of duty, willful in character, and implies wrongful intent and not mere error in judgment." Under Article 297 of the Labor Code, an employer may terminate the services of an employee on the ground of serious misconduct committed in connection with or relative to the performance of his duties:

Art. 297. [282] *Termination by Employer*. — An employer may terminate an employment for any of the following causes:

(a) Serious misconduct or willful disobedience by the employee of lawful orders of his employer or representative in connection with his work;

 $x \times x \times x$ 

In labor cases, misconduct, as a ground for dismissal, must be serious or of such grave and aggravated character and not merely trivial or unimportant.<sup>78</sup> To justify termination on the ground of serious misconduct, the following requisites must concur: (1) the misconduct must be serious; (2) it must relate to the performance of the employee's duties, showing that the employee has

Presidential Decree No. 442 of 1974, as Amended and Renumbered. Entitled "LABOR CODE OF THE PHILIPPINES." Approved: May 1, 1974.

Empas v. Mariwasa Siam Ceramics, Inc., G.R. No. 246176 (Notice), December 7, 2021, citing Sterling Paper Products Enterprises, Inc. v. KMM-Katipunan, 815 Phil. 425, 435 (2017).

Empas v. Mariwasa Siam Ceramics, Inc., supra, citing Imasen Philippine Manufacturing Corp. v. Alcon, 746 Phil. 172, 181 (2014).

become unfit to continue working for the employer; and (3) it must have been performed with wrongful intent.<sup>79</sup>

Here, none of the requisites for serious misconduct is present. To reiterate, the CA found that only a petty quarrel involving shoving or slight pushing transpired between Medina and Pogoy. 80 The same was "nipped in the bud by the intervention of the security guards on duty and Viggayan. It did not cause work stoppage nor posed a threat to the safety of the other employees. [G&S] did not show how [Medina's] misconduct has adversely affected its business, or how [Medina] has become unfit to continue working for the company."81 Thus, there was no just cause for the termination of Medina's employment with G & S.

Procedural due process, though complied with in the case at bar, does not validate termination of employment

In a situation where there is no just cause to terminate employment, but the requirements of procedural due process are complied with, jurisprudence states that the dismissal is rendered illegal.<sup>82</sup>

Procedural due process refers to the manner of dismissal of an employee<sup>83</sup> and mandates the observance of the requirements of notice and hearing. The law<sup>84</sup> requires employers to furnish their employees with two written notices: the first written notice specifies the ground for termination, and gives the employee reasonable opportunity to explain his or her side; on the other hand,

ARTICLE 292. [277] Miscellaneous Provisions. — x x x x

<sup>&</sup>lt;sup>79</sup> Empas v. Mariwasa Siam Ceramics, Inc., supra, citing Sy v. Neat, Inc., 821 Phil. 751, 770 (2017).

<sup>80</sup> Rollo, p. 40.

<sup>&</sup>lt;sup>81</sup> Id.

Pioneer Texturizing Corp. v. National Labor Relations Commission, 345 Phil. 1057, 1066 (1997), citing Oania v. National Labor Relations Commission, 314 Phil. 655, 655-656 (1995).

<sup>83</sup> King of Kings Transport, Inc. v. Mamac, 553 Phil. 108, 114 (2007).

See LABOR CODE, Art. 292 [277]. It provides:

<sup>(</sup>b) Subject to the constitutional right of workers to security of tenure and their right to be protected against dismissal except for a just and authorized cause and without prejudice to the requirement of notice under Article 283 of this Code, the employer shall furnish the worker whose employment is sought to be terminated a written notice containing a statement of the causes for termination and shall afford the latter ample opportunity to be heard and to defend himself [or herself] with the assistance of his representative if he so desires in accordance with company rules and regulations promulgated pursuant to guidelines set by the Department of Labor and Employment. x x x (Emphasis supplied)

the second written notice indicates that upon due consideration of all the circumstances, there is cause to justify his or her termination.<sup>85</sup>

In the case at bar, the requirements of procedural due process were complied with by G & S. The records show that Medina was provided several notices to explain,<sup>86</sup> was given the opportunity to submit his written explanations,<sup>87</sup> and thereafter an administrative hearing<sup>88</sup> was conducted where he was able to narrate his version of the incident. Medina was even served a second notice of termination<sup>89</sup> in compliance with the law. Nonetheless, compliance with procedural due process did not validate the termination of Medina because of the absence of just cause.

## The penalty of dismissal is not commensurate with the act committed

While misconduct in the eyes of the employer may have been committed, the same was not serious enough to result in termination of employment. It is a hornbook principle that "infractions committed by an employee should merit only the corresponding penalty demanded by the circumstance. The penalty must be commensurate with the act, conduct or omission imputed to the employee and must be imposed in connection with the disciplinary authority of the employer." The disciplinary authority of G & S is recognized but should be tempered with compassion and understanding.

- (a) A written notice served on the employee specifying the ground or grounds for termination, and giving to said employee reasonable opportunity within which to explain his [or her] side;
- (b) A hearing or conference during which the employee concerned, with the assistance of counsel if the employee so desires, is given opportunity to respond to the charge, present his [or her] evidence or rebut the evidence presented against him [or her]; and
- (c) A written notice of termination served on the employee indicating that upon due consideration of all the circumstances, grounds have been established to justify his [or her] termination.<sup>85</sup>

<sup>85</sup> See also Book V, Rule XXIII, Sec. 2 (I) of the Omnibus Rules Implementing the Labor Code. Approved: February 16, 1976. It provides:

Section 2. Standard of due process; requirements of notice. — In all cases of termination of employment, the following standards of due process shall be substantially observed.

I. For termination of employment based on just causes as defined in [Art.] 282 of the Labor Code:

 $x \times x \times x$ 

<sup>&</sup>lt;sup>86</sup> *Rollo*, pp. 79, 81, 108, 113.

<sup>&</sup>lt;sup>87</sup> Id. at 80, 82, 109, 114.

<sup>88</sup> ld. at 83-93.

<sup>&</sup>lt;sup>89</sup> Id. at 94-95, 110-111, 115-116.

Sagales v. Rustan's Commercial Corporation, 592 Phil. 468, 482 (2008), citing Caltex Refinery Employees Association (CREA) v. National Labor Relations Commission (Third Division), 316 Phil. 335, 343 (1995).

Here, We agree with the appellate court that "the penalty of dismissal is too harsh and is not commensurate with the act committed," considering that Medina had been employed for seven years and only recently became involved in any form of misconduct. Absent any evidence showing the seriousness and aggravated character of the misconduct, the extreme penalty of dismissal should not have been imposed. As the appellate court stated, "[a] lighter penalty, such as suspension, would have been more just."

We likewise agree with the appellate court that there is no basis to award Medina moral and exemplary damages.<sup>94</sup> Although Medina's dismissal is illegal, there is nothing to show that G & S was motivated by bad faith in terminating his employment.<sup>95</sup>

Art. 294 of the Labor Code<sup>96</sup> states that illegally dismissed employees are entitled to reinstatement without loss of seniority rights and other privileges and to full backwages, inclusive of allowances, and to other benefits or their monetary equivalent from the time their compensation was withheld from them up to the time of their actual reinstatement. Medina deserves no less.

The Court adds that, following *Nacar v. Gallery Frames*,<sup>97</sup> the total monetary award shall earn legal interest at the rate of six percent (6%) per *annum* from the date of finality of this Decision until fully paid by G & S.

WHEREFORE, the Petition for Review on Certiorari is DENIED. The April 27, 2018 Decision and the December 17, 2018 Resolution of the Court of Appeals in CA-G.R. SP No. 149247 holding that respondent Reynaldo A. Medina was illegally dismissed and entitled to full backwages, inclusive of allowances, and to other benefits or their monetary equivalent from the time his compensation was withheld from him up to the time of his actual reinstatement is AFFIRMED with the MODIFICATION that petitioner G & S Transport Corporation is ORDERED to PAY respondent Reynaldo A. Medina legal interest on the total monetary award at the rate of six percent (6%) per annum from the date of finality of this Decision until fully paid. Accordingly, the case is REMANDED to the Labor Arbiter for the re-computation of respondent's backwages.

<sup>91</sup> Rollo, p. 41.

<sup>&</sup>lt;sup>92</sup> Id. at 40.

<sup>&</sup>lt;sup>93</sup> Id. at 41.

<sup>&</sup>lt;sup>94</sup> ld.

<sup>&</sup>lt;sup>95</sup> Id.

ART. 294 [279]. Security of Tenure. — In cases of regular employment, the employer shall not terminate the services of an employee except for a just cause or when authorized by this Title. An employee who is unjustly dismissed from work shall be entitled to reinstatement without loss of seniority rights and other privileges and to his full backwages, inclusive of allowances, and to his other benefits or their monetary equivalent computed from the time his compensation was withheld from him up to the time of his actual reinstatement. (Emphasis supplied)

<sup>716</sup> Phil. 267, 283 (2013). See also Dela Fuente v. Gimenez, G.R. No. 214419, November 17, 2021; Dumapis v. Lepanto Consolidated Mining Co., G.R. No. 204060, September 15, 2020.

SO ORDERED.

RAMON PAUL L. HERNANDO Associate Justice

WE CONCUR:

ALEXANDER G. GESMUNDO

Chief Justice Chairperson

RODIV V. ZALAMEDA
Associate Justice

RICARDOR. ROSARIO
Associate Justice

JOSE MIDAS P. MARQUEZ
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.

ALEXANDER G. GESMUNDO Chief Justice