



Republic of the Philippines  
 Supreme Court  
 Manila

CERTIFIED TRUE COPY  
*Wilfredo V. Laditan*  
 WILFREDO V. LADITAN  
 Division Clerk of Court  
 Third Division  
 MAR 15 2016

THIRD DIVISION

CHRISTINE JOY CAPIN-CADIZ,  
 Petitioner,

G.R. No. 187417

Present:

- versus -

VELASCO, JR., J.,  
*Chairperson,*  
 PERALTA,  
 PEREZ,  
 REYES, and  
 JARDELEZA, JJ.

BRENT HOSPITAL AND  
 COLLEGES, INC.,  
 Respondent.

Promulgated:

February 24, 2016

X-----*Wilfredo V. Laditan*-----X

DECISION

REYES, J.:

This is a petition for review on *certiorari*<sup>1</sup> under Rule 45 of the Rules of Court assailing the Resolutions dated July 22, 2008<sup>2</sup> and February 24, 2009<sup>3</sup> of the Court of Appeals (CA) in CA-G.R. SP No. 02373-MIN, which dismissed the petition filed by petitioner Christine Joy Capin-Cadiz (Cadiz) on the following grounds: (1) incomplete statement of material dates; (2) failure to attach registry receipts; and (3) failure to indicate the place of issue of counsel's Professional Tax Receipt (PTR) and Integrated Bar of the Philippines (IBP) official receipts.

<sup>1</sup> *Rollo*, pp. 14-49.

<sup>2</sup> Penned by Associate Justice Elihu A. Ybañez with Associate Justices Romulo V. Borja and Mario V. Lopez concurring; *id.* at 64-64A.

<sup>3</sup> *Id.* at 65-67.

*A*

### Antecedent Facts

Cadiz was the Human Resource Officer of respondent Brent Hospital and Colleges, Inc. (Brent) at the time of her indefinite suspension from employment in 2006. The cause of suspension was Cadiz's Unprofessionalism and Unethical Behavior Resulting to Unwed Pregnancy. It appears that Cadiz became pregnant out of wedlock, and Brent imposed the suspension until such time that she marries her boyfriend in accordance with law.

Cadiz then filed with the Labor Arbiter (LA) a complaint for Unfair Labor Practice, Constructive Dismissal, Non-Payment of Wages and Damages with prayer for Reinstatement.<sup>4</sup>

### Ruling of the Labor Tribunals

In its Decision<sup>5</sup> dated April 12, 2007, the LA found that Cadiz's indefinite suspension amounted to a constructive dismissal; nevertheless, the LA ruled that Cadiz was not illegally dismissed as there was just cause for her dismissal, that is, she engaged in premarital sexual relations with her boyfriend resulting in a pregnancy out of wedlock.<sup>6</sup> The LA further stated that her "immoral conduct x x x [was] magnified as serious misconduct not only by her getting pregnant as a result thereof before and without marriage, but more than that, also by the fact that Brent is an institution of the Episcopal Church in the Philippines operating both a hospital and college where [Cadiz] was employed."<sup>7</sup> The LA also ruled that she was not entitled to reinstatement "at least until she marries her boyfriend," to backwages and vacation/sick leave pay. Brent, however, manifested that it was willing to pay her 13<sup>th</sup> month pay. The dispositive portion of the decision reads:

**WHEREFORE**, judgment is hereby rendered, ordering [Brent] to pay [Cadiz] 13<sup>th</sup> month pay in the sum of Seven Thousand Nine Hundred Seventy & 11/100 Pesos (P7,970.11).

All other charges and claims are hereby dismissed for lack of merit.

**SO ORDERED.**<sup>8</sup>

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<sup>4</sup> Id. at 50.

<sup>5</sup> Rendered by Executive Labor Arbiter Rhett Julius J. Plagata; id. at 52-58.

<sup>6</sup> Id. at 55-56.

<sup>7</sup> Id. at 56.

<sup>8</sup> Id. at 57-58.



Cadiz appealed to the National Labor Relations Commission (NLRC), which affirmed the LA decision in its Resolution<sup>9</sup> dated December 10, 2007. Her motion for reconsideration having been denied by the NLRC in its Resolution<sup>10</sup> dated February 29, 2008, Cadiz elevated her case to the CA on petition for *certiorari* under Rule 65.

### Ruling of the CA

The CA, however, dismissed her petition outright due to technical defects in the petition: (1) incomplete statement of material dates; (2) failure to attach registry receipts; and (3) failure to indicate the place of issue of counsel's PTR and IBP official receipts.<sup>11</sup> Cadiz sought reconsideration of the assailed CA Resolution dated July 22, 2008 but it was denied in the assailed Resolution dated February 24, 2009.<sup>12</sup> The CA further ruled that "a perusal of the petition will reveal that public respondent NLRC committed no grave abuse of discretion amounting to lack or excess of jurisdiction x x x holding [Cadiz's] dismissal from employment valid."<sup>13</sup>

Hence, the present petition.

Cadiz argues that –

#### I

THE HONORABLE [NLRC] GRAVELY ABUSED ITS DISCRETION WHEN IT HELD THAT [CADIZ'S] IMPREGNATION OUTSIDE OF WEDLOCK IS A GROUND FOR THE TERMINATION OF [CADIZ'S] EMPLOYMENT<sup>14</sup>

#### II

THE [NLRC] COMMITTED GRAVE ABUSE OF DISCRETION WHEN IT UPHELD THE DISMISSAL OF [CADIZ] ON THE GROUND THAT THE INDEFINITE SUSPENSION WAS VALID AND REQUIRED [CADIZ] TO FIRST ENTER INTO MARRIAGE BEFORE SHE CAN BE ADMITTED BACK TO HER EMPLOYMENT<sup>15</sup>

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<sup>9</sup> Id. at 59-61.  
<sup>10</sup> Id. at 62-63.  
<sup>11</sup> Id. at 64-64A.  
<sup>12</sup> Id. at 65-67.  
<sup>13</sup> Id. at 67.  
<sup>14</sup> Id. at 21-22.  
<sup>15</sup> Id. at 28.

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## III

RESPONDENT [NLRC] GRAVELY ABUSED ITS DISCRETION WHEN IT DENIED [CADIZ'S] CLAIM FOR BACKWAGES, ALLOWANCES, SICK LEAVE PAY, MATERNITY PAY AND MORAL AND EXEMPLARY DAMAGES AND ATTORNEY'S FEES<sup>16</sup>

## IV

THE [CA] MISPLACED APPLICATION OF THE MATERIAL DATA RULE RESULTING TO GRAVE ABUSE OF DISCRETION WHEN IT DISMISSED THE APPEAL<sup>17</sup>

Cadiz contends, among others, that getting pregnant outside of wedlock is not grossly immoral, especially when both partners do not have any legal impediment to marry. Cadiz surmises that the reason for her suspension was not because of her relationship with her then boyfriend but because of the resulting pregnancy. Cadiz also lambasts Brent's condition for her reinstatement – that she gets married to her boyfriend – saying that this violates the stipulation against marriage under Article 136 of the Labor Code. Finally, Cadiz contends that there was substantial compliance with the rules of procedure, and the CA should not have dismissed the petition.<sup>18</sup>

Brent, meanwhile, adopts and reiterates its position before the LA and the NLRC that Cadiz's arguments are irrational and out of context. Brent argues, among others, that for Cadiz to limit acts of immorality only to extra-marital affairs is to “change the norms, beliefs, teachings and practices of BRENT as a Church institution of the x x x Episcopal Church in the Philippines.”<sup>19</sup>

### **Ruling of the Court**

Ordinarily, the Court will simply gloss over the arguments raised by Cadiz, given that the main matter dealt with by the CA were the infirmities found in the petition and which caused the dismissal of her case before it. In view, however, of the significance of the issues involved in Cadiz's dismissal from employment, the Court will resolve the petition including the substantial grounds raised herein.

The issue to be resolved is whether the CA committed a reversible error in ruling that: (1) Cadiz's petition is dismissible on ground of technical deficiencies; and (2) the NLRC did not commit grave abuse of discretion in

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<sup>16</sup> Id. at 36.

<sup>17</sup> Id. at 38.

<sup>18</sup> Id. at 21-44.

<sup>19</sup> Id. at 86-87.

upholding her dismissal from employment.

***Rules of procedure are mere tools  
designed to facilitate the attainment  
of justice***

In dismissing outright Cadiz's petition, the CA found the following defects: (1) incomplete statement of material dates; (2) failure to attach registry receipts; and (3) failure to indicate the place of issue of counsel's PTR and IBP official receipts.

Rule 46, Section 3 of the Rules of Court states the contents of a petition filed with the CA under Rule 65, viz, "the petition shall x x x indicate the material dates showing when notice of the judgment or final order or resolution subject thereof was received, when a motion for new trial or reconsideration, if any, was filed and when notice of the denial thereof was received." The rationale for this is to enable the CA to determine whether the petition was filed within the period fixed in the rules.<sup>20</sup> Cadiz's failure to state the date of receipt of the copy of the NLRC decision, however, is not fatal to her case since the more important material date which must be duly alleged in a petition is the date of receipt of the resolution of denial of the motion for reconsideration,<sup>21</sup> which she has duly complied with.<sup>22</sup>

The CA also dismissed the petition for failure to attach the registry receipt in the affidavit of service.<sup>23</sup> Cadiz points out, on the other hand, that the registry receipt number was indicated in the petition and this constitutes substantial compliance with the requirement. What the rule requires, however, is that the registry receipt must be appended to the paper being served.<sup>24</sup> Clearly, mere indication of the registry receipt numbers will not suffice. In fact, the absence of the registry receipts amounts to lack of proof of service.<sup>25</sup> Nevertheless, despite this defect, the Court finds that the ends of substantial justice would be better served by relaxing the application of technical rules of procedure.<sup>26</sup> With regard to counsel's failure to indicate the place where the IBP and PTR receipts were issued, there was substantial

<sup>20</sup> *Sara Lee Philippines, Inc. v. Macatang*, G.R. No. 180147, June 4, 2014, 724 SCRA 552, 573-574.

<sup>21</sup> *Id.*; *Barra v. Civil Service Commission*, 706 Phil. 523, 526 (2013).

<sup>22</sup> *See CA rollo*, p. 4.

<sup>23</sup> Section 13, Rule 13 of the Rules of Court provides, in part:

If service is made by registered mail, proof shall be made by such affidavit and the registry receipt issued by the mailing office. The registry return card shall be filed immediately upon its receipt by the sender, or in lieu thereof the unclaimed letter together with the certified or sworn copy of the notice given by the postmaster to the addressee.

<sup>24</sup> *Fortune Life Insurance Company, Inc. v. Commission on Audit (COA) Proper; COA Regional Office No. VI-Western Visayas; Audit Group LGS-B, Province of Antique; and Provincial Government of Antique*, G.R. No. 213525, January 27, 2015.

<sup>25</sup> *The Government of the Philippines v. Aballe*, 520 Phil. 181, 190 (2006).

<sup>26</sup> *Panaga v. CA*, 534 Phil. 809, 816 (2006).

compliance with the requirement since it was indicated in the verification and certification of non-forum shopping, as correctly argued by Cadiz's lawyer.<sup>27</sup>

Time and again, the Court has emphasized that rules of procedure are designed to secure substantial justice. These are mere tools to expedite the decision or resolution of cases and if their strict and rigid application would frustrate rather than promote substantial justice, then it must be avoided.<sup>28</sup>

***Immorality as a just cause for termination of employment***

Both the LA and the NLRC upheld Cadiz's dismissal as one attended with just cause. The LA, while ruling that Cadiz's indefinite suspension was tantamount to a constructive dismissal, nevertheless found that there was just cause for her dismissal. According to the LA, "there was just cause therefor, consisting in her engaging in premarital sexual relations with Carl Cadiz, allegedly her boyfriend, resulting in her becoming pregnant out of wedlock."<sup>29</sup> The LA deemed said act to be immoral, which was punishable by dismissal under Brent's rules and which likewise constituted serious misconduct under Article 282(a) of the Labor Code. The LA also opined that since Cadiz was Brent's Human Resource Officer in charge of implementing its rules against immoral conduct, she should have been the "epitome of proper conduct."<sup>30</sup> The LA ruled:

[Cadiz's] immoral conduct by having premarital sexual relations with her alleged boy friend, a former Brent worker and her co-employee, is magnified as serious misconduct not only by her getting pregnant as a result thereof before and without marriage, but more than that, also by the fact that Brent is an institution of the Episcopal Church in the Philippines x x x committed to "developing competent and dedicated professionals x x x and in providing excellent medical and other health services to the community for the Glory of God and Service to Humanity." x x x As if these were not enough, [Cadiz] was Brent's Human Resource Officer charged with, among others, implementing the rules of Brent against immoral conduct, including premarital sexual relations, or fornication x x x. She should have been the epitome of proper conduct, but miserably failed. She herself engaged in premarital sexual relations, which surely scandalized the Brent community. x x x.<sup>31</sup>

The NLRC, for its part, sustained the LA's conclusion.

<sup>27</sup> See CA rollo, p. 28.

<sup>28</sup> *Barroga v. Data Center College of the Philippines, et al.*, 667 Phil. 808, 818 (2011).

<sup>29</sup> Rollo, p. 56.

<sup>30</sup> Id.

<sup>31</sup> Id.

The Court, however, cannot subscribe to the labor tribunals' conclusions.

Admittedly, one of the grounds for disciplinary action under Brent's policies is immorality, which is punishable by dismissal at first offense.<sup>32</sup> Brent's Policy Manual provides:

#### CATEGORY IV

In accordance with Republic Act No. 1052,<sup>33</sup> the following are just cause for terminating an employment of an employee without a definite period:

x x x x

2. Serious misconduct or willful disobedience by the employee of the orders of his employer or representative in connection with his work, such as, but not limited to the following:

x x x x

b. Commission of immoral conduct or indecency within the company premises, such as an act of lasciviousness or any act which is sinful and vulgar in nature.

c. Immorality, concubinage, bigamy.<sup>34</sup>

Its Employee's Manual of Policies, meanwhile, enumerates "[a]cts of immorality such as scandalous behaviour, acts of lasciviousness against any person (patient, visitors, co-workers) within hospital premises"<sup>35</sup> as a ground for discipline and discharge. Brent also relied on Section 94 of the Manual of Regulations for Private Schools (MRPS), which lists "disgraceful or immoral conduct" as a cause for terminating employment.<sup>36</sup>

Thus, the question that must be resolved is whether Cadiz's premarital relations with her boyfriend and the resulting pregnancy out of wedlock constitute immorality. To resolve this, the Court makes reference to the recently promulgated case of *Cheryll Santos Leus v. St. Scholastica's College Westgrove and/or Sr. Edna Quiambao, OSB*.<sup>37</sup>

<sup>32</sup> Id.

<sup>33</sup> AN ACT TO PROVIDE FOR THE MANNER OF TERMINATING EMPLOYMENT WITHOUT A DEFINITE PERIOD IN A COMMERCIAL, INDUSTRIAL, OR AGRICULTURAL, ESTABLISHMENT OR ENTERPRISE (approved on June 12, 1954), which has been repealed by Presidential Decree No. 442 or the Labor Code of the Philippines (effective November 1, 1974). See *National Labor Union v. Secretary of Labor*, G.R. No. L-41459, December 18, 1987, 156 SCRA 592.

<sup>34</sup> NLRC records, Vol. 1, pp. 77-78.

<sup>35</sup> Id. at 81.

<sup>36</sup> Id. at 54.

<sup>37</sup> G.R. No. 187226, January 28, 2015.

*Leus* involved the same personal circumstances as the case at bench, albeit the employer was a Catholic and sectarian educational institution and the petitioner, Cheryll Santos Leus (Leus), worked as an assistant to the school's Director of the Lay Apostolate and Community Outreach Directorate. Leus was dismissed from employment by the school for having borne a child out of wedlock. The Court ruled in *Leus* that the determination of whether a conduct is disgraceful or immoral involves a two-step process: **first**, a consideration of the totality of the circumstances surrounding the conduct; and **second**, an assessment of the said circumstances *vis-à-vis* the prevailing norms of conduct, *i.e.*, what the society generally considers moral and respectable.

In this case, the surrounding facts leading to Cadiz's dismissal are straightforward – she was employed as a human resources officer in an educational and medical institution of the Episcopal Church of the Philippines; she and her boyfriend at that time were both single; they engaged in premarital sexual relations, which resulted into pregnancy. The labor tribunals characterized these as constituting disgraceful or immoral conduct. They also sweepingly concluded that as Human Resource Officer, Cadiz should have been the epitome of proper conduct and her indiscretion “surely scandalized the Brent community.”<sup>38</sup>

The foregoing circumstances, however, do not readily equate to disgraceful and immoral conduct. Brent's Policy Manual and Employee's Manual of Policies do not define what constitutes immorality; it simply stated *immorality* as a ground for disciplinary action. Instead, Brent erroneously relied on the standard dictionary definition of fornication as a form of illicit relation and proceeded to conclude that Cadiz's acts fell under such classification, thus constituting immorality.<sup>39</sup>

Jurisprudence has already set the standard of morality with which an act should be gauged – it is public and secular, not religious.<sup>40</sup> Whether a conduct is considered disgraceful or immoral should be made in accordance with the prevailing norms of conduct, which, as stated in *Leus*, refer to those conducts which are proscribed because they are **detrimental to conditions upon which depend the existence and progress of human society**. The fact that a particular act does not conform to the traditional moral views of a certain sectarian institution is not sufficient reason to qualify such act as immoral unless it, likewise, does not conform to public and secular standards. More importantly, there must be **substantial evidence** to establish that premarital sexual relations and pregnancy out of wedlock is considered disgraceful or immoral.<sup>41</sup>

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<sup>38</sup> *Rollo*, p. 56.

<sup>39</sup> NLRC records, Vol. 1, pp. 53-54.

<sup>40</sup> *Supra* note 37.

<sup>41</sup> *Id.*

The totality of the circumstances of this case does not justify the conclusion that Cadiz committed acts of immorality. Similar to *Leus*, Cadiz and her boyfriend were both single and had no legal impediment to marry at the time she committed the alleged immoral conduct. In fact, they eventually married on April 15, 2008.<sup>42</sup> Aside from these, the labor tribunals' respective conclusion that Cadiz's "indiscretion" "scandalized the Brent community" is speculative, at most, and there is no proof adduced by Brent to support such sweeping conclusion. Even Brent admitted that it came to know of Cadiz's "situation" only when her pregnancy became manifest.<sup>43</sup> Brent also conceded that "[a]t the time [Cadiz] and Carl R. Cadiz were just carrying on their boyfriend-girlfriend relationship, there was no knowledge or evidence by [Brent] that they were engaged also in premarital sex."<sup>44</sup> This only goes to show that Cadiz did not flaunt her premarital relations with her boyfriend and it was not carried on under scandalous or disgraceful circumstances. As declared in *Leus*, "there is no law which penalizes an unmarried mother by reason of her sexual conduct or proscribes the consensual sexual activity between two unmarried persons; that neither does such situation contravene[s] any fundamental state policy enshrined in the Constitution."<sup>45</sup> The fact that Brent is a sectarian institution does not automatically subject Cadiz to its religious standard of morality absent an express statement in its manual of personnel policy and regulations, prescribing such religious standard as gauge as these regulations create the obligation on both the employee and the employer to abide by the same.<sup>46</sup>

Brent, likewise, cannot resort to the MRPS because the Court already stressed in *Leus* that "premarital sexual relations between two consenting adults who have no impediment to marry each other, and, consequently, conceiving a child out of wedlock, gauged from a purely public and secular view of morality, does not amount to a disgraceful or immoral conduct under Section 94(e) of the 1992 MRPS."<sup>47</sup>

### ***Marriage as a condition for reinstatement***

The doctrine of management prerogative gives an employer the right to "regulate, according to his own discretion and judgment, all aspects of employment, including hiring, work assignments, working methods, the time, place and manner of work, work supervision, transfer of employees,

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<sup>42</sup> *Rollo*, p. 22.

<sup>43</sup> *Id.* at 88.

<sup>44</sup> NLRC records, Vol. 2, p. 64.

<sup>45</sup> *Supra* note 37.

<sup>46</sup> *See Abbott Laboratories, Philippines v. Alcaraz*, G.R. No. 192571, July 23, 2013, 701 SCRA 682.

<sup>47</sup> *Supra* note 37.

lay-off of workers, and discipline, dismissal, and recall of employees.”<sup>48</sup> In this case, Brent imposed on Cadiz the condition that she subsequently contract marriage with her then boyfriend for her to be reinstated. According to Brent, this is “in consonance with the policy against encouraging illicit or common-law relations that would subvert the sacrament of marriage.”<sup>49</sup>

Statutory law is replete with legislation protecting labor and promoting equal opportunity in employment. No less than the 1987 Constitution mandates that the “State shall afford full protection to labor, local and overseas, organized and unorganized, and promote full employment and equality of employment opportunities for all.”<sup>50</sup> The Labor Code of the Philippines, meanwhile, provides:

Art. 136. Stipulation against marriage. It shall be unlawful for an employer to require as a condition of employment or continuation of employment that a woman employee shall not get married, or to stipulate expressly or tacitly that upon getting married, a woman employee shall be deemed resigned or separated, or to actually dismiss, discharge, discriminate or otherwise prejudice a woman employee merely by reason of her marriage.

With particular regard to women, Republic Act No. 9710 or the *Magna Carta of Women*<sup>51</sup> protects women against discrimination in all matters relating to marriage and family relations, including the **right to choose freely a spouse and to enter into marriage only with their free and full consent.**<sup>52</sup>

Weighed against these safeguards, it becomes apparent that Brent’s condition is coercive, oppressive and discriminatory. There is no rhyme or reason for it. It forces Cadiz to marry for economic reasons and deprives her of the freedom to choose her status, which is a privilege that inheres in her as an intangible and inalienable right.<sup>53</sup> While a marriage or no-marriage qualification may be justified as a “bona fide occupational qualification,” Brent must prove two factors necessitating its imposition, *viz*: (1) that the employment qualification is **reasonably related to the essential operation of the job involved**; and (2) that there is a factual basis for believing that all or substantially all persons meeting the qualification would be unable to properly perform the duties of the job.<sup>54</sup> Brent has not shown the presence of neither of these factors. Perforce, the Court cannot uphold the validity of

<sup>48</sup> *Peckson v. Robinsons Supermarket Corporation*, G.R. No. 198534, July 3, 2013, 700 SCRA 668, 678-679, citing *Rural Bank of Cantilan, Inc. v. Julve*, 545 Phil. 619, 624 (2007).

<sup>49</sup> NLRC records, Vol. 1, p. 57.

<sup>50</sup> Article XIII, Section 3.

<sup>51</sup> Approved on August 14, 2009.

<sup>52</sup> Section 19(b).

<sup>53</sup> *See Philippine Telegraph and Telephone Company v. NLRC*, 338 Phil. 1093 (1997).

<sup>54</sup> *Star Paper Corporation v. Simbol*, 521 Phil. 364, 375 (2006).

said condition.

Given the foregoing, Cadiz, therefore, is entitled to reinstatement without loss of seniority rights, and payment of backwages computed from the time compensation was withheld up to the date of actual reinstatement. Where reinstatement is no longer viable as an option, separation pay should be awarded as an alternative and as a form of financial assistance.<sup>55</sup> In the computation of separation pay, **the Court stresses that it should not go beyond the date an employee was deemed to have been actually separated from employment, or beyond the date when reinstatement was rendered impossible.**<sup>56</sup> In this case, the records do not show whether Cadiz already severed her employment with Brent or whether she is gainfully employed elsewhere; thus, the computation of separation pay shall be pegged based on the findings that she was employed on August 16, 2002, on her own admission in her complaint that she was dismissed on November 17, 2006, and that she was earning a salary of ₱9,108.70 per month,<sup>57</sup> which shall then be computed at a rate of one (1) month salary for every year of service,<sup>58</sup> as follows:

Monthly salary	₱9,108.70
multiplied by number of years	x
in service (Aug 02 to Nov 06)	4
	<u>₱36,434.80</u>

The Court also finds that Cadiz is only entitled to limited backwages. Generally, the computation of backwages is reckoned from the date of illegal dismissal until actual reinstatement.<sup>59</sup> In case separation pay is ordered in lieu of reinstatement or reinstatement is waived by the employee, backwages is computed from the time of dismissal until the finality of the decision ordering separation pay.<sup>60</sup> Jurisprudence further clarified that the period for computing the backwages during the period of appeal should end on the date that a higher court reversed the labor arbitration ruling of illegal dismissal.<sup>61</sup> If applied in Cadiz's case, then the computation of backwages should be from November 17, 2006, which was the time of her illegal dismissal, until the date of promulgation of this decision. Nevertheless, the Court has also recognized that the constitutional policy of providing full protection to labor is not intended to oppress or destroy management.<sup>62</sup> The Court notes that at the time of Cadiz's indefinite suspension from employment, *Leus* was yet to be decided by the Court. Moreover, Brent was acting in good faith and on

<sup>55</sup> *Bani Rural Bank, Inc. v. De Guzman*, G.R. No. 170904, November 13, 2013, 709 SCRA 330, 349-350.

<sup>56</sup> *Bordomeo, et al. v. CA, et al.*, 704 Phil. 278, 300 (2013).

<sup>57</sup> *Rollo*, p. 50.

<sup>58</sup> *Supra* note 56.

<sup>59</sup> LABOR CODE OF THE PHILIPPINES, Article 279.

<sup>60</sup> *Bani Rural Bank, Inc. v. De Guzman*, *supra* note 55.

<sup>61</sup> *Wenphil Corporation v. Abing*, G.R. No. 207983, April 7, 2014, 721 SCRA 126, 143.

<sup>62</sup> *Victory Liner, Inc. v. Race*, G.R. No. 164820, December 8, 2008, 573 SCRA 212, 221.

its honest belief that Cadiz's pregnancy out of wedlock constituted immorality. Thus, fairness and equity dictate that the award of backwages shall only be equivalent to one (1) year or ₱109,304.40, computed as follows:

Monthly salary	₱9,108.70
multiplied by one year or 12 months	x <u>12</u>
	₱109,304.40

Finally, with regard to Cadiz's prayer for moral and exemplary damages, the Court finds the same without merit. A finding of illegal dismissal, by itself, does not establish bad faith to entitle an employee to moral damages.<sup>63</sup> Absent clear and convincing evidence showing that Cadiz's dismissal from Brent's employ had been carried out in an arbitrary, capricious and malicious manner, moral and exemplary damages cannot be awarded. The Court nevertheless grants the award of attorney's fees in the amount of ten percent (10%) of the total monetary award, Cadiz having been forced to litigate in order to seek redress of her grievances.<sup>64</sup>

**WHEREFORE**, the petition is **GRANTED**. The Resolutions dated July 22, 2008 and February 24, 2009 of the Court of Appeals in CA-G.R. SP No. 02373-MIN are **REVERSED and SET ASIDE**, and a **NEW ONE ENTERED** finding petitioner Christine Joy Capin-Cadiz to have been dismissed without just cause.

Respondent Brent Hospital and Colleges, Inc. is hereby **ORDERED TO PAY** petitioner Christine Joy Capin-Cadiz:

- (1) One Hundred Nine Thousand Three Hundred Four Pesos and 40/100 (₱109,304.40) as backwages;
- (2) Thirty-Six Thousand Four Hundred Thirty-Four Pesos and 80/100 (₱36,434.80) as separation pay; and
- (3) Attorney's fees equivalent to ten percent (10%) of the total award.

The monetary awards granted shall earn legal interest at the rate of six percent (6%) *per annum* from the date of the finality of this Decision until fully paid.

<sup>63</sup> *Lambert Pawnbrokers and Jewelry Corporation, et al. v. Binamira*, 639 Phil. 1, 15-16 (2010).

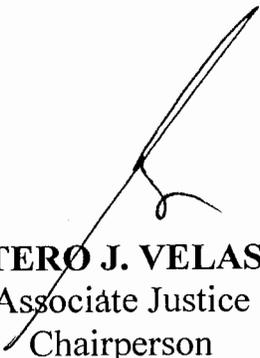
<sup>64</sup> *Pasos v. Philippine National Construction Corporation*, G.R. No. 192394, July 3, 2013, 700 SCRA 608, 631.

**SO ORDERED.**



**BIENVENIDO L. REYES**  
Associate Justice

**WE CONCUR:**



**PRESBITERO J. VELASCO, JR.**  
Associate Justice  
Chairperson



**DIOSDADO M. PERALTA**  
Associate Justice



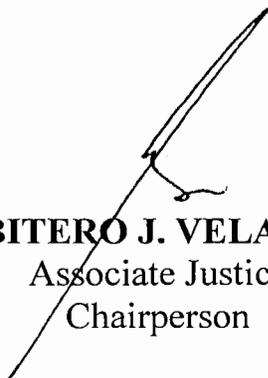
**JOSE PORTUGAL PEREZ**  
Associate Justice



**FRANCIS H. JARDELEZA**  
Associate Justice

**ATTESTATION**

I attest 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.



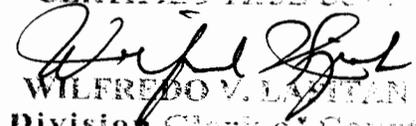
**PRESBITERO J. VELASCO, JR.**  
Associate Justice  
Chairperson

## CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the Division Chairperson's Attestation, 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.



**MARIA LOURDES P. A. SERENO**  
Chief Justice

CERTIFIED TRUE COPY  
  
WILFREDO V. LASTAN  
Division Clerk of Court  
Third Division  
MAR 15 2016

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