Republic of the Philippines
Supreme Court
Manila

**THIRD DIVISION**

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| **STANFILCO – A DIVISION OF DOLE PHILIPPINES, INC. and REYNALDO CASIÑO,** | **G.R. No. 209735** |
| Petitioners, | Present: |
| | PERALTA, *J.*, *Chairperson,* |
| | LEONEN, |
| | A. REYES, JR., |
| **- versus -** | HERNANDO, and |
| | INTING, *JJ.* |
| **JOSE TEQUILLO and/or NATIONAL LABOR RELATIONS COMMISSION – EIGHTH DIVISION,** | |
| Respondents. | Promulgated: |
| | July 17, 2019 |
| | Mis-DCBatt |

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# DECISION

**A. REYES, JR., *J.*:**

*Physical violence inflicted by one employee on another constitutes serious misconduct, which justifies the former's dismissal. Nevertheless, the employer bears the onus of proving that the attack was work-related and has rendered the erring employee unfit to continue working. This burden is not overcome by the mere fact that the act occurred within company premises and during work hours. Verily, the employer must establish a reasonable connection between the purported offense and the employee's duties.*

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Before the Court is a petition for review on *certiorari*[1] assailing the June 14, 2013 Decision[2] and October 14, 2013 Resolution[3] rendered by the Court of Appeals (CA) in CA-G.R. SP No. 04698, through which the dismissal of the private respondent, Jose Tequillo (Tequillo), was declared illegal.

## The Factual Antecedents

Stanfilco (petitioner) is a duly organized domestic corporation that operates a banana plantation in Lantapan, Bukidnon.[4] On the other hand, Tequillo was a Farm Associate who worked on petitioner's plantation from January 5, 2004 until he was terminated on May 24, 2010 for mauling his co-worker, Resel Gayon (Gayon), and consuming intoxicating beverages within company premises and during work hours.[5]

Every week, petitioner hosts a company-initiated employee gathering known as the "*Kaibigan* Fellowship." While the assembly touches on matters that are not work-related, petitioner also uses it as a venue for company announcements and production updates.[6]

On September 12, 2009, petitioner held one such "*Kaibigan* Fellowship," and required all its employees to be present thereat. However, Tequillo, instead of attending the gathering, opted to go on a drinking spree at the farm shed area of petitioner's premises with several of his fellow workers. Gayon, who was sent to assist Tequillo at an assigned area of the farm, chanced upon the group, and was eventually prevailed upon to join them. At the time, Tequillo was expressing resentment towards petitioner's refusal to provide him with a performance incentive. Since Gayon was not yet a regular employee of petitioner, Tequillo advised him not to work at the plantation, warning the former that he, too, might meet the same fate, and not receive any incentive for his efforts. Instead of heeding to the advice, Gayon told Tequillo to air his grievances to petitioner's higher-ranking employees. Irked by the suggestion, Tequillo proceeded to maul Gayon.[7]

On September 15, 2009, petitioner served Tequillo with a memorandum, requiring him to explain why no disciplinary action should be taken against him for the drinking and mauling incident.[8] In response to the charge, Tequillo admitted to mauling Gayon, but averred that the act was

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1 *Rollo*, pp. 9-34.

2 Penned by Associate Justice Edgardo T. Lloren, with Associate Justices Marie Christine Azcarraga-Jacob and Edward B. Contreras concurring; id. at 39-48.

3 Id. at 62-64.

4 Id. at 11-12.

5 Id. at 40.

6 Id. at 12.

7 Id. at 13-14.

8 Id. at 40.

done in self-defense. However, anent the accusation of drinking, the former remained silent.[9]

Administrative hearings were held on October 17, 2009 and February 2, 2010, during which Tequillo was given the chance to explain his side.[10] However, petitioner found his explanations unsatisfactory, and eventually terminated him on May 24, 2010 on the ground of serious misconduct.[11]

Consequently, on October 6, 2010, Tequillo filed before the Labor Arbiter (LA) a complaint for illegal dismissal.[12]

**The LA's Ruling**

On January 31, 2011, the LA rendered a Decision[13] in favor of petitioner. In ruling Tequillo's dismissal to be valid, the LA held that the drinking and fighting incident had been duly proved. To the LA, Tequillo's acts constituted serious misconduct and willful disobedience to company rules, thus justifying petitioner's decision to dismiss him. The dispositive portion of the LA's January 31, 2011 Decision reads:

> WHEREFORE, in view of all the foregoing, judgment is hereby entered ordering the dismissal of the above-entitled case for lack of merit.
>
> SO ORDERED.[14]

Tequillo then appealed to the National Labor Relations Commission (NLRC), claiming that the LA erred in finding him guilty of serious misconduct.

**The NLRC's Ruling**

On August 24, 2011, the NLRC promulgated a Resolution,[15] reversing the LA's decision. According to the NLRC, Tequillo was illegally dismissed since he was not performing official work at the time he mauled Gayon. It followed, then, that Tequillo's act could not be work-related. The NLRC then disposed of the case, thus:

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9 Id.
10 Id.
11 Id.
12 Id.
13 Id. at 112-122.
14 Id. at 122.
15 Id. at 124-133.

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> WHEREFORE, premises considered, the appeal is hereby GRANTED and the assailed decision is REVERSED and SET ASIDE. In lieu thereof, a new one is rendered declaring that complainant was illegally dismissed and accordingly DOLE STANFILCO and/or REYNALDO CASINO, Manager, are hereby ORDERED:
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> (1) to immediately reinstate complainant to his former position or equivalent position without loss of seniority rights and other privileges as well as to his full backwages computed from the date his compensation was withheld from him up to the time of his actual reinstatement; and
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> (2) to pay ten percent (10%) of the total amount due to as attorney's fees.
>
> All other claims are dismissed for lack of merit.
>
> SO ORDERED.[16]

Petitioner then moved that the NLRC reconsider the above ruling, but to no avail. The former was thus compelled to seek relief before the CA through a petition for *certiorari.*

## The CA's Ruling

On June 14, 2013, the CA affirmed the NLRC's resolution through the assailed Decision. Finding that no grave abuse of discretion tainted said resolution, the appellate court held that Tequillo's dismissal was illegal. According to the CA, the act of mauling Gayon was not work-related, and at most amounted only to simple misconduct. The *fallo* of the assailed CA decision reads:

> WHEREFORE, the petition is hereby DENIED. The National Labor Relations Commission, Eighth (8th) Division's (NLRC) Resolutions promulgated on August 24, 2011 and October 28, 2011 are hereby AFFIRMED.
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> SO ORDERED.[17]

Petitioner then moved for reconsideration only to be denied through the challenged October 14, 2013 Resolution.

Hence, the instant petition.

## The Issue

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16 Id. at 132.

17 Id. at 47.

## The Issue

Whether or not the CA erred in ruling that no grave abuse of discretion attended the NLRC's decision declaring Tequillo's dismissal illegal[18]

## The Court's Ruling

The petition is meritorious.

To begin with, the Court's power to decide Rule 45 petitions in labor cases is not unlimited.[19]

Under our labor laws, a decision or final order of the NLRC cannot be appealed.[20] This, however, does not mean that parties are absolutely prohibited from seeking relief from adverse NLRC decisions. Appellate courts are still vested with the power to review such decisions even if the law is silent as to an explicit right to appeal.[21]

The remedy from an adverse decision or final order of the NLRC is to file a petition for *certiorari* before the CA on the ground that the former tribunal acted with grave abuse of discretion in arriving at its determination of the case.[22] That said, a *certiorari* proceeding differs from an appeal in that the former concerns not errors of judgment, but errors of jurisdiction. As held in *Gabriel v. Petron Corporation*:[23]

> *Certiorari* proceedings are limited in scope and narrow in character because they only correct acts rendered without jurisdiction, in excess of jurisdiction, or with grave abuse of discretion. Indeed, relief in a special civil action for certiorari is available only when the following essential requisites concur: (a) the petition must be directed against a tribunal, board, or officer exercising judicial or quasi-judicial functions; (b) the tribunal, board, or officer must have acted without or in excess of jurisdiction or with grave abuse of discretion amounting to lack or in excess of jurisdiction; and (c) there is no appeal, nor any plain, speedy, and adequate remedy in the ordinary course of law. **It will issue to correct errors of jurisdiction and not mere errors of judgment, particularly in the findings or conclusions of the quasi-judicial tribunals (such as the NLRC).**[24] (Emphasis and underscoring supplied, citations omitted)

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18 Id. at 21.

19 *Protective Maximum Security Agency, Inc. v. Fuentes*, 753 Phil. 482, 502 (2015).

20 LABOR CODE, Art. 229.

21 *Angelito N. Gabriel v. Petron Corporation, Alfred A. Trio, and Ferdinando Enriquez* G.R. No. 194575, April 11, 2018.

22 *St. Martin Funeral Home v. National Labor Relations Commission*, 356 Phil. 811, 823 (1998).

23 Supra. 21.

24 Id.

After the CA renders its decision, the losing party may then seek final review before the Court via a Rule 45 petition.[25] Such petitions, by their very nature, concern only questions of law.[26] It follows then that, in labor cases, the Court enquires into the legal correctness of the CA's determination of the presence or absence of grave abuse of discretion in the NLRC decision.[27] As such, the Court is limited to:

> (1) Ascertaining the correctness of the CA's decision in finding the presence or absence of grave abuse of discretion. This is done by examining, on the basis of the parties' presentations, whether the CA correctly determined that at the NLRC level, all the adduced pieces of evidence were considered; no evidence which should not have been considered was considered; and the evidence presented supports the NLRC's findings; and
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> (2) Deciding other jurisdictional error that attended the CA's interpretation or application of the law.[28]

It is, therefore, inevitable to examine the CA's decision in the context of a petition for *certiorari*.[29] This entails that Rule 45 petitions in labor cases ultimately concern whether the NLRC's decision is tainted with grave abuse of discretion, and not whether said decision is correct on the merits.[30] In question form, the issue is presented as: "Did the CA correctly determine whether the NLRC committed grave abuse of discretion in ruling on the case?[31]"

The answer, for reasons discussed below, is in the negative.

In the main, petitioner argued that Tequillo's act of drinking within company premises and subsequently mauling Gayon amounted to serious misconduct and willful disobedience.[32] Anent the first charge, petitioner insisted that since the "*Kaibigan* Fellowship" is considered working time, Tequillo's acts were work-related, as contemplated by the requisites of serious misconduct.[33] Anent the second charge, petitioner pointed to its own internal disciplinary rules, which prohibit the consumption of alcohol during work hours and within company premises. Maintaining that these rules are reasonable, petitioner asserted that Tequillo's deliberate disregard thereof justified his termination.[34]

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25 RULES OF COURT, Rule 45, Sec. 1.
26 Id.
27 *Stanley Fine Furniture v. Gallano*, 748 Phil. 624, 637 (2014).
28 Id.
29 *Montoya v. Transmed Manila Corporation*, 613 Phil. 696, 707 (2009).
30 *Holy Child Catholic School v. Sto. Tomas*, 714 Phil. 427, 456-457 (2013).
31 Supra note 19, at 503
32 *Rollo*, pp. 25-29.
33 Id. at 29-30.
34 Id. at 27.

Under the law, an employee's termination may be justified on the ground of serious misconduct.[35] 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."[36] In labor cases, misconduct, as a ground for dismissal, must be serious—that is, it must be of such grave and aggravated character and not merely trivial or unimportant.[37] In addition, the act constituting misconduct must be connected with the duties of the employee and performed with wrongful intent.[38] Hence, for an employee's termination to be justified on the ground of serious misconduct, the following requisites must concur:

> (a) the misconduct must be serious;
>
> (b) it must relate to the performance of the employee's duties, showing that the employee has become unfit to continue working for the employer; and
>
> (c) it must have been performed with wrongful intent.[39]

In this case, the CA refused to characterize Tequillo's acts as work-related because he was not a participant in the "*Kaibigan* Fellowship.[40]" As may be recalled, Tequillo absented himself from the gathering to go on a drinking spree with several other farm workers. Petitioner countered that the "*Kaibigan* Fellowship" was held during work hours and within company premises. Relying on Section 6, Rule I of Book III of the Omnibus Rules Implementing the Labor Code,[41] which provides that lectures, meetings, training programs, and other similar activities are considered as working time, petitioner contented that Tequillo's acts are related to the performance of his duties.

The Court partly agrees.

Both petitioner and the CA erred in equating work-relatedness to the time when and place where the offense was committed. To be sure, physical violence between and among employees may constitute serious misconduct regardless of whether such violence occurred during working hours and

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35 LABOR CODE, Art. 296 (formerly Art. 282) (a).

36 *Sterling Paper Products Enterprises, Inc. v. KMM-Katipunan and Raymond Z. Esponga*, G.R. No. 221493, August 2, 2017. 834 SCRA 305, 316.

37 *Imasen Philippine Manufacturing Corp. v. Alcon*, 746 Phil. 172, 181 (2014).

38 Supra. note 36.

39 *Ricardo G. Sy and Henry B. Alix v. Neat, Inc., Banana Peel and Paul Vincent Ng* G.R. No. 213748, November 27, 2017.

40 *Rollo*, p. 46.

41 **SECTION 6.** *Lectures, meetings, training programs.* — Attendance at lectures, meetings, training programs, and other similar activities shall not be counted as working time if all of the following conditions are met:

> (a) Attendance is outside of the employee's regular working hours;
> (b) Attendance is in fact voluntary; and
> (c) The employee does not perform any productive work during such attendance.

within company premises. Although the Court has recognized that workplace violence may constitute serious misconduct, it has also held that not every fight within company would automatically warrant dismissal from service.[42] Jurisprudence requires that the confrontation be "rooted on workplace dynamics" or connected with the performance of the employees' duties.[43] Stated otherwise, time and location do not, by themselves, determine whether violence should be classified as work-related. Rather, such determination will depend on the underlying cause of or motive behind said violence.

In *Technol Eight Philippines Corporation v. National Labor Relations Commission*,[44] Dennis Amular (Amular) got into a fistfight with his team leader, Rafael Mendoza (Mendoza). The fight occurred not within company premises, but at the Surf City Internet Café in Sta. Rosa, Laguna. Because of the incident, Amular's employment was terminated, causing him to file a complaint for illegal dismissal before the LA. When the case eventually reached the Court, Almular's termination was deemed valid. Brushing aside the fact that the incident took place outside of company premises and after work hours, the Court held that the fight's work connection rendered Almular unfit to continue his employment with the company. It was found that Almular purposefully confronted Mendoza because of the latter's remarks about the former's questionable behavior at work. Apparently, Mendoza made Almular the subject of a negative performance report. It was thus held that the assault was occasioned by Almular's urge to get even for a perceived wrong, which constituted a valid cause that justified his termination.

Clearly, then, the fact that the act complained of in this case, particularly the mauling of Gayon, took place at the plantation and while the "*Kaibigan* Fellowship" was being held is of no moment. Based on *Technol*, the enquiry should be into the proximate cause of or the motive behind the attack. This will allow the Court to determine whether Tequillo's act was related to the performance of his duties, whether it has rendered him unfit to work for petitioner, and whether it was performed with wrongful intent.

From the Court's perspective, the work-relatedness of and wrongful intent behind Tequillo's violent conduct cannot be questioned. Tequillo himself admitted that he mauled Gayon out of emotional disturbance, which was ultimately caused by petitioner's refusal to provide the former employee with a productivity incentive.[45] The attack was clearly unfounded, as it remains undisputed that petitioner's refusal to furnish said incentive was due to Tequillo's failure to meet his work quotas. Worse, Gayon had said or done nothing to sufficiently provoke the attack. Therefore, while it may be

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42 *Supreme Steel Pipe Corporation v. Bardaje*, 550 Phil. 326, 337 (2007).

43 *Technol Eight Philippines Corporation v. National Labor Relations Commission*, 632 Phil. 261, 271 (2010).

44 Id.

45 *Rollo*, p. 128.

remains undisputed that petitioner's refusal to furnish said incentive was due to Tequillo's failure to meet his work quotas. Worse, Gayon had said or done nothing to sufficiently provoke the attack. Therefore, while it may be true that Tequillo acted out of resentment towards petitioner, the same resentment was essentially attributable to his own work-related neglect. It follows, then, that the attack was connected to the sub-standard performance of Tequillo's duties, and that it was fundamentally rooted in his confounded notion of workplace dynamics.

Further, there exists a substantial basis to believe that Tequillo is capable of repeating his violent act. As mentioned above, the attack occurred because he did not receive a productivity incentive. This shows that Tequillo may be irked without reason and that he possesses an egregious disposition that is detrimental not only to petitioner, but to his co-employees. Verily, to allow him to remain in petitioner's employ would put his fellow farm workers at risk of physical harm every time he feels wronged.

Taken together, these show that Tequillo's violent act amounted to serious misconduct. The incident disturbed the peace in the farm and breached the discipline expected by petitioner from its employees.[46] That Tequillo is ill-suited to continue working is shown by his perverse attitude and by the possibility that the attack may be repeated. On the other hand, his wrongful intent is shown by the arbitrary and unfounded manner in which he attacked Gayon. Hence, all the requisites of serious misconduct are present in this case.

Having said that, the NLRC clearly misappreciated the evidence and undisputed facts. Without a doubt, this constituted grave abuse of discretion that the CA should have rectified when the case was brought before it on *certiorari*. It follows then that the NLRC's resolution, "as well as the" CA decision affirming it, both declaring that Tequillo was illegally dismissed, must be set aside.

With the foregoing disquisition, the Court deems it unnecessary to belabor on the issue of willful insubordination.

**WHEREFORE**, the petition is **GRANTED**. The June 14, 2013 Decision, and the October 14, 2013 Resolution rendered by the Court of Appeals in CA-G.R. SP No. 04698 are **REVERSED** and **SET ASIDE**. The January 31, 2011 Decision of the Labor Arbiter dismissing private respondent Jose Tequillo's complaint is hereby **REINSTATED**.

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46 *Royo v. NLRC*, 326 Phil. 650, 659-660 (1996).

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**SO ORDERED.**

**ANDRES B. REYES, JR.**
Associate Justice

**WE CONCUR:**

**DIOSDADO M. PERALTA**
Associate Justice
Chairperson

**MARVIC M.V.F. LEONEN**
Associate Justice

**RAMON PAUL L. HERNANDO**
Associate Justice

**HENRI JEAN PAUL B. INTING**
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.

**DIOSDADO M. PERALTA**
Associate Justice
Chairperson, Third Division

# 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.

**LUCAS P. BERSAMIN**
Chief Justice