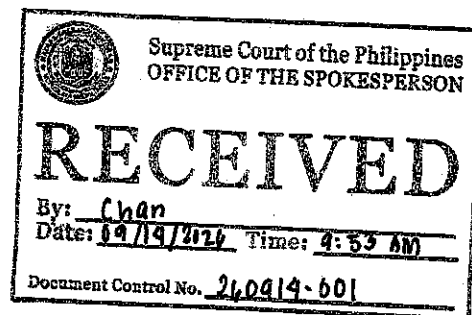




Republic of the Philippines
Supreme Court
Baguio City

FIRST DIVISION

NIÑO RIO GABRILLO,

Petitioner,

G.R. No. 279863

Present:

GESMUNDO, C.J.,

Chairperson,

HERNANDO,

ZALAMEDA,

ROSARIO, and

MARQUEZ, JJ.

- versus -

Promulgated:

TRI-J MARKETING, INC.,

Respondent.

AUG 26 2026

[Signature]

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DECISION

HERNANDO, J.:

This resolves the Petition for Review on *Certiorari*¹ filed by petitioner Niño Rio Gabrillo (Gabrillo), assailing the Decision² dated February 29, 2024 and the Resolution³ dated February 3, 2025 of the Court of Appeals (CA) in CA-G.R. SP No. 14211, which reinstated the dismissal of his complaint for illegal dismissal.

¹ Rollo, pp. 10–32.

² *Id.* at 37–53. The February 29, 2024 Decision in CA-G.R. SP No. 14211 was penned by Associate Justice Mercedita G. Dadole-Ygnacio and concurred in by Associate Justices Bautista G. Corpin, Jr. and Ma. Consejo M. Gengos-Ignalaga of the Twentieth Division, Court of Appeals, Cebu City.

³ *Id.* at 64–71. The February 3, 2025 Resolution in CA-G.R. SP No. 14211 was penned by Associate Justice Mercedita G. Dadole-Ygnacio and concurred in by Associate Justices Bautista G. Corpin, Jr. and Ma. Consejo M. Gengos-Ignalaga of the Twentieth Division, Court of Appeals, Cebu City.

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As a general rule, a petition for review on *certiorari* under Rule 45 of the Rules of Court raises only questions of law. A question of law exists when the doubt concerns what the law is on a given set of facts, whereas a question of fact exists when the doubt pertains to the truth or falsity of the alleged facts. It is settled that the Court is not a trier of facts, and factual findings of quasi-judicial agencies, particularly those affirmed by the CA, are generally binding upon it. Nevertheless, the Court may review factual issues under recognized exceptions, such as when there is a conflict in the factual findings of the labor tribunals, when the assailed judgment is based on a misapprehension of facts, or when the findings are unsupported by the evidence on record.⁴

Here, the conflicting factual findings of the labor arbiter, the National Labor Relations Commission (NLRC), and the CA on the issue of constructive dismissal warrant a review of the factual records.

The Factual Antecedents

Tri-J Marketing, Inc. (Tri-J) is a joint venture corporation owned and managed by its founder, Angel Guadalquiver (Guadalquiver), and his children. It is engaged in vehicle repair services and the sale of automotive accessories through seven branches in Cebu City, employing approximately 4,000 workers.⁵

Gabrillo had been employed by Tri-J since 1997. During his more than 20 years of service, he received several loyalty and service awards and eventually became team leader of the tire recapping section. His duties included inspecting tires, removing worn-out treads from used tires (moldblows), and bonding fresh layers of rubber, including “camelbacks,” onto existing tire casings to produce recapped tires. In essence, all recapping operations involving moldblow tires fell within his area of responsibility.⁶

An audit later revealed alleged discrepancies in the inventory of camelback materials used in the recapping operations.⁷ Consequently, on January 4, 2019, Gabrillo was served with a Notice to Explain concerning discrepancies in the measurements and weight of the camelbacks. He thereafter submitted his written explanation.⁸

According to Gabrillo, following the audit, management began pressuring him to resign under threat of criminal prosecution for alleged losses amounting

⁴ *Cabatan v. Southeast Asia Shipping Corp.*, 920 Phil. 244, 252–253 (2022) [Per J. Hernando, Second Division].

⁵ *Rollo*, p. 103.

⁶ *Id.* at 11–13.

⁷ *Id.* at 16.

⁸ *Id.* at 11.

to approximately PHP 400,000.00.⁹ During the first week of February 2019, Guadalquiver summoned him to his office and informed him that substantial losses had been incurred in the recapping department involving camelbacks and moldblows. Guadalquiver allegedly accused Gabrillo of selling these materials to customers. Gabrillo denied the accusation, asserting that such activity would have been impossible because the premises were monitored by closed-circuit television (CCTV) cameras and the removal of company property required gate passes.¹⁰

Gabrillo further alleged that Guadalquiver became angry and urged him to resign to “clear his name.” In a subsequent meeting, Guadalquiver allegedly presented him with a prepared resignation letter and reiterated that criminal charges would be filed should he refuse to resign. He was likewise told that voluntary resignation would entitle him to separation pay corresponding to his 21 years of service.¹¹

According to Gabrillo, management initially offered him PHP 148,000.00 as separation pay, which he briefly considered. The offer was later reduced to PHP 30,000.00 as financial assistance, which he declined. Guadalquiver thereafter made a final offer of PHP 50,000.00, allegedly telling Gabrillo to accept the amount as an “act of mercy” and to resign, otherwise criminal charges for theft will be filed against him. Gabrillo consistently denied the accusations and refused to resign.¹²

Meanwhile, the Human Resources (HR) Department repeatedly followed up on the supposed agreement between Gabrillo and Guadalquiver. According to Gabrillo, no agreement was ever reached. Nevertheless, he continued receiving text messages informing him that his financial assistance had already been processed and would be released upon his signing of a resignation letter.¹³

On February 4, 2019, Gabrillo received the following text message from the HR Department:

Good afternoon Sir. This is Ruffa. Can we make a follow up regarding your decision as what you have agreed with Sir Angel sir?¹⁴

Pending the investigation, Gabrillo was placed under preventive suspension. Having returned to his hometown, he experienced connectivity issues. Nonetheless, on February 11, 2019, he sent the following message to the HR Department:

⁹ *Id.*

¹⁰ *Id.* at 13.

¹¹ *Id.* at 106.

¹² *Id.*

¹³ *Id.*

¹⁴ *Id.* at 107.

Make it sure now because . . . I didn't receive a memo that I could no longer report back for work.¹⁵

The HR Department replied:

Yes, Sir but as we've said you are still paid even though you did not report for duty because your disciplinary action is still under investigation.¹⁶

The HR Department thereafter continued asking him to choose between resigning and proceeding with the investigation, coupled with the possibility of a criminal prosecution. Throughout this period, he maintained his refusal to sign any resignation letter.¹⁷

When Gabrillo reported for work on February 11, 2019, he claimed that he was no longer allowed to enter the workplace and was informed that he had been dismissed.¹⁸ Two days later, on February 13, 2019, he received another text message from Tri-J, which read:

Good morning [S]ir. Can I make a follow [up] when can you and your wife visit regarding the termination notice?¹⁹

Hence, Gabrillo filed a complaint for illegal dismissal with claims for separation pay, moral damages and attorney's fees.²⁰

For its part, Tri-J denied having dismissed Gabrillo, who occupied the position of Recapping-in-Charge. It maintained that the inventory discrepancies discovered during the audit merely prompted an administrative investigation, during which Gabrillo was afforded notice and an opportunity to explain.²¹

According to Tri-J, on December 28, 2018, employees Fernando Cabaral and Floro Yap submitted reports concerning suspicious activities in the recapping section allegedly involving Gabrillo. This prompted Guadalquiver to convene a meeting, refer the matter to the HR Department, and issue a Notice to Explain, which accused Gabrillo of committing alleged irregularities, namely: (1) the measurements and weights of the camelback were "confused" and messy; and (2) rejected items were loaded with recapped tires in the delivery vehicle.²²

¹⁵ *Id.*

¹⁶ *Id.*

¹⁷ *Id.*

¹⁸ *CA rollo*, p. 154.

¹⁹ *Rollo*, p. 108.

²⁰ *Id.* at 38.

²¹ *Id.* at 40-41.

²² *Id.* at 24.

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Gabrillo received the Notice to Explain on January 4, 2019, but allegedly failed to submit his explanation within the prescribed period. The notice likewise warned that his failure to submit an explanation and to attend the scheduled conference would be construed as an admission of the charges.²³

Consequently, the HR Department scheduled a hearing on January 11, 2019. Gabrillo attended the conference and subsequently submitted his written explanation on January 14, 2019, denying any involvement in the alleged irregularities.²⁴

On January 16, 2019, Tri-J issued a second notice of conference, which Gabrillo allegedly refused to receive. Management nevertheless proceeded with the conference.²⁵

About a week later, Guadalquiver again met with Gabrillo. During the meeting, Guadalquiver allegedly offered him two options: (1) voluntarily resign and receive PHP 50,000.00 as financial assistance, together with his mandatory employment benefits; or (2) undergo the administrative process, in which case he would receive only his statutory final pay and 13th-month pay. Tri-J alleged that Gabrillo rejected the offer and instead demanded separation pay of at least PHP 100,000.00.²⁶

Tri-J further claimed that, during the course of the investigation, Gabrillo ceased reporting for work and thereby abandoned his employment. It maintained that no formal dismissal was ever implemented, although a notice of termination had been prepared but was never served.²⁷

Ruling of the Labor Arbiter

The LA dismissed the complaint for illegal dismissal. It found no sufficient basis to conclude that Gabrillo had been dismissed, and that the ongoing administrative investigation did not amount to either actual or constructive dismissal. The LA gave credence to Tri-J's assertion that Gabrillo had simply ceased reporting for work and that the disciplinary proceedings had not yet culminated in his termination.²⁸ The dispositive portion of the Decision²⁹ dated December 12, 2019 reads:

²³ *Id.* at 41-42.

²⁴ *Id.* at 113.

²⁵ *Id.*

²⁶ *Id.*

²⁷ *Id.*

²⁸ *Id.* at 117-119.

²⁹ *Id.* at 101-121. The December 12, 2019 Decision in RAB VII-03-0685-19 was penned by Labor Arbiter Jermelina Passignajen-Ay-Ad of Branch No. VII, Regional Arbitration, National Labor Relations Commission, Cebu City.

WHEREFORE, judgment is hereby rendered **DISMISSING** the instant case for utter lack of merit.

SO ORDERED.³⁰ (Emphasis in the original)

Ruling of the National Labor Relations Commission

On appeal, the NLRC found that Tri-J had illegally dismissed Gabrillo. It observed that the accusations against him were vague and unsupported by substantial evidence, particularly with respect to the alleged inventory discrepancies. The NLRC likewise found the disciplinary process deficient, holding that the notices served upon Gabrillo failed to sufficiently apprise him of the specific acts complained of.³¹

The NLRC further gave weight to Gabrillo's allegation that he had been pressured to resign under threat of criminal prosecution, treating such circumstance as evidence of constructive dismissal. It held that the totality of the circumstances, together with the uncontroverted text messages, pointed to the conclusion that Gabrillo's employment had effectively been terminated even before the administrative process had been completed.³² Accordingly, the NLRC declared Gabrillo to have been illegally dismissed and awarded him separation pay in lieu of reinstatement, together with full backwages. The dispositive portion of the Decision³³ dated September 30, 2020 reads:

WHEREFORE, premises considered, the appeal is **PARTLY GRANTED**. The decision of the Labor Arbiter is . . . reversed insofar as complainant Niño Gabrillo is concerned. Complainant Niño Gabrillo is declared to have been illegally dismissed. Respondent Tri-J Marketing is ordered to pay complainant Niño Gabrillo the amount of **SIX HUNDRED ELEVEN THOUSAND & 39/100** ([PHP] 611,039.00), per computation shown above.

SO ORDERED.³⁴

The NLRC subsequently denied Tri-J's Motion for Reconsideration.³⁵

³⁰ *Id.* at 121.

³¹ *Id.* at 155–158.

³² *Id.*

³³ *Id.* at 148–159. The September 30, 2020 Decision in NLRC Case No. VAC-03-000139-2020 was penned by Commissioner Nendell Hanz L. Abella and concurred in by Presiding Commissioner Violeta Ortiz-Bantug and Commissioner Julie C. Rendoque of the Seventh Division, National Labor Relations Commission, Cebu City.

³⁴ *Id.* at 158–159.

³⁵ *Id.* at 161–162. The January 20, 2021 Resolution in NLRC Case No. VAC-03-000139-2020 was penned by Commissioner Nendell Hanz L. Abella and concurred in by Presiding Commissioner Violeta Ortiz-Bantug and Commissioner Julie C. Rendoque of the Seventh Division, National Labor Relations Commission, Cebu City.

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Ruling of the Court of Appeals

On *certiorari*, the CA set aside the NLRC's Decision, holding that the Commission committed grave abuse of discretion amounting to lack or excess of jurisdiction. It ruled that the NLRC misappreciated the evidence and disregarded circumstances showing that no dismissal had taken place. According to the CA, the records showed that Gabrillo was merely undergoing an administrative investigation for alleged irregularities and had been afforded an opportunity to explain his side.³⁶

The CA further held that an employer's offer to allow an employee to resign in lieu of administrative proceedings does not, by itself, constitute constructive dismissal. It likewise concluded that Gabrillo voluntarily ceased reporting for work during the pendency of the investigation, thereby abandoning his employment. Finally, the CA considered the failure to serve the notice of termination indicated that no final decision to dismiss Gabrillo had been implemented.³⁷ The dispositive portion of the CA Decision reads:

WHEREFORE, premises considered, the instant *Petition for Certiorari* is **GRANTED**. The Decision dated 30 September 2020 and Resolution dated 20 January 2021 of the National Labor Relations Commission (NLRC), Seventh (7th) Division, Cebu City in NLRC Case No. VAC-02-000139-2020, are **SET ASIDE**.

The Labor Arbiter's Decision dated 12 December 2019 in NLRC RAB Case No. VII-03-0685-19 is **REINSTATED**.

SO ORDERED.³⁸ (Emphasis in the original)

Gabrillo moved for reconsideration but the CA denied the motion.³⁹ Hence, the present Petition.⁴⁰

Issue

The sole issue for the Court's resolution is whether the CA erred in holding that Gabrillo was not illegally dismissed.

Our Ruling

The petition is meritorious.

³⁶ *Id.* at 46-48.

³⁷ *Id.* at 48-51.

³⁸ *Id.* at 51-52.

³⁹ *Id.* at 64-71.

⁴⁰ *Id.* at 12-13.

The records do not support the CA's conclusion that no illegal dismissal occurred.

Although no formal notice of termination was ultimately served upon Gabrillo, this circumstance does not preclude a finding of illegal dismissal. As consistently held by the Court, dismissal need not take the form of an express severance of the employment relationship. Constructive dismissal is commonly described as a "dismissal in disguise".⁴¹ It exists when an employer's acts render continued employment impossible, unreasonable, or unlikely, leaving the employee with no real option except to resign.⁴² The test is whether a reasonable person in the employee's position would have felt compelled to relinquish his employment under the totality of the circumstances.⁴³

Here, the totality of the circumstances establishes that petitioner was constructively dismissed.

First, respondent's conduct effectively deprived petitioner of any meaningful choice but to resign. He was repeatedly confronted with allegations of substantial financial losses and was urged to resign under threat of criminal prosecution. Objectively viewed, these circumstances rendered continued employment no longer reasonable or viable. Although petitioner consistently denied the accusations and refused to resign, the ultimatum presented to him—resignation or criminal prosecution—cannot be regarded as a voluntary choice. Such coercive conduct is sufficient to constitute constructive dismissal.

To be sure, the Court recognizes that an employer may, during an ongoing administrative investigation, offer an employee the option to resign as a means of effecting an amicable separation.⁴⁴ Such an option, however, must be genuinely voluntary, free from coercion, and completely open to refusal.⁴⁵ Here, the purported choice was not voluntary but coercive. The repeated threats of criminal prosecution transformed what appeared to be an option into an ultimatum incompatible with the voluntariness required of a valid resignation.

⁴¹ See *Torreda v. Investment and Capital Corporation of the Philippines*, 839 Phil. 1087, 1098 (2018) [Per J. Gesmundo, Third Division].

⁴² See *Bartolome v. Toyota Quezon Avenue, Inc.*, 952 Phil. 539, 547 (2024) [Per J. Lazaro-Javier, Second Division]; *Central Azucarera de Bais, Inc. v. Siason*, 765 Phil. 399, 407 (2015) [Per J. Perlas-Bernabe, First Division].

⁴³ *Gan v. Galderma Philippines, Inc.*, 701 Phil. 612, 639 (2013) [Per J. Peralta, Third Division]. (Citations omitted)

⁴⁴ *Central Azucarera de Bais, Inc. v. Siason*, 765 Phil. 399, 408 (2015) [Per J. Perlas-Bernabe, First Division].

⁴⁵ *Philippines Today, Inc. v. NLRC*, 344 Phil. 854, 878 (1997) [Per J. Panganiban, Third Division].

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Second, respondent failed to discharge its burden of proving a valid and just cause for dismissal. In illegal dismissal cases, the employer bears the burden of proving by substantial evidence that the dismissal was for a just or authorized cause. Absent such proof, the dismissal is illegal.⁴⁶

The NLRC correctly found that the accusations against petitioner were vague and unsupported by substantial evidence. While the alleged discrepancies in the company's inventory justified an administrative investigation, neither the Notice to Explain nor any other evidence identified the specific acts personally attributable to petitioner that would warrant dismissal. The Court quotes with approval the NLRC's findings:

It is difficult to understand what [the] respondents meant to convey in the notice to explain. They did not bother to explain why the acts attributed to complainant, which seemed so inconsequential, were considered so serious as to warrant the penalty of dismissal. They did not bother to explain why all the blame was heaped on complainant Gabrillo even when there were apparently many other employees in the recapping department who may be responsible for the alleged irregularities. In fact, one of said employee, Mr. F. Cabaral, even "verbalize[d] his own error in not indicating or documenting rejec[t] tire/s scraps or mold blows".⁴⁷

Neither could respondent validly invoke loss of trust and confidence. To sustain a dismissal on this ground under Article 297 of the Labor Code,⁴⁸ the employer must establish by substantial evidence that the employee committed a willful breach of the trust reposed in him. Mere suspicion, speculation, or unsubstantiated accusations are insufficient.⁴⁹

Even assuming *arguendo* that petitioner occupied a position of trust and confidence, respondent still failed to present substantial evidence linking him to any deliberate misconduct. Aside from an unauthenticated job description,⁵⁰

⁴⁶ LABOR CODE, as renumbered in 2015, Art. 297.

⁴⁷ *Rollo*, p. 24.

⁴⁸ 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 the lawful orders of his employer or representative in connection with his work;
- (b) Gross and habitual neglect by the employee of his duties;
- (c) Fraud or willful breach by the employee of the trust reposed in him by his employer or duly authorized representative;
- (d) Commission of a crime or offense by the employee against the person of his employer or any immediate member of his family or his duly authorized representatives; and
- (e) Other causes analogous to the foregoing.

⁴⁹ *Angeles v. St. Catherine Realty Corporation*, 957 Phil. 320, 332 (2024) [Per J. Marquez, First Division].

⁵⁰ *CA rollo*, p. 74. The Recapping-in-Charge ensures the effective and efficient implementation of the Tire Recapping Department procedures and policies. Specific duties include inventory management control; documents and materials handling; and handling of supplies, logistics, equipment control and housekeeping.

which was not shown to have been furnished to petitioner, respondent presented no competent evidence establishing either the fiduciary character of his position or his participation in the alleged irregularities. The employer's evidence must be genuine and founded on clearly established facts, not on conjecture or suspicion.⁵¹ Respondent failed to satisfy this evidentiary standard.

Neither can it be concluded that petitioner abandoned his employment.

Abandonment requires the concurrence of two elements: (1) the employee's failure to report for work without valid or justifiable reason; and (2) a clear intention to sever the employer-employee relationship, manifested by overt acts. The burden of proving abandonment rests upon the employer.⁵²

That burden was not discharged in this case. Gabrillo consistently denied the accusations against him and refused to resign despite repeated pressure from management. More importantly, his prompt filing of a complaint for illegal dismissal is wholly inconsistent with an intention to abandon his employment, as it clearly demonstrates his desire to preserve—not sever—the employer-employee relationship.⁵³

Finally, respondent failed to observe the requirements of procedural due process.

Although it initially served a Notice to Explain, the accusations contained therein were couched in general terms and failed to sufficiently apprise petitioner of the specific acts for which he was being investigated. More

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- a. Head of the department[;]
 - b. Responsible in the day-to-day recapping operations. [i.e.]: logistics, inventory management, personnel; management, etc.[;]
 - c. Performs the tasks of the Recapping Personnel[;]
 - d. Prepares items or stocks for recapping[;]
 - e. Monitor or records the used camel back for recapping[;]
 - f. Categorizes finish [sic] product into mold blow (reject) and successful recapped tires [;]
 - g. Adjust workload of recapping personnel according to work assignments[;]
 - h. Coordinate and attend meetings with the Sales Manager, Inventory staff and warehouseman for department's important concerns[;]
 - i. Coordinates with Warehouseman, Warehouse Checker (WC) and the Warehouse Aid (WA) in all operations of the department[;]
 - j. Oversees recapping personnel engaged in releasing of items or stocks[;]
 - k. He is responsible in maintaining the department's orderliness and cleanliness[;]
 - l. Strictly observe the "TRI-J's 8 World Class Customer Service Guidelines."[;]
 - m. Comply with the orders and instructions given from time to time by TRI-J MARKETING INC. through authorized representatives[;][and]
 - n. Perform any other administrative or non-administrative duties as assigned by any of the TRI-J representatives from time to time either through direct written order or by verbal assignment.

⁵¹ *Distribution & Control Products, Inc. v. Santos*, 813 Phil. 423, 434 (2017) [Per J. Peralta, Second Division].

⁵² *Century Canning Corp., v. Ramil*, 641 Phil. 314, 324 (2010) [Per J. Peralta, Second Division].

⁵³ *Protective Maximum Security Agency, Inc. v. Fuentes*, 753 Phil. 482, 509 (2015) [Per J. Leonen, Second Division].

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importantly, instead of completing the disciplinary process in accordance with law, respondent repeatedly attempted to secure petitioner's resignation through threats of criminal prosecution while withholding a definitive resolution of the administrative proceedings. Compliance with the twin-notice requirement and the opportunity to be heard are indispensable components of procedural due process. The above only bolster the finding that indeed, petitioner has been constructively dismissed.

Accordingly, the NLRC did not commit grave abuse of discretion in declaring that petitioner had been illegally dismissed. Its findings were supported by substantial evidence and were anchored on a proper appreciation of the facts.

Let the Court reiterate that in a petition for *certiorari* under Rule 65, the CA is not authorized to reweigh the evidence or substitute its own factual findings for those of the labor tribunals when the latter's conclusions are supported by substantial evidence on record.⁵⁴

Having established that petitioner was illegally dismissed, the Court now determines the appropriate reliefs.

Article 294 of the Labor Code provides that an employee who is unjustly dismissed from work is entitled to reinstatement without loss of seniority rights and other privileges, and to full backwages, inclusive of allowances and other benefits or their monetary equivalent, computed from the time compensation was withheld up to the time of actual reinstatement.⁵⁵

In this case, however, reinstatement is no longer feasible. The records reveal that the employment relationship has been irreparably strained by the parties' prolonged dispute, the accusations of serious misconduct leveled against petitioner, and respondent's repeated attempts to secure his resignation under threat of criminal prosecution. Under these circumstances, separation pay in lieu of reinstatement is the more equitable relief.

Accordingly, petitioner is entitled to separation pay equivalent to one (1) month's salary for every year of service, with a fraction of at least six (6) months

⁵⁴ See *Universal Robina Sugar Milling Corporation v. Ablay*, 783 Phil. 512, 524 (2016) [Per J. Perlas-Bernabe, First Division].

⁵⁵ 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.

considered as one (1) whole year, computed from the commencement of his employment until the finality of this Resolution.⁵⁶

Petitioner is entitled to full backwages, inclusive of allowances and other benefits or their monetary equivalent,⁵⁷ computed from the date of his constructive dismissal on February 11, 2019, the date he was prevented from the workplace,⁵⁸ until the finality of this Resolution.

Moral and exemplary damages are also granted to the petitioner.

In labor cases, moral damages may be awarded where the dismissal is attended by bad faith, fraud, oppression, or was effected in a manner contrary to morals, good customs, or public policy. Exemplary damages may likewise be awarded where the employer acted in a wanton, oppressive, or malevolent manner, to serve as a deterrent against similar conduct in the future.⁵⁹

Here, respondent's conduct was marked by bad faith. Rather than allowing the administrative investigation to run its lawful course, respondent repeatedly pressured petitioner to resign by presenting him with resignation offers coupled with threats that criminal charges would be filed should he refuse. These repeated threats transformed what respondent characterizes as a voluntary option into a coercive ultimatum intended to compel petitioner to surrender his employment. Respondent likewise continued pressuring petitioner through text messages referring to the release of financial assistance upon the execution of a resignation letter, even while insisting during the proceedings that no dismissal had occurred.

Such conduct falls short of the standards of fair dealing and good faith required of employers. Respondent's oppressive manner of securing petitioner's separation from employment undoubtedly caused him confusion and feeling of uncertainty after more than 20 years of faithful service. Accordingly, the award of moral damages in the amount of PHP 30,000.00 and exemplary damages in the amount of PHP 30,000.00 is warranted.

Petitioner is likewise entitled to attorney's fees.

Article 2208 of the Civil Code in relation to Article 111 of the Labor Code authorizes the recovery of attorney's fees where the defendant's act or omission has compelled the plaintiff to litigate with third persons or incur expenses to

⁵⁶ See *Golden Ace Builders v. Talde*, 634 Phil. 364, 371 (2010) [Per J. Carpio-Morales, Third Division].

⁵⁷ LABOR CODE, as renumbered in 2015, Art. 294.

⁵⁸ *CA rollo*, p. 154.

⁵⁹ *Bartolome v. Toyota Quezon Avenue, Inc.*, 952 Phil. 539, 559 (2024) [Per J. Lazaro-Javier, Second Division].

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protect his interest, and in any other case where the court deems it just and equitable, and in cases involving unlawful withholding of wages.⁶⁰

Since petitioner was compelled to institute the present action to protect his right to continued employment and recover the monetary benefits illegally withheld from him, an award of attorney's fees equivalent to ten percent (10%) of the total monetary award is proper.

FOR THESE REASONS, the Petition for Review on *Certiorari* is **GRANTED**. The Decision dated February 29, 2024 and the Resolution dated February 3, 2025 of the Court of Appeals in CA-G.R. SP No. 14211 are **REVERSED** and **SET ASIDE**.

Petitioner Niño Rio Gabrillo is found to have been **ILLEGALLY DISMISSED**. Respondent Tri-J Marketing, Inc. is **ORDERED** to **PAY** petitioner:

1. **Full backwages, inclusive of allowances and other benefits or their monetary equivalent**, computed from the time of his constructive dismissal on February 11, 2019, until the finality of this Decision;
2. **Separation pay** in lieu of reinstatement equivalent to one (1) month's salary for every year of service, with a fraction of at least six (6) months considered as one whole year, computed from the start of his employment until the finality of this Decision;
3. **Moral damages** in the amount of PHP 30,000.00;
4. **Exemplary damages** in the amount of PHP 30,000.00; and
5. **Attorney's fees** equivalent to 10% of the total monetary award.

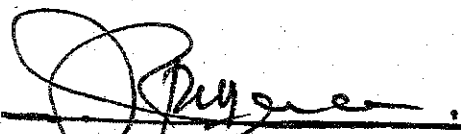
The monetary awards shall earn legal interest at the rate of six percent (6%) *per annum* from the date of finality of this Decision until full payment.

The case is **REMANDED** to the Labor Arbitration Branch *a quo* for the prompt computation of the monetary awards due to the petitioner.

⁶⁰ See *Pacific Ocean Manning, Inc., v. Langam*, 875 Phil. 518, 530-531 (2020) [Per J. Reyes, J. Jr., First Division].

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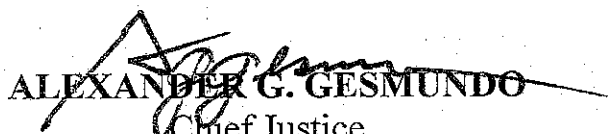
SO ORDERED.



RAMON PAUL L. HERNANDO

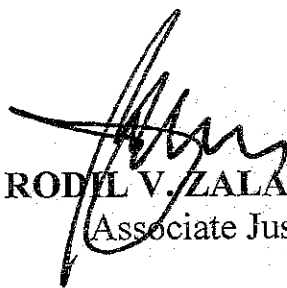
Associate Justice
Working Chairperson

WE CONCUR:



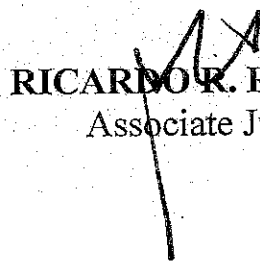
ALEXANDER G. GESMUNDO

Chief Justice
Chairperson



RODIL V. ZALAMEDA

Associate Justice



RICARDO R. ROSARIO

Associate Justice



JOSE MIDAS P. MARQUEZ

Associate Justice

CERTIFICATION

Pursuant to Article VIII, Section 13 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

