

## THIRD DIVISION

[ G.R. No. 230047, October 09, 2019 ]

**MARK ELISEUS M. VILLOLA, PETITIONER, VS. UNITED PHILIPPINE LINES, INC. AND FERNANDINO T. LISING, RESPONDENTS.**

### DECISION

#### **HERNANDO, J.:**

This is a Petition for Review on *Certiorari* pursuant to Rule 45 of the Revised Rules of Court assailing the September 16, 2016 Decision<sup>[1]</sup> rendered by the Special Eighth (8<sup>th</sup>) Division of the Court of Appeals in CA-G.R. SP No. 144818. In its assailed Decision, the Court of Appeals reversed and set aside the Decision<sup>[2]</sup> dated November 27, 2015 and Resolution<sup>[3]</sup> dated January 25, 2016 of the National Labor Relations Commission (NLRC) which declared herein petitioner Mark Eliseus M. Villola (Villola) to have been illegally dismissed from employment. In a Resolution<sup>[4]</sup> dated January 31, 2017, the Court of Appeals refused to reconsider its earlier Decision.

#### **Antecedent Facts**

The case stemmed from a complaint for illegal dismissal, underpayment of salaries, non-payment of Service Incentive Leave (SIL) pay and separation pay, and claims for moral and exemplary damages and attorney's fees filed by Villola against respondents United Philippine Lines Inc. (UPL), and its President, Mr. Fernandino T. Lising (Lising).

On April 1, 2010, Villola was employed by UPL as its Information Technology (IT) and Communications Manager. Prior to his engagement with UPL, Villola worked as Technical Support and System Engineer/Operations Manager of 24/7 International Corporation and Quarkdata, Inc., respectively. 24/7 International Corporation and Quarkdata, Inc. are affiliate companies of UPL, all of which belong to the Lising Group of Companies.<sup>[5]</sup>

For his part, Villola alleged that on March 31, 2010, he met with Lising to discuss proposed adjustments to his salary as IT and Communications Manager. Villola asserted that Lising agreed to pay him a monthly salary of PhP 40,000.00 starting April 1, 2010. Both parties later agreed that Villola will be paid a monthly salary of PhP 20,000.00, and an additional PhP 15,000.00 per month, the cumulative amount thereof to be released only at the end of the calendar year. Villola's additional salary of PhP 15,000.00 per month, however, remained unpaid until his separation from employment with UPL.<sup>[6]</sup>

On May 15, 2013, Villola discussed with the officers of UPL the creation of a new software system. The parties agreed that as soon as the software system is

implemented, Villola will organize a business unit which will execute the encoding, scanning and indexing of all UPL documents. However, on May 31, 2013, Villola received an e-mail message from Mr. Joey G. Consunji (Consunji), General Manager of UPL, supposedly requiring Villola to submit to management a written resignation letter<sup>[7]</sup> indicating therein the effectivity date of his resignation, *i.e.*, June 1, 2013. Villola, on his part, did not comply with said directive and continued reporting for work until July 2013. Meanwhile, Villola sent e-mails to Lising demanding for payment of his unpaid salaries, allowances, and professional fees. Villola's demands, however, remained unheeded.<sup>[8]</sup>

Thereafter, on October 11, 2014, UPL released a Memorandum<sup>[9]</sup> informing UPL employees of the fact of Villola's termination of employment from UPL effective June 1, 2013. Concomitantly, the same memorandum directed security personnel to deny Villola entry from the company premises.

Respondents, on the other hand, claimed that on April 1, 2010, Villola was hired by UPL as IT Officer. Almost a year after his hiring, Villola was assigned as IT and Communications Manager. His duties and responsibilities included, among others, help desk administration, systems administration and implementation of the CORE program (CORE), a repository of all information gathered from applicants, crew and former crew of UPL. UPL initially outsourced the implementation of the CORE to HelpDesk, an IT consultant. The administration and implementation of the CORE was later transferred to Villola.<sup>[10]</sup>

During the first quarter of 2013, UPL observed that Villola was unable to implement the CORE despite budget allotment therefor for two years. In this respect, UPL had to engage the services of HelpDesk. UPL found that HelpDesk was otherwise able to: (a) implement the CORE; and (b) perform other IT-related services for UPL – key functions of Villola as IT and Communications Manager. These IT-related services of UPL were thus being performed by both HelpDesk and Villola himself.<sup>[11]</sup>

Meanwhile, aside from rendering work for UPL, Villola was also engaged as trainer for a UPL affiliate for the latter's Anti-Piracy Awareness Program. UPL tolerated Villola's engagement as trainer, although training classes detracted him from his core duties and responsibilities as IT and Communications Manager of UPL.<sup>[12]</sup>

Considering the foregoing premises, Consunji, in a meeting with Villola sometime in May 2013, informed the latter that management may have to declare his position as redundant to which Villola agreed. This notwithstanding, Consunji inquired from Villola if he is otherwise interested to work as a consultant for a scanning project covering UPL documents, which will involve crewing and finance documentation to be utilized by another company, SVI. Considering that Villola relayed his interest to take on the consultancy work for the said scanning project, Consunji requested Villola to submit to UPL his quotation for the scanning services for crewing and finance documentation.<sup>[13]</sup>

Notably, Consunji and Villola also agreed that instead of terminating Villola's employment with UPL on the ground of redundancy, he will simply voluntarily cease his employment with the company. Villola was then instructed by Consunji to formalize his resignation from UPL by furnishing management his written resignation letter, which, however, Villola failed to produce despite follow-ups from UPL officers. Significantly, Villola stopped reporting for work starting June 2013. Villola, however,

continued to render part-time work during the period from June to July 2013 as trainer in the Anti-Piracy Awareness Program of a UPL affiliate, which were conducted at the company premises of UPL. On June 27, 2013, Villola, under the name of "DRD Technology Solutions," submitted to Consunji his proposal for the scanning project. The scanning project, however, did not materialize.<sup>[14]</sup>

Thereafter, on September 30, 2014, Villola filed against herein respondents a complaint<sup>[15]</sup> for illegal dismissal and payment of other money claims as well as claims for moral and exemplary damages and attorney's fees.

### **Ruling of the Labor Arbiter**

On March 27, 2015, Labor Arbiter Joel S. Lustria (LA Lustria) promulgated a Decision,<sup>[16]</sup> the dispositive portion of which states:

**WHEREFORE**, premises considered, judgment is hereby rendered **DISMISSING** the complaint for illegal dismissal for lack of merit. However, as above discussed, complainant is hereby award (sic) the amount of P60,000.00, representing his separation pay, and the sum of P8,333.33, as his pro-rata 13<sup>th</sup> month pay.

Other claims are dismissed for lack of merit.

**SO ORDERED.**<sup>[17]</sup>

In his Decision, LA Lustria held that the acts of Villola indicated that he voluntarily resigned from his position as IT and Communications Manager of UPL. LA Lustria observed that Villola stopped reporting for work starting June 2013 and, from then on, was no longer receiving his salaries from UPL. Although it may appear that Villola was communicating with Consunji after May 31, 2013, the same was pursuant to the scanning project for which he was later engaged as consultant by UPL.

LA Lustria further emphasized that if Villola's employment was indeed unceremoniously terminated by UPL, he would have relayed his objections thereto to any responsible officer of UPL, which, however Villola failed to do despite his presence in the company premises during the period from June to July of 2013.

The Labor Arbiter thus concluded that Villola deliberately failed to furnish UPL his written resignation letter in order to, later on, substantiate his contention that he was illegally dismissed from employment. LA Lustria further stressed that the fact that it took him one year and three months after his separation from UPL to file the instant illegal dismissal complaint lends support to respondents' assertion that he voluntarily resigned from his employment with UPL. LA Lustria then ruled for UPL by holding that Villola was validly separated from employment in accordance with law on the ground of redundancy.

### **Ruling of the National Labor Relations Commission**

In his appeal before the NLRC, Villola averred that the Labor Arbiter committed serious error amounting to grave abuse of discretion in finding that he was legally dismissed from employment. Villola reiterated that he did not voluntarily resign and that his acts of reporting for work after May 31, 2013 and submitting his proposal

for the scanning project belied any intent on his part to sever his employment with UPL.<sup>[18]</sup>

On November 27, 2015, the NLRC reversed the Decision of LA Lustria and held that Villola's supposed resignation was not supported by evidence on record, *i.e.*, a written resignation letter – the best proof of Villola's resignation categorically stating his intention to sever his employment relationship with UPL. The NLRC then underscored the contents of the Memorandum dated October 10, 2014 issued by UPL which stated that Villola was dismissed from employment on June 1, 2013 thereby supporting the finding that no resignation ever took place.

The NLRC further rejected LA Lustria's finding that Villola was validly dismissed from employment on the ground that his position has become redundant considering that respondents did not raise redundancy as a ground for Villola's dismissal from service, and that, in any case, there was want of evidence to support the claim that he was validly dismissed from employment due to redundancy. The NLRC also emphasized that Villola's act of filing the instant complaint belied any intention on his part to abandon employment.

The dispositive portion of the NLRC Decision reads as follows:

**WHEREFORE**, premises considered, the Decision of the Labor Arbiter dated 27 March 2015 is hereby REVERSED and SET ASIDE. The Complainant is hereby declared to have been illegally dismissed from employment. Respondent-UPL is directed to pay the Complainant backwages from 01 June 2013 until finality of this decision, and separation pay, in lieu of reinstatement, of one (1) month salary for every year of service.

x x x x

**SO ORDERED.**<sup>[19]</sup>

Respondents filed a Motion for Reconsideration which was, however, denied in the NLRC Resolution<sup>[20]</sup> dated January 25, 2016.

### **Ruling of the Court of Appeals**

Aggrieved, respondents filed a Petition for *Certiorari*<sup>[21]</sup> before the Court of Appeals ascribing upon the NLRC grave abuse of discretion amounting to lack or in excess of jurisdiction when it held that Villola was illegally dismissed from employment. Respondents insisted that no dismissal ever took place, much more any illegal dismissal, and that it was Villola himself who voluntarily resigned from UPL.

In his Comment/Opposition<sup>[22]</sup> to respondents' Petition for *Certiorari*, Villola averred that there was no evidence on record to show that he relinquished his employment with UPL considering that he continued reporting for work after May 31, 2013, and that respondents failed to produce his resignation letter which should contain unequivocally his intent to resign.

On September 16, 2016, the Court of Appeals rendered its assailed Decision granting respondents' Petition for *Certiorari* and setting aside the November 27, 2015 Decision and January 25, 2016 Resolution of the NLRC. The dispositive portion of the September 16, 2016 Decision reads as follows:

**WHEREFORE**, in view of the foregoing, the instant Petition is hereby **PARTIALLY GRANTED**. The assailed Decision dated November 27, 2015 and Resolution dated January 25, 2016 both issued by public respondent National Labor Relations Commission (NLRC) - 6<sup>th</sup> Division, in LAC No. 06-001648-15/NCR-09-12166-14, are hereby **REVERSED** and **SET ASIDE**, and a new one entered dismissing the complaint for illegal dismissal. However, petitioners are **ORDERED** to pay Mark Eliseus M. Villola the proportionate 13<sup>th</sup> month pay due him, with interest of 6% per annum reckoned from its due date until full satisfaction.

The Court hereby remands the case to the Labor Arbiter for purposes of computation of Mark Eliseus M. Villola's proportionate 13<sup>th</sup> month pay.

**SO ORDERED.**<sup>[23]</sup>

In its Decision, the Court of Appeals concluded that Villola voluntarily resigned and was not dismissed from service. The Court of Appeals emphasized that, while it would appear that Villola had no intention of severing his employment absent a written resignation letter furnished by him to UPL, and the fact that he continued communicating with management after May 31, 2013, it observed that it would be highly illogical on the part of UPL to require Villola to comply with its request to submit a proposal for the scanning project, and at the same time, require Villola to comply with its request to present a resignation letter to management. On this point, the Court of Appeals gave credence to respondents' claim that there was, in fact, a prior agreement between UPL and Villola – that instead of separating Villola from service on the ground of redundancy, he will simply voluntarily resign from employment. The Court of Appeals further emphasized that Villola's e-mail response to Consunji's e-mail dated May 31, 2016 did not raise any objections to the latter's request for submission of a resignation letter, and that it took him fifteen (15) months after his separation from employment from UPL to file the instant complaint lent credence to respondents' assertion that Villola voluntarily resigned from his employment with UPL.

The Court of Appeals further found that: (1) Villola's claims for compensation pertained to his work as consultant and not as an employee of UPL; (2) dealings with UPL after May 31, 2013 were made in his capacity as consultant and not as IT and Communications Manager of UPL; and (3) that the word "dismissal" in the Memorandum dated October 11, 2014 issued by management merely emphasized Villola's separation from service with UPL.

Villola thus filed a motion for reconsideration but the Court of Appeals denied the same in its January 31, 2017 Resolution.<sup>[24]</sup> Hence, the instant Petition.

### **Issues**

Villola raises the following issues for resolution:

#### I.

WHETHER OR NOT THE COURT OF APPEALS GRAVELY ERRED IN REVERSING THE FINDING OF THE NATIONAL LABOR RELATIONS [COMMISSION] – SIXTH (6<sup>th</sup>) DIVISION AND FINDING THAT THE PETITIONER WAS NOT ILLEGALLY DISMISSED.