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THIRD DIVISION

[G.R. No. 159343, September 28, 2007]

PEDY CASERES AND ANDITO PAEL, PETITIONERS, VS. UNIVERSAL ROBINA SUGAR MILLING CORPORATION (URSUMCO) AND/OR RESIDENT MANAGER RENE CABATE, RESPONDENTS.

D E C I S I O N

AUSTRIA-MARTINEZ, J.:

Universal Robina Sugar Milling Corporation (respondent) is a corporation engaged in the cane sugar milling business. Pedy Caseres (petitioner Caseres) started working for respondent in 1989, while Andito Pael (petitioner Pael) in 1993. At the start of their respective employments, they were made to sign a Contract of Employment for Specific Project or Undertaking. Petitioners' contracts were renewed from time to time, until May 1999 when they were informed that their contracts will not be renewed anymore.

Petitioners filed a complaint for illegal dismissal, regularization, incentive leave pay, 13th month pay, damages and attorney's fees.

In a Decision[1] dated August 24, 1999, the Labor Arbiter (LA) dismissed the complaint "for not being substantiated with clear and convincing evidence."

The National Labor Relations Commission (NLRC) affirmed the LA's dismissal,[2] and the Court of Appeals (CA)[3] dismissed the petition filed before it.[4]

Hence, herein Petition for Review on *Certiorari* under Rule 45 of the Rules of Court with the issues set forth as follows:

> I. WHETHER OR NOT THE PETITIONERS ARE SEASONAL/PROJECT/TERM EMPLOYEES NOT REGULAR EMPLOYEES OF RESPONDENTS;
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> II. WHETHER OR NOT THE PETITIONERS WERE ILLEGALLY DISMISSED AND ARE ENTITLED TO BACKWAGES AND OTHER MONETARY BENEFITS PRAYED FOR IN THE COMPLAINT.[5]

The petition is without merit.

The rule is clear that a petition for review on *certiorari* under Rule 45 of the Rules of Court should raise only questions of law, subject to certain exceptions.[6] Whether or not respondents were project employees or regular employees is a question of fact.[7]

The LA, the NLRC and the CA are one in ruling that petitioners were not illegally dismissed as they were not regular, but contractual or project employees. Consequently, the finding of the LA, the NLRC, and the CA that petitioners were project employees binds this Court.[8]

The Court finds no cogent reason to depart from their ruling.

Article 280 of the Labor Code provides:

> ART. 280. Regular and Casual Employees. – The provision of written agreement to the contrary notwithstanding and regardless of the oral agreement of the parties, an employment shall be deemed to be regular where the employee has been engaged to perform activities which are usually necessary or desirable in the usual business or trade of the employer, except where the employment has been fixed for a specific project or undertaking the completion or termination of which has been determined at the time of the engagement of the employee or where the work or services to be performed is seasonal in nature and the employment is for the duration of the season.
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> An employment shall be deemed to be casual if it is not covered by the preceding paragraph: Provided, That, any employee who has rendered at least one year of service, whether such service is continuous or broken, shall be considered a regular employee with respect to the activity in which he is employed and his employment shall continue while such actually exists.

The foregoing provision provides for three kinds of employees: (a) *regular employees* or those who have been "engaged to perform activities which are usually necessary or desirable in the usual business or trade of the employer"; (b) *project employees* or those "whose employment has been fixed for a specific project or undertaking, the completion or termination of which has been determined at the time of the engagement of the employee or where the work or services to be performed is seasonal in nature and the employment is for the duration of the season"; and (c) *casual employees* or those who are neither regular nor project employees.[9]

The principal test for determining whether an employee is a project employee or a regular employee is whether the employment has been fixed for a specific project or undertaking, the completion or termination of which has been determined at the time of the engagement of the employee.[10] A project employee is one whose employment has been fixed for a specific project or undertaking, the completion or termination of which has been determined at the time of the engagement of the employee or where the work or service to be performed is seasonal in nature and the employment is for the duration of the season.[11] A true project employee should be assigned to a project which begins and ends at determined or determinable times, and be informed thereof at the time of hiring.[12]

Petitioners contend that respondent's repeated hiring of their services qualifies them to the status of regular employees. On this score, the LA ruled:

> This is further buttress[ed] by the fact that the relationship between complainants and the respondent URSUMCO, would clearly reveal that the very nature of the terms and conditions of their hiring would show that complainants were required to perform phases of special projects which are not related to the main operation of the respondent for a definite period, after which their services are available to any farm owner. [13]

The NLRC, agreeing with the LA, further ruled that:

> In the case at bar, We note that complainants never bothered to deny that they voluntarily, knowingly and willfully executed the contracts of employment. Neither was there any showing that respondents exercised moral dominance on the complainants, x x x it is clear that the contracts of employment are valid and binding on the complainants.
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> The execution of these contracts in the case at bar is necessitated by the peculiar nature of the work in the sugar industry which has an off milling season. The very nature of the terms and conditions of complainants' hiring reveals that they were required to perform phases of special projects for a definite period after, their services are available to other farm owners. This is so because the planting of sugar does not entail a whole year operation, and utility works are comparatively small during the off-milling season. x x x[14]

Finally, the CA noted:

> Petitioner Pedy Caseres first applied with private respondent URSUMCO on January 9, 1989 as a worker assisting the crane operator at the transloading station. Upon application, Caseres was interviewed and made to understand that his employment would be co-terminus with the phase of work to which he would be then assigned, that is until February 5, 1989 and thereafter he would be free to seek employment elsewhere. Caseres agreed and signed the contract of employment for specific project or undertaking. After an absence of more than five (5) months, Caseres re-applied with respondent as a seasonal project worker assisting in the general underchassis reconditioning to transport units on July 17, 1989. Like his first assignment, Caseres was made to understand that his services would be co-terminus with the work to which he would be then assigned that is from July 17, 1989 to July 20, 1989 and that thereafter he is free to seek employment elsewhere to which Caseres agreed and readily signed the contract of employment for specific project or undertaking issued to him. Thereafter Caseres voluntarily signed several other employment contracts for various undertakings with a determinable period. As in the first contract, Caseres' services were co-terminus with the work to which he was assigned, and that thereafter, he was free to seek employment with other sugar millers or elsewhere.
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> The nature and terms and conditions of employment of petitioner Andito Pael were the same as that of his co-petitioner Caseres.
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