

## SECOND DIVISION

[ G.R. No. 152121, July 29, 2003 ]

**EDUARDO G. EVIOTA, PETITIONER, VS. THE HON. COURT OF APPEALS, THE HON. JOSE BAUTISTA, PRESIDING JUDGE OF BRANCH 136, REGIONAL TRIAL COURT OF MAKATI, AND STANDARD CHARTERED BANK, RESPONDENTS.**

### DECISION

**CALLEJO, SR., J.:**

Before us is a petition for review on *certiorari* under Rule 45 of the Revised Rules of Court, of the Decision<sup>[1]</sup> of the Court of Appeals in CA-G.R. SP No. 60141 denying the petition for certiorari filed by the petitioner praying the nullification of the Order of the Regional Trial Court of Makati, Branch 136.<sup>[2]</sup>

Sometime on January 26, 1998, the respondent Standard Chartered Bank and petitioner Eduardo G. Eviota executed a contract of employment under which the petitioner was employed by the respondent bank as Compensation and Benefits Manager, VP (M21). However, the petitioner abruptly resigned from the respondent bank barely a month after his employment and rejoined his former employer.

On June 19, 1998, the respondent bank filed a complaint against the petitioner with the RTC of Makati City. The respondent bank alleged *inter alia* in its complaint that:

1. It is a foreign banking institution authorized to do business in the Philippines, with principal offices at the 5<sup>th</sup> Floor, Bankmer Bldg., 6756 Ayala Avenue, Makati City.
2. Defendant Eduardo Eviota ("Eviota") is a former employee of the Bank, and may be served with summons and other court processes at 8 Maple Street, Cottonwoods, Antipolo, Metro Manila.
3. On December 22, 1997, Eviota began negotiating with the Bank on his possible employment with the latter. Taken up during these negotiations were not only his compensation and benefit package, but also the nature and demands of his prospective position. The Bank made sure that Eviota was fully aware of all the terms and conditions of his possible job with the Bank.
4. On January 26, 1998, Eviota indicated his conformity with the Bank's Offer of Employment by signing a written copy of such offer dated January 22, 1998 (the "Employment Contract"). A copy of the Employment Contract between Eviota and the Bank is hereto attached as Annex "A."

5. Acting on the Employment Contract and on Eviota's uninhibited display of interest in assuming his position, the Bank promptly proceeded to carry out the terms of the Employment Contract as well as to facilitate his integration into the workforce. Among others, the Bank: (a) renovated and refurbished the room which was to serve as Eviota's office; (b) purchased a 1998 Honda CR-V (Motor No. PEWED7P101101; Chassis No. PADRD 1830WV00108) for Eviota's use; (c) purchased a desktop IBM computer for Eviota's use; (d) arranged the takeout of Eviota's loans with Eviota's former employer; (e) released Eviota's signing bonus in the net amount of P300,000.00; (f) booked Eviota's participation in a Singapore conference on Y2K project scheduled on March 10 and 11, 1998; and (g) introduced Eviota to the local and regional staff and officers of the Bank via personal introductions and electronic mail.

6. The various expenses incurred by the Bank in carrying out the above acts are itemized below, as follows:

a.	Signing Bonus	P 300,000.00
b.	1 Honda CR-V	800,000.00
c.	IBM Desktop Computer	89,995.00
d.	Office Reconfiguration	29,815.00
e.	2-Drawer Lateral File Cabinet	13,200.00
f.	1 Officer's Chair	31,539.00
g.	1 Guest Chair	2,200.00
h.	1 Hanging Shelf	2,012.00
i.	Staff Loan Processing Title Verification	375.00
	Cost of Appraisal - Housing Loan	3,500.00
	<b>TOTAL</b>	<b>P1,272,636.00</b>

An itemized schedule of the above expenses incurred by the Bank is hereto attached as Annex "B."

7. On February 25, 1998, Eviota assumed his position as Compensation and Benefits Manager with the Bank and began to discharge his duties. At one Human Resources ("HR") Committee meeting held on March 3, 1998, Eviota energetically presented to senior management his projects for the year, thus raising the latter's expectations. The same day, Eviota instructed the Bank's HR Administrator to book him a flight for Singapore, where he was scheduled to participate in a Y2K project on March 10 and 11, 1998. Confident of Eviota's professed commitment to the Bank, the latter made the aforementioned airline booking for him. In addition, the Bank allowed Eviota access to certain sensitive and confidential information and documents concerning the Bank's operations.

8. After leading the Bank to believe that he had come to stay, Eviota suddenly resigned his employment with immediate effect to re-join

his previous employer. His resignation, which did not comply with the 30-day prior notice rule under the law and under the Employment Contract, was so unexpected that it disrupted plans already in the pipeline (e.g., the development of a salary/matrix grid and salary structure, and the processing of merit promotion recommendations), aborted meetings previously scheduled among Bank officers, and forced the Bank to hire the services of a third party to perform the job he was hired to do. For the services of this third party, the Bank had to pay a total of P208,807.50. A copy of a receipt for the above expenses is hereto attached as Annex "C" (See also, Annex "B").

9. Aside from causing no small degree of chaos within the Bank by reason of his sudden resignation, Eviota made off with a computer diskette and other papers and documents containing confidential information on employee compensation and other Bank matters, such as the salary schedule of all Corporate and Institutional Banking officers and photocopies of schedules of benefits provided expatriates being employed by the Bank.
10. With the benefit of hindsight, the Bank realizes that it was simply used by Eviota as a mere leverage for his selfish efforts at negotiating better terms of employment with his previous employer. Worse, there is evidence to show that in his attempts to justify his hasty departure from the Bank and conceal the real reason for his move, Eviota has resorted to falsehoods derogatory to the reputation of the Bank. In particular, he has been maliciously purveying the canard that he had hurriedly left the Bank because it had failed to provide him support. His untruthful remarks have falsely depicted the Bank as a contract violator and an undesirable employer, thus damaging the Bank's reputation and business standing in the highly competitive banking community, and undermining its ability to recruit and retain the best personnel in the labor market.
11. On March 16, 1998, the Bank made a written demand on Eviota to return the aforementioned computer diskette and other confidential documents and papers, reimburse the Bank for the various expenses incurred on his account as a result of his resignation (with legal interest), and pay damages in the amount of at least P500,000.00 for the inconvenience and work/program disruptions suffered by the Bank.

A copy of the Bank's demand letter dated March 16, 1998 is hereto attached as Annex "D."

12. In partial compliance with said demand, Eviota made arrangements with his previous employer to reimburse the Bank for the expenses incurred in connection with the Bank's purchase of the Honda CR-V for his use. The Bank informed Eviota that in addition to the Honda CR-V's purchase price of P848,000.00 (of which Eviota initially shouldered P48,000.00), incidental costs in the form of Processing

Fees (P1,000.00), FPD/MCAR/98-155684 (P1,232.53) and Fund Transfer Price (P18,646.84) were incurred, bringing the total cost of the Honda CR-V to P868,881.38. On April 29, 1998, the Bank received two manager's checks in the aggregate amount of P868,881.38, representing costs incurred in connection with the purchase of the Honda CR-V, inclusive of processing fees and other incidental costs. Previously, Eviota had returned his P300,000.00 signing bonus, less the P48,000.00 he had advanced for the Honda CR-V's purchase price.

13. Eviota never complied with the Bank's demand that he reimburse the latter for the other expenses incurred on his account, amounting to P360,562.12 (see, Annex "B").<sup>[3]</sup>

The respondent bank alleged, by way of its causes of action against the petitioner, the following:

#### First Cause of Action

14. Eviota's actions constitute a clear violation of Articles 19, 20 and 21 of Republic Act No. 386, as amended (the "Civil Code"). Assuming *arguendo* that Eviota had the right to terminate his employment with the Bank for no reason, the manner in and circumstances under which he exercised the same are clearly abusive and contrary to the rules governing human relations.
  - 14.1. By his actions and representations, Eviota had induced the Bank to believe that he was committed to fulfilling his obligations under the Employment Contract. As a result, the Bank incurred expenses in carrying out its part of the contract (see Annexes "B" and "C"). Less reimbursements received from Eviota, the Bank is entitled to actual damages of P360,562.12. (See, Annex "C").

#### Second Cause of Action

15. Under Article 285 (a) of Presidential Decree No. 442, as amended (the Labor Code), an employee may terminate without just cause the employer-employee relationship by serving written notice on the employer at least one (1) month in advance. In addition, Section 13 of the Employment Contract specifically provides that: "Your [*i.e.*, Eviota's] employment may be terminated by either party giving notice of at least one month." (Annex "A," p. 5.)
  - 15.1. Eviota's failure to comply with the above requirement threw a monkey wrench into the Bank's operations - Eviota's sudden resignation aborted meetings previously scheduled among Bank officers and disrupted plans for a salary/merit review program and development of a salary structure and merit grid already in the pipeline.

Hence, Eviota is liable to the Bank for damages in the

amount of at least P100,000.00.

### Third Cause of Action

16. Eviota's false and derogatory statements that the Bank had failed to deliver what it had purportedly promised have besmirched the Bank's reputation and depicted it as a contract violator and one which does not treat its employees properly. These derogatory statements have injured the Bank's business standing in the banking community, and have undermined the Bank's ability to recruit and retain the best personnel. Hence, plaintiff is entitled to moral damages of at least P2,000,000.00.
17. By way of example or correction for the public good, and to deter other parties from committing similar acts in the future, defendant should be held liable for exemplary damages of at least P1,000,000.00
18. Eviota's actions have compelled plaintiff to obtain the services of undersigned counsel for a fee, in order to protect its interests. Hence, plaintiff is entitled to attorney's fees of at least P200,000.00.<sup>[4]</sup>

The respondent bank prayed, that after due proceedings, judgment be rendered in its favor as follows:

WHEREFORE, it is respectfully prayed that judgment be rendered ordering the defendant to pay the plaintiff:

1. As actual damages, the amount of P360,562.12, representing expenses referred to in items c to i of par. 6 and the cost of the third-party services mentioned in par. 8;
2. For violating the 30-day notice requirement under the Labor Code and order (sic) the Employment Contract, damages in the amount of at least P100,000.00;
3. As moral damages, the amount of P2,000,000.00;
4. As exemplary damages, the amount of P1,000,000.00;
5. As attorney's fees, the amount of P200,000.00; and
6. Costs of the suit.

Other just and equitable reliefs are likewise prayed for.<sup>[5]</sup>

The respondent bank appended to its complaint a copy of the petitioner's employment contract.

The petitioner filed a motion to dismiss the complaint on the ground that the action for damages of the respondent bank was within the exclusive jurisdiction of the Labor Arbiter under paragraph 4, Article 217 of the Labor Code of the Philippines, as