THIRD DIVISION

MERCEDITA ACUÑA, MYRNA RAMONES, and JULIET MENDEZ,
Petitioners,

- versus -

HON. COURT OF APPEALS and JOIN INTERNATIONAL CORPORATION and/or ELIZABETH ALAÑON,
Respondents.

G.R. No. 159832

Present:

QUISUMBING, *J.*, Chairperson,
CARPIO,
CARPIO MORALES,
TINGA, and
VELASCO, JR., *JJ.*

Promulgated:

May 5, 2006

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DECISION

QUISUMBING, *J.:*

This petition seeks the review and reversal of the Court of Appeals' **Decision**[1] dated January 27, 2003, in CA-G.R. SP No. 70724, entitled *Join International Corporation and/or Elizabeth Alañon v. National Labor Relations Commission (Third Division), Mercedita Acuña, Juliet Mendez, and Myrna Ramones*, setting aside the resolutions of the NLRC and dismissing the complaint of petitioners.

Petitioners are Filipino overseas workers deployed by private respondent Join International Corporation (JIC), a licensed recruitment agency, to its principal,

3D Pre-Color Plastic, Inc., (3D) in Taiwan, Republic of China, under a uniformly-worded employment contract for a period of two years. Herein private respondent Elizabeth Alañon is the president of Join International Corporation.

Sometime in September 1999, petitioners filed with private respondents applications for employment abroad. They submitted their passports, NBI clearances, medical clearances and other requirements and each paid a placement fee of ₱14,850, evidenced by official receipts[2] issued by private respondents.

After their papers were processed, petitioners claimed they signed a uniformly-worded employment contract[3] with private respondents which stipulated that they were to work as machine operators with a monthly salary of NT$15,840.00, exclusive of overtime, for a period of two years.

On December 9, 1999, with 18 other contract workers they left for Taiwan. Upon arriving at the job site, a factory owned by 3D, they were made to sign another contract which stated that their salary was only NT$11,840.00.[4] They were likewise informed that the dormitory which would serve as their living quarters was still under construction. They were requested to temporarily bear with the inconvenience but were assured that their dormitory would be completed in a short time.[5]

Petitioners alleged that they were brought to a "small room with a cement floor so dirty and smelling with foul odor (*sic*)". Forty women were jampacked in the room and each person was given a pillow. Since the ladies' comfort room was out of order, they had to ask permission to use the men's comfort room.[6] Petitioners claim they were made to work twelve hours a day, from8:00 p.m. to 8:00 a.m.

The petitioners averred that on December 16, 1999, due to unbearable working conditions, they were constrained to inform management that they were leaving. They booked a flight home, at their own expense. Before they left, they were made to sign a written waiver.[7] In addition, petitioners were not paid any salary for work rendered on December 11-15, 1999.[8]

Immediately upon arrival in the Philippines, petitioners went to private respondents' office, narrated what happened, and demanded the return of their placement fees and plane fare. Private respondents refused.

On December 28, 1999, private respondents offered a settlement. Petitioner Mendez received ₱15,080.[9] The next day, petitioners Acuña and Ramones went back and received ₱13,640[10] and ₱16,200,[11] respectively. They claim they signed awaiver, otherwise they would not be refunded.[12]

On January 14, 2000, petitioners Acuña and Mendez invoking Republic Act No. 8042,[13] filed a complaint for illegal dismissal and non-payment/underpayment of salaries or wages, overtime pay, refund of transportation fare, payment of salaries/wages for 3 months, moral and exemplary damages, and refund of placement fee before the National Labor Relations Commission (NLRC). Petitioner Ramones filed her complaint on January 20, 2000.

The Labor Arbiter ruled in favor of petitioners, declaring that Myrna Ramones, Juliet Mendez and Mercedita Acuña did not resign voluntarily from their jobs. Thus, private respondents were ordered to pay jointly and severally, in Philippine Peso, at the rate of exchange prevailing at the time of payment, the following:

1. MERCEDITA ACUÑA			
a. Unexpired Portion	NT$95,000.00		
b. Salary for 4 days	2,436.92		
c. Overtime pay for 4 hrs. in 4 days	1,523.07		
	NT$98,960.00*		
d. Refund of placement fee		PHP45,000.00	
(Less: Amount received per Quitclaim)		13,640.00	31,360.00
e. Moral damages			25,000.00
f. Exemplary damages			40,000.00
2. JULIET C. MENDEZ			
a. Unexpired Portion	NT$95,000.00		
b. Salary for 4 days	2,436.92		
c. Overtime pay for 4 hrs. in 4 days	1,523.07		
	NT$98,960.00*		
d. Refund of placement fee		PHP45,000.00	
(Less: Amount received per Quitclaim)		15,080.00[14]	29,920.00

e. Moral damages			25,000.00
f. Exemplary damages			40,000.00
3. MYRNA R. RAMONES			
a. Unexpired Portion	NT$95,000.00		
b. Salary for 4 days	2,436.92		
c. Overtime pay for 4 hrs. in 4 days	1,523.07		
	NT$98,960.00*		
d. Refund of placement fee		PHP45,000.00	
(Less: Amount received per Quitclaim)		16,200.00	28,800.00
e. Moral damages			25,000.00
f. Exemplary damages			40,000.00[15]

The Labor Arbiter likewise ordered the payment of attorney's fees equivalent to ten percent (10%) of the award which totaled NT$296,880.00 and ₱285,080.00 The other claims were dismissed for lack of merit.

Private respondents thereafter appealed the decision to the National Labor Relations Commission. The NLRC ruled that the inclusion of Alañon as party respondent in this case had no basis since respondent JIC, being a juridical person, has a legal personality, separate and distinct from its officers.[16] It partially granted the appeal and ordered that the amounts of ₱15,080,₱13,640 and ₱16,200 received under the quitclaim by Mendez, Acuña and Ramones, respectively, be deducted from their respective awards. They were awarded attorney's fees equivalent to ten percent (10%) of their awarded labor-standards claims for unpaid wages and overtime pays. No moral and exemplary damages and placement fees were awarded.[17] Private respondents' motion for partial reconsideration was denied.

On appeal, the Court of Appeals ruled for private respondents. It set aside the resolutions dated February 26, 2002 andDecember 10, 2001 of the NLRC and dismissed the complaint of petitioners.[18]

In their petition before us, petitioners raise the following issues:

I

WHETHER OR NOT PUBLIC RESPONDENT COURT OF APPEALS ERRED AND/OR GRAVELY ABUSED ITS DISCRETION, AMOUNTING TO LACK OF JURISDICTION, IN TAKING COGNIZANCE OF THE PETITION FOR CERTIORARI FILED BY THE PRIVATE RESPONDENTS, DESPITE THE FACT THAT THE NLRC'S RESOLUTION OF DECEMBER 10, 2001 HAD ALREADY BECOME FINAL AND EXECUTORY, PRIVATE RESPONDENTS' MOTION FOR PARTIAL RECONSIDERATION WITH THE NLRC HAVING BEEN FILED OUT OF TIME

II

ALTERNATIVELY, WHETHER OR NOT PUBLIC RESPONDENT COURT OF APPEALS ERRED IN SETTING ASIDE THE RESOLUTIONS OF THE NLRC, AND IN DISMISSING THE COMPLAINT OF THE PETITIONERS.[19]

Prefatorily, petitioners aver that private respondents' Verification and Certification of the Petition for Certiorari stated that the copy of the resolution of the NLRC dated December 10, 2001 was received on January 4, 2002 and its partial motion for reconsideration filed on January 29, 2002, or 15 days beyond the reglementary period. However, a perusal of the Partial Motion for Reconsideration[20] filed by private respondents show that the NLRC Resolution dated December 10, 2001 was in fact received by private respondents on January 24, 2002 and not on January 4, 2002. Hence, the appeal was properly filed within the 10-day reglementary period.

In this petition the issue left for resolution is whether petitioners were illegally dismissed under Rep. Act No. 8042, thus entitling them to benefits plus damages.

The Labor Arbiter and the NLRC found that petitioners admitted they resigned from their jobs without force, coercion, intimidation and pressure from private respondents' principal abroad.[21]

According to the Labor Arbiter, while it may be true that petitioners were not coerced into giving up their jobs, the deplorable, oppressive and sub-human working conditions drove petitioners to resign. In effect, according to the Labor Arbiter, the petitioners did not voluntarily resign.[22]

The NLRC also ruled that there was constructive dismissal since working under said conditions was unbearable.[23]

As we have held previously, constructive dismissal covers the involuntary resignation resorted to when continued employment becomes impossible, unreasonable or unlikely; when there is a demotion in rank or a diminution in pay; or when a clear discrimination, insensibility or disdain by an employer becomes unbearable to an employee.[24]

In this case, the appellate court found that petitioners did not deny that the accommodations were not as homely as expected. In the petitioners' memorandum, they admitted that they were told by the principal, upon their arrival, that the dormitory was still under construction and were requested to bear with the temporary inconvenience and the dormitory would soon be finished. We likewise note that petitioners did not refute private respondents' assertion that they had deployed approximately sixty other workers to their principal, and to the best of their knowledge, no other worker assigned to the same principal has resigned, much less, filed a case for illegal dismissal.[25]

To our mind these cited circumstances do not reflect malice by private respondents nor do they show the principal's intention to subject petitioners to unhealthy accommodations. Under these facts, we cannot rule that there was constructive dismissal.

Private respondents also claim that petitioners were not entitled to overtime pay, since they had offered no proof that they actually rendered overtime work. Petitioners, on the other hand, say that they could not show any documentary proof since their employment records were all in the custody of the principal employer. It was sufficient, they claim, that they alleged the same with particularity.

On this matter, we rule for the petitioners. The claim for overtime pay should not have been disallowed because of the failure of the petitioners to substantiate them.[26] The claim of overseas workers against foreign employers could not be subjected to same rules of evidence and procedure easily obtained by complainants whose employers are locally based.[27] While normally we would

require the presentation of payrolls, daily time records and similar documents before allowing claims for overtime pay, in this case, that would be requiring the near-impossible.

To our mind, it is private respondents who could have obtained the records of their principal to refute petitioners' claim for overtime pay. By their failure to do so, private respondents waived their defense and in effect admitted the allegations of the petitioners.

It is a time-honored rule that in controversies between a worker and his employer, doubts reasonably arising from theevidence, or in the interpretation of agreements and writing should be resolved in the worker's favor.[28] The policy is to extend the applicability of the decree to a greater number of employees who can avail of the benefits under the law, which is in consonance with the avowed policy of the State to give maximum aid and protection to labor.[29] Accordingly, we rule that private respondents are solidarily liable with the foreign principal for the overtime pay claims of petitioners.

On the award of moral and exemplary damages, we hold that such award lacks legal basis. Moral and exemplary damages are recoverable only where the dismissal of an employee was attended by bad faith or fraud, or constituted an act oppressive to labor, or was done in a manner contrary to morals, good customs or public policy.[30] The person claiming moral damages must prove the existence of bad faith by clear and convincing evidence, for the law always presumes good faith.[31] Petitioners allege they suffered humiliation, sleepless nights and mental anguish, thinking how they would pay the money they borrowed for their placement fees.[32] Even so, they failed to prove bad faith, fraud or ill motive on the part of private respondents.[33] Moral damages cannot be awarded. Without the award of moral damages, there can be no award of exemplary damages, nor attorney's fees.[34]

Quitclaims executed by the employees are commonly frowned upon as contrary to public policy and ineffective to bar claims for the full measure of the workers' legal rights, considering the economic disadvantage of the employee and the inevitable pressure upon him by financial necessity.[35] Nonetheless, the so-called "economic difficulties and financial crises" allegedly confronting the

employee is not an acceptable ground to annul the compromise agreement[36] unless it is accompanied by a gross disparity between the actual claim and the amount of the settlement.[37]

A perusal of the records reveals that petitioners were not in any way deceived, coerced or intimidated into signing a quitclaim waiver in the amounts of ₱13,640, ₱15,080 and ₱16,200 respectively. Nor was there a disparity between the amount of the quitclaim and the amount actually due the petitioners.

Conformably then the petitioners are entitled to the following amounts in Philippine Peso at the rate of exchange prevailing at the time of payment:

1. MERCEDITA ACUÑA	
a. Salary for 4 days	NT $ 2,436.92
b. Overtime pay for 4 hours in 4 days	1,523.07
	NT $ 3,959.99
2. JULIET C. MENDEZ	
a. Salary for 4 days	NT $ 2,436.92
b. Overtime pay for 4 hours in 4 days	1,523.07
	NT $ 3,959.99
3. MYRNA R. RAMONES	
a. Salary for 4 days	NT $ 2,436.92
b. Overtime pay for 4 hours in 4 days	1,523.07
	NT $ 3,959.99

According to the Bangko Sentral Treasury Department, the prevailing exchange rates on December 1999 was NT$1 to₱1.268805. Hence, after conversion to Philippine pesos, the amount of the quitclaim paid to petitioners was actually higher than the amount due them.

WHEREFORE, the petition is **DISMISSED**, without prejudice to the filing of illegal recruitment complaint against the respondents pursuant to Section 6(i) of The Migrant Workers and Overseas Filipino Act of 1995 (Rep. Act No. 8042).

SO ORDERED.

LEONARDO A. QUISUMBING
Associate Justice

WE CONCUR:

ANTONIO T. CARPIO
Associate Justice

CONCHITA CARPIO MORALES
Associate Justice

DANTE O. TINGA
Associate Justice

PRESBITERO J. VELASCO, JR.
Associate Justice

A T T E S T A T I O N

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.

LEONARDO A. QUISUMBING
Associate Justice
Chairperson

C E R T I F I C A T I O N

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.

ARTEMIO V. PANGANIBAN
Chief Justice

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[1] *Rollo*, pp. 87-96. Penned by Associate Justice Edgardo F. Sundiam, with Associate Justices Ruben T. Reyes, and Remedios Salazar-Fernando concurring.
[2] *Rollo*, pp. 126-127.
[3] Id. at 116-119.
[4] Id. at 192.
[5] Id. at 366.
[6] Ibid.
[7] Id. at 120-125.
[8] Id. at 192-193.
[9] Id. at 120. Erroneously written as "Fifteen thousand".
[10] Id. at 124. Erroneously written as "Thirteen thousand six hundred".
[11] Id. at 122. Written as "₱16,220" in figures.
[12] Id. at 89, 157.
[13] AN ACT TO INSTITUTE THE POLICIES OF OVERSEAS EMPLOYMENT AND ESTABLISH A HIGHER STANDARD OF PROTECTION AND PROMOTION OF THE WELFARE OF MIGRANT WORKERS, THEIR FAMILIES AND OVERSEAS FILIPINOS IN DISTRESS, AND FOR OTHER PURPOSES.
* 98,959.99 rounded off.
[14] Erroneously written as ₱1,523.07.
[15] *Rollo*, pp. 163-165.
[16] Id. at 196-197.
[17] Id. at 203.
[18] Id. at 95.
[19] Id. at 369-370.
[20] Id. at 205-214.
[21] Id. at 195.
[22] Id. at 159.
[23] Id. at 198.
[24] *Leonardo v. National Labor Relations Commission*, G.R. No. 125303, June 16, 2000, 333 SCRA 589, 598.
[25] *Rollo*, p. 91.
[26] *Cuadra v. NLRC*, G.R. No. 98030, March 17, 1992, 207 SCRA 279, 282.
[27] Ibid.
[28] *Prangan v. NLRC*, G.R. No. 126529, April 15, 1998, 289 SCRA 142, 148-149.

[29] *Sarmiento v. Employees' Compensation Commission*, No. L-68648, September 24, 1986, 144 SCRA 421, 427.
[30] *Ford Philippines Inc. v. Court of Appeals*, G.R. No. 99039, February 3, 1997, 267 SCRA 320, 330.
[31] *See Equitable Banking Corporation v. NLRC*, G.R. No. 102467, June 13, 1997, 273 SCRA 352, 379.
[32] *Rollo*, p. 130.
[33] *Audion Electric Co., Inc. v. NLRC*, G.R. No. 106648, June 17, 1999, 308 SCRA 340, 355.
[34] *See Bernardo v. Court of Appeals (Special Sixth Division)*, G.R. No. 106153, July 14, 1997, 275 SCRA 413, 432.
[35] *America Home Assurance Co. v. NLRC*, G.R. No. 120043, July 24, 1996, 259 SCRA 280, 293-294.
[36] *Olaybar, et al v. NLRC, et al.*, G.R. No. 108713, October 28, 1994, 237 SCRA 819, 824.
[37] *See B. Sta. Rita and Co., Inc., et al. v. NLRC, et al.*, G.R. No. 119617, August 14, 1995, 247 SCRA 354, 359-360.