

FIRST DIVISION

[G.R. No. 222212, January 22, 2020]

**COMSCENTRE PIDLS., INC., AND PATRICK BOE PETITIONERS, VS.
CAMILLE B. ROCIO RESPONDENT.**

D E C I S I O N

LAZARO-JAVIER, J.:

The Case

This petition seeks to nullify the following dispositions of the Court of Appeals in CA-G.R. SP No. 134623:

1. Decision^[1] dated July 8, 2015 which disallowed the offsetting of petitioners' claim for payment of "employment bond" against the monetary award in favor of respondent; and
2. Resolution^[2] dated January 12, 2016 denying petitioners' motion for reconsideration.

Antecedents

On April 4, 2011, petitioners Comscentre Phils., Inc. and its Country Manager Patrick Boe hired respondent Camille B. Rocio as a Network Engineer.^[3]

On August 5, 2011, respondent informed petitioners of her intention to resign effective September 9, 2011. Prior to the effectivity of her resignation, Comscentre's Human Resource Manager Jennifer Hachero and Support Manager Allan Calanog informed respondent she had to pay an "employment bond" of Eighty Thousand Pesos (P80,000.00) for resigning within twenty-four (24) months from the time she got employed as provided in her employment contract, viz:

MINIMUM EMPLOYMENT LENGTH

You agree to remain in our employ for a minimum of twenty-four (24) months from your start date. This period will enable you to avail of the training and development programs, in the form of formal plus on-the-job

training, that will prepare you for a meaningful career with Comscentre.

If you for any reason, terminate your employment with the company at your volition (*sic*) or were terminated for cause before you complete the twenty-four (24) months of service from your start date , your (*sic*) agree to indemnify the company the amount of P80,000 to cover all expenses incurred in relation to your employment. This includes, but not limited to, recruitment expenses, formal on-the job training and other related administrative costs. xxx xxx xxx.^[4]

On August 24, 2011, respondent e-mailed Comscentre's Australian Human Resource Manager Lianne Glass asking for clarification regarding the "employment bond."^[5]

The following day on August 25, 2011, Hachero issued a show-cause letter to respondent seeking her explanation why she should not be subjected to disciplinary action for raising her concerns directly to Manager Glass and allegedly going around her colleagues' workstations during working hours to discuss her resignation . The show-cause letter, however, indicated that respondent was already placed on preventive suspension, *viz*:

Relatively, you are hereby required to submit your written explanation on 29 August 2011, why you should not merit corresponding penalty of disciplinary action. You are hereby advised of an administrative hearing on 30 August 2011, 10:00 am at the Corporate Office, xxx xxx.

Taking into consideration that your alleged actions are already causing chaos, disarray/turmoil amongst co-employees and the whole working environment and is now disruptive of work output, thus, jeopardizing and putting the company operations at high risk and hampering over-all productivity, which the Company cannot anymore tolerate, you are hereby placed on preventive suspension immediately upon receipt of this notice under further notice.^[6]

On August 29, 2011, respondent submitted her explanation. An administrative hearing was thereafter conducted on September 2, 2011. On September 9, 2011, petitioners issued a Letter of Suspension (Without Prejudice)^[7] to respondent stating she was preventively suspended without pay from August 25, 2011 to September 9, 2011.

On September 16, 2011, respondent sued petitioners for unfair labor practice, illegal suspension, illegal deduction, underpayment of salaries, non-payment of wages, service incentive leave pay and 13th month pay, damages (moral and exemplary), and attorney's fees.^[8]

Respondent claimed she neither discussed her resignation with her colleagues during work hours nor disobeyed any company directive. Too, Manager Glass advised employees to communicate with her directly if they were not comfortable with the way local management handled their concerns. Thus, the allegations in the show-cause

letter were unfounded.^[9]

On the other hand, petitioners maintained that respondent was validly placed under preventive suspension for willful disregard of company directives and loitering on work hours. Petitioners, though, admitted respondent was entitled to tax refund and the proportionate monetary equivalent of her vacation leaves and 13th month pay. All other claims were denied by petitioners.^[10]

The Ruling of the Labor Arbiter

Under Decision dated July 30, 2012, Labor Arbiter Adolfo C. Babiano found respondent's preventive suspension unjustified. Petitioners were, thus, ordered to pay respondent the following amounts, *viz*:

WHEREFORE, judgment is hereby rendered ordering [petitioner] to pay [respondent] as follows:

1. P67,961.30 (P2,192.30 x 31 days) representing her wages during her illegal suspension;
2. P19,000.00 (P57,000.00 x 4/12) representing her proportionate 13th month pay ;
3. P10,000.00 as moral damages; and
4. P10,000.00 as exemplary damages

TOTAL AWARD: P106,961.30

Attorney's fees at 10% of the total award : P10,696.13

All other claims are dismissed for lack of merit.

SO ORDERED.^[11]

Petitioners appealed to the National Labor Relations Commission (NLRC). Pursuant to Sec. 6, Rule VI of the NLRC Rules of Procedure,^[12] they posted a cash bond^[13] of P86,961.38 representing the amount of monetary award in favor of respondent, exclusive of damages and attorney's fees .

In their appeal, petitioners maintained that respondent was validly suspended . Petitioners also asserted that respondent was liable to pay the Eighty Thousand Pesos (P80,000.00) "employment bond".^[14]

The Ruling of the NLRC

By Resolution dated October 21, 2013, the NLRC affirmed with modification, thus:

WHEREFORE, respondent's appeal is **PARTLY GRANTED** and the Decision promulgated on 30 July 2012 is **AFFIRMED WITH THE FOLLOWING MODIFICATIONS**:

1. Respondent Comscentre Phils. Inc. is **DIRECTED** to pay complainant P85,424.44 broken down as follows, viz:

- (a) P30,692.31 as salaries during her 14 days suspension;
- (b) P24,880.69 as tax refund;
- (c) P10,851.44 as monetary equivalent of her vacation leaves; and
- (d) P19,000.00 as proportionate 13th month pay.

From these amounts shall be deducted the P80,000.00 bond due the respondent.

2. Award of moral and exemplary damages and attorney's fees are **DELETED**;

All other claims are **DISMISSED** for lack of merit.

SO ORDERED.^[15]

The NLRC adjusted the computation of respondent's money claims to cover her salary during her fourteen (14)-day illegal suspension, tax refund, and unused leave credits. The award of damages and attorney's fees was deleted for respondent's failure to substantiate its grant. The NLRC, however, ordered the deduction of the Eighty Thousand Pesos (P80,000.00) "employment bond" claimed by petitioners from respondent's total monetary award.

Respondent moved for reconsideration which was denied under Resolution dated January 23, 2014.^[16] On May 13, 2014, the NLRC had already issued an entry of judgment in favor of petitioners.^[17]

Meanwhile, respondent went to the Court of Appeals via a petition for certiorari. She claimed that the NLRC gravely abused its discretion when it ordered the deduction of the Eighty Thousand Pesos (P80,000.00) "employment bond" from her money claims for alleged breach of her employment contract. Respondent argued that an action for breach of contractual obligation is a civil dispute under the jurisdiction of regular courts, not the NLRC.

The Ruling of the Court of Appeals

Under Decision dated July 8, 2015,^[18] the Court of Appeals nullified the NLRC's

directive to deduct the Eighty Thousand Pesos (P80,000.00) "employment bond" from the total monetary award due to respondent. It ruled that petitioners' claim for payment of " employment bond" is within the exclusive jurisdiction of regular courts.

Petitioners sought reconsideration, but was denied under Resolution dated January 12, 2016.^[19]

The Present Petition

Petitioners now seek affirmative relief from the Court. They reiterate that the NLRC has jurisdiction over their claim for enforcement of the " employment bond" against respondent as it is covered by respondent's " terms and conditions of employment."

In her Comment,^[20] respondent ripostes that the Court of Appeals correctly ruled that the NLRC does not have jurisdiction over petitioners' claim for payment of the "employment bond." For it has nothing to do with wages and other terms and conditions of employment.

In their Reply,^[21] petitioners insist that respondent's premature termination of her employment makes her liable for payment of" employment bond."

Core Issue

Did the Court of Appeals err when it ruled that petitioners' claim for payment of "employment bond" fell within the jurisdiction of regular courts?

Ruling

We grant the petition.

Article 224^[22] of the Labor Code clothes the labor tribunals with original and exclusive jurisdiction over claims for damages arising from employer employee relationship, viz:

Art. 224. Jurisdiction of Labor Arbiters and the Commission. - (a) Except as otherwise provided under this Code, the Labor Arbiters shall have original and exclusive jurisdiction to hear and decide, within thirty (30) calendar days after the submission of the case by the parties for decision without extension, even in the absence of stenographic notes, the following cases involving all workers, whether agricultural or non-agricultural:

1. Unfair labor practices;
2. Termination disputes;
3. If accompanied with a claim for reinstatement, those cases that workers may file involving wages, rates of pay, hours of work and other terms and conditions of employment;

4. Claims for actual, moral, exemplary **and other forms of damages arising from the employer-employee relations;**

xxx xxx xxx. (emphasis supplied)

In *Bañez v. Valdevilla*,^[23] the Court elucidated that the jurisdiction of labor tribunals is comprehensive enough to include claims for all forms of damages "arising from the employer-employee relations." Thus, the Court decreed therein that labor tribunals have jurisdiction to award not only the reliefs provided by labor laws, but also damages governed by the Civil Code.^[24]

Further, in *Supra Multi-Services, Inc. v. Labitigan*,^[25] while we recognized that Article 224 of the Labor Code had been invariably applied to claims for damages filed by an employee against the employer, we held that the law should also apply with equal force to an employer's claim for damages against its dismissed employee, provided that the claim arises from or is necessarily connected with the fact of termination and should be entered as a counterclaim in the illegal dismissal case. Thus, the "reasonable causal connection with the employer-employee relationship" is a requirement not only in employees' money claims against the employer but is, likewise, a condition when the claimant is the employer.^[26]

Here, the controversy was rooted in respondent's resignation from the company within twenty-four (24) months from the time she got employed in violation of the "Minimum Employment Length"^[27] clause of her employment contract. When respondent informed petitioners of her intention to resign merely five (5) months after she got hired, they reminded respondent of her obligation to pay the "employment bond" of Eighty Thousand Pesos (P80,000.00) as indemnity for the expenses the company incurred in her training as Network Engineer.^[28] This prompted respondent to seek clarification by e-mail from Comscentre's Australian Human Resource Manager Lianne Glass. But as it was, petitioners found respondent's act of directly addressing her query to Manager Glass to be in violation of company directives. For this supposed infraction, she was suspended until September 9, 2011, the date her resignation was to take effect. Consequently, respondent sued petitioners for illegal suspension and money claims before the labor arbiter. Petitioners, in turn, pursued their claim for payment of "employment bond" in the same proceedings.

It is clear that petitioners' claim for payment is inseparably intertwined with the parties' employer-employee relationship. For it was respondent's act of prematurely severing her employment with the company which gave rise to the latter's cause of action for payment of "employment bond." As aptly found by the NLRC, petitioners' claim was "*an offshoot of the resignation of [respondent] and the complications arising therefrom and which eventually led to the filing of the case before the Labor Arbiter.*" Verily , petitioners' claim falls within the original and exclusive jurisdiction of the labor tribunals.

On this score, we further sustain the NLRC ' s finding that respondent is liable for payment of "employment bond" pursuant to her undertaking in the employment contract. She herself has not disputed this liability arising as it did from her breach of

the minimum employment period clause.^[29] Notably, she committed to abide thereby in exchange for the expenses incurred by the company for her training as Network Engineer. As correctly ruled by the NLRC:

There is basis to [petitioners'] claim that [respondent] is "liable to pay the employment bond, in the sum of Eighty Thousand Pesos (P80,000.00)". [Respondent] did not dispute the Minimum Employment Length provision in her contract which reads :

xxx xxx xxx

Except for claiming that the matter of refund was raised for the first time on appeal, **(respondent) did not dispute the existence and validity of such provision in her employment contract, a contract which she voluntarily entered into, fully understanding its meaning and repercussions** . It should be stated that contrary to [respondent's] argument, this claim was already ventilated in the proceedings before the Labor Arbiter, as stated in their Position Paper.^[30] (emphasis supplied)

Surely, while petitioners are liable to respondent for her illegal suspension and unpaid money claims , respondent, too, is liable to petitioners for payment of the "employment bond." As such, the NLRC correctly ordered the offsetting of their respective money claims against each other. To rule otherwise would be "to sanction split jurisdiction, which is prejudicial to the orderly administration of justice."^[31]

So must it be.

ACCORDINGLY, the petition is **GRANTED**. The Decision dated July 8, 2015 and Resolution dated January 12, 2016 of the Court of Appeals in CA-G.R. SP No. 134623 are **REVERSED** and **SET ASIDE**, and the Resolution of the National Labor Relations Commission dated October 21, 2013 in NLRC NCR CN. 09-14294-11 and NLRC LAC NO. 11-003168-12 , **REINSTATED**.

SO ORDERED.

Peralta, C.J., (Chairperson), Caguioa, Reyes, J., Jr. and Lopez, JJ., concur.

^[1] Penned by Associate Justice Agnes Reyes-Carpio with Associate Justices Francisco P . Acosta and Victoria Isabel A. Paredes, concurring , *rollo*, pp. 27-34.

^[2] *Rollo*, pp. 36-37.

^[3] *Id.* at 207.

^[4] *Id.* at 39 .

[5] *Id.* at 280.

[6] *Id.* at 209.

[7] *Id.* at 209-210.

[8] *Id.* at 210.

[9] *Id.*

[10] *Id.* at 211-212.

[11] *Id.* at 29.

[12] SECTION 6. Bond. - In case the decision of the Labor Arbiter or the Regional Director involves a monetary award, an appeal by the employer maybe perfected only upon the posting of a bond, which shall either be in the form of cash depositor surety bond equivalent in amount to the monetary award, exclusive of damages and attorney's fees.

[13] BDO Manager's Check No. 0000945; *rollo*, p. 157.

[14] *Rollo*, p. 212.

[15] Penned by Commissioner Grace E. Maniquiz-Tan and concurred in by Commissioners Dolores M. Peralta-Beley and Mercedes R. Posada-Lacap; *rollo*, pp . 219.

[16] *Rollo*, p p . 222-223.

[17] *Id.* at 254.

[18] *Id.* at 27-34.

[19] *Id.* at 36-37.

[20] *Id.* at 279-301.

[21] *Id.* at 307-315.

[22] Pursuant to Department of Labor and Employment Advisory No. 1, Series of 2015 , Renumbering of the Labor Code of the Philippines, as amended , Art. 217 has been renumbered to Art. 224.

[23] 387 Phil. 601, 607-608 (2000).

[24] *Id.*

[25] 792 Phil. 336, 368-369 (2016).

[26] *Portillo v. Rudolf Lietz, Inc., et al.*, 697 Phil. 232, 242-243(2012).

[27] *Rollo*, p. 39.

[28] *Id.* at 311-312 .

[29] *Id.* at 217-218.

[30] *Id.*

[31] *Supra* note 23.



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