Republic of the Philippines
Supreme Court
Baguio City

SECOND DIVISION

CAROLINA'S LACE SHOPPE, LOURDES RAGAS and CLAUDINE MANGASING, Petitioners,	**G.R. No. 219419**
	Present:
- versus -	CARPIO, *J.*, *Chairperson,* PERLAS-BERNABE,* CAGUIOA, REYES, J. JR., and LAZARO-JAVIER, *JJ.*
GLORIA MAQUILAN and JOY MAQUILAN, Respondents.	**Promulgated:** 10 APR 2019

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DECISION

REYES, J. JR. *J.*:

Before us is a Petition for Review on *Certiorari*[1] under Rule 45 of the Rules of Court, assailing the Decision[2] dated October 8, 2014 and Resolution[3] dated July 21, 2015 of the Court of Appeals (CA) in CA-G.R. SP No. 114357, which reversed and set aside the ruling of the National Labor Relations Commission (NLRC).

Relevant Antecedents

The case stemmed from a complaint for illegal dismissal.

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* On leave.

1 *Rollo*, pp. 26-47.

2 Penned by Associate Justice Melchor Q.C. Sadang, with Associate Justices Celia C. Librea-Leagogo and Franchito N. Diamante, concurring; id at 9-20.

3 Id. at 22-23.

In 2005 and 2007, Gloria Maquilan (Gloria) and Joy Maquilan (Joy) were employed by Carolina's Lace Shoppe (CLS) as sales clerk and beader, respectively.[4]

In April 2008, the Department of Labor and Employment (DOLE) inspected CLS. Upon inspection, one of the latter's employees, Santiago A. Espultero (Espultero) told the labor inspector that he was receiving a daily wage of ₱250.00.[5]

Thereafter, Espultero was terminated from his employment by CLS' manager Claudine Mangasing (Mangasing). In order to receive a "separation pay" amounting to ₱60,000.00 despite his 17 years in service, Espultero was allegedly made to sign a quitclaim.[6]

One month thereafter, Gloria was dismissed from the service for no reason given. Like Espultero, she was allegedly made to sign a quitclaim in order to claim her "separation pay" amounting to ₱15,000.00 despite her three years in service.[7]

The same fate happened to Joy, daughter of Gloria, who was dismissed from the service and was forced to sign a quitclaim as she received ₱4,000.00 as "separation pay."[8]

Gloria, Joy, Espultero, and Eminda B. Tagalo (Tagalo) were constrained to file a case for illegal dismissal with money claims and damages against CLS, Mangasing and sole proprietor Lourdes Ragas (Ragas) (collectively as respondents).[9] However, only Gloria and Joy filed their position papers.[10]

Aside from their claim that CLS caused their illegal dismissal, Gloria and Joy averred that: (a) they worked on holidays and special holidays without holiday and premium pay; (b) they worked for more than one year but were not given five days service incentive leave; (c) they were given 13th month pay, but its computation was not in accordance with the minimum wage rates; and (d) they worked for 10 hours a day with no overtime pay.[11]

For their part, respondents claimed that Gloria, Joy and Espultero were not illegally dismissed as they voluntarily resigned, evidenced by their resignation letters.[12]

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4 Id. at 10.
5 Id.
6 Id. at 159.
7 Id.
8 Id. at 160.
9 Id.
10 Id. at 158.
11 Id. at 10.
12 Id. at 11.

In a Decision[13] dated October 31, 2008, the Labor Arbiter found Gloria and Joy to have been illegally dismissed as they were forced to resign from their respective employments. Accordingly, CLS and Ragas were ordered to pay their backwages, separation pay, and other money claims. The *fallo* thereof reads:

> WHEREFORE, judgment is hereby rendered declaring complainants Gloria Maquilan and Joy Maquilan to have been illegally dismissed from their employment.
>
> Respondents Carolinas (*sic*) Lace Shoppe/Lourdes Ragas are hereby ordered to pay said complainants the amount of PhP132,890.16, representing their backwages and separation pay, respectively, and the total amount of PhP257,456.68, representing their other money claims, less the amount of PhP19,000.00 already received by them.
>
> Complainants Eminda Tagalo and Santiago Espulteros (sic) case are hereby accordingly dismissed pursuant to Section 7, Rule V of the 2005 Revised Rules [of] Procedure of the NLRC.
>
> Other claims are hereby denied for lack of merit.
>
> SO ORDERED.[14]

Consequently, an appeal was filed by respondents before the NLRC.

In reversing the Decision of the Labor Arbiter, the NLRC rendered a Resolution[15] dated January 8, 2010. The NLRC gave credence to the resignation letters of Gloria and Joy and found that the same were voluntarily executed. The dispositive portion reads:

> **WHEREFORE**, the Appeal is hereby **GRANTED** and the decision of the Labor Arbiter is **SET ASIDE.** The respondents are, however, **ORDERED** to pay complainants their SIL pay based on the appended computation.
>
> **SO ORDERED.**[16]

A motion for reconsideration was filed by Gloria and Joy, which was denied for lack of merit in a Resolution[17] dated March 26, 2010.

Aggrieved, Gloria and Joy raised the matter before the CA *via* a Petition for *Certiorari* under Rule 65 of the Rules of Court.

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13 Penned.by Labor Arbiter Daniel J. Cajilig; id at 158-164.
14 Id. at 164.
15 Penned by Commissioner Numeriano D. Villena, with Presiding Commissioner Herminio V. Suelo and Commissioner Angelo Ang Palana, concurring; id at 102- 109.
16 Id. at 108.
17 Id. at 110-114.

In a Decision[18] dated October 8, 2014, the CA granted the petition and reinstated the ruling of the Labor Arbiter. In disposing so, the CA held that the tenor of the resignation letters, the quitclaims executed by Gloria and Joy, and their subsequent acts belied their clear intents to sever from their respective employments. Hence, it was found that they were illegally dismissed from the service, thus:

> **WHEREFORE,** the petition is **GRANTED.** The January 8, 2010 Decision and March 26, 2010 Resolution of the National Labor Relations Commission (Seventh Division) in NLRC LAC No. 05-001173-09 (NLRC-NCR-05-08411-08) are **ANNULLED** and **SET ASIDE**; however, the portion of the *fallo* of said decision ordering payment by respondents of service incentive leave to petitioners shall **STAND**. The October 31, 2008 Decision of Labor Arbiter Daniel Dajilig is **REINSTATED** with the **MODIFICATION** that respondents shall only pay petitioners Gloria Maquilan and Joy Maquilan backwages, as separation pay as computed by the Labor Arbiter in his Decision.
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> **SO ORDERED.**[19]

Gloria and Joy filed a Motion for Reconsideration, while CLS, Ragas and Mangasing filed a Motion for Partial Reconsideration. The CA, in a Resolution[20] dated July 21, 2015, denied both motions.

Hence, this instant petition.

The Issue

In the main, the issue is whether or not Gloria and Joy were illegally dismissed from employment.

This Court's Ruling

"In illegal dismissal cases, the fundamental rule is that when an employer interposes the defense of resignation, the burden to prove that the employee indeed voluntarily resigned necessarily rests upon the employer."[21]

Putting forth their claim that Gloria indeed voluntarily resigned, respondents insist that the former offered no evidence which depicted that force or fraud was employed when the resignation letter with quitclaim was executed. Hence, the same was accomplished voluntarily.

On this note, this Court finds it proper to delve into the voluntariness of Gloria's resignation.

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18 Supra note 2.
19 Id. at 19.
20 Supra note 3.
21 *Doble, Jr. v. ABB, Inc./Nitin Desai,* 810 Phil. 210, 228-229 (2017).

Citing *Fortuny Garments/Johnny Co v. Castro*,[22] the case of *Torreda v. Investment and Capital Corporation of the Philippines*[23] discusses how an employee's act of severing from employment may be measured, to wit:

> x x x. **The act of the employee before and after the alleged resignation must be considered to determine whether in fact, he or she intended to relinquish such employment.** If the employer introduces evidence purportedly executed by an employee as proof of voluntary resignation and the employee specifically denies the authenticity and due execution of said document, the employer is burdened to prove the due execution and genuineness of such document. (Emphasis and underscoring in the original; citation omitted)

Verily, the acts preceding and subsequent to the employee's resignation must be taken into consideration.

Here, prior to her resignation, there was no indication that Gloria intended to relinquish her employment. Such alleged resignation actually took place after the DOLE conducted an inspection, which yielded to an information that CLS was not giving its employees their due wages. A month after such inspection, like the employee who reported such labor standards violation, Gloria was separated from employment by virtue of a resignation letter. In this regard, there was no clear intention on the part of Gloria to relinquish her employment.

As to her acts after her resignation, Gloria filed a complaint for illegal dismissal and money claims 12 days thereafter. On this note, this Court reiterates that such act of filing said complaint is difficult to reconcile with voluntary resignation.[24]

Moreover, a reading of the resignation letter executed by Gloria finds significance as it bears the following statements:

> May 31, 2008
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> CAROLINA'S LACE SHOPPE
> Quad Branch
>
> To whom it may concern:
>
> This is to tender my resignation effective at the close of office hours of May 31, 2008.
>
> I would like to thank the management for the opportunity that you have given me during my stay with the company.

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22 514 Phil. 317 (2005).

23 G.R. No. 229881, September 5, 2018.

24 *Mobile Protective & Detective Agency v. Ompad,* 497 Phil. 621, 630 (2005).

> This resignation will serve as notice that I have received all the benefits, salaries, 13th month and service leave. I have no more claims of whatsoever against the company its owner or officers. This will serve as my clearance and quit claim.
>
> Truly yours,
>
> (Sgd.) GLORIA MAQUILAN
> Sales clerk[25]

In the case of *Mobile Protective & Detective Agency,*[26] this Court ruled that resignation letters which are in the nature of a quitclaim, lopsidedly worded to free the employer from liabilities reveal the absence of voluntariness. Moreover, the quitclaim contained in the resignation letter does not contain stipulations required for its efficacy. In the case of *Flight Attendants and Stewards Association of the Philippines (FASAP) v. Philippine Airlines, Inc.*,[27] this Court reiterated the ruling in *EDI-Staffbuilders International, Inc. v. National Labor Relations Commission*[28] which laid down the basic contents of a valid and effective quitclaim, to wit:

> In order to prevent disputes on the validity and enforceability of quitclaims and waivers of employees under Philippine laws, said agreements should contain the following:
>
> 1. A **fixed amount** as full and final compromise settlement;
>
> 2. The **benefits** of the employees if possible with the corresponding amounts, **which the employees are giving up in consideration of the fixed compromise amount**;
>
> 3. **A statement that the employer has clearly explained to the employee in English, Filipino, or in the dialect known to the employees** – that by signing the waiver or quitclaim, they are forfeiting or relinquishing their right to receive the benefits which are due them under the law; and
>
> 4. A statement that the **employees signed and executed the document voluntarily, and had fully understood the contents of the document and that their consent was freely given** without any threat, violence, duress, intimidation, or undue influence exerted on their person.[29] (Emphasis supplied)

Admittedly, the quitclaim does not indicate that Gloria received the amount of ₱15,000.00 as full and final settlement. Similarly, there was nothing which indicates that said amount constitutes said full and final

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25 *Rollo*, p. 144.
26 Supra.
27 G.R. No. 178083, March 13, 2018.
28 563 Phil. 1 (2007).
29 Id. at 33.

settlement. The quitclaim was also couched in general terms and the tenor of the same does not show that Gloria understood the importance of the same considering that on the same day that she resigned, she immediately relieved respondents from their liabilities. There was also no indication that Gloria intends to give up her claimed benefits in consideration of a fixed compromise amount. It must be emphasized that Gloria was constrained to receive the amount of ₱15,000.00 as she was eight months pregnant at that time and lives with no other means aside from her employment with CLS'.

As to Joy, there was no indication that she intended to voluntarily resign. There was no execution of a resignation letter, but merely a quitclaim,[30] which likewise does not contain the above-mentioned stipulations as the same was a standard clearance and quitclaim form which Joy merely filled out. The manner by which Joy's name and the effectivity date of her cessation from employment were written, bore the same style and strokes with the entries pertaining to the computation of the amount paid to her; such entries were obviously written by one of CLS's employees. It is apparent, therefore, that the entries in the whole document were written by the same person and Joy was merely asked to sign the same. In addition, the day after she signed the alleged quitclaim, she immediately filed a complaint for illegal dismissal.

While the resignation letter of Gloria and quitclaim signed by Joy appear to have been notarized, the fact of such notarization is not a guarantee of the validity of the contents. The presumption of regularity as regards notarized documents is not absolute and may be rebutted by clear and convincing evidence to the contrary.[31] In this case, the presumption cannot be made to apply because of the following circumstances: (1) Gloria and Joy denied appearing before a notary public; (2) Gloria and Joy did not understand the textual import and effects of the documents notarized; (3) the consideration therein was not fixed; (4) the executions by Gloria and Joy of the notarized documents appear questionable; and (5) Gloria and Joy did not intend to resign from CLS.

Under the law, there are no shortcuts in terminating the security of tenure of an employee.[32] As the certitude of the purported resignations of Joy and Gloria remain dubious as the evidence of the same were done involuntarily, this Court rules that Gloria and Joy were illegally dismissed from their employment.

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30 *Rollo*, p. 148.

31 *Spouses Martires v. Chua*, 707 Phil. 34, 47 (2013).

32 *Torreda v. Investment and Capital Corporation of the Philippines*, supra note 23.

WHEREFORE, premises considered, the instant petition is **DENIED.** Accordingly, the Decision dated October 8, 2014 and the Resolution dated July 21, 2015 of the Court of Appeals in CA-G.R. SP No. 114357, are **AFFIRMED *in toto.***

SO ORDERED.

JOSE C. REYES, JR.
Associate Justice

WE CONCUR:

ANTONIO T. CARPIO
Senior Associate Justice
Chairperson

(On Leave)
ESTELA M. PERLAS-BERNABE
Associate Justice

ALFREDO BENJAMIN S. CAGUIOA
Associate Justice

AMY C. LAZARO-JAVIER
Associate Justice

ATTESTATION

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.

ANTONIO T. CARPIO
Senior Associate Justice
Chairperson, Second Division

CERTIFICATION

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.

LUCAS P. BERSAMIN
Chief Justice