Republic of the Philippines
Supreme Court
Manila

FIRST DIVISION

TOYO SEAT PHILIPPINES CORPORATION/YOSHIHIRO TAKAHAMA, *Petitioners*,	**G.R. No. 240774**
- versus -	Present: PERALTA, *C.J.*, CAGUIOA, CARANDANG, ZALAMEDA, *and* GAERLAN, *JJ.*
ANNABELLE C. VELASCO, RENATO NATIVIDAD, FLORANTE BILASA, and MARY ANN BENIGLA, *Respondents*.	Promulgated: MAR 03 2021

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DECISION

GAERLAN, *J.*:

The Case

The present petition for review on *certiorari*[1] assails the November 29, 2017 Decision[2] and the July 11, 2018 Resolution[3] of the Court of Appeals (CA) in CA-G.R. SP No. 140391, which ordered petitioners Toyo Seat Philippines Corporation (TSPC) and Yoshihiro Takahama to reinstate herein respondents to their former positions and to pay them full backwages, moral damages, exemplary damages, and attorney's fees.

The Facts

Petitioner TSPC, formerly Automotive Interiors Corporation, is a Philippine corporation engaged in manufacturing car seats, seat and door trims, wire harnesses, manual binders, rear frames, bus seats, and cinema

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1 *Rollo* (vol. 1), pp. 3-59.

2 Id. at 63-77; penned by Associate Justice Zenaida T. Galapate-Laguilles and concurred in by Associate Justices Magdangal M. De Leon and Franchito N. Diamante.

3 Id. at 79-82.

seats;[4] while petitioner Yoshihiro Takahama was TSPC's president.[5] In 2008 and 2009, TSPC hired respondents as sewers.[6] The subsequent course of events is summarized by the CA as follows:

> x x x [TSPC] engaged the services of [respondents] as sewers for Project J68C (Export Trim for 2008 Mazda 3 vehicle) which started in August 2008 and estimated to be completed in September 2012. At the advent of 2011 model of Mazda 3 vehicle, however, [TSPC] was directed by Mazda to stop the production of the J68C Export, rim car seats for the 2008 Mazda 3 model which resulted to the early termination of the J68C Project. In lieu thereof [TSPC] was contracted to manufacture car seats specifically designed for the new 2011 Mazda 3 model, referred to as the J68N Project (Export Trim for 2011 Mazda 3 vehicle). [Respondents] agreed to be employed under Project J68N by affixing their signatures on the Letter dated May 31, 2011 issued by [TSPC]. Their employment was covered by Project Employment Contract dated June 8, 2011 the duration of which is from June 8, 2011 until December 20, 2012.
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> Aside from the daily rates of [respondents], the name of the projects and duration of their employment for each project, the terms and conditions in the contracts were similarly worded as follows:
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> > "This is to confirm your employment with the Company as a project employee under the following terms and conditions:
> >
> > 1. You shall be engaged for the position of Sewer solely for the manufacture of J68C Export Trim for Mazda 3 vehicle (hereafter, the "Project"). The Project started last August 2008 and is estimated to be finished by September 2012.
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> > 2. As such, your employment shall commence on 30 September 2009 and end on 29 September 2012, or until the actual date of the completion of the Project, whichever comes earlier. As a project employee, your employment is co-terminus with the duration of the Project, upon the completion of which, your employment will automatically cease without any need for verbal or written notice.
> >
> > 3. The Company reserves the right to terminate your services even prior to the expiration of your employment contract for any of the just and authorized causes for termination of employment provided for by law, including any violation of the rules and regulations that the Company may promulgate from time to time of which you have been made aware and any violation of the terms of this Contract. Should the Company choose to terminate your project

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4 Id. at 8.

5 Id. at 6.

6 Florante Bilasa, Renato Natividad, and Mary Ann Benigla were hired through manpower agencies on September 22, 2008, September 28, 2008, and June 8, 2009, respectively; while Annabelle C. Velasco was directly hired by TSPC on September 30, 2009. Id. (vol. 2), p. 839.

employment, you will be entitled to collect your salary computed only up to the last day of your actual service.

4. You shall be reporting to the Supervisor – Export Sewing, who shall discuss with you the details of your responsibilities as well as the performance standards required in your assignment.

5. Your compensation shall be P298.00 per day worked.[7]

6. As a project employee, you shall not be entitled to the privileges and fringe benefits granted to our regular employees, except those which may be provided by law or by this contract, as follows:

a. SSS/Philhealth/PAG-IBIG coverage during the term of your engagement;

b. 13th month pay equivalent to 1/12 of your aggregate salaries in compliance with Philippine law;

c. Five-day service incentive leave with pay (after completing one year of service)

d. Uniform; and

e. Meal allowance.

7. You agree to comply with all existing policies, rules and regulations of the Company, as well as those which may hereafter be issued.

8. You agree to work in accordance with a work schedule determined by the Company and to render overtime/extra work on any day in case there are urgent works to be done and/or immediate matters to be attended to.

9. You shall be solely responsible and accountable for any loss of, or damage to, any materials, tools, equipment, etc., issued to you in the course of your employment.

10. You shall refrain from working for another employer, directly or indirectly, part-time of fulltime.

11. You shall not engage in or have any share or ownership in a business or occupation which may render yourself a competitor of the Company nor act or enter into any transaction which may, in any manner, compete or help any person compete with the Company.

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7 During mandatory conference before the Labor Arbiter, the parties stipulated that complainants were actually paid a daily wage of ₱315.00 plus ₱12.50 conditional temporary productivity allowance. Id. at 837.

> 12. You are required to handle all official documents of the Company with utmost care and to keep any information relating to the processes or operations of the Company, which you may have acquired in the course of your employment confidential at all times. You agree that any breach of confidentiality will constitute sufficient grounds for the immediate termination of your employment.
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> 13. In case you intend to resign from the Company prior to the expiration of your Contract, you are required to submit a thirty (30)-day written notice prior to the effectivity of such resignation; otherwise, failure on your part to do so will render you liable for damages.
>
> Should you accept the foregoing terms and conditions of employment, please indicate your acceptance by signing on the space provided for this purpose."

Just a few months after the commencement of the J68N Project, however, Mazda informed [TSPC] of its low volume of orders for the 2011 model of Mazda 3 thus, the required amount of work was also lessened. For this reason, [respondents] were not required to report for work everyday due to lack of orders.

To accommodate the employees under the J68N Project who were not earning salaries during the times when they were not required to report for work, [TSPC] assigned them as sewers under the Project GS41 Export Trim/Seats for Mitsubishi Lancer. [Respondent]s' schedule of work w[as] alternating for both J68N and GS41.

In December 2012, the GS41 Project ended. However, with respect to the J68N Project, [TSPC] advised [respondents] and their co-complainants that the same will not be completed as scheduled in December 2012, thus, [TSPC] offered the latter an extension of their project employment until June 30, 2013, to which they agreed.

At this juncture, on the belief that they already attained the status of regular employees, [respondents] and their co-complainants filed a Complaint for regularization with the NLRC on April 18, 2013 and May 22, 2013, respectively.

On June 28, 2013, [TSPC] advised [respondents] of another extension of J68N Project for one (1) week from June 30, 2013 until July 12, 2013 because the arrival of the materials to be used will be delayed. This time, however, [respondents] and their co-complainants declined the offer of extension of their project employment in view of their complaint for regularization before the NLRC. As a result, on June 28, 2013, [TSPC] issued a letter informing the [respondent]s and their co-complainants that their project employment with the company has ceased effective July 1, 2013.

Perplexed, [respondent]s' Complaint for regularization has ripened to a Complaint for illegal dismissal and non-payment of 13th month pay,

with prayer for reinstatement, moral, exemplary, actual, nominal damages and attorney's fee[s].

In their Position Paper, [respondents] contended that they have attained the status of regular employees because they performed activities for almost four years as sewers for [TSPC], which are usually necessary and desirable to [TSPC's] usual business. [Respondents] posited that [TSPC] discriminated against them for having two sets of employees, the regular and the non-regular, who are performing the same sets of work. According to [respondent]s, [TSPC's] practice of rehiring them continuously under the project employment contract was tainted with bad faith and nothing but a mere circumvention of the law to prevent their regularization.

For their part, [TSPC] sought the dismissal of the complaint for regularization on the ground that [it] validly engaged [respondents and their co-complainants] as project employees pursuant to the separate and distinct projects entered into by the company with various clients. [TSPC] maintained that the company merely accepted projects for the manufacture of car seats, among other things, from third parties and only on occasions when it has work contracts of this nature that it hires workers to do the job. Necessarily, the company's work is dependent on the availability of projects to it by third parties. Hence, the company's project arrangement with its employees is valid.

[TSPC] likewise posited that they complied with the requisites of a valid project employment such that [respondents] were duly informed of their status as project employees at that time of their engagement; the project to which complainants were engaged were sufficiently identified; and the company exercised good faith in engaging [respondents and their co-complainants] as project employees since the company's work is dependent on specific projects referred to it by its client. Thus, the duration of employment of its employees cannot be made permanent.

Finally, [TSPC] contended that the repeated and successive rehiring of project employees do not qualify [respondents] as regular employees, as length of service is not the controlling determinant of the employment tenure of a project employee, but whether the employment has been fixed for a specific project or undertaking and its completion has been determined at the time of the engagement of the employee. Since the Complaint is devoid of merit, complainants' claim for attorney's fees is therefore unjustified.[8]

Of the 27 TSPC sewers who originally filed complaints before the Regional Arbitration Branch,[9] 23 entered into settlements with TSPC, leading to the dismissal of their respective complaints.[10] Only the herein respondents

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8 Id. (vol. 1), pp. 64-68. Original citations omitted.

9 The original complainants were: Annabelle C. Velasco, Renato Natividad, Florante Bilasa, Mary Ann Benigla, Rafael Joseph F. Salliao, Eduardo N. Nayve, Jr., Rebecca G. Caparas, Marily M. Rivera, Robert Pamplona, Gener C. Reburia, Ria M. Rabi, Marivic Quiatson, Elbert P. Blesario, Luzviminda V. Villareal, Noel R. Colestines, Maribel L. Bonete, Violeta P. Dela Cruz, Rodel F. Chavez, Benedict Bobadilla, Melmar A. Nomo, Judith R. Bacquel, and Santiago Barcelisa. Id. at 64; id. (vol. 2), pp. 729-730.

10 Id. at 838.

Annabelle C. Velasco, Renato Natividad, Florante Bilasa, and Mary Ann Benigla opted to continue with the case.

Ruling of the Labor Arbiter[11]

The Labor Arbiter dismissed the respondents' complaint for lack of merit; but ordered TSPC to pay the respondents 13th month pay for the period of January to June 2013.[12]

While the Labor Arbiter conceded the fact that "complainants' work at [TSPC] was necessary or desirable in its usual business or trade,"[13] it nevertheless ruled that they were validly engaged as project employees. Relying on the admission of the complainants and the text of their employment contracts, the Labor Arbiter found that the complainants were employed specifically for projects J68C, J68N, and GS41. The specific periods and estimated durations of each project were clearly specified in the contract; and while they may have worked simultaneously on J68N and GS41, this was merely an accommodation extended to them by TSPC so they can continue working despite the low volume of orders for the J68N project.[14] Such accommodation did not operate to vest regular status upon complainants, since it was a mere contingency measure and the basis of complainants' employment remained rooted in the J68N project employment contract.[15] The J68C and J68N projects were not part of the TSPC's regular and habitual activities, but were specific projects undertaken by TSPC pursuant to directives from its Japanese sister company Nanjo Sobi Kogyo (NSK), as NSK could not meet the demand of its client Mazda.[16]

The Labor Arbiter found no proof that complainants had entered into the project employment contracts under force, duress, or undue pressure. The requirement for complainants to sign the contracts before being allowed to work cannot be construed as a form of undue pressure, but as an indication that the agreement was essentially a contract of adhesion, *i.e.*, complainants were free to adhere or reject the terms of the employment contract as written.[17] Since complainants were validly hired as project employees, the fact that they were employed for more than one year did not have the effect of regularization, for the one-year regularization period in Article 280 (now Article 295) of the Labor Code applies only to casual employees.[18]

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11 Decision dated June 27, 2014 rendered by Labor Arbiter Michaela A. Lontoc of the Regional Arbitration Branch No. IV. Id. at 834-847.
12 Id. at 847.
13 Id. at 843.
14 Id.
15 Id. at 845
16 Id.
17 Id. at 844.
18 Id.

As regards the non-submission of termination reports to the Department of Labor and Employment (DOLE), the Labor Arbiter held that the same is only an indicator of project employment and not a determinative test thereof. The termination report requirement under DOLE Department Order No. 19 applies only to businesses in the construction industry, and TSPC is not a construction company.[19]

The Labor Arbiter gave short shrift to complainants' argument that TSPC was engaged in illegal subcontracting, ruling that TSPC was merely sharing in the work contracts of its sister company in Japan. Moreover, complainants do not claim to be employees of the purported original contractors, TSPC-Japan and NSK; or of the purported principals who farmed out the work of seat production, *i.e.*, Mitsubishi and Mazda.[20]

Finally, the Labor Arbiter held that TSPC admitted to withholding complainants' 13th month pay because they had not finished the company's clearance process. Consequently, the Labor Arbiter ordered TSPC to pay complainants their 13th month pay, subject to complainants' submission to TSPC's clearance procedure.[21]

Aggrieved, respondents appealed before the National Labor Relations Commission (NLRC).

Ruling of the NLRC[22]

After an exchange of pleadings, the NLRC affirmed the Labor Arbiter's decision, *viz.*:

> After a careful review of the records, We believe that complainants were properly classified by the Labor Arbiter as project employees. The contracts complainants signed with respondents unequivocally indicated that they were hired as such. In the same contracts, they were notified of the duration and scope of the projects for which they were engaged. (Records, pp. 453-477; 598-620).
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> Complainants' allegation that their contracts do not show a particular project but only that of a particular brand of seatbelt or airbag, is specious to say the least. The manufacture of a specific brand can be considered a "project" within the standpoint of law since it is a distinct undertaking, distinguishable from other activities, and the completion of which is determinable.

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19 Id. at 845.
20 Id. at 845-846.
21 Id. at 847.
22 December 29, 2014 Resolution penned by Commissioner Pablo C. Espiritu, Jr. with the concurrence of Presiding Commissioner Alex A. Lopez. Id. at 921-928.

Projects [sic] employments contracts, such as those executed in this case, are valid under the law. The Supreme Court in a number of cases has sustained the legitimacy of contracts which fix an employment for a specific project or undertaking x x x.

In Villa vs. N[L]RC, G.R. No. 117043, 14 January 1998, the Supreme Court held that:

> *By entering into such a contract, an employee is deemed to understand that his employment is coterminous with the project. He may not expect to be employed continuously beyond the completion of the project. It is of judicial notice that project employees engaged for manual services or those for special skills like those of carpenters or masons, are, as a rule, unschooled. However, this fact alone is not a valid reason for bestowing special treatment on them or for invalidating a contract of employment. Project employment contracts are not lopsided agreements in favor of only one party thereto. The employer's interest is equally important as that of the employee[s'] for theirs is the interest that propels economic activity. While it may be true that it is the employer who drafts project employment contracts with its business interest as overriding consideration, such contracts do not, of necessity, prejudice the employee. Neither is the employee left helpless by a prejudicial employment contract. After all, under the law, the interest of the worker is paramount.*

It is Our considered view that complainants voluntarily and freely signed the subject project employment contracts with respondents. No evidence of force, duress or acts that would tend to vitiate their consent had been presented to impair the validity of the contracts. From the circumstances borne by the record, it appears that TOYO and complainants dealt with each other on more or less on equal terms.

Neither is there any proof, except for complainants' bare allegation, to establish that the periods imposed by respondents in the employment contracts were designed to preclude complainants' acquisition of tenurial security. It is basic in the rule of evidence that bare allegations, unsubstantiated by evidence, are not equivalent to proof. In short, mere allegations are not evidence (GSIS vs. Prudential Guarantee and Insurance, Inc., G.R. No. 165585 & 176892, 20 November 2013). There being no controverting evidence, We are more inclined to believe that the specific periods contained in the subject contracts were mainly due to the production requirements of TOYO's clients.

Complainants next claimed that their repeated and successive hiring conferred upon them the status of a regular employee. This argument is without legal basis. Length of service of a project employee is not the controlling factor in determining the nature of his employment, but whether he had been hired for a specific project that was made known at the time of his engagement (William Uy Construction Corporation vs. Jorge Trinidad, G.R. No. 183250, 10 March 2010). The simple fact that complainants were repeatedly hired for a considerable length of time did not automatically dissolve their status as project employees.

> Finally, complainants contended that TOYO's failure to file termination reports with DOLE proves that they were not project employees.
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> We are not persuaded.
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> As correctly held by the Labor Arbiter, the submission of termination reports to the DOLE is only one of the indicators of project employment under Department Order No. 19 and not necessarily a test for determining project employment.
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> x x x x
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> Considering the presence of the other indicators of project employment in the case at bar, as explained above, We find no reason to reverse the Labor Arbiter's conclusion that complainants were indeed project employees whose employment ended on the dates specified in their respective employment contracts.[23]

Respondents filed a motion for reconsideration, which the NLRC denied in a Resolution dated February 25, 2015.[24] Consequently, respondents elevated the dispute via *certiorari* to the CA.

Ruling of the Court of Appeals

As earlier mentioned, the CA ruled that the NLRC committed grave abuse of discretion when it affirmed the Labor Arbiter's decision. Thus, the appellate court reversed the NLRC and ordered the reinstatement of respondents.

Like the Labor Arbiter, the CA ruled that respondents performed functions which were necessary and essential to TSPC's business. The appellate court also agreed that respondents were validly hired as project employees; however, it held that TSPC's subsequent extension of respondents' employment operated to vest them with regular employment status, *viz.*:

> x x x The circumstances leading to the extension of [respondent]s' employment, however, reveal that the period of completion of the "project" is uncertain. To illustrate, the production of the car seats/trims for 2008 model Mazda vehicle was cut short not because the "project" was completed but because the consumers' demand for the said model had economically declined. Furthermore, [TSPC] stated that due to the low volume of orders for the 2011 model of Mazda 3 car seats/trims, the work for that particular project was also lessened. Hence, [respondent]s were directed to report for

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23 Id. at 925-927.

24 Id. at 963-964; penned by Commissioner Pablo C. Espiritu, Jr. with the concurrence of Presiding Commissioner Alex A. Lopez.

> work only three days in a week. Evidently, the period appearing in the employment contract of [respondent]s does not pertain to the commencement and completion of the supposed project considering that its completion is dependent on the fluctuating demands of the consumers.
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> As aptly discussed in ***Herma Shipyard, Inc. v. Oliveros***, "[P]roject" in the realm of business and industry refers to a particular job or undertaking that is within the regular or usual business of employer, but which is distinct and separate and identifiable as such from the undertakings of the company. ***Such job or undertaking begins and ends at determined or determinable times.***
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> Given the attendant circumstances in the case at bar, however, We are of the view that the period imposed on the succeeding contracts of employment were intended to make it appear that [respondent]s were hired on a per-project basis to circumvent the law on regularization and to preclude the acquisition of tenurial security by the employee. Verily, the Court cannot countenance this practice as to do so would effectively permit [TSPC] to avoid hiring permanent or regular employees by simply hiring them on a temporary or casual basis, thereby violating the employees' security of tenure relative to their jobs. The Supreme Court consistently held that if it is apparent from the circumstances of the case "that periods have been imposed to preclude acquisition of tenurial security by the employee," such project or fixed term contracts are disregarded for being contrary to public policy, morals, good customs or public order, as in this case.
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> In any event, the desirability and indispensability of the activity performed by [respondent]s to the usual business or trade of the company was furthered bolstered by the respondents' own action when during the gap in petitioners' days of work, [TSPC] assigned them as sewers for the manufacture of car trims/seats for Mitsubishi Lancer denominated as Project GS41. [TSPC's] contention that it only accommodated [respondent]s for them to earn some income during their vacant days is a tenuous scheme in an attempt to circumvent the law. The inevitable conclusion from the foregoing disquisition is that [respondent]s are regular employees of [TSPC] who are entitled to security of tenure, hence, dismissible only if a just or authorized cause exists therefor.[25]

In ruling that TSPC's project-based employment scheme was a circumvention of respondents' right to security of tenure, the CA dismissed TSPC's claim that its business model does not entail continued production of car seats which would require the continued engagement of regular employees, *viz.*:

> x x x [TSPC] does not deny the fact that it maintains a roster of regular employees who perform the same functions and possess the same set of skills as that of [respondent]s. This fact, to Our mind, establishes that [TSPC's] trade of business demands continuous productions of car seats and the operation of manufacturing car seats continue regardless of the termination of a contract with a third party. In fact, as discussed above,

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[25] Id. (vol. 1), pp. 71-73. Citations omitted, emphasis and italics in the original.

> Mazda did not terminate its contract with [TSPC] for the production of seats for its vehicle, it merely continued on to another model of car seats. Expectedly, [respondents] will agree to be employed again lest they lose their only means of livelihood.[26]

On the probative value of TSPC's non-submission of termination reports, the CA ruled:

> The case of ***Sandoval*** further militates against the claim of the respondents because in that case, the termination of the project employees was duly reported to the then Ministry of Labor and Employment. It is well-settled that the failure of the employer to file termination reports was an indication that an employee was not a project but a regular employee. Moreover, Department Order No. 19 (as well as the old Policy Instructions No. 20) requires employers to submit a report of an employee's termination to the nearest public employment office every time the employment is terminated due to the completion of a project. In this case, respondents utterly failed to adduce proof of termination reports required to be submitted to the nearest public employment office for every completion of a project to which petitioners were assigned. Such omission cannot but further strengthen the inescapable conclusion that petitioners are truly a regular employee.[27]

In addition to reinstatement and backwages, the CA also ordered TSPC to pay respondents ₱50,000.00 as moral damages, another ₱50,000.00 as exemplary damages, and attorney's fees equivalent to 10 percent (10%) of the total monetary award, premised on the finding that TSPC's repeated hiring of respondents on project employment contracts was a *mala fide* scheme meant to prevent respondents from acquiring regular employment status.[28]

Aggrieved, TSPC filed a motion for reconsideration, which the appellate court denied through the assailed resolution. Hence, this petition for review, which raises the following errors:

> I.
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> THE HONORABLE COURT OF APPEALS COMMITTED REVERSIBLE ERROR IN RULING THAT THE RESPONDENTS WERE REGULAR EMPLOYEES. THE RECORDS CLEARLY SHOW THAT [TSPC] VALIDLY ENGAGED RESPONDENTS AS PROJECT EMPLOYEES, PURSUANT TO THE SEPARATE AND DISTINCT PROJECTS IT ENTERED INTO WITH VARIOUS CLIENTS. CONSEQUENTLY, RESPONDENTS' SEPARATION FROM THE COMPANY UPON THE EXPIRATION OF THE PROJECT FOR WHICH THEY WERE ENGAGED WAS VALID.

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26 Id. at 73. Citations omitted.
27 Id. at 73-74. Citations omitted, emphasis and italics in the original.
28 Id. at 74-75.

A. THERE ARE OVERWHELMING LEGAL AND FACTUAL BASES WHICH SHOW THAT [TSPC] COMPLIED WITH THE REQUIREMENTS OF A VALID PROJECT EMPLOYMENT.

B. THE J68C, J68N, AND GS41 PROJECTS ARE SEPARATE AND DISTINCT PROJECTS, EACH HAVING ITS OWN SPECIFIC DURATION, THE PERIODS OF COMPLETION OF WHICH WERE REASONABLY CERTAIN.

C. PERFORMANCE OF ACTIVITIES WHICH ARE USUALLY NECESSARY AND DESIRABLE TO THE [TSPC]'S BUSINESS OPERATIONS DOES NOT AUTOMATICALLY MAKE RESPONDENTS REGULAR EMPLOYEES.

D. THERE IS NO EVIDENCE TO SHOW THAT THE PROJECT EMPLOYMENT CONTRACTS WERE ADOPTED TO PRECLUDE RESPONDENTS' REGULARIZATION.

E. THE ABSENCE OF REPORTORIAL REQUIREMENTS WITH THE DOLE UPON COMPLETION OF EACH PROJECT IS COMPLETELY IRRELEVANT TO THE VALIDITY OF RESPONDENTS' ENGAGEMENT AND THE EXPIRATION OF THEIR CONTRACTS AS PROJECT EMPLOYEES.

F. RESPONDENTS' PROJECT EMPLOYMENT CONTRACTS AND THEIR OWN SINUMPAANG SALAYSAY WOULD SHOW THAT THEY KNOWINGLY AND VOLUNTARILY ENTERED INTO PROJECT EMPLOYMENT.

II.

SINCE THE RESPONDENTS WERE NOT ILLEGALLY DISMISSED, THEY ARE NOT ENTITLED TO REINSTATEMENT WITH FULL BACKWAGES, MORAL AND EXEMPLARY DAMAGES, AND ATTORNEY'S FEES.[29]

Ruling of the Court

I.

Owing to the unique review procedure laid down by law and jurisprudence,[30] this Court's task in appeals from labor cases is limited to the determination of "*whether the Court of Appeals erred in determining the presence or absence of grave abuse of discretion and deciding other*

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29 Id. at 21-23.

30 See *St. Martin Funeral Home v. NLRC*, 356 Phil. 811 (1998).

jurisdictional errors of the NLRC."[31] As elucidated in *Montoya v. Transmed Manila Corp./Mr. Ellena, et al.*:[32]

> In a Rule 45 review, we consider the correctness of the assailed CA decision, in contrast with the review for jurisdictional error that we undertake under Rule 65. Furthermore, Rule 45 limits us to the review of questions of law raised against the assailed CA decision. In ruling for legal correctness, we have to view the CA decision in the same context that the petition for certiorari it ruled upon was presented to it; we have to examine the CA decision from the prism of whether it correctly determined the presence or absence of grave abuse of discretion in the NLRC decision before it, not on the basis of whether the NLRC decision on the merits of the case was correct. In other words, we have to be keenly aware that the CA undertook a Rule 65 review, not a review on appeal, of the NLRC decision challenged before it. This is the approach that should be basic in a Rule 45 review of a CA ruling in a labor case. In question form, the question to ask is: Did the CA correctly determine whether the NLRC committed grave abuse of discretion in ruling on the case?[33]

Such an approach to the review of labor cases is based partly on the great weight and respect accorded to findings of the national labor tribunals, especially when their findings are concurrent and supported by substantial evidence.[34] Conversely, the Labor Arbiters and the NLRC commit grave abuse of discretion when they decide cases on the basis of findings and conclusions which are not supported by substantial evidence.[35]

II.

Article 295 of the Labor Code provides:

> ARTICLE 295. [280] *Regular and Casual Employment.* — The *provisions 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.
>
> An employment shall be deemed to be casual if it is not covered by the preceding paragraph: Provided, That any employee who has rendered

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31 *Paragele et al. v. GMA Network, Inc.*, G.R. No. 235315, July 13, 2020, citing *Fuji Television Network. Inc. v. Espiritu*, 749 Phil. 388, 415 (2014).

32 613 Phil. 696 (2009).

33 Id. at 707.

34 *Limlingan, et al. v. Asian Institute of Management, Inc.*, 781 Phil. 255, 268-269 (2016); *Career Philippines Shipmanagement, Inc. et al. v. Serna*, 700 Phil. 1, 10 (2012); *Fabela v. San Miguel Corp.*, 544 Phil. 223, 233 (2007).

35 *Dacles v. Millenium Erectors Corp., et al.*, 763 Phil. 550, 557 (2015).

> 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 activity exist. (Emphases, italics, and underscoring supplied)

It is clear from the foregoing provision that there are two determinative factors for the existence of regular employment: the nature of the work performed by the employee and the length of service rendered. If it be found that an employee performs functions which are usually necessary or desirable in the employer's usual business or trade, or if a casual employee has rendered at least one year of service, then the law considers that employee as a regular employee ***even if*** the employment agreement, whether written or oral, provides otherwise. However, this general rule does not apply if the worker was employed for a specific project or if the work or service performed is seasonal in nature. The reason behind the different treatment accorded to project employees was explained by this Court in *De Ocampo, Jr. v. National Labor Relations Commission*:[36]

> The rationale of this rule is that if a project has already been completed, it would be unjust to require the employer to maintain them in the payroll while they are doing absolutely nothing except waiting until another project is begun, if at all. In effect, these stand-by workers would be enjoying the status of privileged retainers, collecting payment for work not done, to be disbursed by the employer from profits not earned. This is not fair by any standard and can only lead to a coddling of labor at the expense of management.[37]

Consequently, Article 295 defines project employees as workers whose employment has been fixed for a specific project or undertaking the completion or termination of which has been determined at the time of their engagement. In *ALU-TUCP v. National Labor Relations Commission*,[38] this Court expounded on what the law means by a "project":

> x x x The "project" for the carrying out of which "project employees" are hired would ordinarily have some relationship to the usual business of the employer. Exceptionally, the "project" undertaking might not have an ordinary or normal relationship to the usual business of the employer. In this latter case, the determination of the scope and parameters of the "project" becomes fairly easy. It is unusual (but still conceivable) for a company to undertake a project which has absolutely no relationship to the usual business of the company; thus, for instance, it would be an unusual steel-making company which would undertake the breeding and production of fish or the cultivation of vegetables. From the viewpoint, however, of the legal characterization problem here presented to the Court, there should be no difficulty in designating the employees who are retained or hired for the

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36 264 Phil. 728 (1990).
37 Id. at 733.
38 304 Phil. 844 (1994).

> purpose of undertaking fish culture or the production of vegetables as "project employees," as distinguished from ordinary or "regular employees," so long as the duration and scope of the project were determined or specified at the time of engagement of the "project employees." For, as is evident from the provisions of Article 280 of the Labor Code, quoted earlier, the principal test for determining whether particular employees are properly characterized as "project employees" as distinguished from "regular employees," is whether or not the "project employees" were assigned to carry out a "specific project or undertaking," the duration (and scope) of which were specified at the time the employees were engaged for that project.
>
> In the realm of business and industry, we note that "project" could refer to one or the other of at least two (2) distinguishable types of activities. Firstly, a project could refer to a particular job or undertaking that is within the regular or usual business of the employer company, but which is distinct and separate, and identifiable as such, from the other undertakings of the company. Such job or undertaking begins and ends at determined or determinable times. The typical example of this first type of project is a particular construction job or project of a construction company. A construction company ordinarily carries out two or more discrete identifiable construction projects: e.g., a twenty-five- storey hotel in Makati; a residential condominium building in Baguio City; and a domestic air terminal in Iloilo City. Employees who are hired for the carrying out of one of these separate projects, the scope and duration of which has been determined and made known to the employees at the time of employment, are properly treated as "project employees," and their services may be lawfully terminated at completion of the project.
>
> The term "project" could also refer to, secondly, a particular job or undertaking that is not within the regular business of the corporation. Such a job or undertaking must also be identifiably separate and distinct from the ordinary or regular business operations of the employer. The job or undertaking also begins and ends at determined or determinable times. x x x[39]

The *ALU-TUCP* ruling has since become entrenched in our jurisprudence.[40] Accordingly, workers may be considered project employees regardless of the nature of the work they perform, as long as the essential elements of project employment are alleged and proven, *i.e.*, 1) that they were hired for a specific project or undertaking; and 2) the completion or termination of the project or undertaking for which they were hired has been determined at the time of their engagement.[41]

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39 Id. at 850-851. Citations omitted.

40 See *Minsola v. New City Builders, Inc.*, 824 Phil. 864 (2018); *Innodata Knowledge Services, Inc. v. Inting*, 822 Phil. 314 (2017); *University of Santo Tomas v. Samahang Manggagawa sa UST*, 809 Phil. 212 (2017); *E. Ganzon, Inc. v. Ando, Jr.*, 806 Phil. 58 (2017); *Leyte Geothermal Power Progressive Employees Union - ALU-TUCP v. Philippine National Oil Company-Energy Development Corporation*, 662 Phil. 25 (2011); *ABS-CBN Broadcasting Corporation v. Nazareno*, 534 Phil. 306 (2006); *Villa v. NLRC*, 348 Phil. 116 (1998); *Magcalas v. NLRC*, 336 Phil. 433 (1997); *Cosmos Bottling Corporation v. NLRC*, 325 Phil. 663 (1996).

41 *E. Ganzon, Inc. v. Ando, Jr.*, supra; *Lopez v. Irvine Construction Corporation*, 741 Phil. 728, 738 (2014).

Project employment is further regulated by DOLE Department Order No. 19, Series of 1993 (DO 19-1993), Section 2.2 of which provides:

> 2.2. Indicators of project employment. - Either one or more of the following circumstances, among others, may be considered as indicators that an employee is a project employee.
>
> (a) The duration of the specific/identified undertaking for which the worker is engaged is reasonably determinable.
>
> (b) Such duration, as well as the specific work/service to be performed, is defined in an employment agreement and is made clear to the employee at the time of hiring.
>
> (c) The work/service performed by the employee is in connection with the particular project/undertaking for which he is engaged.
>
> (d) The employee, while not employed and awaiting engagement, is free to offer his services to any other employer.
>
> (e) The termination of his employment in the particular project/undertaking is reported to the Department of Labor and Employment (DOLE) Regional Office having jurisdiction over the workplace within 30 days following the date of his separation from work, using the prescribed form on employees' terminations/dismissals/suspensions.
>
> (f) An undertaking in the employment contract by the employer to pay completion bonus to the project employee as practiced by most construction companies.

III.A.

In this case, all three tribunals *a quo* agreed that: 1) the initial engagement of respondents as TSPC project employees was valid; and 2) respondents performed work that was necessary and essential to TSPC's business. The CA, however, found that the requisites of a valid project employment under Article 295 were not met because the completion periods of the projects for which respondents were employed were uncertain, *viz.*:

> To illustrate, the production of the car seats/trims for 2008 model Mazda vehicle was cut short not because the "project" was completed but because the consumers' demand for the said model had economically declined. Furthermore, respondent company stated that due to the low volume of orders for the 2011 model of Mazda 3 car seats/trims, the work for that particular project was also lessened. Hence, petitioners were directed to report for work only three days in a week. Evidently, the period appearing in the employment contract of petitioners does not pertain to the commencement and completion of the supposed project considering that its completion is dependent on the fluctuating demands of the consumers.[42]

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42 CA Decision, *rollo* (vol. 1), p. 72.

The records show that the J68C project was completed in June 2011, ahead of the earlier estimated date of September 2011, because of low demand;[43] while the J68N project was extended from December 2012 to June 2013, because of fluctuations in demand for the Mazda 3 2011 model and the delayed arrival of the raw materials for the car seats.[44] The uniform employment contracts signed by respondents state:

> 1. You shall be engaged for the position of Sewer solely for the manufacture of J68C Export Trim for Mazda 3 vehicle (hereafter, the "Project"). **The Project started last August 2008 and is estimated to be finished by September 2012.**
>
> 2. **As such, your employment shall commence on 30 September 2009 and end on 29 September 2012, or until the actual date of the completion of the Project, whichever comes earlier. As a project employee, your employment is co-terminus with the duration of the Project,** upon the completion of which, your employment will automatically cease without any need for verbal or written notice.[45]
>
> x x x x
>
> 1. You shall be engaged for the position of Sewer solely for the manufacture of J68N Export Seat Trim for Mazda 3 vehicle (hereinafter referred to as the "Project"). **The Project will start on June 8, 2011 and is estimated to be finished by December 2012.**
>
> 2. **As such, you[r] employment shall commence on June 8, 2011 and ends on December 2012, or until the actual date of the completion of the project, whichever comes earlier.** As a project based employee, your employment is co-terminus with the duration of the Project, upon completion of which, your employment will automatically cease without any need for verbal or written notice.[46]
>
> x x x x
>
> x x x As a project employee, you were likewise engaged to work as a Sewer for the manufacture of GS41 Export Trim for Mitsubishi Lancer vehicle (hereafter, the "Project". **The Project started last October 2011 and is estimated to be finished by December 2012.**
>
> **As such your employment, shall commence on October 14, 2011 and end on December 2012, or until the actual date of the completion of the Project, whichever is earlier.** As a project employee, your employment is co-[terminous] with the duration of the Project, upon completion of which,

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43 Id. at 11, 178

44 Id. at 13, 178-180.

45 Project Employment Contracts for J68C Project signed by Mary Ann A. Benigla, Florante A. Bilasa, Renato A. Natividad, and Annabelle C. Velasco, id. at 188-193, 212-214, 250-252. The period of employment of respondents under the J68C projects is three (3) years, although the start and end dates of individual respondents' employment periods differ in accordance with the dates they were hired.

46 Project Employment Contracts for J68N Project signed by Mary Ann A. Benigla, Florante A. Bilasa, Renato A. Natividad, and Annabelle C. Velasco, id. at 307, 310-312, 331-333, 373-375.

your employment will automatically cease without any need for verbal or written notice.[47]

x x x x

As earlier stated, the actual duration of the J68C and J68N projects did not perfectly correspond to the periods set out in the employment contracts signed by respondents,but were either shortened or extended according to the economic forces of supply and demand. This finding, taken together with Article 295's dictate that the completion or termination of the project be determined *at the time of engagement of the employee*, does seem to support the conclusion that the requisites of a valid project employment were not met. However, there are other factual circumstances which indicate otherwise:

1) Respondents' employment contracts clearly state that their employment is coterminous with the actual duration of the project; and as such, their engagement may be terminated at an earlier date if the project is finished ahead of schedule.[48] Likewise, the employment contracts clearly indicate that they are being engaged as project employees. Furthermore, neither the NLRC nor the CA disturbed the Labor Arbiter's finding that respondents were *not* in any way constrained, forced, or pressured to sign the project employment contracts.

2) In cases of project extension, as with the J68N project, TSPC issued notices of extension to the project employees concerned, wherein the new end dates of the project are clearly indicated.[49] The Court is convinced that this is an indication that the TSPC's projects have discrete and determinable start and end dates which are nevertheless adjusted frequently due to several factors such as consumer demand for automobiles (of which the car seats are but a component), arrival of raw materials, etc. Under Article 1193 of the Civil Code, a period is valid if it is set to end upon a day certain which must necessarily come, although it is not precisely known when.[50] Here, the completion of the projects was certain, even though the exact date thereof was dependent upon several economic factors.

III.B.

Another point of divergence between the labor tribunals and the appellate court involved the respondents' simultaneous engagement in the J68N and GS41 projects. The LA and the NLRC gave credence to TSPC's assertion that the simultaneous engagement of respondents in two projects

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47 Project Employment Contracts for GS41 Project signed by Mary Ann A. Benigla, Florante A. Bilasa, Renato A. Natividad, and Annabelle C. Velasco, id. at 403-404, 411, 424. Emphases and underscoring supplied.

48 See Notices of Termination issued by TSPC, id. at 253-277.

49 Id. at 427, 428, 435, 449.

50 See *E. Ganzon, Inc. v. Ando, Jr.*, supra note 40.

was merely an accommodation it made after orders for the J68N project declined and respondents lost workdays. Rather than let their J68N project employees stay idle, TSPC offered to place them in the GS41 project. On the other hand, the CA considered such simultaneous engagement as further proof that respondents were indeed regular employees who performed tasks which are necessary and essential to TSPC'S business. Records show that TSPC entered into separate contracts with complainants who were employed in the GS41 project. The GS41 employment contract states:

> This is to confirm your employment with the Company as a project employee. As a project employee, you were likewise engaged to work as a Sewer for the manufacture of GS41 Export Trim for Mitsubishi Lancer vehicle (hereafter, the "Project". The Project started last October 2011 and is estimated to be finished by December 2012.
>
> As such your employment, shall commence on October 14, 2011 and end on December 2012, or until the actual date of the completion of the Project, whichever is earlier. As a project employee, your employment is co-[terminous] with the duration of the Project, upon completion of which, your employment will automatically cease without any need for verbal or written notice.
>
> **Other provisions of this contract may refer to the Project Employment Contract for J68N project.**[51]

To this Court's mind, the fact that TSPC entered into *separate* contracts for the GS41 project, taken together with the reference in said contracts to the J68N project contract, constitutes substantial evidence in support of TSPC's assertion that respondents' engagement in the GS41 project was a mere contingency measure meant to optimize manpower utilization and allow respondents to continue working while the J68N project remained idle due to low order volume. If TSPC were really using project employment to prevent regularization of its workers, it could have very easily ordered respondents to work on several projects simultaneously, immediately after they were hired for the J68C project; or asked respondents to work on other projects without entering into separate contracts with them for such work. However, as borne out by the record, TSPC entered into separate and distinct contracts for each of the three projects for which respondents were engaged. Furthermore, TSPC only resorted to simultaneous engagement when there was low volume of orders – and hence, low work volume – for a certain project. This is in contrast to other instances where this Court found that project employment was being used to circumvent tenurial security either because workers were hired ostensibly as project employees but were assigned to non-project tasks and were regularly re-hired to the same position,[52] or were made to work on other

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51 Project Employment Contracts for GS41 Project signed by Mary Ann A. Benigla, Florante A. Bilasa, Renato A. Natividad, and Annabelle C. Velasco, *rollo* (vol. 1), pp. 403-404, 411, 424. Emphases and underscoring supplied.

52 *Malicdem, et al. v. Marulas Industrial Corporation, et al.*, 728 Phil. 264, 274 (2014).

company projects without separate contracts and under different job descriptions.[53]

III.C.

In addition to the allegedly indefinite employment period and simultaneous engagement of respondents in two projects, the CA also considered TSPC's apparent employment of regular workers which perform the same tasks as its project employees as proof that TSPC does not conduct its manufacturing business on a project basis, which would justify the hiring of project employees. However, this is disproven by the Labor Arbiter's unchallenged finding that TSPC's involvement in the J68C and J68N projects was "pursuant to the agreement by and between Mazda and [TSPC's] mother company in Japan," whereby TSPC-Japan subcontracted the work of car seat production to its subsidiaries NSK and TSPC.[54] Moreover, it has already been proven that respondents were hired for particular projects of TSPC and were discharged upon completion thereof. Given these circumstances, this Court is convinced that TSPC's business model is indeed based on discrete and separate projects which are based on work contracts from automobile makers, bus manufacturers, and the like, which are referred to TSPC by its allied companies in Japan. Thus, this Court is likewise convinced that TSPC's business model is based on "*projects which are distinct, separate, and identifiable from each other.*"[55] Consequently, since TSPC manufactures products on a project basis, it may hire project employees to cope with the demands of its current projects. It must be reiterated that the essence of the distinction between project and regular employment lies not in the nature of the activity performed, but in the engagement for a specific undertaking with a reasonably determinable time frame which is determined at the time of hiring and communicated to the employee.

III.D.

Lastly, the CA considered TSPC's non-filing of termination reports as an indicator that respondents were not project employees. TSPC counters that the termination report requirement is only an indicator of project employment and not a requisite for the validity thereof. It also argues that DO 19-1993, which imposed the termination report requirement, applies only to project employment in the construction industry.

While it is true that DO 19-1993 was originally meant to apply only to project employment in the construction industry,[56] its rules and principles

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53 *Innodata Knowledge Services, Inc. v. Inting*, supra note 40.

54 Labor Arbiter's Decision, *rollo* (vol. 2), p. 845.

55 *Herma Shipyard, Inc., et al. v. Oliveros, et al.*, 808 Phil. 668, 685 (2017).

56 Section 1 of DO 19-1993 provides: Section 1. COVERAGE. This issuance shall apply to all operations and undertakings in the construction industry and its subdivisions, namely: general building construction, general engineering construction and special trade construction, based on the classification code of the Philippine Construction Accreditation Board of the Construction Industry Authority of the

have nevertheless been applied to other industries where project employment is practiced.[57] The rationale for such broadened application of the Department Order was explained in *Maraguinot, Jr. v. NLRC*,[58] where this Court applied DO 19-1993 and regularized the employment of the petitioning work pool employees who have rendered necessary and essential services for a movie production company in more than twenty company projects for a continuous period of three years, *viz.*:

> While *Lao* admittedly involved the construction industry, to which Policy Instruction No. 20/Department Order No. 19 regarding work pools specifically applies, there seems to be no impediment to applying the underlying principles to industries other than the construction industry. Neither may it be argued that a substantial distinction exists between the projects undertaken in the construction industry and the motion picture industry. On the contrary, the raison d' etre of both industries concern projects with a foreseeable suspension of work.[59]

Consequently, submission of termination reports should now be considered an indicator of project employment not only in the construction industry but also in similarly situated industries where works are conducted on a project basis and which hire project employees as a matter of common practice.

However, it must be reiterated that submission of termination reports is *only one of several* indicators of project employment. Section 2.2 of DO 19-1993 clearly states that "[e]ither one or more of the following circumstances, among others, may be considered as indicators that an employee is a project employee." This is clearly because the DOLE did not intend for DO 19-1993 to supplant the statutory requisites of a valid project employment provided in the Labor Code. Thus, in determining the existence of a valid project employment, the essential test remains that laid down by Article 295 of the Labor Code, with the indicators in DO 19-1993 applying suppletorily. In *Quebral, et al. v. Angbus Construction, Inc., et al.*,[60] this Court held:

> Based on [Section 2.2. of DO 19-1993], it is clear that the submission of the termination report to the DOLE "may be considered" only as an indicator of project employment. By the provision's tenor, the submission of this report, by and of itself, is therefore not conclusive to

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Philippines; to companies and entities involved in demolition works; and to those falling within the construction industry as determined by the Secretary of Labor and Employment.

57 See *Gadia v. Sykes Asia, Inc.*, 752 Phil. 413 (2015) [involving customer service representatives of a business process outsourcing company]; *Manalo v. TNS Philippines, Inc.*, 748 Phil. 838 (2014) [involving employees of a marketing research firm]; *Cocomangas Hotel Beach Resort v. Visca*, 585 Phil. 696 (2008) [employer was a beach resort]; *Goma v. Pamplona Plantation, Inc.* 579 Phil. 402 (2008) [employer was a hacienda]; *Olongapo Maintenance Services, Inc. v. Chantengco*, 552 Phil. 330 (2007) [employees were janitors and maintenance workers]; and *PLDT v. Ylagan*, 537 Phil. 840 (2006) [involving an accounting clerk in a telephone company].

58 348 Phil. 580 (1998).

59 Id. at 605.

60 798 Phil. 179 (2016)

> confirm the status of the terminated employees as project employees, especially in this case where there is a glaring absence of evidence to prove that petitioners were assigned to carry out a specific project or undertaking, and that they were informed of the duration and scope of their supposed project engagement, which are, in fact, attendant to the first two (2) indicators of project employment in the same DOLE issuance above-cited.[61]

In this case, despite the non-submission of termination reports, there is substantial evidence on record to prove that the requisites of a valid project employment under Article 295 were met. TSPC presented not only the employment contracts signed by respondents but also the notices of termination or extension of each of the three projects worked on by respondents, to prove that the nature of their employment as project employees, as well as the date of completion or termination of the projects, were communicated to respondents at the time of their engagement. It was likewise established that the completion or termination dates of the projects were sufficiently determinate. Section 3.3(a) of DO 19-1993 provides:

> 3.3. Project employees entitled to separation pay. -
>
> a) Project employees whose aggregate period of continuous employment in a construction company is at least one year shall be considered regular employees, in the absence of a "day certain" agreed upon by the parties for the termination of their relationship. Project employees who have become regular shall be entitled to separation pay.
>
> A "day" as used herein, is understood to be that which must necessarily come, although it may not be known exactly when. This means that where the final completion of a project or phase thereof is in fact determinable and the expected completion is made known to the employee, such project employee may not be considered regular, notwithstanding the one-year duration of employment in the project or phase thereof or the one-year duration of two or more employments in the same project or phase of the project.
>
> The completion of the project or any phase thereof is determined on the date originally agreed upon or the date indicated in the contract or, if the same is extended, the date of termination of project extension.

Furthermore, as found by the Labor Arbiter, respondents failed to prove their allegation that they were forced, pressured or coerced into signing the project employment contracts. All told, the CA committed reversible error when it found the NLRC guilty of grave abuse of discretion in upholding the Labor Arbiter's dismissal of respondents' complaints.

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[61] Id. at 193.

WHEREFORE, the present petition is **GRANTED**. The November 29, 2017 Decision and the July 11, 2018 Resolution of the Court of Appeals in CA-G.R. SP No. 140391 are hereby **REVERSED** and **SET ASIDE**. The December 29, 2014 and February 25, 2015 Resolutions of the National Labor Relations Commission in NLRC Case Nos. RAB-IV-04-00530-13-L, RAB-IV-04-00534-13-L, RAB-IV-04-00536-13-L, RAB-IV-04-00538-13-L, RAB-IV-04-00540-13-L, RAB-IV-04-00592-13-L, RAB-IV-07-00959-13-L, RAB-IV-07-00960-13-L, RAB-IV-07-00961-13-L, and RAB-IV-07-00962-13-L (NLRC LAC No. 10-002481-14) are hereby **REINSTATED**.

SO ORDERED.

SAMUEL H. GAERLAN
Associate Justice

WE CONCUR:

DIOSDADO M. PERALTA
Chief Justice

ALFREDO BENJAMIN S. CAGUIOA
Associate Justice

ROSMARI D. CARANDANG
Associate Justice

RODIL V. ZALAMEDA
Associate Justice

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, 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.

DIOSDADO M. PERALTA
Chief Justice