

CHANROBLES PUBLISHING COMPANY

**SUPREME COURT
SECOND DIVISION**

**ARSENIO ZURBANO, SR.,
*Petitioner,***

-versus-

**G.R. No. 103679
December 17, 1993**

**NATIONAL LABOR RELATIONS
COMMISSION, SAN MIGUEL
CORPORATION AND TRIUNFO
HONASAN,**

Respondents.

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DECISION

PUNO, J.:

Impugned in this Special Civil Action for Certiorari is the Decision, dated September 16, 1991, of the public respondent National Labor Relations Commission^[1] in NLRC Case No. 0122-86, entitled "Arsenio E. Zurbano, Sr. vs. San Miguel Corporation/Triunfo Honasan."

The records show that petitioner Zurbano worked for the Legazpi City office of the private respondent corporation (San Miguel Corporation, or SMC for short) from 1958 to 1969 as a casual truck helper, and then from 1969 to 1985, as a regular truck helper. In 1980, the

petitioner was hospitalized a number of times for the following illnesses and work-related accidents: a cyst in his right breast which had to be surgically removed; ruptured surgical stitches arising directly from his work; flu and coughs; typhoid fever; and, injuries sustained after being hit on the head by a falling coconut while performing his work. After that year, petitioner did not go on sick leave again until 1983, when he had to be treated for facial injuries which he sustained during another work-related accident.

As found by Labor Arbiter Fructuoso T. Aurellano — which finding was left undisturbed by public respondent Commission — petitioner Zurbano was summoned by private respondent Honasan (SMC's Sales Manager in Legazpi City and petitioner's immediate superior) and one Mr. Jingco (an SMC personnel officer from Manila) at around 10:00 o'clock in the evening on May 7, 1985. During that meeting, the following conversation took place:

“Mr. Jingco:

Sa loob ng labing-anim na taon, ang naiwan mong sick leave ay kukunti, nangangahulugang masakitin ka. Kaya inoobliga ka ng kompanya na mag-retiro na.

“Mr. Zurbano:

Paano ang pamilya ko, sir?

“Mr. Honasan:

Paano ang San Miguel? Ang offer ko sa iyo kung pipirma ka ngayon para sa retirement, bibigyan ka ng 150% additional na 50% sa 100%. Kung ayaw mong mag-retiro, hahanapan kita ng butas, ng kasalanan. Wala ka pang makukuha, tatanggalin ka pa. Hindi tulad kung pumirma ka, 150% ang matatanggap mo at ang anak mo ang papalit sa iyo. Iyong isa mo pang anak na tapos ng Accounting ay tutulungan namin na makapasok sa San Miguel.”

Allegedly due to his fear of the power and influence of Honasan and Jingco, and because the meeting was held inside Honasan's office at

10 o'clock in the evening, petitioner capitulated to the demand of the two men. He signed the previously prepared retirement letter provided by the two SMC officers.

Petitioner then received a total of SEVENTY-SIX THOUSAND FIVE HUNDRED ONE PESOS AND EIGHTY-EIGHT CENTAVOS (P76,501.88) from private respondent corporation. Thereafter, he signed two quitclaims entitled "Receipt and Release" in favor of the private respondent corporation.

Before the lapse of a year, petitioner filed against private respondents SMC and Honasan an action for illegal dismissal, unfair labor practice, and damages with the National Labor Relations Commission Regional Arbitration Branch No. V in Legazpi City.^[2] He alleged that he was intimidated into signing his retirement letter on the evening of May 7, 1985, and that neither his son nor his daughter was employed by respondent SMC after his retirement.

Private respondents mainly set forth the defenses of denial^[3] and estoppel before the Labor Arbiter. They urged that petitioner was estopped from questioning the validity of his retirement because he had already received his retirement benefits from the corporation, and had signed quitclaims in its favor. They also contended that the harmonious relationship between the corporation and the petitioner prompted him to opt for early retirement.

On November 26, 1990, Labor Arbiter Aurellano decided in favor of petition Zurbano, and ordered herein private respondents to: immediately reinstate Zurbano to his former, or to a substantially equivalent position in Legazpi City, without loss of seniority rights and other privileges; and pay "P80,083.00 as backwages, P12,930.00 as cost of living allowance, P3,260.70 as premium pay for holidays, P6,673.59 as 13th month pay, P4,891.05 as sick leave, P20,868.84 as sales commission, and P30,000.00 as damages." The Labor Arbiter found that petitioner signed the retirement letter due to force, intimidation, threats and undue influence.

Private respondents appealed to the respondent Commission.^[4] On September 16, 1991, the respondent NLRC's Third Division promulgated the impugned Decision which set aside that of Labor

Arbiter Aurellano, and dismissed herein petitioner's complaint against SMC for lack of merit. In a majority decision, the respondent Commission, through Commissioners Lourdes C. Javier and Ireneo B. Bernardo, held:

“While it appears that complainant (Zurbano) may have been ‘pressured’ to retire by his immediate supervisor such pressure could not really vitiate his consent. As a regular employee for a number of years, complainant must know that he cannot be dismissed at the whim and caprice of respondent Honasan. The law provides him security of tenure. Moreover, it has to be stressed that complainant was offered, and in fact has accepted and had received an retirement package consisting of 150% retirement pay plus other benefits which totalled to P76,501.88. He even executed quitclaims and release relative thereto. Comparatively speaking, respondents’ package of retirement was way above the ordinary retirement benefits granted to workers which is usually one-half month for every year of service. Hence, it is not far fetched (sic) that complainant was enticed by the retirement offered by respondent. Stated differently, complainant’s main consideration for retirement was respondent’s retirement package. For if not, why then did it take him time to question the validity of his retirement. As the records show, he had already received all the retirement benefits before he instituted the present action.

“We likewise see no fraud to have been committed by respondents when Honasan allegedly promised complainant to take his son as his replacement in the company. The non-fulfillment of the same, to Our mind, does not constitute fraud that would warrant the nullity of complainant’s retirement. It is more of breach of promise and, the same will not alter the validity of complainant’s retirement. For, it cannot be said that the aforesaid alleged promise of Honasan was the only driving force that led complainant to retire. As earlier stated, the attractive retirement package was the more compelling reason for complainant’s retirement.”

The third member of the NLRC’s Third Division, Commissioner Rogelio Rayala, dissented. He opined that the mere finding of

“pressure” exerted on Zurbano by Honasan and Jingco connotes involuntariness and is sufficient basis to vitiate the voluntariness of Zurbano’s consent to his optional retirement. Furthermore, he held that Honasan’s promise to employ Arsenio, Jr. and his sister further shows that petitioner’s retirement was not voluntary since there was a need to entice him with such promises.

Thus, this Special Civil Action for Certiorari filed with this Court on February 10, 1992 raising the following issues: “(1) Whether or not petitioner was illegally dismissed from work; (2) Whether or not petitioner is estopped from filing his complaint for illegal dismissal because of the quitclaim he signed and the receipt of retirement benefits from the company.”

We note that the Office of the Solicitor General, counsel for the public respondent, in its “Manifestation And Motion In Lieu Of Comment” filed with us, joined the cause of the petitioner as it prayed that the petition be given due course.

We find for the petitioner.

We shall first rule on the technical objection raised by the private respondents, i.e., that the petition must fail for failure of the petitioner to move for reconsideration of the impugned decision.

It is true that the general rule in remedial law is that before certiorari may be availed of, the petitioner must first move for reconsideration of the assailed issuance with the court or agency which rendered the same, in order to enable said court or agency to pass upon and correct its mistakes without the intervention of a higher court.^[5] Be that as it may, we allowed the instant petition first, because it involves the public policy of providing justice to the poor and uneducated; and second, because technical rules of procedure should not be strictly applied to labor cases, especially where the result will be detrimental to the working man.

In the case at bar, it is not in dispute that petitioner Zurbano — a man with only a first-grade education, unemployed since 1985, and the principal bread-winner for his wife and 12 children — lost his former counsel, Atty. Carlos Armas Del Castillo, to bone cancer shortly before

the impugned Decision was promulgated. Hardly literate, financially broke and unschooled in the labyrinths of the law, petitioner was not able to immediately find a new counsel to represent him, and to inform the respondent NLRC of such change. As a result, the impugned Decision was sent by the NLRC to his then counsel of record who had already passed away, and it was only after the period for filing a motion for reconsideration had elapsed that he was able to retain his new counsel.^[6] Considering these strictures of life, mostly dictated by his poverty, we cannot throw out the petition of the petitioner without running afoul of the mandate declared in Article 3 of the Labor Code of the Philippines, thus:

“ART. 3. Declaration of basic policy. — The State shall afford protection to labor, promote full employment, ensure equal work opportunities regardless of sex, race of creed, and regulate the relations between workers and employers. The State shall assure the rights of workers to self-organization, collective bargaining, security of tenure, and just and humane conditions of work.”

The adventitious issue having been resolved, we shall now proceed to the merits of the petition.

We rule that the public respondent Commission acted with grave abuse of discretion in rendering the impugned Decision. The deductions of facts made by the public respondent are grossly erroneous. Worse, its conclusions do not do justice to petitioner, a lowly laborer who deserves more sympathy in law because he has less in life.

Firstly, it is difficult to understand how the public respondent could contradict itself. While it deduced from the evidence that pressure may have been exerted on petitioner to make him retire, yet it held that his consent to retire was not vitiated. This does not sit well with the undisputed fact that on May 7, 1985, private respondent Honasan threatened the petitioner with termination of employment if he did not opt to retire from SMC. The threat was clear and present considering that Mr. Honasan is petitioner Zurbano’s immediate superior in the corporation. As sales manager, Mr. Honasan had the power and authority to

enforce the threat, more so considering that the threat was made in the presence of Mr. Jingco, an SMC personnel from Manila. Public respondent's stance that petitioner should have known that he enjoyed security of tenure and need not have believed the threats of Mr. Honasan is neither here nor there. For, the reasonable mind must realize that a concept such as security of tenure, although it may serve as a strong assurance to the educated and privileged, is but a hollow abstraction from which the uneducated and poor cannot be expected to find solace in the face of a real threat of dismissal.

Secondly, we find capriciousness in public respondent's conclusion that petitioner Zurbano's decision to retire optionally from SMC was principally induced by the benefit package that accompanied it, and that respondent Honasan's broken promise of employment to petitioner's children is but a minor consideration in the matter. As discussed above it was the direct threat of dismissal that compelled petitioner to retire. The retirement package of the private respondent may be attractive. Nonetheless, it is unthinkable for petitioner to prefer its short term benefits rather than the longer benefits that he will derive from continuing his employment with the private respondent. Petitioner is the sole breadwinner of a family of fourteen and his primary concern ought to be to work as long as he could to assure the support of his loved ones. It is farthest from the minds of the poor to retire from work.

Thirdly, we find it whimsical for public respondent to construe against petitioner Zurbano his receipt of the retirement benefits, his signing of two quitclaims in favor of SMC, and his one-year "delay" in the filing of the case at bar. This Court has held in the past that acceptance of benefits (such as separation pay and terminal leave pay) by an illegally dismissed employee must not necessarily be construed as to estop him from questioning the legality of his dismissal. We carefully set forth the rationale for this rule in the case of *Carino vs. Agricultural Credit and Cooperative Financing Administration*, 18 SCRA 183 (1966), viz.:

“Acceptance of those benefits would not amount to estoppel. The reason is plain. Employer and employee, obviously, do not stand on the same footing. The employer drove the employee to the wall. The latter must have to get hold of money. Because, out of job, he had to face the harsh necessities of life. He thus found himself in no position to resist money proffered. His, then, is a case of adherence, not of choice.”

In the case at bar, as in the cited case, herein petitioner did not relent on his claim. His institution of the labor case against SMC within the three-year period allowed under the Labor Code shows that he did not waive his right to challenge the legality of his termination from the respondent corporation. As to petitioner’s signing of the two quitclaims in favor of SMC, Labor Arbiter Aurellano correctly observed that what petitioner actually signed were documents entitled “Receipt and Release” which he had to sign in order to avail of the retirement benefits due him. If petitioner’s receipt of the benefits does not constitute estoppel on his part, then the signing of the two “quitclaims” which was a necessary requisite to the receipt of such benefits must likewise not be held against him.

Finally, we find untenable the ruling of public respondent that the broken promise of Mr. Honasan to employ petitioner Zurbano’s children is nothing more than “a breach of promise (which) will not alter the validity of (petitioner’s) retirement.” It is plain that the promise was part of the deception to induce the retirement of petitioner. The bad faith of private respondent in breaking the promise afterwards made it worse. It cannot be downplayed without violating petitioner’s right to be secured in his employment.

IN VIEW WHEREOF, the instant petition is **GRANTED**. The Decision of the Third Division of the National Labor Relations Commission in NLRC Case No. 0122-86 is **REVERSED AND SET ASIDE**, and the Decision of Labor Arbiter Fructuoso T. Aurellano is RAB V Case No. 0122-86 is reinstated in toto. Cost against the private respondents.

SO ORDERED.

**Narvasa, C.J., Regalado and Nocon, JJ., concur.
Padilla, J., took no part in view of interest in SMC.**

- [1] Third Division, composed of Presiding Commissioner Lourdes C. Javier (ponente), Commissioner Ireneo B. Bernardo, with Commissioner Rogelio I. Rayala dissenting.
- [2] The case was docketed as RAB V Case No. 0122-86.
- [3] During his testimony before Labor Arbiter Aurellano who heard the case, respondent Honasan denied that he and Mr. Jingco had forced petitioner into signing the retirement letter; denied that he had promised petitioner that his son Arsenio, Jr. would be hired by SMC to replace the petitioner after his retirement; and denied that he had made any assurance that SMC would help the petitioner's daughter get a job.
- [4] The appeal was docketed as NLRC Case No. 0122-86.
- [5] See *Villa-Rey Transit, Inc. vs. Eloy B. Bello*, 7 SCRA 735 (1963); *BA Finance Corporation vs. Gregorio C. Pineda*, 119 SCRA 493 (1982).
- [6] Petitioner Zurbano is represented in this action by the Public Attorney's Office of the Department of Justice.