



Republic of the Philippines
Supreme Court
Manila

THIRD DIVISION

NOTICE

Sirs/Mesdames

Please take notice that the Court, Third Division, issued a Resolution dated August 2, 2023, which reads as follows:

G.R. No. 257292 – EDI STAFFBUILDERS INTERNATIONAL, INC., petitioner, versus RYAN POTOT NOFUENTE AND CONRAD SUGUITAN ESPIRITU, JR., respondents.

The Court resolves to **DENY** the Petition for Review on *Certiorari*¹ for failure of petitioner EDI Staffbuilders International, Inc. (**ESII**) to sufficiently show that the Court of Appeals (**CA**) committed any reversible error in issuing the Decision,² dated February 28, 2020, and the Resolution,³ dated May 25, 2021, in CA-G.R. SP No. 162496.

In the Petition, the ESII argues that the National Labor Relations Commission's (**NLRC**) ruling on the disallowance of overtime pay was ably supported by the fact that the respondents Ryan Potot Nofuente (**Nofuente**) and Conrad⁴ Suguitan Espiritu, Jr. (**Espiritu, Jr.**) never produced any proof of actual performance of overtime work and that Espiritu, Jr. voluntarily signed his final clearance acknowledging the receipt of all his entitlements.⁵

The Court is not convinced.

As held by the Court in *University of Santo Tomas v. Samahang Manggagawa ng UST*:⁶

Preliminarily, the Court stresses the distinct approach in reviewing a CA's ruling in a labor case. In a Rule 45 review, the Court examines the correctness of the CA's Decision in contrast with the review of jurisdictional errors under Rule 65. Furthermore, Rule 45 limits the review to questions of

¹ *Rollo*, pp. 3-31.

² *Id.* at 403-422. Penned by Associate Justice Pedro B. Corales and concurred in by Associate Justices Apolinario D. Bruselas, Jr. and Tita Marilyn B. Payoyo-Villordon.

³ *Id.* at 445-447.

⁴ Referred to as "Conrado" in some parts of the *rollo*.

⁵ *Rollo*, p. 11, Petition.

⁶ 809 Phil. 212 (2017).

law. In ruling for legal correctness, the Court views the CA Decision in the same context that the petition for certiorari was presented to the CA. Hence, the Court has to examine the CA's Decision from the prism of whether the CA correctly determined the presence or absence of grave abuse of discretion.⁷

A court or tribunal is said to have acted with grave abuse of discretion when it capriciously acts or whimsically exercises judgment to be "equivalent to lack of jurisdiction." Furthermore, the abuse of discretion must be so flagrant to amount to a refusal to perform a duty or to act as provided by law.⁸

In labor disputes, grave abuse of discretion may be ascribed to the NLRC when, *inter alia*, its findings and the conclusions reached thereby are not supported by substantial evidence, or that amount of relevant evidence which a reasonable mind might accept as adequate to justify a conclusion.⁹

In this case, Nofuente and Espiritu, Jr. submitted the Petromin SOE Reports (**SOE Reports**) and Time Sheets. While the ESII also presented the SOE Reports showing that Nofuente and Espiritu, Jr. were paid their overtime pay, which establishes the fact that Nofuente and Espiritu, Jr. actually rendered overtime work, the same do not sufficiently show that the payment was commensurate to the overtime work that Nofuente and Espiritu, Jr. actually rendered.

It is a settled labor doctrine that in cases involving non-payment of monetary claims of employees, the employer has the burden of proving that the employees did receive their wages and benefits and that the same were paid in accordance with law.¹⁰

The Court enunciated in *Dela Fuente v. Gimenez*:¹¹

Well-settled is the rule that once the employee has set out with particularity in his complaint, position paper, affidavits and other documents the labor standard benefits he is entitled to, and which he alleged that the employer failed to pay him, it becomes the employer's burden to prove that it has paid these money claims. One who pleads payment has the burden of proving it, and even where the employees must allege non-payment, the general rule is that the burden rests on the employer to prove payment, rather than on the employees to prove non-payment. The reason for the rule is that the pertinent personnel files, payrolls, records, remittances, and other similar documents — which will show that overtime, differentials, service incentive

⁷ Id. at 219-220, citing *Quebral v. Angbus Construction*, 798 Phil. 179, 187 (2016).

⁸ *Manggagawa ng Komunikasyon sa Pilipinas v. Philippine Long Distance Telephone Co., Inc.*, 809 Phil. 106, 120 (2017), citing *Hongkong Shanghai Banking Corporation Employees Union v. NLRC*, 421 Phil. 864, 870 (2001).

⁹ *Ace Navigation Company v. Garcia*, 760 Phil. 924, 932 (2015).

¹⁰ *Asentista v. Jupp & Company, Inc.*, 824 Phil. 639 (2018).

¹¹ G.R. No. 214419, November 17, 2021.

leave, and other claims of the worker have been paid — are not in the possession of the worker but in the custody and absolute control of the employer.¹²

Also, the Court held in *Acuña v. CA*:¹³

The claims of overseas workers against foreign employers could not be subjected to same rules of evidence and procedure easily obtained by complainants whose employers are locally based. While normally we would require the presentation of payrolls, daily time records and similar documents before allowing claims for overtime pay, in this case, that would be requiring the near-impossible.

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

It is a time-honored rule that in controversies between a worker and his employer, doubts reasonably arising from the evidence, or in the interpretation of agreements and writing should be resolved in the worker's favor. The policy is to extend the applicability of the decree to a greater number of employees who can avail of the benefits under the law, which is in consonance with the avowed policy of the State to give maximum aid and protection to labor.¹⁴ (Citations omitted)

In fact, the Court pronounced in *Celis v. Bank of Makati*:¹⁵

In line with the Constitutional policy of giving protection to labor, the Civil Code and the Labor Code provide that doubts in the interpretation of labor legislation and contracts shall be construed in favor of labor. Likewise, the Court has consistently held that doubts in the appreciation of evidence in labor cases shall work to the advantage of labor.¹⁶ (Citations omitted)

As the ESII failed to discharge its burden to prove that it properly paid the overtime pay that is commensurate to the overtime work actually rendered by Nofuente and Espiritu, Jr., its failure tilts the balance in favor of the latter.

With regard to the ESII's contention that Espiritu, Jr. voluntarily signed his final clearance acknowledging the receipt of all his entitlements,¹⁷ the Court notes the position of Espiritu, Jr. as an Overseas Filipino Worker, working as a Lube Technician in a foreign country.

¹² Id., citing *Heirs of Ridad v. Gregorio Araneta University Foundation*, 703 Phil. 531, 538 (2013).

¹³ 523 Phil. 325 (2006).

¹⁴ Id. at 334-335.

¹⁵ G.R. No. 250776, June 15, 2022.

¹⁶ Id.

¹⁷ *Rollo*, p. 11, Petition.

In *Carmelcraft Corporation v. NLRC*,¹⁸ the Court held:

The subordinate position of the individual employee *vis-à-vis* management renders him especially vulnerable to its blandishments and importunings, and even intimidation's, that may result in his improvidently if reluctantly signing over benefits to which he is clearly entitled. Recognizing this danger, we have consistently held that quitclaims of the workers' benefits will not estop them from asserting them just the same on the ground that public policy prohibits such waivers.

That the employee has signed a satisfaction receipt does not result in a waiver; the law does not consider as valid any agreement to receive less compensation than what a worker is entitled to recover. A deed of release or quitclaim cannot bar an employee from demanding benefits to which he is legally entitled.¹⁹

Release and quitclaim is inequitable and incongruous to the declared public policy of the State to afford protection to labor and to assure the rights of workers to security of tenure.²⁰

Given the foregoing, the Court agrees with the CA that the NLRC committed grave abuse of discretion in its ruling that Nofuente and Espiritu, Jr. are not entitled to their claims of overtime pay and benefits as it patently deviates from the settled legal principles of labor law and recklessly ignored the undisputed facts.

Likewise, the Court finds the award of overtime pay differential to Nofuente and Espiritu, Jr. in the amounts of SAR 53,679.38 and SAR 56,840.18, respectively, or their peso equivalent at the time of actual payment, proper based on the computation²¹ of the CA relying on the SOE Reports and in accordance with Article 9²² of the Employment Contract.

As to the attorney's fees awarded in favor of Nofuente and Espiritu, Jr., the Court agrees with such ruling as it is in accordance with Article 2208 of the Civil Code of the Philippines.²³

¹⁸ 264 Phil. 763 (1990).

¹⁹ Id., citing *Fuentes v. NLRC*, 248 Phil. 980 (1988).

²⁰ Id., citing *Cuales v. NLRC*, 206 Phil. 697 (1983).

²¹ *Rollo*, pp. 416-418, CA Decision.

²² Article 9 of the Employment Contract provides:

Article (9): Overtime:

Company shall pay the Employee for overtime working hours an additional amount equal to the hourly wage plus 50% of his basic salary when the employee works in exceeds (sic) of (54) hours per week as agreed here upon. In lieu of overtime on every Friday the Employee will be paid as per labor law.

²³ CIVIL CODE, Art. 2208 provides:

Article 2208. In the absence of stipulation, attorney's fees and expenses of litigation, other than judicial costs, cannot be recovered, except:

The monetary awards shall earn a legal interest of six percent (6%) *per annum* from finality of this Resolution until fully paid.²⁴

WHEREFORE, the Petition for Review on *Certiorari* filed by petitioner EDI Staffbuilders International, Inc. is **DENIED**. The Decision, dated February 28, 2020, and the Resolution, dated May 25, 2021, by the Court of Appeals in CA-G.R. SP No. 162496 are **AFFIRMED**. The monetary awards shall earn a legal interest of six percent (6%) *per annum* from finality of this Resolution until fully paid.

SO ORDERED.

By authority of the Court:

Misael Domingo C. Battung III
MISAEAL DOMINGO C. BATTUNG III
Division Clerk of Court

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- (1) When exemplary damages are awarded;
 - (2) **When the defendant's act or omission has compelled the plaintiff to litigate with third persons or to incur expenses to protect his interest;**
 - (3) In criminal cases of malicious prosecution against the plaintiff;
 - (4) In case of a clearly unfounded civil action or proceeding against the plaintiff;
 - (5) Where the defendant acted in gross and evident bad faith in refusing to satisfy the plaintiff's plainly valid, just and demandable claim;
 - (6) In actions for legal support;
 - (7) In actions for recovery of wages of household helpers, laborers and skilled workers;
 - (8) **In actions for indemnity under workmen's compensation and employer's liability laws;**
 - (9) In a separate civil action to recover civil liability arising from a crime;
 - (10) When at least double judicial costs are awarded;
 - (11) **In any other case where the court deems it just and equitable that attorney's fees and expenses of litigation should be recovered.** (Emphasis supplied)

²⁴ See *Lara's Gifts & Decors, Inc. v. Midtown Industrial Sales*, G.R. No. 225433, September 20, 2022; *Benhur Shipping Corporation v. Riego*, G.R. No. 229179, March 29, 2022.

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