



REPUBLIC OF THE PHILIPPINES  
SUPREME COURT  
Manila

SECOND DIVISION

**NOTICE**

Sirs/Mesdames:

*Please take notice that the Court, Second Division, issued a Resolution dated **February 27, 2023** which reads as follows:*

**“G.R. No. 262619 (Leonis Navigation Co. Inc., and World Marine Panama S.A., Petitioners v. Jaime M. Laurenciana, Respondent).** — This Court resolves a Petition for Review on *Certiorari*<sup>1</sup> under Rule 45 of the Rules of Court, assailing the Decision<sup>2</sup> and Resolution<sup>3</sup> of the Court of Appeals (CA) which dismissed the Petition for *Certiorari*<sup>4</sup> filed against the Decision<sup>5</sup> and Resolution<sup>6</sup> of the National Labor Relations Commission.

**Facts**

Since 1988, Jaime M. Laurenciana (*Laurenciana*) was repeatedly engaged by Leonis Navigation Co. Inc. (*Leonis Inc.*), on behalf of its foreign principal, World Marine Panama S.A. (*World Marine*), first as an ordinary seaman until eventually he was promoted as master of the vessel.<sup>7</sup> On May 11, 2018, Laurenciana, as the master of the vessel, went on board “IVS Beachwood” for a period of nine months.<sup>8</sup>

Barely a month into his employment, the shipowner, through World Marine, sent Leonis Inc. an email complaining about Laurenciana’s alleged inability to follow simple instructions. Laurenciana explained that they were having problems with the communication lines due to the unstable internet

<sup>1</sup> *Rollo*, p. 11–44.

<sup>2</sup> *Id.* at 46–57. The April 29, 2022 Decision in CA-G.R. SP No. 10405-MIN was penned by Associate Justice Richard D. Mordeno, and concurred in by Associate Justices Evalyn M. Arellano-Morales and Jill Rose S. Jaugan-Lo of the Twenty-Third Division, Court of Appeals, Cagayan de Oro.

<sup>3</sup> *Id.* at 59–60. The July 28, 2022 Resolution in CA-G.R. SP No. 10405-MIN was penned by Associate Justice Richard D. Mordeno, and concurred in by Associate Justices Evalyn M. Arellano-Morales and Jill Rose S. Jaugan-Lo of the Former Twenty-Third Division, Court of Appeals, Cagayan de Oro.

<sup>4</sup> *Id.* at 61–102.

<sup>5</sup> *Id.* at 103–113. The February 10, 2020 Decision in NLRC No. MAC-11-016294-19 OFW (S) (RAB [OFW]-13-01-00152-19) was penned by Commissioner Elbert C. Restauero, and concurred in by Presiding Commissioner Bario-Rod M. Talon and Commissioner Rosario L. Bernardo-Sagadal of NLRC, Eight Division, Cagayan de Oro.

<sup>6</sup> *Id.* at 115–119. The August 26, 2020 Resolution in NLRC No. MAC-11-016294-19 OFW (S) (RAB [OFW]-13-01-00152-19) was penned by Commissioner Elbert C. Restauero, and concurred in by Presiding Commissioner Bario-Rod M. Talon and Commissioner Rosario L. Bernardo-Sagadal of NLRC, Eight Division, Cagayan de Oro.

<sup>7</sup> *Id.* at 168.

<sup>8</sup> *Id.* at 171–172.

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connection. Leonis Inc. then reminded Laurenciana to be circumspect when sending emails and preparing his reports.<sup>9</sup> Despite this, the shipowner was still displeased with Laurenciana's performance.<sup>10</sup> Laurenciana was then told by Leonis Inc. that they were replacing him as the master of the vessel.<sup>11</sup>

Laurenciana disembarked from the vessel and arrived in the Philippines on June 27, 2018.<sup>12</sup> Since then, he had yet to hear from either Leonis Inc. or World Marine. Seven months after his expatriation, Laurenciana filed a labor complaint against Leonis Inc. and World Marine for illegal dismissal and breach of contract. Laurenciana also demanded the payment of his salaries for the unexpired portion of his contract.<sup>13</sup>

In their defense, Leonis Inc. and World Marine clarified that they received several complaints from the shipowner with regard to Laurenciana's alleged incompetence in the performance of his duties as the master of the vessel. Left with no other choice, Leonis Inc. and World Marine were constrained to replace Laurenciana. They further maintained that there was no dismissal to speak of. Rather, they had plans of assigning Laurenciana to their other vessels. Laurenciana, however, failed to report to their office when he arrived in the Philippines to process his transfer. When he finally showed up, Laurenciana refused to be assigned to another vessel. Instead, he demanded for the payment of his salary for the unexpired portion of his contract. Hence, it would be inequitable if Leonis Inc. and World Marine were made to suffer the consequences of Laurenciana's incompetence and disobedience when he should be the one to be blamed for the same.<sup>14</sup>

After going through all the arguments raised by the parties, the labor arbiter rendered a Decision<sup>15</sup> finding Laurenciana to have been illegally dismissed by Leonis Inc. and World Marine. The labor arbiter held that Leonis Inc. and World Marine failed to substantiate their allegation that they had plans of transferring Laurenciana to another vessel. Assuming *arguendo* that they did have plans, there was no showing that his transfer was for a legitimate ground and that Leonis Inc. and World Marine complied with the requisites under the Philippine Overseas Employment Administration-Standard Employment Contract. The copies of the email correspondence that Leonis Inc. and World Marine presented in evidence were insufficient to prove that they had just wanted to transfer Laurenciana as these were self-serving and were not duly authenticated. Pursuant to Article 294 of the Labor Code, Laurenciana is entitled to receive his backwages for the unexpired portion of his employment. Thus, the labor arbiter disposed as follows:

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<sup>9</sup> *Id.* at 151-152.

<sup>10</sup> *Id.* at 153-155.

<sup>11</sup> *Id.* at 48.

<sup>12</sup> *Id.*

<sup>13</sup> *Id.* at 132-133.

<sup>14</sup> *Id.* at 141-145.

<sup>15</sup> *Id.* at 186-200. The July 25, 2019 Decision in NLRC Case No. RAB 13-01-00152-2019 OFW(S) was penned by Executive Labor Arbiter Exequiel M. Dayot III, NLRC, Butuan City.

**WHEREFORE**, premises considered, complainant JAIME M. LAURENCIANA is **declared** illegally dismissed or his employment contract wrongfully terminated for lack of just cause and observance of procedural due process.

Respondent **Leonis Navigation Company, Inc.**, including its Manning Operation's Manager, **Ms. Felma A. Melchor**, and respondent **World Marine Panama S.A.** are hereby **ordered**, jointly and severally, to pay complainant the following amount[s]:

1. **US\$ 62,235.20**, representing his salaries for seven (7) months and twenty-three (23) days corresponding to the unexpired portion of his contract (US\$8,020.00 x 7 months + 23 day[s]);
2. **PhP 30,000.00** as nominal damages; and
3. Attorney's fees equivalent to 10% of the total monetary awards to be deposited in the National Treasury as trust fund of the Public Attorney's Office pursuant to the provision of the second paragraph of Section 16-D of R.A. 9406 (PAO Law).

The monetary award in US\$ is to be paid the equivalent amount in Philippine currency at the time of payment pursuant to RA No. 8183.

The rest of the money claims are dismissed for lack of merit.

**SO ORDERED.**<sup>16</sup> (Emphasis in the original)

Disagreeing with the ruling of the labor arbiter, Leonis Inc. and World Marine filed an appeal with the National Labor Relations Commission. The National Labor Relations Commission initially granted the appeal and reversed the ruling of the labor arbiter.<sup>17</sup> Upon Laurenciana's motion, the National Labor Relations Commission reversed its Decision and reinstated the ruling of the labor arbiter. The National Labor Relations Commission found that Laurenciana was summarily replaced by Leonis Inc. and World Marine. Contrary to their allegations, there was no showing that they had plans of transferring Laurenciana to another vessel.<sup>18</sup> Thus, the National Labor Relations Commission disposed as follows:

**WHEREFORE**, the Motion for Reconsideration of complainant-appellee is **GRANTED**. The 20 February 2020 Decision of the Commission is hereby **VACATED** and the assailed 25 July 2019 Decision of the Executive Labor Arbiter is **REINSTATED**.

**SO ORDERED.**<sup>19</sup> (Emphasis in the original)

<sup>16</sup> *Id.* at 200.

<sup>17</sup> *Id.* at 103-113.

<sup>18</sup> *Id.* at 116-118.

<sup>19</sup> *Id.* at 118.

Aggrieved, Leonis Inc. and World Marine filed a Petition for *Certiorari* before the CA, but the same was denied for lack of merit. The CA sustained the ruling of the labor tribunals that Laurenciana was illegally dismissed. It was uncontroverted that Laurenciana was replaced as master of the vessel and that he disembarked from the vessel roughly seven months before the expiration of his nine-month long contract. Leonis Inc. and World Marine, however, failed to prove their allegation that they planned to transfer Laurenciana to another vessel. Even if the CA were to give credence to Leonis Inc. and World Marine's allegation that Laurenciana failed to perform his duties, such failure did not amount to inefficiency or gross insubordination that would justify his termination under the Labor Code. Furthermore, there was no showing that Laurenciana was accorded procedural due process before he was unceremoniously disembarked barely a month after his employment started.<sup>20</sup> Thus, the CA disposed as follows:

**WHEREFORE**, premises considered, the petition is hereby **DISMISSED**.

**SO ORDERED**.<sup>21</sup> (Emphasis in the original)

Leonis Inc. and World Marine moved for a reconsideration of the Decision of the CA but the same was denied for lack of merit.<sup>22</sup> Hence, they filed a Petition for Review on *Certiorari*<sup>23</sup> before this Court.

### Issues

#### I.

Whether the CA erred in dismissing Leonis Navigation Co. Inc. and World Marine Panama S.A.'s Petition even if the facts stated therein were not disputed because Jaime M. Laurenciana failed to file his responsive pleading;

#### II.

Whether the CA erred in not finding grave abuse of discretion on the part of the National Labor Relations Commission when it reversed itself and reinstated the ruling of the labor arbiter when it decided based on the same set of facts;

<sup>20</sup> *Id.* at 46–56. The April 29, 2022 Decision CA-G.R. SP No. 10405-Min was penned by Associate Justice Richard D. Mordeno, and concurred in by Associate Justices Evalyn M. Arellano-Morales and Jill Rose S. Jaugan-Lo of Twenty-Third Division, Cagayan de Oro City.

<sup>21</sup> *Id.* at 56.

<sup>22</sup> *Id.* at 59–60. The July 28, 2022 Resolution in CA-G.R. SP No. 10405-Min was penned by Associate Justice Richard D. Mordeno, and concurred in by Associate Justices Evalyn M. Arellano-Morales and Jill Rose S. Jaugan-Lo of Former Twenty-Third Division, Court of Appeals, Cagayan de Oro City.

<sup>23</sup> *Id.* at 11–44.

## III.

Whether the CA erred in affirming the award to Jaime M. Laurenciana of his salaries for the unexpired term of his contract, the computation of which included overtime pay, leave pay, and other benefits, which by law, are excluded; and,

## IV.

Whether the CA erred in affirming the award of attorney's fees to Jaime M. Laurenciana despite the lack of factual and legal basis.

Leonis Inc. and World Marine did not dispute Laurenciana's allegation that he disembarked from the vessel barely a month after boarding the same. Hence, the burden of proving that Laurenciana's employment contract was not illegally pre-terminated falls upon Leonis Inc. and World Marine.<sup>24</sup> Specifically, Leonis Inc. and World Marine bears the burden of presenting substantial evidence to support their claim that they had intentions of transferring Laurenciana to another vessel, only that he refused to do the same. There is nothing on the records that would show that Leonis Inc. and World Marine tried to reach out to Laurenciana after he arrived in the country. Even if this Court were to give credence to their allegation that Laurenciana should be deemed to have abandoned his employment when he refused to be transferred to another vessel, such allegation, however, is self-serving as it was not supported by any piece of evidence. On the contrary, this absence of evidence supports the conclusion that Laurenciana's employment contract was terminated without cause and without affording him procedural due process.

In any case, the issue as regards Laurenciana's alleged abandonment is factual in nature because it requires this Court to look into the "credibility of witnesses, existence and relevancy of specific surrounding circumstances, their relation to each other and to the whole, and the probabilities of the situation."<sup>25</sup> Settled is the rule that petitions filed under Rule 45 of the Revised Rules of Court cannot entertain factual issues.<sup>26</sup> Seeing as the labor tribunals and the CA were one in ruling that Laurenciana was illegally terminated, such factual ruling should be respected by this Court.<sup>27</sup>

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<sup>24</sup> *LBC Domestic Franchise Co. v. Florido*, 557 Phil. 363, 374 (2007) [Per J. Azcuna, First Division], citing *Royal Crown Internationale v. National Labor Relations Commission*, 258-A Phil. 342, 350 (1989) [Per J. Cortes, Third Division].

<sup>25</sup> *Mirando, Jr. v. Philippine Charity Sweepstakes Office*, G.R. No. 205022, July 3, 2019 [Per J. Jardeleza, First Division], citing *DST Movers Corporation v. People's General Insurance Corporation*, 778 Phil. 235, 245 (2016) [Per J. Leonen, Second Division].

<sup>26</sup> RULES OF COURT, Rule 45, Sec. 1.

<sup>27</sup> *Central Azucarera De Bais v. Heirs of Apostol*, 828 Phil. 211, 222 (2018) [Per J. Reyes, Jr., Second Division], citing *De Leon v. Maunlad Trans. Inc., Seachest Associates, et al.*, 805 Phil. 531, 538 (2017) [Per J. Peralta, Second Division].

As for the CA's alleged error in not finding grave abuse of discretion on the part of the National Labor Relations Commission for reversing its initial ruling, this Court finds the same to be without merit. Basic is the rule that when a party files a Motion for Reconsideration within the period to appeal, this allows the courts to correct itself after going over the facts of the case and re-evaluating the pieces of evidence presented before a higher court should review it.<sup>28</sup> Otherwise, appellate remedies, which include the filing of a motion for reconsideration, would be rendered inutile.

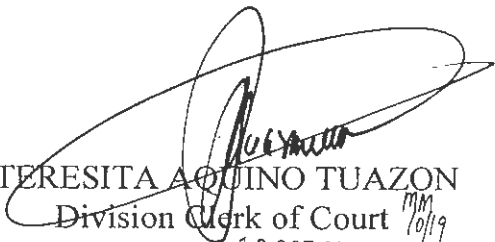
Further, this Court finds the award of attorney's fees to be justified. It would appear from the records of the case that Laurencia did not receive his wages when he was made to disembark the vessel barely a month after boarding the same. Consequently, Laurencia was compelled to litigate in order for him to get his wages that were unlawfully withheld from him by Leonis Inc. and World Marine.<sup>29</sup>

The ruling of the CA and National Labor Relations Commission should be further modified to include an interest rate of 6% per annum to be imposed on the total monetary awards computed from the finality of this Resolution until full payment, pursuant to this Court's pronouncement in the case of *Nacar v. Gallery Frames*.<sup>30</sup>

**FOR THESE REASONS**, the Petition for Review on *Certiorari* is **DISMISSED** for lack of merit and for its failure to raise questions of substance. The Decision dated April 29, 2022 and the Resolution dated July 28, 2022 of the Court of Appeals in CA-G.R. SP No. 10405-MIN are **AFFIRMED WITH THE MODIFICATION** in that attorney's fees is **AWARDED** to Jaime M. Laurenciana, and that interest rate of 6% per annum is to be **IMPOSED** on the total monetary awards computed from the finality of this Resolution until full payment.

**SO ORDERED.**"

By authority of the Court:

  
TERESITA AQUINO TUAZON  
Division Clerk of Court  
19 OCT 2023

<sup>28</sup> *Spouses Sumndad v. Friday's Holdings, Inc.*, G.R. No. 235586, January 22, 2020, [Per C.J. Peralta, First Division], citing *Barrio Fiesta Restaurant, et al. v. Beronia*, 789 Phil. 520, 535 (2016) [Per J. Brion, Second Division].

<sup>29</sup> *Jalit, Sr. v. Curgo Safeway, Inc.*, G.R. No. 238147, September 29, 2021 [Per J. J. Lopez, First Division], citing *Alva v. High Capacity Security Force, Inc.*, 820 Phil. 677 (2017) [Per J. Reyes, Jr., Second Division].

<sup>30</sup> 716 Phil. 267, 282-283 (2013) [Per J. Peralta, *En Banc*].

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OFW (S)/(RAB[OFW]-13-01-00152-19)

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CA-G.R. SP No. 10405-MIN

\*With copy of CA Decision dated April 29, 2022  
*Please notify the Court of any change in your address.*  
GR262619. 02/27/2023(178)URES *10/19*