



Republic of the Philippines
Supreme Court
Manila

SECOND DIVISION

INTEGRATED

MICROELECTRONICS, INC.,

Petitioner,

G.R. No. 200222

Present:

- versus -

ADONIS A. PIONILLA,

Respondent.

CARPIO, J., Chairperson,
DEL CASTILLO,
PEREZ,
REYES,* and
PERLAS-BERNABE, JJ.

Promulgated:

AUG 28 2013

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RESOLUTION

PERLAS-BERNABE, J.:

The Court hereby resolves the Motion for Reconsideration¹ filed by petitioner Integrated Microelectronics, Inc. (IMI) from its Resolution² dated January 14, 2013, denying its petition for review on *certiorari*³ which assailed the Decision⁴ dated July 28, 2011 and Resolution⁵ dated January 16, 2012 of the Court of Appeals (CA) in CA-G.R. SP No. 113274 finding respondent Adonis A. Pionilla (Pionilla) to have been illegally dismissed. For clarity, the Court briefly recounts the antecedents of this case.

The Facts

On November 14, 1996, Pionilla was hired by IMI as its production worker. On May 5, 2005, Pionilla received a notice from IMI requiring him

* Designated Member per Raffle dated February 29, 2012.

¹ Rollo, pp. 390-395. Dated February 14, 2013.

² Id. at 388.

³ Id. at 9-39.

⁴ Id. at 45-61. Penned by Associate Justice Agnes Reyes-Carpio, with Associate Justices Fernanda Lampas Peralta and Priscilla J. Baltazar-Padilla, concurring.

⁵ Id. at 63-64.

to explain the incident which occurred the day before where he was seen escorting a lady to board the company shuttle bus at the Alabang Terminal. It was reported by the bus marshall that the lady was wearing a company identification card (ID) – which serves as a free pass for shuttle bus passengers – even if she was just a job applicant at IMI. In this regard, Pionilla admitted that he lent his ID to the lady who turned out to be his relative. He further intimated that he risked lending her his ID to save on their transportation expenses. Nevertheless, he apologized for his actions.⁶

A Conscience Committee (committee) was subsequently formed to investigate the matter. During the committee hearing, Pionilla admitted that at the time of the incident, he had two IDs in his name as he lost his original ID in November 2004 but was able to secure a temporary ID later. As Pionilla and his relative were about to board the shuttle bus, they were both holding separate IDs, both in his name. Based on the foregoing, IMI found Pionilla guilty of violating Article 6.12 of the Company Rules and Regulations (CRR) which prohibits the lending of one's ID since the same is considered a breach of its security rules and carries the penalty of dismissal. Subsequently, or on August 17, 2005, Pionilla received a letter dated August 16, 2005 informing him of his dismissal from service. Three days after, he filed a complaint for illegal dismissal with damages against IMI.⁷

On May 17, 2007, the Labor Arbiter (LA) rendered a Decision⁸ finding Pionilla to have been illegally dismissed by IMI and, as such, ordered the latter to reinstate him to his former position and to pay him backwages in the amount of ₱417,818.78. The LA held that Pionilla was harshly penalized,⁹ observing that the latter did not breach the security of the company premises since his companion was not able to enter the said premises nor board the shuttle bus.¹⁰ The LA added that the misdeed was not tainted with any wrongful intent as it was merely impelled by a mistaken notion of comradeship (“*pakikisama*”) and gratitude (“*utang na loob*”) on Pionilla's part.¹¹ Further, the LA held that no dishonesty can be attributed to Pionilla's act of keeping his old ID as this appeared to be a new charge, or at the very least, was merely incidental to the first offense of lending a company ID to another.¹² Dissatisfied, IMI elevated the matter to the National Labor Relations Commission (NLRC).

⁶ Id. at 190.

⁷ Id. at 190-192.

⁸ Id. at 150-156. Docketed as NLRC Case No. SRAB-IV-8-8569-05-L. Penned by Labor Arbiter Melchisedek A. Guan.

⁹ Id. at 155.

¹⁰ Id. at 153-154.

¹¹ Id. at 154.

¹² Id.

On appeal, the NLRC, through a Decision dated June 30, 2008,¹³ reversed the LA's ruling, finding Pionilla's dismissal to be valid. It pointed out that Pionilla's act of lending his temporary ID was willful and intentional as he, in fact, admitted and apologized for the same.¹⁴ The NLRC further ruled that Pionilla's attitude in violating the CRR could be treated as perverse as bolstered by his failure to surrender his temporary ID despite locating the original one.¹⁵ Dissatisfied, Pionilla filed a petition for *certiorari* before the CA.

On July 28, 2011, the CA rendered a Decision,¹⁶ granting Pionilla's petition. It found that while IMI's regulations on company IDs were reasonable, the penalty of dismissal was too harsh and not commensurate to the misdeed committed. It also stated that the while the right of the employer to discipline is beyond question, it, nevertheless, remains subject to reasonable regulation.¹⁷ It further noted that Pionilla worked with IMI for a period of nine years without any derogatory record and even observed that his performance rating had always been "outstanding."¹⁸ Undaunted, IMI moved for reconsideration which was, however, denied in a Resolution¹⁹ dated January 16, 2012.

In view of the CA's ruling, IMI filed a petition for review on *certiorari* before the Court which was equally denied in a Resolution²⁰ dated January 14, 2013, pronouncing that there was no reversible error on the part of the CA in finding Pionilla to have been illegally dismissed. The Court ruled that the imposition of the penalty of dismissal was too harsh and incommensurate to the infraction he committed, this especially considering his nine years of unblemished service. Hence, the present motion for reconsideration.

The Issue Before the Court

The essential issue for the Court's resolution is whether or not its Resolution dated January 14, 2013 should be reconsidered. Among others, IMI contends that to award Pionilla reinstatement and full backwages would not only be excessive and unfair, but would be contrary to existing principles of law and jurisprudence.²¹

¹³ Id. at 189-195. Docketed as NLRC LAC No. 08-002271-07. Penned by Commissioner Perlita B. Velasco, with Presiding Commissioner Gerardo C. Nograles and Commissioner Romeo L. Go, concurring.

¹⁴ Id. at 192.

¹⁵ Id. at 192-193.

¹⁶ Id. at 45-61.

¹⁷ Id. at 57-60.

¹⁸ Id. at 59.

¹⁹ Id. at 63-64.

²⁰ Id. at 388.

²¹ Id. at 393.

The Court's Ruling

The motion for reconsideration is partly granted.

As a general rule, an illegally dismissed employee is entitled to reinstatement (or separation pay, if reinstatement is not viable) and payment of full backwages. In certain cases, however, the Court has carved out an exception to the foregoing rule and thereby ordered the reinstatement of the employee without backwages on account of the following: (a) the fact that dismissal of the employee would be too harsh of a penalty; and (b) that the employer was in good faith in terminating the employee. The aforesaid exception was recently applied in the case of *Pepsi-Cola Products, Phils., Inc. v. Molon*,²² wherein the Court, citing several precedents, held as follows:

An illegally dismissed employee is entitled to either reinstatement, if viable, or separation pay if reinstatement is no longer viable, and backwages.²³ In certain cases, however, the Court has ordered the reinstatement of the employee without backwages considering the fact that (1) the dismissal of the employee would be too harsh a penalty; and (2) the employer was in good faith in terminating the employee. For instance, in the case of *Cruz v. Minister of Labor and Employment*²⁴ the Court ruled as follows:

The Court is convinced that petitioner's guilt was substantially established. Nevertheless, we agree with respondent Minister's order of reinstating petitioner without backwages instead of **dismissal which may be too drastic. Denial of backwages would sufficiently penalize her for her infractions.** The bank officials acted in good faith. They should be exempt from the burden of paying backwages. **The good faith of the employer, when clear under the circumstances, may preclude or diminish recovery of backwages.** Only employees discriminately dismissed are entitled to backpay.

Likewise, in the case of *Itogon-Suyoc Mines, Inc. v. National Labor Relations Commission*,²⁵ the Court pronounced that “the ends of social and compassionate justice would therefore be served if private respondent is reinstated but without backwages in view of petitioner's good faith.”

The factual similarity of these cases to Remandaban's situation deems it appropriate to render the same disposition.²⁶ (Emphasis and underscoring in the original)

²² G.R. No. 175002, February 18, 2013, 691 SCRA 113.

²³ *Macasero v. Southern Industrial Gases Philippines*, G.R. No. 178524, January 30, 2009, 577 SCRA 500, 507, citing *Mt. Carmel College v. Resuena*, G.R. No. 173076, October 10, 2007, 535 SCRA 518, 541.

²⁴ 205 Phil. 14, 18-19 (1983).

²⁵ 202 Phil. 850, 856 (1982).

²⁶ *Pepsi-Cola Products, Phils., Inc. v. Molon*, supra note 22, at 136-137.

In this case, the Court observes that: (a) the penalty of dismissal was too harsh of a penalty to be imposed against Pionilla for his infractions; and (b) IMI was in good faith when it dismissed Pionilla as his dereliction of its policy on ID usage was honestly perceived to be a threat to the company's security. In this respect, since these concurring circumstances trigger the application of the exception to the rule on backwages as enunciated in the above-cited cases, the Court finds it proper to accord the same disposition and consequently directs the deletion of the award of backwages in favor of Pionilla, notwithstanding the illegality of his dismissal.

WHEREFORE, the motion for reconsideration is **PARTLY GRANTED**. The Court's Resolution dated January 14, 2013 is hereby **MODIFIED**, directing the deletion of the award of backwages in favor of respondent Adonis A. Pionilla.

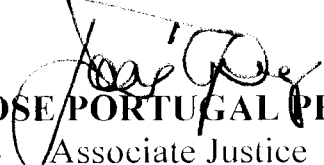
SO ORDERED.


ESTELA M. PERLAS-BERNABE
Associate Justice

WE CONCUR:


ANTONIO T. CARPIO
Associate Justice
Chairperson

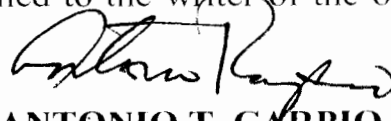

MARIANO C. DEL CASTILLO
Associate Justice


JOSE PORTUGAL PEREZ
Associate Justice


BIENVENIDO L. REYES
Associate Justice

ATTESTATION

I attest that the conclusions in the above Resolution had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

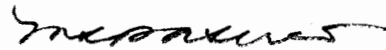
**ANTONIO T. CARPIO**

Associate Justice

Chairperson, Second Division

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, and the Division Chairperson's Attestation, I certify that the conclusions in the above Resolution had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

**MARIA LOURDES P. A. SERENO**

Chief Justice