



Republic of the Philippines  
Supreme Court  
Manila

SECOND DIVISION

**LIBCAP MARKETING CORP.,  
JOHANNA J. CELIZ, and  
MA. LUCIA G. MONDRAGON,**  
*Petitioners,*

**G.R. No. 192011**

Present:

BRION,<sup>\*</sup> *Acting Chairperson,*  
PERALTA,<sup>\*\*</sup>  
DEL CASTILLO,  
MENDOZA,<sup>\*\*\*</sup> *and*  
PERLAS-BERNABE, *JJ.*

- versus -

**LANNY JEAN B. BAQUIAL,**  
*Respondent.*

Promulgated:

JUN 3 0 2014

X ----- X

DECISION

**DEL CASTILLO, J.:**

The law and jurisprudence allow the award of nominal damages in favor of an employee in a case where a valid cause for dismissal exists but the employer fails to observe due process in dismissing the employee. On the other hand, financial assistance is granted to a dismissed employee as a measure of equity or social justice, and is in the nature or takes the place of severance compensation.

Assailed in this Petition for Review on *Certiorari*<sup>1</sup> are the April 22, 2009 Decision<sup>2</sup> of the Court of Appeals (CA) in CA-G.R. SP No. 01794, entitled “*Libcap Marketing Corporation, and/or Johanna J. Celiz, and Ma. Lucia G. Mondragon, Petitioners, versus National Labor Relations Commission and Lanny Jean B. Baquial, Respondents,*” and its March 24, 2010 Resolution<sup>3</sup> denying reconsideration thereof.

<sup>\*</sup> Per Special Order No. 1699 dated June 13, 2014.

<sup>\*\*</sup> Per Special Order No. 1712 dated June 23, 2014.

<sup>\*\*\*</sup> Per Special Order No. 1696 dated June 13, 2014.

<sup>1</sup> *Rollo*, pp. 4-23.

<sup>2</sup> *Id.* at 25-34; penned by Associate Justice Michael P. Elbinias and concurred in by Associate Justices Rodrigo F. Lim, Jr. and Ruben C. Ayson.

<sup>3</sup> *Id.* at 36-38; penned by Associate Justice Rodrigo F. Lim, Jr. and concurred in by Associate Justices Leoncia R. Dimagiba and Angelita A. Gacutan.

***Factual Antecedents***

Petitioner Libcap Marketing Corporation (Libcap) is engaged in the freight forwarding business with offices in Iloilo City. Petitioner Johanna J. Celiz (Celiz) is Libcap's Human Resources Division Head, and petitioner Ma. Lucia G. Mondragon is Libcap's Vice-President for Administration.

Respondent Lanny Jean B. Baquial was employed by Libcap on October 12, 1999 as accounting clerk for Libcap's Super Express branch in Cagayan de Oro City. Her functions included depositing Libcap's daily sales and collections in Libcap's bank account with Global Bank (now PSBank). She was paid a monthly salary of ₱4,600.00, and was required to work from 8:00 a.m. to 6:30 p.m. six days each week without additional compensation and/or overtime pay. From her salary each payday, an amount of ₱200.00 was deducted by way of cash bond.<sup>4</sup>

Sometime in March 2003, an audit of Libcap's Super Express branch in Cagayan de Oro City was conducted, and the resulting audit report<sup>5</sup> showed that respondent made a double reporting of a single deposit made on April 2, 2001. In other words, a single April 2, 2001 bank deposit of ₱1,437.00 was used to cover or account for two days' sales of apparently identical amounts, covering the undeposited collection for March 19, 2001 and current sales for March 31, 2001.

In a March 28, 2003 letter, Celiz required respondent to explain in writing within 24 hours why the cash sales of ₱1,437.00 each for March 31, 2001 and April 1, 2001 – as reported in the daily collection reports – were covered by a single April 2, 2001 validated bank deposit slip for only ₱1,437.00.<sup>6</sup>

In an April 1, 2003 written reply,<sup>7</sup> respondent claimed that on April 2, 2001, she deposited with the bank two separate amounts of ₱1,437.00 each, but that it appears that both separate deposits were covered by a single bank validation, which defect should not be blamed on her but on the bank.<sup>8</sup> Respondent then forwarded to Libcap's head office two bank deposit slips to show that she deposited two amounts of ₱1,437.00 each on April 2, 2001 with Global Bank.<sup>9</sup>

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<sup>4</sup> Id. at 79-80.

<sup>5</sup> Id. at 52-53.

<sup>6</sup> Id. at 26. Apparently, there is a conflict regarding the dates for which the deposit slip for ₱1,437.00 was used to cover apparent sales. While the audit report points to March 19 and 31, 2001, Celiz's March 28, 2003 letter claims that the deposit slip was used to cover sales for March 31 and April 1, 2001. Nonetheless, the conclusion that is necessarily arrived at is that there is failure to deposit Libcap's daily sales collections for one day.

<sup>7</sup> Id. at 26.

<sup>8</sup> Id. at 81.

<sup>9</sup> Id. at 42, 81.

Libcap discovered that only one ₱1,437.00 deposit was made on April 2, 2001. On verification with PSBank, its branch head confirmed in an August 7, 2003 letter that only a single deposit of ₱1,437.00 was posted on April 2, 2001, and that there was no misposting or deposits to other accounts of the same amount made on such date.<sup>10</sup> The two bank deposit slips forwarded by respondent revealed that only one of them was validated by the bank.<sup>11</sup> Libcap's bank account passbook showed that only one deposit for ₱1,437.00 was made on April 2, 2001.<sup>12</sup> Finally, Libcap's Global Bank bank statement covering April 1–30, 2001 showed that only one cash deposit of ₱1,437.00 was made on April 2, 2001.<sup>13</sup>

Meanwhile, the amount of ₱1,437.00 was deducted from respondent's salary each payday on a staggered basis – or on April 30, June 15, and June 30, 2003, respectively.<sup>14</sup>

On July 26, 2003, respondent received a Notice of Administrative Investigation<sup>15</sup> requiring her to attend a July 28, 2003 investigation at Libcap's Iloilo office. Respondent was unable to attend due to lack of financial resources.<sup>16</sup>

On July 28, 2003, respondent received a 2nd Notice of Administrative Investigation<sup>17</sup> requiring her to attend an August 4, 2003 investigation in Iloilo City. Again, respondent failed to attend.

Respondent was placed on preventive suspension from July 29, 2003 to August 12, 2003.<sup>18</sup>

Respondent sent petitioners an August 6, 2003 written explanation.<sup>19</sup>

On August 16, 2003, respondent received a Notice of Termination<sup>20</sup> dated August 9, 2003, stating that she was terminated from employment effective August 12, 2003 for dishonesty, embezzlement, inefficiency, and for commission of acts inconsistent with Libcap's work standards.

Respondent filed a labor complaint for illegal dismissal against petitioners,

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<sup>10</sup> Id. at 57.

<sup>11</sup> Id. at 42.

<sup>12</sup> Id. at 54-55.

<sup>13</sup> Id. at 56.

<sup>14</sup> Id. at 29, 81.

<sup>15</sup> Id. at 58.

<sup>16</sup> Id. at 29.

<sup>17</sup> Id. at 59.

<sup>18</sup> Id. at 82.

<sup>19</sup> Id. at 62, 108.

<sup>20</sup> Id. at 63.

which was docketed in the National Labor Relations Commission, Regional Arbitration Branch No. X, Cagayan de Oro City as NLRC Case No. RAB-10-08-00586-2003.

### ***Ruling of the Labor Arbiter***

On January 20, 2006, Labor Arbiter Joselito B. de Leon issued his Decision<sup>21</sup> in NLRC Case No. RAB-10-08-00586-2003, which decreed as follows:

WHEREFORE, in view of the foregoing premises, this Office holds that the dismissal, under the cited jurisprudence is ineffectual. Respondents LIBCAP Marketing Corp. and Johanna J. Celiz, HRD Head and Ma. Lucia G. Mondragon, EVP for Administration are jointly and severally ordered to pay the complainant, Lanny Jean Baquial, her backwages from August 12, 2003 to November 30, 2005 in the sum of ₱127,911.04 computed as follows:

1) From August 12-15, 2003:

₱4,600/mo./26.08/mo. = ₱176.38/day

₱176.38/day x 4 days = ₱705.52

2) From August 16, 2003 to November 30, 2005 – (27.5) mos.

₱4,600.00/mo. x 27.5 mos. = ₱127,205.52

Total..... ₱127,911.04

The other money claims are denied for lack of legal and factual basis.

SO ORDERED.<sup>22</sup>

In effect, the Labor Arbiter held that respondent was dismissed for just cause, but the dismissal was ineffectual as she was deprived of procedural due process; it was error for Libcap to schedule the July 28, 2003 investigation at its Iloilo office when it could very well have held it in Cagayan de Oro City. In other words, conducting the hearing in Iloilo City was tantamount to depriving respondent's day in court, because she did not have the financial resources to go to Iloilo City.

In awarding backwages, the Labor Arbiter relied on the ruling in *Serrano v. National Labor Relations Commission*,<sup>23</sup> which held that an employee dismissed for just cause but without notice need not be reinstated, but must be paid backwages from the time of termination until it is determined that his termination

<sup>21</sup> Id. at 79-88.

<sup>22</sup> Id. at 87-88.

<sup>23</sup> 380 Phil. 416 (2000).

was for a just cause.

### ***Ruling of the National Labor Relations Commission (NLRC)***

Both petitioners and respondent appealed to the NLRC, where the case was docketed as NLRC CA No. M-008999-2006.

On January 29, 2007, the NLRC rendered a Resolution<sup>24</sup> dismissing the parties' respective appeals, thus:

WHEREFORE, in the light of the foregoing, both appeals are hereby DISMISSED. The assailed decision of the Labor Arbiter is hereby AFFIRMED *in toto*.

SO ORDERED.<sup>25</sup>

In a second Resolution<sup>26</sup> dated May 31, 2007, petitioners' Motion for Reconsideration<sup>27</sup> was denied.

The NLRC affirmed the Labor Arbiter's finding that respondent was deprived of due process when she was required to attend hearings in Iloilo City when she had limited financial resources, and given the fact that at the time, she had just given birth to her first-born child; petitioners, for humanitarian considerations, could have scheduled the hearings in Cagayan de Oro City instead. Furthermore, it held that the case cited and relied upon by petitioners – *Agabon v. National Labor Relations Commission*,<sup>28</sup> which provided for the payment of nominal damages in lieu of backwages in case of dismissal where the employer fails to comply with the requirements of due process – could not be applied as it was promulgated only on November 17, 2004, while respondent's Amended Complaint in NLRC Case No. RAB-10-08-00586-2003 was filed on September 1, 2003 or while the *Serrano* doctrine was not yet in effect.

### ***Ruling of the Court of Appeals***

In a Petition for *Certiorari* filed with the CA and therein docketed as CA-G.R. SP No. 01794, petitioners sought to nullify the Resolutions of the NLRC, arguing that the latter committed grave abuse of discretion and gross error in

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<sup>24</sup> *Rollo*, pp. 90-93; penned by Presiding Commissioner Salic B. Dumarpa and concurred in by Commissioners Proculo T. Sarmen and Jovito C. Cagaanan.

<sup>25</sup> *Id.* at 92.

<sup>26</sup> *Id.* at 110-111; penned by Presiding Commissioner Salic B. Dumarpa and concurred in by Commissioner Proculo T. Sarmen.

<sup>27</sup> *Id.* at 94-103.

<sup>28</sup> 485 Phil. 248 (2004).

declaring that respondent's right to due process was violated and in applying the *Serrano* case, instead of the doctrine in *Agabon*.

On April 22, 2009, the CA issued the assailed Decision which contained the following decretal portion:

WHEREFORE, the assailed Resolution of the National Labor Relations Commission dated January 29, 2007 is AFFIRMED, with the MODIFICATION that the award of backwages is deleted. Petitioners are ordered to pay private respondent nominal damages in the amount of ₱100,000.00.

SO ORDERED.<sup>29</sup>

The CA upheld the labor tribunals' findings that while there was just cause to dismiss respondent for dishonesty and embezzlement, petitioners failed to comply with procedural due process in effecting her dismissal. It held that in requiring respondent to attend the scheduled hearing and investigation in Iloilo City, "petitioners were callous of private respondent's difficulties, considering that not only would she have had to go to Iloilo City for the purpose, but that her having to do so would also have meant straining her financial resources. Thus, as a result of failing to appear in the investigation, private respondent was unable to confront her accusers face to face, and to rebut the evidence relied upon by petitioners in dismissing her."<sup>30</sup>

The CA held further that while the *Agabon* case, instead of the *Serrano* doctrine, should apply, respondent was nevertheless entitled to nominal damages in the amount of ₱100,000.00 considering that she was required to work beyond her scheduled or assigned hours of work without overtime pay, from date of hiring until she was terminated on August 12, 2003 – or for a period of four years.

Petitioners filed a Motion for Reconsideration,<sup>31</sup> but the CA denied the same in its March 24, 2010 Resolution. Hence, the instant Petition.

### Issues

Petitioners submit the following issues for the Court's resolution:

#### I

THE COURT OF APPEALS ERRED WHEN IT RULED THAT THERE WAS NON-COMPLIANCE WITH THE PROCEDURAL DUE PROCESS REQUIREMENT WHEN THE RECORDS SHOW THAT THE

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<sup>29</sup> *Rollo*, pp. 33-34.

<sup>30</sup> *Id.* at 30.

<sup>31</sup> *Id.* at 112-119.

RESPONDENT WAS GIVEN FULL OPPORTUNITY TO EXPLAIN THE CHARGES AGAINST HER.

## II

THE COURT OF APPEALS ERRED WHEN IT AWARDED RESPONDENT THE AMOUNT OF ₱100,000.00 ABSENT ANY JUSTIFIABLE, COMPELLING CIRCUMSTANCE TO DEPART FROM THE STANDARD ₱30,000.00 ESTABLISHED BY JURISPRUDENCE[.]<sup>32</sup>

### *Petitioners' Arguments*

In claiming that respondent's dismissal was valid, petitioners contend that a face-to-face confrontation between the employer and employee is not required in dismissal cases. They cite the pronouncement in *Perez v. Philippine Telegraph and Telephone Company*,<sup>33</sup> which states that "the employer may provide an employee with ample opportunity to be heard and defend himself with the assistance of a representative or counsel in ways other than a formal hearing. The employee can be fully afforded a chance to respond to the charges against him, adduce his evidence or rebut the evidence against him through a wide array of methods, verbal or written,"<sup>34</sup> and that –

In sum, the following are the guiding principles in connection with the hearing requirement in dismissal cases:

(a) "ample opportunity to be heard" means any meaningful opportunity (verbal or written) given to the employee to answer the charges against him and submit evidence in support of his defense, whether in a hearing, conference or some other fair, just and reasonable way.

(b) a formal hearing or conference becomes mandatory only when requested by the employee in writing or substantial evidentiary disputes exist or a company rule or practice requires it, or when similar circumstances justify it.

(c) the "ample opportunity to be heard" standard in the Labor Code prevails over the "hearing or conference" requirement in the implementing rules and regulations.<sup>35</sup>

Petitioners contend that so long as respondent was given the opportunity to be heard, which in fact she was afforded, then the twin-notice requirement is satisfied.

With regard to the award of nominal damages in the amount of ₱100,000.00, petitioners argue that the award is erroneous and respondent is not entitled to the same, given the nature and gravity of her offense. They cite the

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<sup>32</sup> Id. at 12.

<sup>33</sup> 602 Phil. 522 (2009).

<sup>34</sup> Id. at 541.

<sup>35</sup> Id. at 542.

ruling in *Philippine Airlines, Inc. v. National Labor Relations Commission*,<sup>36</sup> stating that if the reason for the valid dismissal is, for example, habitual intoxication or an offense involving moral turpitude, like theft, fraud, falsification or illicit sexual relations with a fellow worker, separation pay or financial assistance, or by whatever other name it is called, may not be allowed. They add that the CA's conclusions that respondent worked long hours without overtime pay is not supported by evidence; thus, it could not grant nominal damages greater than ₱30,000.00, which is the amount fixed by the Court in a host of cases.

Petitioners thus pray that the Court declare that due process was properly observed in the dismissal of respondent, and that the award of nominal damages be deleted. In the alternative, they pray that the amount of nominal damages be reduced from ₱100,000.00 to ₱30,000.00.

In addition, petitioners contend in their Reply<sup>37</sup> that respondent may no longer question the existence of just cause for her dismissal, as she did not raise the issue in an appropriate appeal or petition before the NLRC or the CA.

### ***Respondent's Arguments***

In her Comment,<sup>38</sup> apart from arguing the claim that she was denied due process, respondent insists that her dismissal was without just cause. In addition, she revives the Labor Arbiter's award of backwages, and makes a new claim for reinstatement with corresponding claims for refund of her cash bond, maternity leave benefits, moral damages, overtime pay and attorney's fees. All these claims are of course premised on the argument, resurrected at this stage of the proceedings, that respondent was illegally dismissed and thus forced to litigate to protect her rights and interests.

### **Our Ruling**

The Court denies the Petition.

At this juncture, it must be stated that respondent's failure to file an appropriate appeal or petition from the respective dispositions of the NLRC and the CA precludes her from questioning these dispositions at this stage. "The rule is clear that no modification of judgment could be granted to a party who did not appeal."<sup>39</sup> Thus, respondent's pleas for reinstatement and the payment of

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<sup>36</sup> 384 Phil. 828 (2000).

<sup>37</sup> *Rollo*, pp. 167-179.

<sup>38</sup> *Id.* at 127-153.

<sup>39</sup> *Loy, Jr. v. San Miguel Corporation Employees Union-Philippine Transport and General Workers Organization (SMCEU-PTGWO)*, G.R. No. 164886, November 24, 2009, 605 SCRA 212, 230.



backwages, cash bond, maternity leave benefits, moral damages, overtime pay, and attorney's fees may no longer be taken up.

The CA, the NLRC and the Labor Arbiter are correct in concluding that respondent was denied due process, but their reasons for arriving at such conclusion are erroneous. What they seem to have overlooked is that respondent's case has been pre-judged even prior to the start of the investigation on July 28, 2003. This is evident from the fact that the amount of ₱1,437.00 – or the amount which petitioners claim was embezzled – was peremptorily deducted each payday from respondent's salary on a staggered basis, culminating on June 30, 2003, or nearly one month prior to the scheduled investigation on July 28, 2003. In doing so, petitioners have made it clear that they considered respondent as the individual responsible for the embezzlement; thus, in petitioners' eyes, respondent was adjudged guilty even before she could be tried – the payroll deductions being her penalty and recompense.

By pre-judging respondent's case, petitioners clearly violated her right to due process from the very beginning, and from then on it could not be expected that she would obtain a fair resolution of her case. In a democratic system, the infliction of punishment before trial is fundamentally abhorred. What petitioners did was clearly illegal and improper.

While it is correct to conclude that there was valid cause for dismissal considering that respondent did not contest the NLRC or CA findings to such effect through an appropriate appeal or petition, the only issue that remains to be tackled is the correctness of the award of nominal damages.

Petitioners claim that respondent is not entitled to financial assistance given that she is guilty of theft or embezzlement. The law and jurisprudence, on the other hand, allow the award of nominal damages in favor of an employee in a case where a valid cause for dismissal exists but the employer fails to observe due process in dismissing the employee.<sup>40</sup> Financial assistance is granted as a measure of equity or social justice, and is in the nature or takes the place of severance compensation.<sup>41</sup>

On the other hand, nominal damages “may be awarded to a plaintiff whose

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<sup>40</sup> *De Jesus v. Aquino*, G.R. No. 164662, February 18, 2013, 691 SCRA 71, 89, citing *Culili v. Eastern Telecommunications Philippines, Inc.*, G.R. No. 165381, February 9, 2011, 642 SCRA 338, 366; *RTG Construction, Inc. v. Facto*, G.R. No. 163872, December 21, 2009, 608 SCRA 615, 623; *Coca-Cola Bottlers Philippines, Inc. v. Garcia*, 567 Phil. 342, 353-354 (2008); *Magro Placement and General Services v. Hernandez*, 553 Phil. 374, 384-385 (2007); *King of Kings Transport, Inc. v. Mamac*, 553 Phil. 108, 118-119 (2007).

<sup>41</sup> *Samahan ng mga Manggagawa sa Hyatt (SAMASAH-NUWHRAIN) v. Magsalin*, G.R. Nos. 164939 & 172303, June 6, 2011, 650 SCRA 445, 458; *Luna v. Allado Construction Co., Inc.*, G.R. No. 175251, May 30, 2011, 649 SCRA 262, 275-278.

right has been violated or invaded by the defendant, for the purpose of vindicating or recognizing that right, and not for indemnifying the plaintiff for any loss suffered by him. Its award is thus not for the purpose of indemnification for a loss but for the recognition and vindication of a right.”<sup>42</sup> The amount of nominal damages to be awarded the employee is addressed to the sound discretion of the court, taking into consideration the relevant circumstances.<sup>43</sup> Nevertheless, while the amount of damages is left to the discretion of the court, it has been held that –

Again, we stress that **though the Court is given the latitude to determine the amount of nominal damages to be awarded to an employee who was validly dismissed but whose due process rights were violated, a distinction should be made between a valid dismissal due to just causes under Article 282 of the Labor Code and those based on authorized causes, under Article 283.** The two causes for a valid dismissal were differentiated in the case of *Jaka Food Processing Corporation v. Pacot* where the Court held that:

**A dismissal for just cause under Article 282 implies that the employee concerned has committed, or is guilty of, some violation against the employer, i.e. the employee has committed some serious misconduct, is guilty of some fraud against the employer, or, as in *Agabon*, he has neglected his duties. Thus, it can be said that the employee himself initiated the dismissal process.**

**On another breath, a dismissal for an authorized cause under Article 283 does not necessarily imply delinquency or culpability on the part of the employee. Instead, the dismissal process is initiated by the employer’s exercise of his management prerogative, i.e. when the employer opts to install labor saving devices, when he decides to cease business operations or when, as in this case, he undertakes to implement a retrenchment program.**

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**Accordingly, it is wise to hold that: (1) if the dismissal is based on a just cause under Article 282 but the employer failed to comply with the notice requirement, the sanction to be imposed upon him should be tempered because the dismissal process was, in effect, initiated by an act imputable to the employee; and (2) if the dismissal is based on an authorized cause under Article 283 but the employer failed to comply with the notice requirement, the sanction should be stiffer because the dismissal process was initiated by the employer’s exercise of his management prerogative.**

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<sup>42</sup> *Fontana Resort and Country Club, Inc. v. Tan*, G.R. No. 154670, January 30, 2012, 664 SCRA 382, 399, citing *Almeda v. Cariño*, 443 Phil. 182, 191 (2003).

<sup>43</sup> *Dela Rosa v. Michaelmar Philippines, Inc.*, G.R. No. 182262, April 13, 2011, 648 SCRA 721, 733; *Galaxie Steel Workers Union (GSWU-NAFLU-KMU) v. National Labor Relations Commission*, 535 Phil. 675, 686 (2006).

Since in the case of *JAKA*, the employee was terminated for authorized causes as the employer was suffering from serious business losses, the Court fixed the indemnity at a higher amount of ₱50,000.00. In the case at bar, the cause for termination was abandonment, thus it is due to the employee's fault. It is equitable under these circumstances to order the petitioner company to pay nominal damages in the amount of ₱30,000.00, similar to the case of *Agabon*.

**We affirm the award of salary differentials, 13th month pay and holiday pay, awarded by the NLRC and the Court of Appeals. We note that although petitioner company had cause to terminate Madriaga, this has no bearing on the issue of award of salary differentials, holiday pay and 13th month pay because prior to his valid dismissal, he performed work as a regular employee of petitioner company, and he is entitled to the benefits provided under the law. Thus, in the case of *Agabon*, even while the Court found that the dismissal was for a just cause, the employee was still awarded his monetary claims.**

**An employee should be compensated for the work he has rendered in accordance with the minimum wage, and must be appropriately remunerated when he was suffered to work on a regular holiday during the time he was employed by the petitioner company. As regards the 13th month pay, an employee who was terminated at any time before the time for payment of the 13th month pay is entitled to this monetary benefit in proportion to the length of time he worked during the year, reckoned from the time he started working during the calendar year up to the time of his termination from the service.**

**As a general rule, one who pleads payment has the burden of proving it. Even where the employee must allege nonpayment, the general rule is that the burden rests on the employer to prove payment, rather than on the employee to prove nonpayment. 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 leave and other claims of workers have been paid — are not in the possession of the employee but in the custody and absolute control of the employer. Since in the case at bar petitioner company has not shown any proof of payment of the correct amount of salary, holiday pay and 13th month pay, we affirm the award of Madriaga's monetary claims.<sup>44</sup> (Emphases supplied)**

Prescinding from the foregoing, we find it necessary to reduce the amount of nominal damages the CA awarded from ₱100,000.00 to ₱30,000.00. We cannot subscribe to the CA's ratiocination that since respondent rendered overtime work for four years without receiving any overtime pay, she is entitled to ₱100,000.00 nominal damages. Nominal damages are awarded for the purpose of vindicating or recognizing a right and not for indemnifying a loss. Hence, the CA should have limited the justification of the award of nominal damages to petitioners' violation of respondent's right to due process in effecting her termination. It should not have considered the claimed unpaid overtime pay.

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<sup>44</sup> *Mantle Trading Services, Inc. v. National Labor Relations Commission*, G.R. No. 166705, July 28, 2009, 594 SCRA 180, 191-193, citing *JAKA Food Processing Corporation v. Pacot*, 494 Phil. 114, 120-121 (2005).

After all, the Labor Arbiter had already denied the same. Thus, it cannot be invoked again as a justification to increase the award of nominal damages.

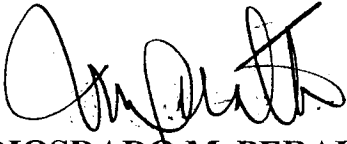
**WHEREFORE**, the Petition is **GRANTED IN PART**. The assailed April 22, 2009 Decision and March 24, 2010 Resolution of the Court of Appeals in CA-G.R. SP No. 01794 are **AFFIRMED** with **MODIFICATION** that the award of nominal damages is reduced to ₱30,000.00.

**SO ORDERED.**

  
**MARIANO C. DEL CASTILLO**  
*Associate Justice*

WE CONCUR:

  
**ARTURO D. BRION**  
*Associate Justice*  
*Acting Chairperson*

  
**DIOSDADO M. PERALTA**  
*Associate Justice*

  
**JOSE CATRAL MENDOZA**  
*Associate Justice*

  
**ESTELA M. PERLAS-BERNABE**  
*Associate Justice*

**ATTESTATION**

I attest 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.

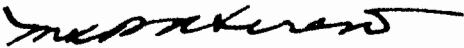


**ARTURO D. BRION**

*Associate Justice  
Acting Chairperson*

**CERTIFICATION**

Pursuant to Section 13, Article VIII of the Constitution and the Division Acting Chairperson's Attestation, 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.



**MARIA LOURDES P. A. SERENO**

*Chief Justice*

