

# Republic of the Philippines Supreme Court Manila

## FIRST DIVISION

Petitioners.

MAERSK-FILIPINAS CREWING, INC., A.P. MOLLER SINGAPORE PTE. LIMITED, and JESUS AGBAYANI, G.R. No. 207010

Present:

SERENO, C.J., Chairperson, LEONARDO-DE CASTRO, BERSAMIN, PEREZ, and PERLAS-BERNABE, JJ.

- versus -

# TORIBIO C. AVESTRUZ,<sup>\*</sup> Respondent.

Promulgated: FEB 1 8 2015

DECISION

**PERLAS-BERNABE**, *J*.:

Assailed in this petition for review on *certiorari*<sup>1</sup> are the Decision<sup>2</sup> dated January 4, 2013 and the Resolution<sup>3</sup> dated April 16, 2013 rendered by the Court of Appeals (CA) in CA-G.R. SP No. 125773 which reversed and set aside the Decision<sup>4</sup> dated April 26, 2012 and the Resolution<sup>5</sup> dated June 18, 2012 of the National Labor Relations Commission (NLRC) in NLRC NCR Case No. (M) 07-10704-11 [NLRC LAC No. (OFW-M)-01-000123-12] dismissing the illegal dismissal complaint filed by respondent Toribio C. Avestruz (Avestruz) and awarding him nominal damages.

Avertruz in some parts of the record.

*Rollo*, pp. 58-76.

<sup>&</sup>lt;sup>2</sup> Id. at 81-96. Penned by Associate Justice Celia C. Librea-Leagogo with Associate Justices Franchito N. Diamante and Melchor Quirino C. Sadang concurring.

<sup>&</sup>lt;sup>3</sup> Id. at 98-99. Penned by Associate Justice Celia C. Librea-Leagogo with Associate Justices Nina G. Antonio-Valenzuela and Melchor Q.C. Sadang concurring.

<sup>&</sup>lt;sup>4</sup> Id. at 25-32. Penned by Commissioner Dolores M. Peralta-Beley with Commissioner Mercedes R. Posada-Lacap concurring. Presiding Commissioner Leonardo L. Leonida was on leave.

<sup>&</sup>lt;sup>5</sup> Id. at 34-35. Penned by Commissioner Dolores M. Peralta-Beley with Presiding Commissioner Leonardo L. Leonida and Commissioner Mercedes R. Posada-Lacap concurring.

#### **The Facts**

On April 28, 2011, petitioner Maersk-Filipinas Crewing, Inc. (Maersk), on behalf of its foreign principal, petitioner A.P. Moller Singapore Pte. Ltd. (A.P. Moller), hired Avestruz as Chief Cook on board the vessel *M/V Nedlloyd Drake* for a period of six (6) months, with a basic monthly salary of US\$698.00.<sup>6</sup> Avestruz boarded the vessel on May 4, 2011.<sup>7</sup>

On June 22, 2011, in the course of the weekly inspection of the vessel's galley, Captain Charles C. Woodward (Captain Woodward) noticed that the cover of the garbage bin in the kitchen near the washing area was oily. As part of Avestruz's job was to ensure the cleanliness of the galley, Captain Woodward called Avestruz and asked him to stand near the garbage bin where the former took the latter's right hand and swiped it on the oily cover of the garbage bin, telling Avestruz to feel it. Shocked, Avestruz remarked, "Sir if you are looking for [dirt], you can find it[;] the ship is big. Tell us if you want to clean and we will clean it." Captain Woodward replied by shoving Avestruz's chest, to which the latter complained and said, "Don't touch me," causing an argument to ensue between them.<sup>8</sup>

Later that afternoon, Captain Woodward summoned and required<sup>9</sup> Avestruz to state in writing what transpired in the galley that morning. Avestruz complied and submitted his written statement<sup>10</sup> on that same day. Captain Woodward likewise asked Messman Jomilyn P. Kong (Kong) to submit his own written statement regarding the incident, to which the latter immediately complied. <sup>11</sup> On the very same day, Captain Woodward informed Avestruz that he would be dismissed from service and be disembarked in India. On July 3, 2011, Avestruz was disembarked in Colombo, Sri Lanka and arrived in the Philippines on July 4, 2011.<sup>12</sup>

Subsequently, he filed a complaint<sup>13</sup> for illegal dismissal, payment for the unexpired portion of his contract, damages, and attorney's fees against Maersk, A.P. Moller, and Jesus Agbayani (Agbayani), an officer<sup>14</sup> of Maersk.<sup>15</sup> He alleged that no investigation or hearing was conducted nor was he given the chance to defend himself before he was dismissed, and that Captain Woodward failed to observe the provisions under Section 17 of the Philippine Overseas Employment Administration (POEA) Standard Employment Contract (POEA-SEC) on disciplinary procedures. Also, he

<sup>&</sup>lt;sup>6</sup> See Contract of Employment dated May 3, 2011; id. at 181.

<sup>&</sup>lt;sup>7</sup> Id. at 63.

<sup>&</sup>lt;sup>8</sup> See undated Statement Concerning the Event in the Gallery of Avestruz; id. at 184. See also id. at 13, 26, and 82.

<sup>&</sup>lt;sup>9</sup> See undated Statement; id. at 183. See also id. at 82-83.

<sup>&</sup>lt;sup>10</sup> Id. at 184.

<sup>&</sup>lt;sup>11</sup> Id. at 83 and 185.

<sup>&</sup>lt;sup>12</sup> Id. at 83.

<sup>&</sup>lt;sup>13</sup> See Position Paper for the Complainant dated August 15, 2011; id. at 165-179.

<sup>&</sup>lt;sup>14</sup> Designated as Crewing Manager. See id. at 62 and 181.

<sup>&</sup>lt;sup>15</sup> Id. at 82.

averred that he was not given any notice stating the ground for his dismissal.<sup>16</sup> Additionally, he claimed that the cost of his airfare in the amount of US\$606.15 was deducted from his wages.<sup>17</sup> Furthermore, Avestruz prayed for the award of the following amounts: (*a*) US\$5,372.00 representing his basic wages, guaranteed overtime, and vacation leave; (*b*) on board allowance of US\$1,936.00; (*c*) ship maintenance bonus of US\$292.00; (*d*) hardship allowance of US\$8,760.00; (*e*) 300,000.00 as moral damages, (*f*) 200,000.00 as exemplary damages; and (*g*) attorney's fees of ten percent (10%) of the total monetary award.<sup>18</sup>

In their defense,<sup>19</sup> Maersk, A.P. Moller, and Agbayani (petitioners) claimed that during his stint on the vessel, Avestruz failed to attend to his tasks, specifically to maintain the cleanliness of the galley, which prompted Captain Woodward to issue weekly reminders.<sup>20</sup> Unfortunately, despite the reminders, Avestruz still failed to perform his duties properly.<sup>21</sup> On June 22, 2011, when again asked to comply with the aforesaid duty, Avestruz became angry and snapped, retorting that he did not have time to do all the tasks required of him. As a result, Captain Woodward initiated disciplinary proceedings and informed Avestruz during the hearing of the offenses he committed, *i.e.*, his repeated failure to follow directives pertaining to his duty to maintain the cleanliness of the galley, as well as his act of insulting an officer.<sup>22</sup> Thereafter, he was informed of his dismissal from service due to insubordination.<sup>23</sup> Relative thereto, Captain Woodward sent two (2) electronic mail messages<sup>24</sup> (e-mails) to Maersk explaining the decision to Avestruz's employment and requesting terminate for Avestruz's replacement. Avestruz was discharged from the vessel and arrived in the Philippines on July 4, 2011.<sup>25</sup>

Petitioners maintained that Avestruz was dismissed for a just and valid cause and is, therefore, not entitled to recover his salary for the unexpired portion of his contract.<sup>26</sup> They likewise claimed that they were justified in deducting his airfare from his salary, and that the latter was not entitled to moral and exemplary damages and attorney's fees.<sup>27</sup> Hence, they prayed that the complaint be dismissed for lack of merit.<sup>28</sup>

<sup>&</sup>lt;sup>16</sup> See id. at 83. <sup>17</sup> See id. at 16

<sup>&</sup>lt;sup>17</sup> See id. at 16.

<sup>&</sup>lt;sup>18</sup> Id. at 83.

 <sup>&</sup>lt;sup>19</sup> See Position Paper dated September 5, 2011; id. at 191-206.
<sup>20</sup> Id. at 194

 <sup>&</sup>lt;sup>20</sup> Id. at 194.
<sup>21</sup> Id.

<sup>&</sup>lt;sup>22</sup> Id. at 195.

<sup>&</sup>lt;sup>23</sup> Id.

<sup>&</sup>lt;sup>24</sup> Dated June 22, 2011. Id. at 163-164.

<sup>&</sup>lt;sup>25</sup> Id. at 195-196.

<sup>&</sup>lt;sup>26</sup> Id. at 200-202.

<sup>&</sup>lt;sup>27</sup> Id. at 204-205.

<sup>&</sup>lt;sup>28</sup> Id. at 205.

# The LA Ruling

In a Decision<sup>29</sup> dated November 29, 2011, the Labor Arbiter (LA) dismissed Avestruz's complaint for lack of merit. The LA found that he failed to perform his duty of maintaining cleanliness in the galley, and that he also repeatedly failed to obey the directives of his superior, which was tantamount to insubordination.<sup>30</sup> In support of its finding, the LA cited the Collective Bargaining Agreement <sup>31</sup> (CBA) between the parties which considers the act of insulting a superior officer by words or deed as an act of insubordination.<sup>32</sup>

Aggrieved, Avestruz appealed<sup>33</sup> to the NLRC.

# The NLRC Ruling

In a Decision<sup>34</sup> dated April 26, 2012, the NLRC sustained the validity of Avestruz's dismissal but found that petitioners failed to observe the procedures laid down in Section 17 of the POEA-SEC,<sup>35</sup> which states:

SECTION 17. DISCIPLINARY PROCEDURES.

The Master shall comply with the following disciplinary procedures against an erring seafarer:

- A. The Master shall furnish the seafarer with a **written notice** containing the following:
  - 1. **Grounds for the charges** as listed in Section 33 of this Contract or analogous act constituting the same.
  - 2. **Date, time and place for a formal investigation** of the charges against the seafarer concerned.
- B. The Master or his authorized representative shall conduct the investigation or hearing, giving the seafarer the opportunity to explain or defend himself against the charges. These procedures must be duly documented and entered into the ship's logbook.
- C. If after the investigation or hearing, the Master is convinced that imposition of a penalty is justified, the Master shall issue a written notice of penalty and the reasons for it to the seafarer, with copies furnished to the Philippine agent.

<sup>&</sup>lt;sup>29</sup> Id. at 12-23. Penned by Labor Arbiter Enrique L. Flores, Jr.

<sup>&</sup>lt;sup>30</sup> Id. at 22.

<sup>&</sup>lt;sup>31</sup> Id. at 130-154.

<sup>&</sup>lt;sup>32</sup> Id. at 152.

<sup>&</sup>lt;sup>33</sup> See Memorandum of Appeal dated December 29, 2011; id. at 259-269.

<sup>&</sup>lt;sup>34</sup> Id. at 25-32.

<sup>&</sup>lt;sup>35</sup> See id. at 30-31.

D. Dismissal for just cause may be effected by the Master without furnishing the seafarer with a notice of dismissal if there is a clear and existing danger to the safety of the crew or the vessel. The Master shall send a complete report to the manning agency substantiated by witnesses, testimonies and any other documents in support thereof. (Emphases supplied)

As the records are bereft of evidence showing compliance with the foregoing rules, the NLRC held petitioners jointly and severally liable to pay Avestruz the amount of 30,000.00 by way of nominal damages.<sup>36</sup>

Avestruz moved for reconsideration<sup>37</sup> of the aforesaid Decision, which was denied in the Resolution<sup>38</sup> dated June 18, 2012. Dissatisfied, he elevated the matter to the CA *via* petition for *certiorari*.<sup>39</sup>

#### The CA Ruling

In a Decision<sup>40</sup> dated January 4, 2013, the CA reversed and set aside the rulings of the NLRC and instead, found Avestruz to have been illegally dismissed. Consequently, it directed petitioners to pay him, jointly and severally, the full amount of his placement fee and deductions made, with interest at twelve percent (12%) per annum, as well as his salaries for the unexpired portion of his contract, and attorney's fees of ten percent (10%) of the total award. All other money claims were denied for lack of merit.<sup>41</sup>

In so ruling, the CA found that the conclusion of the NLRC, which affirmed that of the LA, that Avestruz was lawfully dismissed, was not supported by substantial evidence, there being no factual basis for the charge of insubordination which petitioners claimed was the ground for Avestruz's dismissal. It found that petitioners, as employers, were unable to discharge the burden of proof required of them to establish that Avestruz was guilty of insubordination, which necessitates the occurrence of two (2) conditions as a just cause for dismissal: (1) the employee's assailed conduct must have been willful, that is, characterized by a wrongful and perverse attitude; and (2) the order violated must have been reasonable, lawful, made known to the employee, and must pertain to the duties which he had been engaged to discharge. The CA found that, contrary to the rulings of the labor tribunals, there was no evidence on record to bolster petitioners' claims that Avestruz willfully failed to comply with his duties as Chief Cook and that he displayed a perverse and wrongful attitude.<sup>42</sup>

<sup>&</sup>lt;sup>36</sup> Id. at 31.

<sup>&</sup>lt;sup>37</sup> See Motion for Partial Reconsideration dated May 12, 2012; id. at 563-571.

<sup>&</sup>lt;sup>38</sup> Id. at 34-35.

<sup>&</sup>lt;sup>39</sup> Dated July 21, 2012. Id. at 338-364.

<sup>&</sup>lt;sup>40</sup> Id. at 81-96.

<sup>&</sup>lt;sup>41</sup> Id. at 93-94.

<sup>&</sup>lt;sup>42</sup> See id. at 88-90.

Moreover, it gave more credence to Avestruz's account of the incident in the galley on June 22, 2011, being supported in part by the statement<sup>43</sup> of Kong, who witnessed the incident. On the other hand, the e-mails sent by Captain Woodward to Maersk were uncorroborated. On this score, the CA observed the absence of any logbook entries to support petitioners' stance.<sup>44</sup>

Similarly, the CA found that petitioners failed to accord procedural due process to Avestruz, there being no compliance with the requirements of Section 17 of the POEA-SEC as above-quoted, or the "two-notice rule." It held that the statement<sup>45</sup> Captain Woodward issued to Avestruz neither contained the grounds for which he was being charged nor the date, time, and place for the conduct of a formal investigation. Likewise, Captain Woodward failed to give Avestruz any notice of penalty and the reasons for its imposition, with copies thereof furnished to the Philippine Agent.<sup>46</sup>

In arriving at the monetary awards given to Avestruz, the CA considered the provisions of Section 7 of Republic Act No. (RA) 10022,<sup>47</sup> amending RA 8042,<sup>48</sup> which grants upon the illegally dismissed overseas worker "the full reimbursement [of] his placement fee and the deductions made with interest at twelve percent (12%) per annum, plus his salaries for the unexpired portion of his employment contract." However, with respect to Avestruz's claims for overtime and leave pay, the same were denied for failure to show entitlement thereto. All other monetary claims were likewise denied in the absence of substantial evidence to prove the same. Finally, the CA awarded attorney's fees of ten percent (10%) of the total monetary award in accordance with Article 111<sup>49</sup> of the Labor Code.<sup>50</sup>

Petitioners moved for reconsideration,<sup>51</sup> which the CA denied in its Resolution<sup>52</sup> dated April 16, 2013, hence, this petition.

<sup>&</sup>lt;sup>43</sup> Id. at 185.

<sup>&</sup>lt;sup>44</sup> Id. at 89-90.

<sup>&</sup>lt;sup>45</sup> Id. at 183.

<sup>&</sup>lt;sup>46</sup> Id. at 90-92.

<sup>&</sup>lt;sup>47</sup> "AN ACT AMENDING REPUBLIC ACT NO. 8042, OTHERWISE KNOWN AS THE MIGRANT WORKERS AND OVERSEAS FILIPINOS ACT OF 1995, AS AMENDED, FURTHER IMPROVING THE STANDARD OF PROTECTION AND PROMOTION OF THE WELFARE OF MIGRANT WORKERS, THEIR FAMILIES AND OVERSEAS FILIPINOS IN DISTRESS, AND FOR OTHER PURPOSES" (July 27, 2009).

<sup>&</sup>lt;sup>48</sup> Entitled "AN ACT TO INSTITUTE THE POLICIES OF OVERSEAS EMPLOYMENT AND ESTABLISH A HIGHER STANDARD OF PROTECTION AND PROMOTION OF THE WELFARE OF MIGRANT WORKERS, THEIR FAMILIES AND OVERSEAS FILIPINOS IN DISTRESS, AND FOR OTHER PURPOSES" (June 7, 1995).

<sup>&</sup>lt;sup>49</sup> Art. 111. Attorney's fees.

<sup>1.</sup> In cases of unlawful withholding of wages, the culpable party may be assessed attorney's fees equivalent to ten percent of the amount of wages recovered.

<sup>2.</sup> It shall be unlawful for any person to demand or accept, in any judicial or administrative proceedings for the recovery of wages, attorney's fees which exceed ten percent of the amount of wages recovered.

<sup>&</sup>lt;sup>50</sup> *Rollo*, p. 93.

<sup>&</sup>lt;sup>51</sup> See Motion for Reconsideration dated January 23, 2013; id. at 573-579.

<sup>&</sup>lt;sup>52</sup> Id. at 98-99.

#### The Issue Before the Court

The sole issue advanced for the Court's resolution is whether or not the CA erred when it reversed and set aside the ruling of the NLRC finding that Avestruz was legally dismissed and accordingly, dismissing the complaint, albeit with payment of nominal damages for violation of procedural due process.

#### The Court's Ruling

The petition is devoid of merit.

Generally, a re-examination of factual findings cannot be done by the Court acting on a petition for review on *certiorari* because the Court is not a trier of facts but reviews only questions of law.<sup>53</sup> Thus, in petitions for review on *certiorari*, only questions of law may generally be put into issue. This rule, however, admits of certain exceptions.<sup>54</sup> In this case, considering that the factual findings of the LA and the NLRC, on the one hand, and the CA, on the other hand, are contradictory, the general rule that only legal issues may be raised in a petition for review on *certiorari* under Rule 45 of the Rules of Court does not apply,<sup>55</sup> and the Court retains the authority to pass upon the evidence presented and draw conclusions therefrom.<sup>56</sup>

It is well-settled that the burden of proving that the termination of an employee was for a just or authorized cause lies with the employer. If the employer fails to meet this burden, the conclusion would be that the dismissal was unjustified and, therefore, illegal.<sup>57</sup> In order to discharge this burden, the employer must present substantial evidence, which is defined as that amount of relevant evidence which a reasonable mind might accept as

<sup>&</sup>lt;sup>53</sup> Jao v. BCC Products Sales, Inc., G.R. No. 163700, April 18, 2012, 670 SCRA 38, 44.

<sup>&</sup>lt;sup>54</sup> In *New City Builders, Inc. v. NLRC*, 499 Phil. 207, 212-213 (2005), citing *The Insular Life Assurance Company, Ltd. v. CA*, G.R. No. 126850, April 28, 2004, 428 SCRA 79, 86, the Court recognized several exceptions to this rule, to wit: "(1) when the findings are grounded entirely on speculation, surmises or conjectures; (2) when the inference made is manifestly mistaken, absurd or impossible; (3) when there is grave abuse of discretion; (4) when the judgment is based on a misapprehension of facts; (5) **when the findings of facts are conflicting**; (6) when in making its findings the Court of Appeals went beyond the issues of the case, or its findings are contrary to the admissions of both the appellant and the appellee; (7) when the findings are contrary to the trial court; (8) when the findings are conclusions without citation of specific evidence on which they are based; (9) when the facts set forth in the petition as well as in the petitioner's main and reply briefs are not disputed by the respondent; (10) when the findings of fact are premised on the supposed absence of evidence and contradicted by the evidence on record; and (11) when the Court of Appeals manifestly overlooked certain relevant facts not disputed by the parties, which, if properly considered, would justify a different conclusion." (Emphasis supplied)

<sup>&</sup>lt;sup>55</sup> See *Atty. Uy v. Bueno*, 519 Phil. 601, 609 (2006).

See Mcmer Corporation, Inc. v. NLRC, G.R. No. 193421, June 4, 2014.

<sup>&</sup>lt;sup>57</sup> ALPS Transportation v. Rodriguez, G.R. No. 186732, June 13, 2013, 698 SCRA 423, 432, citing Nissan Motors Phils., Inc. v. Angelo, G.R. No. 164181, 14 September 2011, 657 SCRA 520, 532.

adequate to justify a conclusion, <sup>58</sup> and not based on mere surmises or conjectures.<sup>59</sup>

After a punctilious examination of the evidence on record, the Court finds that the CA did not err in reversing and setting aside the factual conclusions of the labor tribunals that Avestruz's dismissal was lawful. Instead, the Court finds that there was no just or valid cause for his dismissal, hence, he was illegally dismissed.

Petitioners maintain that Avestruz was dismissed on the ground of insubordination, consisting of his "repeated failure to obey his superior's order to maintain cleanliness in the galley of the vessel" as well as his act of "insulting a superior officer by words or deeds." <sup>60</sup> In support of this contention, petitioners presented as evidence the e-mails sent by Captain Woodward, both dated June 22, 2011, and time-stamped 10:07 a.m. and 11:40 a.m., respectively, which they claim chronicled the relevant circumstances that eventually led to Avestruz's dismissal.

The Court, however, finds these e-mails to be uncorroborated and self-serving, and therefore, do not satisfy the requirement of substantial evidence as would sufficiently discharge the burden of proving that Avestruz was legally dismissed. On the contrary, petitioners failed to prove that he committed acts of insubordination which would warrant his dismissal.

Insubordination, as a just cause for the dismissal of an employee, necessitates the concurrence of at least two requisites: (1) the employee's assailed conduct must have been willful, that is, characterized by a wrongful and perverse attitude; and (2) the order violated must have been reasonable, lawful, made known to the employee, and must pertain to the duties which he had been engaged to discharge.<sup>61</sup>

In this case, the contents of Captain Woodward's e-mails do not establish that Avestruz's conduct had been willful, or characterized by a wrongful and perverse attitude. The Court concurs with the CA's observation that Avestruz's statement<sup>62</sup> regarding the incident in the galley deserves more credence, being corroborated<sup>63</sup> by Kong, a messman who witnessed the same.

<sup>&</sup>lt;sup>58</sup> See *Skippers United Pacific, Inc. v. NLRC*, 527 Phil. 248, 257 (2006).

<sup>&</sup>lt;sup>59</sup> See ALPS Transportation v. Rodriguez, supra note 57.

<sup>&</sup>lt;sup>60</sup> *Rollo*, p. 71.

<sup>&</sup>lt;sup>61</sup> Grandteq Industrial Steel Products, Inc. v. Estrella, G.R. No. 192416, March 23, 2011, 646 SCRA 391, 400.

<sup>&</sup>lt;sup>62</sup> *Rollo*, p. 184.

<sup>&</sup>lt;sup>63</sup> Id. at 185.

Conversely, apart from Captain Woodward's e-mails, no other evidence was presented by the petitioners to support their claims. While rules of evidence are not strictly observed in proceedings before administrative bodies,<sup>64</sup> petitioners should have offered additional proof to corroborate the statements<sup>65</sup> described therein. Thus, in *Ranises v. NLRC*<sup>66</sup> which involved a seafarer who was repatriated to the Philippines for allegedly committing illegal acts amounting to a breach of trust, as based on a telex dispatch by the Master of the vessel, the Court impugned and eventually vetoed the credence given by the NLRC upon the telex, to wit:

Unfortunately, the veracity of the allegations contained in the aforecited telex was never proven by respondent employer. Neither was it shown that respondent employer exerted any effort to even verify the truthfulness of Capt. Sonoda's report and establish petitioner's culpability for his alleged illegal acts. Worse, no other evidence was submitted to corroborate the charges against petitioner.<sup>67</sup>

Likewise, in *Skippers United Pacific, Inc. v. NLRC*,<sup>68</sup> the Court ruled that the lone evidence offered by the employer to justify the seafarer's dismissal, *i.e.*, the telexed Chief Engineer's Report which contained the causes for said dismissal, did not suffice to discharge the onus required of the employer to show that the termination of an employee's service was valid.<sup>69</sup> The same doctrine was enunciated in *Pacific Maritime Services, Inc. v. Ranay*,<sup>70</sup> where the Court held that the telefax transmission purportedly executed and signed by a person on board the vessel is insufficient evidence to prove the commission of the acts constituting the grounds for the dismissal of two seafarers, being uncorroborated evidence.<sup>71</sup>

As in this case, it was incumbent upon the petitioners to present other substantial evidence to bolster their claim that Avestruz committed acts that constitute insubordination as would warrant his dismissal. At the least, they could have offered in evidence entries in the ship's official logbook showing the infractions or acts of insubordination purportedly committed by Avestruz, the ship's logbook being the official repository of the day-to-day transactions and occurrences on board the vessel.<sup>72</sup> Having failed to do so, their position that Avestruz was lawfully dismissed cannot be sustained.

Similarly, the Court affirms the finding of the CA that Avestruz was not accorded procedural due process, there being no compliance with the

<sup>&</sup>lt;sup>64</sup> See *PLDT Company, Inc. v. Tiamson*, 511 Phil. 384, 398 (2005).

<sup>&</sup>lt;sup>65</sup> *Rollo*, pp. 184-185.

<sup>&</sup>lt;sup>66</sup> 330 Phil. 936 (1996).

<sup>&</sup>lt;sup>67</sup> Id. at 945.

 <sup>&</sup>lt;sup>68</sup> Supra note 58.
<sup>69</sup> See id. at 254,263: cita

 <sup>&</sup>lt;sup>69</sup> See id. at 254-263; citations omitted.
<sup>70</sup> 341 Phil 716 (1997)

 <sup>&</sup>lt;sup>70</sup> 341 Phil. 716 (1997).
<sup>71</sup> See id. at 722-723

<sup>&</sup>lt;sup>71</sup> See id. at 722-723.

<sup>&</sup>lt;sup>72</sup> See *Fil-Pride Shipping Co., Inc. v. NLRC*, G.R. No. 97068, March 5, 1993, 219 SCRA 576, 581-583.

# provisions of Section 17 of the POEA-SEC as above-cited, which requires the "two-notice rule." As explained in *Skippers Pacific, Inc. v. Mira*:<sup>73</sup>

An erring seaman is given a written notice of the charge against him and is afforded an opportunity to explain or defend himself. Should sanctions be imposed, then a written notice of penalty and the reasons for it shall be furnished the erring seafarer. It is only in the exceptional case of clear and existing danger to the safety of the crew or vessel that the required notices are dispensed with; but just the same, a complete report should be sent to the manning agency, supported by substantial evidence of the findings.<sup>74</sup>

In this case, there is dearth of evidence to show that Avestruz had been given a written notice of the charge against him, or that he was given the opportunity to explain or defend himself. The statement<sup>75</sup> given by Captain Woodward requiring him to explain in writing the events that transpired at the galley in the morning of June 22, 2011 hardly qualifies as a written notice of the charge against him, nor was it an opportunity for Avestruz to explain or defend himself. While Captain Woodward claimed in his e-mail<sup>76</sup> that he conducted a "disciplinary hearing" informing Avestruz of his inefficiency, no evidence was presented to support the same.

Neither was Avestruz given a written notice of penalty and the reasons for its imposition. Instead, Captain Woodward verbally informed him that he was dismissed from service and would be disembarked from the vessel. It bears stressing that only in the exceptional case of *clear and existing danger* to the safety of the crew or vessel that the required notices may be dispensed with, and, once again, records are bereft of evidence showing that such was the situation when Avestruz was dismissed.

Finally, with respect to the monetary awards given to Avestruz, the Court finds the same to be in consonance with Section 10 of RA 8042, as amended by RA 10022, which reads:

Section 10. Money claims. -x x x.

хххх

In case of termination of overseas employment without just, valid or authorized cause as defined by law or contract, or any unauthorized deductions from the migrant worker's salary, the worker shall be entitled to the full reimbursement of his placement fee and the deductions made with interest at twelve percent (12%) per annum, plus his salaries for the

<sup>&</sup>lt;sup>73</sup> 440 Phil. 906 (2002).

<sup>&</sup>lt;sup>74</sup> Id. at 919.

<sup>&</sup>lt;sup>75</sup> *Rollo*, p. 183.

<sup>&</sup>lt;sup>76</sup> Id. at 163.

unexpired portion of his employment contract or for three (3) months for every year of the unexpired term, whichever is less.<sup>76</sup>

Similarly, the Court affirms the grant of attorney's fees of ten percent (10%) of the total award. All other monetary awards are denied for lack of merit.

WHEREFORE, the petition is **DENIED**. The Decision dated January 4, 2013 and the Resolution dated April 16, 2013 rendered by the Court of Appeals in CA-G.R. SP No. 125773 are hereby AFFIRMED.

SO ORDERED.

ESTELA M. PERLAS-BERNABE Associate Justice

WE CONCUR:

merakus

MARIA LOURDES P.A. SERENO Chief Justice Chairperson

Deresita Lunardo de Castio TERESITA J. LEONARDO-DE CASTRO Associate Justice

ssociate

GAL BEREZ JO Associate Justice

<sup>&</sup>lt;sup>76</sup> The Court declared as unconstitutional the clause "or for three months for every year of the unexpired term, whichever is less" provided in the 5<sup>th</sup> paragraph of Section 10 of RA 8042, for being violative of the equal protection clause of the Constitution (Serrano v. Gallant Maritime Services, Inc., 601 Phil. 245, 306 [2009].

.

## CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, 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.

mapakeres

MARIA LOURDES P.A. SERENO Chief Justice