Republic of the Philippines
Supreme Court
Manila

SECOND DIVISION

GERARDO G. SERMONA, EDIN G. CARIOLA, LOLITA G. BARTOLO, JESIL R. SERMONA, CHARLES CARIOLA, REMEDIOS G. GARSON, ANDERSON P. GARCE, EPIFANIA P. GARCE, JERRY MOHELLO, BENJIE MOHELLO, SUNNY L. ESTORCO, AIDA V. GARSON, JOSAN G. GARSON, JEREMIAS ESTACION, FEBIE C. ESTACION, JULITA C. PABORADA, CONRADO PABORADA, JUANITO L. GRAPA, NARDIO R. CAROLA, BOBOY F. GARIE, JAREY P. CAROLA, AILEEN P. GARIE, LETECIA P. GARIE, MERCY P. GARIE, CRISTITA P. MOHELLO, PATRING MOHELLO, MARIVIC MOHELLO, EMILY M. FLORES, AILYN G. VILLERES, GLINI G. GARSON, JAMESON P. CAMEON, CRISPIN G. SARSUELO, MESALYN G. SARSUELO, AURELIA C. GRAPA, JOEVANIE PABORADA, GEROME G. DENIEGA, ANECITA M. TUANDA, ANA MARIE L. RAFAEL, JOSEFINA M. MABIT, JOCELYN C. ESTACION, JOSA GARSON, GEROM GARSON, RUFINA ESTACION, THELMA ELISTERIO, ENGRACIO C. MABIT, and MERCY G. CAMEON/NATIONAL FEDERATION OF SUGAR WORKERS-FOOD AND GENERAL TRADES,

Petitioners,

G.R. No. 205524

Present:

LEONEN, *J.*, *Chairperson*,
LAZARO-JAVIER,
LOPEZ, M.,
LOPEZ, J., and
KHO, JR., *JJ.*[*]

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[*] On leave.

-versus-

HACIENDA LUMBOY/MANUEL L. UY,
Respondents.

Promulgated:
JAN 18 2023

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DECISION

LEONEN, *J.*:

This involves an illegal dismissal case where new evidence was presented in a motion for reconsideration before the Court of Appeals tending to disprove the findings of the National Labor Relations Commission and the Court of Appeals. This case was initiated in 2005.

Before this Court is a Petition for Review under Rule 45 of the Rules of Court praying for the reversal of the Court of Appeals Decision dated August 16, 2012[1] and Resolution dated December 5, 2012,[2] which upheld the Decision[3] of the National Labor Relations Commission, ruling that no employer-employee relationship exists between the parties.

The Petition was filed by Gerardo G. Sermona, Edin G. Cariola, Lolita G. Bartolo, Jesil R. Sermona, Charles Cariola, Remedios G. Garson, Anderson P. Garce, Epifania P. Garce, Jerry Mohello, Benjie Mohello, Sunny L. Estorco, Aida V. Garson, Josan G. Garson, Jeremias Estacion, Febie C. Estacion, Julita C. Paborada, Conrado Paborada, Juanito L. Grapa, Nardio R. Carola, Boboy F. Garie, Jarey P. Carola, Aileen P. Garie, Letecia P. Garie, Mercy P. Garie, Cristita P. Mohello, Patring Mohello, Marivic Mohello, Emily M. Flores, Ailyn G. Villeres, Glini G. Garson, Jameson P. Cameon, Crispin G. Sarsuelo, Mesalyn G. Sarsuelo, Aurelia C. Grapa, Joevanie Paborada, Gerome G. Deniega, Anecita M. Tuanda, Ana Marie L. Rafael, Josefina M. Mabit, Jocelyn C. Estacion, Josa Garson, Gerom Garson, Rufina Estacion, Thelma Elisterio, Engracio C. Mabit, and Mercy G. Cameon (collectively Sermona et al.).

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1 *Rollo*, pp. 400–414. The August 16, 2012 Decision was penned by Executive Justice Pampio A. Abarintos and concurred in by Associate Justices Gabriel T. Ingles and Melchor Q.C. Sadang of the Eighteenth Division, Court of Appeals, Cebu City.

2 *Id.* at 39–41. The December 5, 2012 Resolution was penned by Executive Justice Pampio A. Abarintos and concurred in by Associate Justices Ramon Paul L. Hernando (now a member of this Court) and Gabriel T. Ingles of the Special Eighteenth Division, Court of Appeals, Cebu City.

3 *Id.* at 320–335. The July 25, 2008 Decision was penned by Commissioner Oscar S. Uy and concurred in by Presiding Commissioner Violeta O. Bantug and Commissioner Aurelio D. Menzon.

Sermona et al. claimed to be laborers at Hacienda Lumboy hired on different dates by its owner Manuel L. Uy (Uy).[4] Hacienda Lumboy is allegedly a 30-hectare agricultural land located at Barangay Biao, Binalbagan, Negros Occidental, with around 60 workers and capitalization of less than PHP 3 million.[5] Sermona et al. claimed to have worked during the cultivation seasons[6] and milling seasons,[7] and were supposedly paid either on *pakyaw* rates ranging from PHP 25.00 to PHP 35.00 per sack for various works, or at the rate of PHP 60.00 per day for works such as *darami*, *saksak tubo*, *tadiong iras*, *hakot bato*, *kanal weeding*, *abono*, and *tanum*.[8] They insisted that Uy did not use payrolls, payslips, vouchers, or any other document showing their work accomplishment or their wages.[9]

Sermona et al. narrated that on different instances, they clamored for an increase in wage and benefits. Instead, they were told to look for other jobs and were no longer given work in the farm.[10] They later sought the help and became members of the National Federation of Sugar Workers-Food and General Trades (the Federation), with Gerundo Dago-ob (Dago-ob) as their coordinator.[11] They then sought a dialogue with Uy, but the latter allegedly told them that they were asking for too much and even challenged them to file a case before the Department of Labor and Employment.[12]

In October 2005, Sermona et al. and the Federation filed a case before the Department of Labor and Employment, seeking money claims and improved wages and benefits.[13]

In December 2005, they also filed a case for illegal dismissal before the National Labor Relations Commission, alleging that Uy terminated their employment because of their demands.[14]

The claims of Sermona et al. were supported by the Joint Affidavit dated June 6, 2006 of their alleged coworkers, Joaquin B. Estopido, Romulo P. Dagat, Ana Marie Estopido, and Esperanza Mission (Estopido Joint Affidavit),[15] who stated that they were long-standing workers at Hacienda Lumboy.[16] They claimed that they were contemporary workers of Sermona et al., and that they worked hand-in-hand with them during their

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4 *Id.* at 401.
5 *Id.* at 218–219.
6 *Id.* at 401. The cultivation season starts from November-December every crop year that extends up to October of the next crop year.
7 *Id.* The milling season starts from October every crop year and extends to March of the next crop year.
8 *Id.*
9 *Id.* at 221.
10 *Id.* at 401–402, 220.
11 *Id.* at 402, 222.
12 *Id.* at 222.
13 *Id.* at 402.
14 *Id.* at 401.
15 *Id.* at 251–254.
16 *Id.*

employment.[17] They alleged that Uy did not use payrolls or payslips, and that they were dismissed because they clamored for reasonable wages and benefits.[18] They recounted that they also sought help from the Federation, but they did not join Sermona et al. in their complaints before the Department of Labor and Employment and the National Labor Relations Commission.[19]

Meanwhile, Uy denied that Sermona et al. were his employees. He claimed that he was only a small planter who took possession over Hacienda Lumboy in 2004 from his brother, Juanito Uy.[20] He maintained that although he had been buying standing canes from fellow small planters since 1996, he only bought and sold scrap iron and surplus parts of trucks before engaging in sugarcane farming.[21] He claimed that the full extent of the hacienda was only 9.869 hectares.[22] He alleged that because of his limited capitalization, he maximized his labor force and thus only hired 10 workers, who supposedly earn wages beyond the minimum rates set under the law.[23]

He contended that he had been peacefully tilling the hacienda until September 2005, when Dago-ob organized the residents of Barangay Biao and convinced them to file a labor case against him.[24] Dago-ob allegedly made the residents sign an attendance sheet in a meeting, and later used the signatures as an attachment to the labor complaints filed against him.[25]

Uy maintained that Sermona et al. were not his employees, considering that 50 employees would be a surplusage for a 10-hectare parcel of land.[26] He presented payrolls to show that he only had a few employees, and showed certifications to prove that he had no production for the crop years 2001 to 2002 and 2002 to 2003.[27] Uy also presented a Joint Affidavit dated May 29, 2006 executed by those he recognized as his employees, namely Roberto Paculares, Mercy Paculares, Herman Paculares, Teresita Grapa, Estelita Mabit, Arnel Sermona, Roberto Hermogenes, Pedrito Grapa, Wilcita Tuanda, and Hermie Paculares (Paculares Joint Affidavit).[28] The Paculares Joint

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17 *Id.*
18 *Id.*
19 *Id.*
20 *Id.* at 160.
21 *Id.*
22 *Id.* at 161, 165.
23 *Id.* at 161.
24 *Id.*
25 *Id.*
26 *Id.* at 165.
27 *Id.* at 166.
28 *Id.* at 209–211. The Paculares Joint Affidavit states:
1. We personally know Manuel Uy, we being his laborers in the hacienda he is presently possessing in Brgy. Biao, Binalbagan, Negros Occidental.
2. We know for a fact that the said hacienda was a common property of the Uy's and there several persons who took turns in possessing the hacienda and the one who possessed the same immediately before Manuel Uy was his brother, Juanito Uy.
3. We started working in the said hacienda sometime in 2004 when Manuel Uy took over possession therefrom from his brother.
4. Manuel Uy started his operation with a 3 hectare cultivation of the hacienda which was later increased to 10 hectares, more or less, in 2005.
5. We were properly paid by Mr. Uy of our salaries and wages which is even above the minimum wage

Affidavit states that the affiants are Uy's only laborers in his hacienda beginning 2004 when the latter took over its possession from his brother, Juanito Uy.[29] They alleged that Uy initially cultivated only 3 hectares, then later increased it to 10 hectares in 2005.[30] They stated that it is very inequitable for Uy to employ 50 laborers for the size of the property.[31] They mentioned that they were properly paid their wages.[32] However, Dago-ob allegedly organized residents of Barangay Biao to join the Federation, and used the signatures of those who signed the attendance sheet to file a case aginst Uy before the Department of Labor and Employment.[33] Dago-ob allegedly promised them millions of pesos as award.[34] They claimed that they

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and we really have no problem with him as he is a very good employer like his brother.

6. Sometime in September, 2005, Gerundo Dago-ob, a labor leader of NFSW-FGT organized the residents in Brgy. Biao who are not working as laborers in the hacienda of Mr. Uy and other neighboring haciendas, including us, to join or affiliate with his labor organization.

7. He, then, set a meeting with us regarding labor matters and thereafter, listed all our names and requested us to sign in a piece of paper where our names were listed and told us that this is only an attendance sheet. We, however, did not sign the same as we were doubtful about intention of Mr. Dago-ob and it was only the first time we saw him.

8. We later discover that there are about 48 to 50 persons who attended the said meeting who were convinced by Mr. Dago-ob that their signatures appearing in the attendance sheet be used in filing a case against Manuel Uy before the Department of Labor. They were promises by Mr. Dago-ob millions of pesos as award for them in the labor case which they will be filing. Worse, we discovered that although we have not signed the attendance sheet, our names were included as party complainant by NFW-FGT in the case filed against Mr. Uy before the DOLE docketed as Case No. RO602-200510-CT-006;

9. We know the above facts since we were able to receive summon in the said case from DOLE.

10. We subsequently withdrew from the said case after learning of the same since we have not join nor authorized NSFW-FGT or Mr. Dago-ob to join us in his labor organization and file the said case against Manuel Uy.

11. We also learned that it is not only Manuel Uy who has been the victim of this modus operandi of NSFW-FGT but many other small planters such as Mr. Aguillon also of Brgy. Biao.

12. For the cultivation of Manuel Uy of about 10 hectares, more or less, we are the only laborers working therein from 2004 until the present and with the area of cultivation of Manuel Uy, it is very inequitable for him to employ about 50 laborers as the same would entail a cultivation of not less than 50 hectares according to our experience as laborers.

13. I, TERESITA GRAPA, personally know AURELIA GRAPA, one of the complainants in the case filed against Mr. Uy since she is my mother-in-law who is lives with us and is wholly dependent upon us for support. It is really impossible for her to have worked with Mr. Uy since she is already of old age and sickly.

14. I, ESTELITA MABIT, personally known JOSEPINA AND ENGRACIO MABIT since they are my parents. Both of them were already of age and sickly and can no longer sustain the rigors of work in the hacienda. Thus, they have not worked with Mr. Uy.

15. I, WILCITA TUANDA, personally know **Teresita Tuanda**, since she is my sister-in-law. She had not worked with Mr. Uy, otherwise, we would be together reporting for work if she had ever worked at the hacienda of Mr. Uy.

16. I, ARNEL SERMONA, personally know GERARDO SERMONA since he is my brother. He has not worked with Mr. Uy. We even have a heated argument regarding his involvement in the case filed by Mr. Dago-ob against Mr. Uy as I was convincing him not to join the same as he had not even worked with Mr. Uy but stubbornly joined with the false cause still.

17. I, ROBERTO HERMOGENES, was entrusted by Mr. Uy of his carabao. It was the only carabao owned by Mr. Uy. Our arrangement as to the income of the said carabao is that I will charge a lower rate to Mr. Uy whenever I am working in his hacienda using his carabao and if I use the carabao in other haciendas, I will be totally entitled to the income of the carabao. Moreover, we agreed that the first born of the said carabao shall belong to me and the succeeding ones to Mr. Uy.

18. We are not related to Mr. Manuel Uy either by consanguinity or affinity nor are we interested in the contents and purposes of this affidavit. We are only testifying on the truth which we personally know.

19. This affidavit was translated to us in Ilonggo, a dialect we know, speak and understand.

20. I am executing this affidavit in or to attest to the truthfulness of the foregoing fact.

[29] *Id.*
[30] *Id.*
[31] *Id.*
[32] *Id.*
[33] *Id.*
[34] *Id.*

did not sign the attendance sheet, but their names were still included by the Federation as party complainants.[35] When they learned of it, they withdrew from the case, stating that it was without their authorization.[36] They learned that the Federation also allegedly victimized other small planters in Barangay Biao, such as a certain Mr. Aguillon.[37]

Uy also presented the Affidavit of Nelida Titong (Titong) dated May 29, 2006,[38] which stated that she is a small planter in the Municipality of Binalbagan engaged in sugarcane farming since before 1999, with only three hectares of land.[39] She explained that she loans and sells her standing cane crops to private buyers for additional income, and Uy was one of her usual clients.[40] Titong clarified that Uy pays the purchase price of the sugarcane, while her laborers would cut and load it.[41] Uy allegedly just paid his laborers their charge per ton of sugarcane cut and loaded.[42] The standing canes that Uy bought were registered under his name but this was supposedly just his sideline.[43] Titong stated that she knew that from 1996 to 2003, Uy's main business was buying and selling scrap irons and second-hand or surplus truck parts.[44] She claimed that it was only in 2004—when Uy had a sugarcane plantation of his own—when he took over possession of their family's land from his brother, Juanito Uy.[45]

In its Decision dated July 25, 2007, the labor arbiter[46] held that Sermona et al. were illegally dismissed and ordered Uy to pay them separation pay of PHP 2,068,300.00 in lieu of reinstatement, as well as attorney's fees equivalent to 10% of their monetary award.[47]

The labor arbiter found that the testimonial evidence of Sermona et al. were sufficient to establish the existence of an employer-employee relationship.[48]

The labor arbiter did not give credence to the payrolls presented by Uy, holding that these were made to appear old, and that vital information such as the usual rate of pay, number of days worked, deductions, and net pay columns were not indicated.[49]

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35 *Id.*
36 *Id.*
37 *Id.*
38 *Id.* at 179–180.
39 *Id.*
40 *Id.*
41 *Id.*
42 *Id.*
43 *Id.*
44 *Id.*
45 *Id.*
46 *Id.* at 265–277. The Decision was penned by Labor Arbiter Catalino R. Laderas of the National labor Relations Commission, Regional Arbitration Branch No. VI, Bacolod City.
47 *Id.* at 274–277.
48 *Id.* at 272.
49 *Id.*

The labor arbiter concluded that Uy had failed to dispute the assertion of Sermona et al. that they were illegally dismissed.[50]

> WHEREFORE, premises on the foregoing considerations judgments is hereby rendered.
>
> 1. Declaring that complainants were illegally dismissed from their employment.
> 2. Ordering respondents to pay complainants their separation pay in lieu of reinstatement.
> 3. Ordering adjudged respondents to pay attorney's fees equivalent to ten (10%) percent of the total award.
>
> The computation unit of this Office is hereby directed to compute the monetary award of the complainant which forms part of this decision.
>
> The monetary claims of the complainants are referred back to the DOLE Office, Bacolod City for their resolution.
>
> Other claims are DISMISSED for lack of merit.
>
> SO ORDERED.[51]

Uy filed an appeal with a Motion for Reduction of Appeal Bond before the National Labor Relations Commission.[52]

The National Labor Relations Commission,[53] in its July 25, 2008 Decision, granted the reduction of the appeal bond and reversed the Decision of the labor arbiter.

The National Labor Relations Commission lent credence to Uy's payrolls and found that these showed that Sermona et al. were not Uy's employees.[54] It ruled that the payrolls were not invalidated even if these did not state the deductions of Social Security System contributions.[55] It also noted that the workers were paid on *pakyaw* basis.[56] It further found that the payrolls for workers' amelioration bonus submitted to the Department of Labor and Employment, Bacolod District Office did not include the names of Sermona et al. as Uy's employees.[57] It also lent credence to the Paculares Joint Affidavit, which supposedly confirmed Uy's allegations as to the number of his employees, the size of Hacienda Lumboy, and the actuations of Dago-ob.[58]

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50 *Id.* at 274.
51 *Id.* at 274–275.
52 *Id.* at 403.
53 *Id.* at 320–335.
54 *Id.* at 332.
55 *Id.*
56 *Id.*
57 *Id.*
58 *Id.* at 334.

The National Labor Relations Commission also affirmed that based on the land titles submitted by Uy, it was shown that he cultivated only 9.869 hectares of land, and the hiring of 46 workers would have been excessive.[59]

> WHEREFORE, premises considered, the decision of the Labor Arbiter is hereby ANNULLED and SET ASIDE. A NEW Decision is rendered declaring that complainants are not the hacienda workers of Manuel Uy.
>
> The grant of separation pay to complainants is hereby DELETED for lack of legal and factual basis.
>
> SO ORDERED.[60]

Sermona et al. filed a Petition for *Certiorari* before the Court of Appeals.[61]

In its Decision dated August 16, 2012,[62] the Court of Appeals upheld the National Labor Relations Commission's Decision. It found that the bare assertions of Sermona et al. were not sufficient to establish the existence of an employer-employee relationship.[63] It held that the lack of a particular information in the payrolls should not be a reason to doubt their credibility, considering that the employees were paid on a *pakyaw* basis intermittently during harvesting season.[64]

The Court of Appeals also held that Sermona et al.'s allegation that Uy owned 30 hectares of land is inconsistent with the evidence which showed that based on the Original Certificates of Title, Uy owns only 9.869 hectares of land.[65] It noted that there was no certification by the Land Registration Authority stating that Uy owns 30 hectares of property.[66]

The Court of Appeals also did not lend credence to the Estopido Joint Affidavit.[67] It found that while the affiants are not petitioners in the case, Uy still did not recognize them as employees.[68] Instead, the Court of Appeals lent credence to the Paculares Joint Affidavit, which was executed by the persons Uy recognizes as his employees, namely Roberto Paculares, Mercy Paculares, Herman Paculares, Teresita Grapa, Estelita Mabit, Arnel Sermona, Roberto

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59 *Id.*
60 *Id.* at 335.
61 *Id.* at 401.
62 *Id.* at 400–414.
63 *Id.* at 409.
64 *Id.* at 410.
65 *Id.*
66 *Id.*
67 *Id.* at 411.
68 *Id.* at 411, 251–254.

Hermogenes, Pedrito Grapa, Wilcita Tuanda, and Hermie Paculares.[69] The Court of Appeals ruled that they had the personal knowledge of the circumstances and would be in the best position to corroborate the facts.[70] It found that the Paculares Joint Affidavit solidified the argument that there was never any employer-employee relationship between Sermona et al. and Uy.[71]

Sermona et al. filed a Motion for Reconsideration dated September 27, 2012.[72] They insisted that they started working for Uy when he bought and sold sugarcanes in 1996.[73] They denied the allegation of Titong that Uy did not employ his own workers for it.[74] They further maintained that the affiants in the Paculares Joint Affidavit actually signed the labor complaint against Uy, and that there was no evidence that they withdrew from the case.[75] They argued that the said affiants would not have signed a labor complaint with other workers if they knew they were not their contemporaries.[76] They insisted that Uy used his moral ascendancy over them to make them sign the Paculares Joint Affidavit.[77]

They further pointed that while Uy insisted that he had only 10 workers, the Laborer's Payment Control Sheet and the Cash Bonus Special Payrolls revealed that he had 22 employees.[78] They reiterated that Uy did not have payrolls and what he presented were fabricated payrolls.[79]

They also insisted that Uy had at least 30 hectares of land because he managed to occupy the land of a certain Marciano Galvan by at least 24 hectares.[80] To support this claim, Sermona et al. presented the following documents:

(1) Order: Transfer of Homestead Rights issued by the Director of Lands on August 22, 1955 in favor of Marciano Galvan (Order of Transfer of Homestead Rights);[81]

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69 *Id.* at 411.
70 *Id.* at 413.
71 *Id.*
72 *Id.* at 42–58.
73 *Id.* at 49.
74 *Id.*
75 *Id.* at 50.
76 *Id.*
77 *Id.*
78 *Id.* at 51.
79 *Id.*
80 *Id.* at 54.
81 *Id.* at 61. The transfer to Marciano Galvan of the homestead rights acquired under the Homestead Application No. 142107 (E-57085) filed by Wenceslao Figueroa, the herein transferor, for a tract of land of 24.0000 hectares located in the barrio of Vorobina, municipality of Bilabagan, province of Negros Occidental is sought in an instrument of conditional transfer submitted in due form, in accordance with Section 20 of Commonwealth Act No. 141, as amended.

...

In view of the foregoing, the transfer of homestead rights of Wenceslao Figueroa acquired under the aforesaid application is hereby approved as recommended by the Director of Lands, and it is hereby ordered that the said application be recorded in the name of the transferee, Marciano Galvan, Filipino, of legal age, married to...

(2) Handwritten Statement of Editha Galvan-Sagun narrating that the mother of Manuel Uy, Lorrenza Dollosa, "land-grabbed" their property (Sagun's Handwritten Statement);[82]

(3) Tax Declaration of Real Property in the name of "Galvan, Marciano & Expectacion Deinada," for Lot No. H-142107, located in Brgy. Bi-ao, Binalbagan, Negros Occidental, with an area of 16 hectares (Tax Declaration);[83]

(4) Final Proof - Homestead, Testimony of Applicant, signed by Estrella G. Sagun dated April 26, 2001, for homestead entry no. 142107 (Testimony for Homestead Application);[84] and

(5) Official Receipts showing payment of application fee for homestead application for Lot 622 (Official Receipts).[85]

Sermona et al. also filed a Supplement to Motion for Reconsideration dated November 6, 2012, alleging that Rene Paculares, Teresita Grapa, and Roberto Paculares—all of whom Uy had admitted were his employees—had retracted their prior testimony and had executed Sworn Statements stating that Sermona et al. were the employees of Uy.[86] Teresita Grapa also denied signing

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82 *Id.* at 62–63.

83 *Id.* at 64.

84 *Id.* at 65–66

85 *Id.* at 67–69, 54.

86 *Id.* at 71–73, 88–90, 94–96. The separate Sworn Affidavits of Rene Paculares and Roberto Paculares, both dated October 26, 2012 state:

1. That my signing of this sworn statement was free and voluntary without any favor of whatever nature in return nor I have any pecuniary interest derived from this. All I desire in this sworn statement is to attest to the certainty and veracity of its contents to be true & correct of my personal knowledge and/or based on authentic documentary evidence or records;
2. That I was one of the regular workers of Manuel D. Uy during the period from 1996 up to 2005 in his sugar farm Hda. Lumboy at Brgy. Bi-ao, Binalbagan City, Neg. Occ. Moreover, I was among the pioneer-workers when Manuel D. Uy introduced sugar farming in said sugarfarm together with my next of kin/ relatives Roberto Paculares/Rene Paculares, Mercy Paculares, Herman Paculares & Hermie Paculares who were admitted by him to be his regular workers, including myself, among others;
3. That this Hda. Lumboy comprised of agricultural land Manuel D. Uy took over from his ancestors/parents/next of kin that measured about 16 hectares. In addition to this, he was able to possess and use for sugar production another adjacent agricultural land consisting of around 24 hectares, formerly public land, which we gathered came from the Galvan family. Thus, the total hectarage under his effective management was about 40 hectares and although I might not be a trained land surveyor, yet I can approximate the land area whereby I used to work and traverse considering the distances and fields we used to be accustomed being our workplace Hda. Lumboy;
4. That my co-workers then were not just my next of kin/relatives/family but a lot of others commensurate to the size of the said landholdings of Manuel D. Uy including those he admitted to be his workers and the following whom I personally knew and who worked with me in said Hda. Lumboy, namely:

1.	Gerardo Sermona	2.	Edin Cariola
3.	Lolit Bartolo	4.	Jesil Sermona
5.	Charles Cariola	6.	Remedios Garson
7.	Anderson Garce	8.	Epifania Garce
9.	Jerry Mohello	10.	Benjie Mohello
11.	Sunny Estorco	12.	Aida Garson
13.	Josan Garson	14.	Jeremias Estacion

any of the papers submitted by Uy since she could not write.[87]

The Court of Appeals issued a Resolution dated December 5, 2012 denying the Motion for Reconsideration of Sermona et al.[88] It held that the Motion merely rehashes their arguments in their Petition for *Certiorari* and that they were not able to prove the existence of an employer-employee relationship.[89]

15.	Febie Estacion	16.	Julita Paborada
17.	Conrado Paborada	18.	Juanito Paborada
19.	Juanito Grapa	20.	Nadio Carola
21.	Boboy Carie	22.	Jarey Carola
23.	Aileen Garie	24.	Letecia Garie
25.	Cristita Mohello	26.	Patring Mohello
27.	Marivic Mohello	28.	Emily Flores
29.	Ailyn Villeres	30.	Glini Garson
31.	Jameson Cameon	32.	Crispin Sarsuelo
33.	Mesalyn Sarsuelo	34.	Aurelia Grapa
35.	Joevanie Paborada	36.	Gerome Deniega
37.	Anecita Tuanda	38.	Ana Marie Rafael
39.	Josefina Mabit	40.	Jocelyn Estacion
41.	Josa Garson	42.	Gerom Garson
43.	Rufina Estacion	44.	Thelma Elisterio
45.	Engracia Mabit	46.	Mercy Cameon

5. That I do not profess to know every detail of all their length of service particularly when they each started working, except for a few. But I confirm that they all worked with Manuel D. Uy at his sugar farm Hda. Lumboy, Brgy. Bi-ao, Binalbagan City, Neg. Occ. and were dismissed by him sometime 2005 when they clamored for the correct wages under pertinent Wage Orders and statutory benefits under the Labor Code that led them to file their complaint before the Hon. Department of Labor & Employment, Bacolod City;

6. That I was not innocent of this fact that Manuel D. Uy denied that these co-workers of mine were also his workers. Subsequently I was bothered by my conscience & the pain that accompanied the stares my said co-workers led me to put into positive action my sympathy with them. Thus, now I stand steadfast with the truth that these persons named by me in paragraph 4 above were, in truth, were really all my co-workers at Hda. Lumboy, Bi-ao, Binalbagan City, Neg. Occ. who merely clamored for the correct wages under pertinent Wage Orders and statutory benefits under the Labor Code yet were not only unduly punished with dismissal from work but were robbed their correct wages and benefits under the law that already accrued in their favor. For one, their SSS, Philhealth & Pag-ibig benefits aside from wage differentials, 13th month pay and service incentive leave pay which were not all paid by Manuel D. Uy;

7. That the contents of this Affidavit was explained to me in my local dialect and I fully comprehended the same to my content and satisfaction;

8. That I am executing this sworn statement to attest to veracity of the facts above narrated to be true and correct of my own personal knowledge or based on authentic records.

87 *Id.* at 73, 92–93. Teresita Grapa's Sworn Affidavit dated October 26, 2012, contained the same contents as that of Rene Paculares and Roberto Paculares, but with the following additional paragraphs:

6. That I only affix my thumbmark to papers since I do not know how to write and was not able to go to school at all. As such, I did not sign any paper made by Manuel D. Uy. Although some of my co-workers signed the same who were informed by him that it was for the purpose of receiving their 3% Workers' Share under R.A. 809 which they readily signed without question considering that there was money in return in consideration thereof. However, it turned out that the same was surreptitiously used by Manuel Uy in his labor case against those mentioned in paragraph 4 above to lie about the fact that they were also his workers;

...

That what bothered my most, was that my co-workers were made to lie about my mother in law Aurelia Grapa saying that she did not also work with Mr. Manuel Uy. The truth of the matter was that she actually worked with us in the same Hda. Lumboy of Manuel D. Uy. However, after some late period she could no longer carry on with her work when age and sickness took the best of her. And their allegations that she was not working with Manuel Uy, would unjustly rob her of her wages and benefits under the law that already accrued in her favor such as, her SSS, Philhealth & Pag-ibig benefits aside from her wage differentials, 13th month pay and service incentive leave pay which were not all paid by Manuel D. Uy;

88 *Id.* at 39–41.

89 *Id.*

Hence, the present Petition.

Sermona et al. claim that that the Court of Appeals failed to appreciate their "latest obtained evidence" in their Motion for Reconsideration and Supplement to Motion for Reconsideration to prove that they are Uy's employees.[90] They argue that this Court may review the factual findings because the findings of fact of the Court of Appeals and the labor arbiter are contradictory. Likewise, they insist that the Court of Appeals committed grave abuse in the appreciation of facts and failed to notice certain relevant circumstances which, if properly considered, will supposedly justify a different conclusion.[91]

Sermona et al. reiterate that three individuals retracted their prior testimony and are now claiming that Sermona et al. were in fact employees of Uy.[92] They also insist that Uy's sugar farms have an area of 40 hectares because Uy and his family supposedly managed to occupy the 24-hectare land of Marciano Galvan.[93] This was allegedly evidenced by documents showing that the heirs of Marciano Galvan instituted a land-grabbing case against Uy before the Department of Environment and Natural Resources.[94]

Uy filed a Comment.[95] He argues that Sermona et al. are raising questions of fact which are not proper in a petition for review on *certiorari* under Rule 45 of the Rules of Court.[96] He also points out that Gerardo Sermona was not properly authorized to file this case before the Court as his Special Power of Attorney is defective and irregular.[97] He also questions the reliability of the retraction of the affidavit of Rene Paculares, Teresita Grapa, and Roberto Paculares. [98]

Sermona et al. filed a Reply. [99]

Thereafter, the parties were directed to submit their respective memoranda.

In their Memorandum,[100] Sermona et al. insist that they are employees of Uy, arguing that they would not have spent on travel expenses and filing fees to file their Complaints for money claims and illegal dismissal if they

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90 *Id.* at 10.
91 *Id.* at 11.
92 *Id.* at 22–23.
93 *Id.* at 25–29.
94 *Id.*
95 *Id.* at 422–430.
96 *Id.* at 423–424.
97 *Id.* at 425.
98 *Id.* at 427.
99 *Id.* at 436–454.
100 *Id.* at 488–516.

were not.[101] They claim that Uy, who had complete control over the circumstances, allegedly suppressed and fabricated evidence.[102]

Sermona et al. contend that they had no control over any documentary evidence that can prove they are employees, as they are "mere lowly and less educated sugar workers from Negros Occidental."[103] All they had were their testimonies, corroborated by the testimony of their coworkers.[104] Nonetheless, they maintain that Uy allegedly used forgery and deception to obtain his documentary evidence.[105]

They thus refer to the Sworn Statements of three of Uy's recognized employees: (1) Rene Paculares, (2) Teresita Grapa, and (3) Roberto Paculares (collectively, Sworn Statements).[106]

Sermona et al. point that in the Sworn Statements, the three affiants confirmed that Sermona et al. were their coworkers at Hacienda Lumboy, and Uy merely denied the fact.[107] The affiants allege that the reason for the dismissal of Sermona et al. is their clamor for correct wages under pertinent wage orders and statutory benefits in the Labor Code.[108] They also state that Uy's land area is 40 hectares because he was able to possess and use for sugar production an adjacent agricultural land consisting of around 24 hectares.[109] The affiants explain that they executed the Sworn Statements because they were bothered by their conscience.[110]

Teresita Grapa further denies signing the Paculares Joint Affidavit.[111] In her Sworn Statement, she alleges that she only thumbmarks documents because she does not know how to write and she was not able to go to school.[112] Teresita states:

> 6. That I only affix my thumbmark to papers since I do not know how to write and was not able to go to school at all. As such, I did not sign any paper made by Manuel D. Uy. Although some of my co-workers signed the same who were informed by him that it was for the purpose of receiving their 3% Workers' Share under R.A. 809 which they readily signed without question considering that there as money in return in consideration thereof. However, it turned out that the same was surreptitiously used by Manuel Uy in his labor case against those mentioned in paragraph 4 above to lie about

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101 *Id.* at 496.
102 *Id.*
103 *Id.* at 496–497.
104 *Id.*
105 *Id.* at 503.
106 *Id.* at 498.
107 *Id.* at 500–501.
108 *Id.* at 501.
109 *Id.* at 500–501.
110 *Id.* at 501.
111 *Id.* at 502.
112 *Id.* at 498.

the fact that they were also his workers.[113]

Sermona et al. also point that in the payrolls of Hacienda Lumboy, Teresita Grapa signed her name. This allegedly affirms their claim that Uy's payrolls were fabricated, made specifically for the illegal dismissal case to hide his actual workforce.[114] Thus, the payrolls do not show the usual rate of pay, the number of days worked, the deductions, the net pay columns, and the Social Security System deductions.[115]

Sermona et al. claim that they were able to prove that Uy's sugar production activities stretched to a total of 40 hectares through other documentary evidence.[116] They discuss the history of Hacienda Lumboy, which allegedly started as public land.[117] Uy took possession of Hacienda Lumboy from his mother, Lorenza Dollosa, who married Enrique Uy.[118] They admit that Uy's original landholdings consist of: (1) 4.8 hectares covered by Free Patent No. 633975 and (2) 4.9 hectares covered by Free Patent No. 63 3976.[119] However, Uy also allegedly occupied and used the 24-hectare land of Marciano Galvan for sugarcane production.[120]

They further allege that Uy started his sugarcane operations in 1996 and Sermona et al., who were the settlers at Hacienda Lumboy, were his first hired workers.[121] They claim that the employees Uy hired in 2000 were either workers he called to augment his small group of workers or relatives of pioneer workers who were called to fill the gap in Uy's pool of workers.[122]

They also point to the Estopido Joint Affidavit, alleging that the affiants are coworkers in the adjacent sugar lands of Montespina who attest that Sermona et al. worked for Uy's sugarlands.[123]

Uy filed his Memorandum.[124]

He argues that the Petition is raising questions of fact, which is not proper in a petition for review on *certiorari* under Rule 45 of the Rules of Court.[125] Uy maintains that the burden is on Sermona et al. to prove that their case falls within the exceptions. However, Sermona et al. never alleged any

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113 *Id.* at 502.
114 *Id.* at 499.
115 *Id.*
116 *Id.* at 503.
117 *Id.* at 504.
118 *Id.*
119 *Id.* at 504–505.
120 *Id.* at 505.
121 *Id.* at 507.
122 *Id.*
123 *Id.*
124 *Id.* at 462–482.
125 *Id.* at 468, 470.

exceptions that apply to their case.[126] Uy argues that the Court of Appeals' findings are entitled to great weight and respect, especially because it already considered questions of law and fact in the Petition for *Certiorari* under Rule 65.[127] Thus, only pure questions of law may be raised.[128]

Uy stresses that the National Labor Relations Commission and the Court of Appeals have already determined that Sermona et al. are not employees of Hacienda Lumboy.[129] However, instead of disproving this finding, Sermona et al. allegedly only point to the weakness of his defenses by improperly presenting new affidavits and documents at this very late stage.[130]

Uy further argues that the new evidence and affidavits are inadmissible at this stage in the proceedings.[131] He points that it should have been presented and proven in another remedy, such as a motion for new trial.[132] He argues that it is not proper in a petition for review on *certiorari* under Rule 45.[133]

Uy insists that the new evidence should also not be given any evidentiary weight.[134] He claims that the new evidence's authenticity, veracity, and due execution are highly questionable as he was not given an opportunity to examine or object to it.[135] Moreover, he points that this Court has held that retractions are unreliable and are easily obtained through intimidation or monetary consideration.[136]

He also points that the documents pertaining to the land-grabbing incident are mere photocopies and are irrelevant to the case.[137] Likewise, he stresses that the location, use, occupation, and the relation of the property to the present case were not established.[138]

Uy further insists that Gerardo Sermona was not duly authorized to file the instant Petition.[139]

While Gerardo Sermona was authorized under a Special Power of Attorney dated June 2, 2006, Uy points that the authority given to him was only for the labor case filed before the National Labor Relations Commission,

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126 *Id.* at 470–471.
127 *Id.* at 472.
128 *Id.* at 471.
129 *Id.* at 473.
130 *Id.* at 473, 474, 477.
131 *Id.* at 475.
132 *Id.* at 476.
133 *Id.*
134 *Id.* at 477.
135 *Id.* at 476.
136 *Id.*
137 *Id.*
138 *Id.* at 476–477.
139 *Id.* at 477–478.

not before the Court of Appeals or the Supreme Court.[140] Uy underscores that Gerardo Sermona was authorized to pursue and finish the labor complaint, but it does not cover the Petition for *Certiorari* filed before the Court of Appeals under Rule 65 of the Rules of Court, which is an original and independent action separate from the labor case filed before the labor arbiter and elevated to the National Labor Relations Commission.[141]

Moreover, Uy alleges that the Special Power of Attorney dated June 2, 2006 suffers from defects and irregularities.[142] He points that the signatures were affixed by way of thumbmarks, but there was no corresponding signature of witnesses or any statement that the parties are affixing their signature by way of thumbmark, as required under paragraph (b) Section 1, Rule IV of the 2004 Rules of Notarial Practice.[143] Uy also points that the Petitions filed before the Court of Appeals and before this Court erroneously included Amecita Tuanda, who did not sign the Complaint before the labor arbiter.[144] It also included Patring Mohello and Gerom Garson, who did not sign the Special Power of Attorney dated June 2, 2006.[145]

Thus, for this Court's resolution are the following issues:

first, whether the present case falls under one of the exceptions to the rule against raising questions of fact in a petition for review on *certiorari* under Rule 45 of the Rules of Court;

second, whether the evidence presented by petitioners Sermona et al. in their Motion for Reconsideration dated September 27, 2012 and Supplement to Motion for Reconsideration dated November 6, 2012 are admissible and ought to be considered by this Court;

third, whether Gerardo Sermona was sufficiently authorized to represent petitioners Sermona et al. in this case; and

fourth, whether there exists an employer-employee relationship between petitioners Sermona, et al. and respondent Uy.

We deny the Petition.

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140 *Id.* at 478.
141 *Id.*
142 *Id.* at 479.
143 *Id.*
144 *Id.* at 480.
145 *Id.*

I

Uy is correct that petitioners are raising a question of fact in alleging that they are Uy's employees. The existence of an employer-employee relationship is a question of fact.[146] It calls for a reexamination of evidence that has already been evaluated and reviewed by lower courts.

It is well-established that this Court does not review factual findings in Rule 45 petitions. In *Spouses Miano. v. Manila Electric Co.*:[147]

> The Rules of Court states that a review of appeals filed before this Court is "not a matter of right, but of sound judicial discretion." The Rules of Court further requires that only questions of law should be raised in petitions filed under Rule 45 since factual questions are not the proper subject of an appeal by *certiorari*. It is not this Court's function to once again analyze or weigh evidence that has already been considered in the lower courts.

In labor cases, this Court's review is further delineated.[148] A decision of the National Labor Relations Commission may not be appealed and is final and executory after ten calendar days from its receipt by the parties.[149] The only means to review it is through a petition for *certiorari* under Rule 65 in the Court of Appeals, and the objective is not to look into any error of law or fact, but to determine whether the National Labor Relations Commission kept within its jurisdiction or gravely abused its discretion in deciding the case.[150] The review is thus an original action, not a continuation of the labor case.[151]

> In *Odango v. National Labor Relations Commission*, this court explained that a petition for *certiorari* is an extraordinary remedy that is "available only and restrictively in truly exceptional cases" and that its sole office "is the correction of errors of jurisdiction including commission of grave abuse of discretion amounting to lack or excess of jurisdiction." A petition for *certiorari* does not include a review of findings of fact since the findings of the National Labor Relations Commission are accorded finality. In cases where the aggrieved party assails the National Labor Relations Commission's findings, he or she must be able to show that the Commission "acted capriciously and whimsically or in total disregard of evidence material to the controversy." [152]

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146 *Lopez v. Bodega City*, 558 Phil. 666, 673 (2007) [Per J. Austria-Martinez, Third Division].

147 800 Phil. 118 (2016) [Per J. Leonen, Second Division].

148 *Fuji Television Network, Inc. v. Espiritu*, 749 Phil. 388, 414 (2014) [Per J. Leonen, Second Division], *citing St. Martin Funeral Home v. National Labor Relations Commission*, 356 Phil. 811 (1998) [Per J. Regalado, *En Banc*].

149 LABOR CODE, art. 223.

150 *Fuji Television Network, Inc. v. Espiritu*, 749 Phil. 388, 414 (2014) [Per J. Leonen, Second Division], *citing St. Martin Funeral Home v. National Labor Relations Commission*, 356 Phil. 811 (1998) [Per J. Regalado, *En Banc*].

151 *Id.* at 414–415.

152 *Id.* at 415.

Thus, when the petition for *certiorari* is elevated to the Supreme Court through a petition for review under Rule 45, the issue is whether the Court of Appeals correctly determined if the National Labor Relations Commission gravely abused its discretion in deciding the case, such that it ruled without any factual or legal basis. In *Fuji Television Network, Inc. v. Espiritu*:[153]

> On the other hand, a petition for review on *certiorari* under Rule 45 is a mode of appeal where the issue is limited to questions of law. **In labor cases, a Rule 45 petition is limited to reviewing whether the Court of Appeals correctly determined the presence or absence of grave abuse of discretion and deciding other jurisdictional errors of the National Labor Relations Commission.** (Emphasis supplied)
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> ...
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> *Career Philippines v. Serna*, citing *Montoya v. Transmed*, is instructive on the parameters of judicial review under Rule 45:
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> > As a rule, only questions of law may be raised in a Rule 45 petition. In one case, we discussed the particular parameters of a Rule 45 appeal from the CA's Rule 65 decision on a labor case, as follows:
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> > > In a Rule 45 review, we consider the correctness of the assailed CA decision, in contrast with the review for jurisdictional error that we undertake under Rule 65. Furthermore, Rule 45 limits us to the review of questions of law raised against the assailed CA decision. In ruling for legal correctness, we have to view the CA decision in the same context that the petition for *certiorari* it ruled upon was presented to it; *we have to examine the CA decision from the prism of whether it correctly determined the presence or absence of grave abuse of discretion in the NLRC decision before it, not on the basis of whether the NLRC decision on the merits of the case was correct*. In other words, we have to be keenly aware that the CA undertook a Rule 65 review, not a review on appeal, of the NLRC decision challenged before it.[154] (Emphasis in the original)

Thus, these are the parameters by which this Court ought to review the Court of Appeals Decision.[155]

Nonetheless, the rule that factual issues may not be raised in a Rule 45 petition admits of exceptions. These exceptions apply in civil, labor, tax, and

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153 749 Phil. 388, 414 (2014) [Per J. Leonen, Second Division].

154 *Id.* at 415–416.

155 *Fuji Television Network, Inc. v. Espiritu*, 749 Phil. 388, 417 (2014) [Per J. Leonen, Second Division].

criminal cases. This Court has reviewed factual issues in the following instances:

> (1) When the conclusion is a finding grounded entirely on speculation, surmises or conjectures; (2) When the inference made is manifestly mistaken, absurd or impossible; (3) Where there is a grave abuse of discretion; (4) *When the judgment is based on a misapprehension of facts; (5) When the findings of fact are conflicting;* (6) When the Court of Appeals, in making its findings, went beyond the issues of the case and the same is contrary to the admissions of both appellant and appellee; (7) *The findings of the Court of Appeals are contrary to those of the trial court*; (8) When the findings of fact 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 respondents; and (10) *The finding of fact of the Court of Appeals is premised on the supposed absence of evidence and is contradicted by the evidence on record.* [156] (Emphasis supplied)

Thus, when the findings of fact of the antecedent deciding bodies are conflicting, or when there is a misapprehension of facts, or the findings of fact are contradicted by the evidence on record, this Court may reevaluate the factual issues, review the records of the case, and reexamine the findings, in the exercise of its equity jurisdiction.[157]

Petitioners raise that the findings of fact of the Court of Appeals and the labor arbiter are contradictory, and that there was a misappreciation of facts and relevant circumstances which, if properly considered, will supposedly justify a different conclusion.[158] To support this claim, they refer to the new evidence they appended in their Motion for Reconsideration and Supplement to Motion for Reconsideration before the Court of Appeals to prove that they are Uy's employees.[159]

Considering the contradictory findings of the labor arbiter and the Court of Appeals, and the new evidence presented by petitioners, this Court finds that a review of the factual findings is proper.

II

Uy argues that the new evidence and affidavits that Sermona et al. are submitting are inadmissible at this stage in the proceedings.[160] He claims that these should have been presented and proven in another remedy and are not

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156 *Spouses Miano v. Manila Electric Co.*, 800 Phil. 118, 123 (2016) [Per J. Leonen, Second Division], *citing* Medina v. Mayor Asistio, Jr. 269 Phil. 225, 232 (1990) [Per J. Bidin, Third Division].

157 *Javier v. Fly Ace Corp.*, 682 Phil. 359, 371 [Per J. Mendoza, Third Division]; *Lopez v. Bodega City*, 558 Phil. 666, 673 (2007) [Per J. Austria-Martinez, Third Division].

158 *Rollo*, p. 11.

159 *Id.* at 10.

160 *Id.* at 475.

proper in a petition for review on *certiorari* under Rule 45.[161]

We rule in favor of the petitioners.

This Court notes that the new evidence was not first submitted in this Petition for Review, but in the Petition for *Certiorari* filed before the Court of Appeals.

In Rule 65 petitions, the Court of Appeals may receive new evidence and perform any act to resolve factual issues raised in cases falling within its original and appellate jurisdiction.[162]

In *Maralit v. Philippine National Bank*:[163]

> Maralit claims that, in a special civil action for certiorari, the Court of Appeals cannot receive new evidence. She stated that, "court *a quo* gave utmost credence to [the IAG's 8 September 1998 memorandum], disregarding all the evidence presented by the parties before the Labor. Worse, it nullified the decisions of the Honorable NLRC relying primarily on said 'belated evidence'. This is not allowed . . . ."
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> The Court is unimpressed. In a special civil action for certiorari, the Court of Appeals has ample authority to receive new evidence and perform any act necessary to resolve factual issues. Section 9 of Batas Pambansa Blg. 129, as amended, states that, **"The Court of Appeals shall have the power to try cases and conduct hearings, receive evidence and perform any and all acts necessary to resolve factual issues** raised in cases falling within its original and appellate jurisdiction, including the power to grant and conduct new trials or further proceedings". In *VMC Rural Electric Service Cooperative, Inc. v. Court of Appeals*, the Court held:
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> > **[I]t is already settled that under Section 9 of *Batas Pambansa Blg.* 129**, as amended by Republic Act No. 7902 (An Act Expanding the Jurisdiction of the Court of Appeals, amending for the purpose of Section Nine of *Batas Pambansa Blg.* 129 as amended, known as the Judiciary Reorganization Act of 1980), **the Court of Appeals — pursuant to the exercise of its original jurisdiction over Petitions for *Certiorari* — is specifically given the power to pass upon the evidence, if and when necessary, to resolve factual issues**....[164] (Emphasis supplied)

Although submitted in its Motion for Reconsideration, petitioners first submitted their new evidence to the Court of Appeals, where parties are not precluded from presenting new evidence. The Court of Appeals may pass

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[161] *Id.* at 476.
[162] Batas Pambansa Blg. 129 (1980), sec. 9, as amended by Republic Act No. 7902 (1995).
[163] 613 Phil. 270 (2009) [Per J. Carpio, First Division].
[164] *Id.* at 287–289.

upon the new evidence to resolve factual issues. Thus, Uy's contention that it cannot be considered in the instant Petition for Review holds no water.

III

The Court likewise deems the Special Power of Attorney in favor of Gerardo Sermona sufficient for this case.

The Special Power of Attorney dated June 2, 2006 reads:[165]

> We, JESIL R. SERMONA, EDEN G. CARIOLA, CHARLES R. CARIOLA, LOLITA G. BARTOLO, REMEDIOS G. GARSON, ANDERSON P. GAREE, EPIFANIA P. GAREE, JERRY MOHELLO, BENJIE MOHELLO, SUNNY L. ESTORCO, AIDA V. GARSON, JOSAN G. GARSON, JEREMIAS ESTASION, JEBIE C. ESTASION, JULITA C. PABORADA, CONRADO G. PABORADA, JUANITO L. GRAPA, NARDIO R. CAROLA, BODOY F. GAREE, JAREY P. CAROLA, AILEEN P. GAREE, LETECIA P. GAREE, MERCY P. GAREE, CRISTITA P. MOHELLO, PATRING MOHELLO, MARIVIC MOHELLO, EMILY FLORES, AILYN G. VILLERES, GLINI G. GARSON, JAMESON P. CAMEON, CRISPIN G. SARSUELO, MESALYN G. SARSUELO, AURELIA C. GRAPA, JOEVANIE R. PABORADA, GEROME G. DENIEGA, ANECITA M. TUANDA, ANA MARIE L. RAFAEL, JOSEFINA M. MABIT, JOCELYN C. ESTACION, JOSA GARSON, GEROM GARSON, RUFINA ESTACION, THELMA ELISTERIO, FERNANDO ELISTERIO, ENGRACIO C. MABIT, and MERCY G. CAMEON of legal age, married/single, Filipino and resident of Neg. Occ., Philippines, hereby name, constitute and appoint ATTY. ORLANDO P. QUIACHON of legal age, married, Filipino and all are resident of Talisay City, and/or GERARDO G. SERMONA, of legal age, married, Filipino and resident of Sto. Lumboy, Brgy. Biao, Binalbagan Neg Occ., and/or HERON JOE DAGOOB of legal age, married, Filipino and resident of Silay City, Neg., Occ. to be our true and lawfully attorneys-in-fact, for and in our name, place and stead, to perform the following:
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> 1. To pursue until finish the labor complaint we filed against HDA. LUMBOY/MANUEL UY, docketed as NLRC RAB Case No: 06-12-101035-05 and to represent us in any negotiation for its settlement or compromise agreement until its conclusion.
>
> 2. To sign in our behalf any and all documents necessary in the pursuit of our case and relative matters mentioned in the above No. 1:
>
> 3. To receive monies and or negotiable instrument in our behalf pursuant to nos. 1 & 2 mention above and safe keep in our trust and favor any money/award, if any, obtained in connection with No. 1 above and shall await and obey our instruction as to the use or disposition of our share thereof. In case of our demise, to distribute the same to our heirs, should circumstances later warrant;
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> 4. To sign the Certificate of Non-Forum Shopping and verify all

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[165] *Rollo*, pp. 340–343.

> pleadings, memoranda, papers, etc. in relation to this case mention in item No. 1 above.
>
> HEREBY GIVING AND GRANTING unto our said attorneys full powers and authority to do and perform all and every act requisite or necessary to carry into effect the foregoing authority, as fully to all intents and purposes as we might or could lawfully do if personally present, with full power of substitution and revocation, and hereby ratifying and conforming all that our said attorney or his substitute shall lawfully do or cause to be done by virtue thereof.

While the Special Power of Attorney does not explicitly state that Gerardo Sermona's authority includes the filing of the Petition for *Certiorari* before the Court of Appeals and the Petition for Review on *Certiorari* filed before this Court, it is clear that the intention is to include these Petitions, since they are filed in relation to the illegal dismissal case in the National Labor Relations Commission.

The Special Power of Attorney states that Gerardo Sermona is to pursue the labor complaint against Uy until its conclusion, and to sign on petitioners' behalf any and all documents necessary in the pursuit of and in relation to the case in the National Labor Relations Commission. He is to "do and perform all and every act requisite or necessary to carry into effect the ... authority," as much as they might or could lawfully do if personally present, "with full power of substitution and revocation," ratifying and conforming all his acts done by its virtue.

Thus, the clear intent of the Special Power of Attorney is to include the subsequent Petitions in the Court of Appeals and in this Court.

In any case, to deny the petitioners the remedy because of a technicality in the word usage in the Special Power of Attorney is contrary to the principle of affording full protection to labor.

This Court is wary that evidence belatedly submitted and general Special Powers of Attorney may be procedurally problematic. However, this Court must still act consistently with the State's social justice policy mandating a compassionate attitude toward the working class, and with the constitutional mandate of full protection to labor.[166] It is established that the

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[166] CONST., art. II, sec. 18; art XIII, sec. 3.
SECTION 18, ARTICLE II. The State affirms labor as a primary social economic force. It shall protect the rights of workers and promote their welfare.
SECTION 3, ARTICLE XIII. The State shall afford full protection to labor, local and overseas, organized and unorganized, and promote full employment and equality of employment opportunities for all.
It shall guarantee the rights of all workers to self-organization, collective bargaining and negotiations, and peaceful concerted activities, including the right to strike in accordance with law. They shall be entitled to security of tenure, humane conditions of work, and a living wage. They shall also participate in policy and decision-making processes affecting their rights and benefits as may be provided by law.

relations between capital and labor are impressed with public interest, with the working class usually at a disadvantage. Thus, in case of doubt, courts rule in favor of labor. As such, rules of procedure and evidence in labor cases are more relaxed.[167] Labor officials are enjoined to use reasonable means to ascertain the facts speedily and objectively, with little regard to technicalities or formalities.

Thus, in keeping with this mandate, this Court allows the present Petition.

IV

Nonetheless, this Court rules that petitioners still failed to prove the employer-employee relationship.

While rules on procedure may be relaxed in labor cases, parties are still required to satisfy the quantum of proof required.[168] In dealing with factual issues, parties must still prove their claims with substantial evidence, or that "amount of relevant evidence which a reasonable mind might accept as adequate to justify a conclusion."[169]

> ...Although Section 10, Rule VII of the New Rules of Procedure of the NLRC allows a relaxation of the rules of procedure and evidence in labor cases, this rule of liberality does not mean a complete dispensation of proof. Labor officials are enjoined to use reasonable means to ascertain the facts speedily and objectively with little regard to technicalities or formalities but nowhere in the rules are they provided a license to completely discount evidence, or the lack of it. The quantum of proof required, however, must still be satisfied. Hence, "when confronted with conflicting versions on factual matters, it is for them in the exercise of discretion to determine which party deserves credence on the basis of evidence received, subject only to the requirement that their decision must be supported by substantial evidence." Accordingly, the petitioner needs to show by substantial evidence that he was indeed an employee of the company against which he claims illegal dismissal.[170]

In the case at bar, the burden of proof is on the petitioners as they are the ones alleging the existence of an employer-employee relationship. They are correct that no particular form of evidence is required to prove their claim.

The State shall promote the principle of shared responsibility between workers and employers and the preferential use of voluntary modes in settling disputes, including conciliation, and shall enforce their mutual compliance therewith to foster industrial peace.
The State shall regulate the relations between workers and employers, recognizing the right of labor to its just share in the fruits of production and the right of enterprises to reasonable returns on investments, and to expansion and growth.

167 New Rules of Procedure of the National Labor Relations Commission (2011), sec. 10, rule VII.

168 *Javier v. Fly Ace Corp.*, 682 Phil. 359, 371 [Per J. Mendoza, Third Division].

169 *Id.*

170 *Id.*

They may present any competent and relevant evidence. However, their evidence must still be substantial. In *Javier v. Fly Ace Corp.*:[171]

> Expectedly, opposing parties would stand poles apart and proffer allegations as different as chalk and cheese. It is, therefore, incumbent upon the Court to determine whether the party on whom the burden to prove lies was able to hurdle the same. "No particular form of evidence is required to prove the existence of such employer-employee relationship. Any competent and relevant evidence to prove the relationship may be admitted. Hence, while no particular form of evidence is required, a finding that such relationship exists must still rest on some substantial evidence. Moreover, the substantiality of the evidence depends on its quantitative as well as its *qualitative* aspects." Although substantial evidence is not a function of quantity but rather of quality, the . . . circumstances of the instant case demand that something more should have been proffered. Had there been other proofs of employment, such as . . . inclusion in petitioner's payroll, or a clear exercise of control, the Court would have affirmed the finding of employer-employee relationship."
>
> In sum, the rule of thumb remains: the *onus probandi* falls on petitioner to establish or substantiate such claim by the requisite quantum of evidence. "Whoever claims entitlement to the benefits provided by law should establish his or her right thereto . . . ." [172]

Unfortunately, petitioners failed to present substantial evidence to prove they are indeed employees of Uy.

Although petitioners are farm workers, the four-fold test to determine the existence of an employer-employee relationship still applies.

> While the Agricultural Tenancy Act did not define the term "agricultural laborer" or "agricultural worker," the Agricultural Land Reform Code does. A "farm worker" is "any agricultural wage, salary or piece worker but is not limited to a farm worker of a particular farm employer unless this Code explicitly states otherwise, and any individual whose work has ceased as a consequence of, or in connection with, a current agrarian dispute or an unfair labor practice and who has not obtained a substantially equivalent and regular employment." The term includes "farm laborer and/or farm employees." An "agricultural worker" is not a whit different from a "farm worker."
>
> From the definition of a "farm worker" thus fashioned, it is quite apparent that there should be an employer-employee relationship between the "farm employer" and the farm worker. In determining the existence of an employer-employee relationship, the elements that are generally considered are the following: (1) the selection and engagement of the employee; (2) the payment of wages; (3) the power of dismissal; and (4) the employer's power to control the employee's conduct. It is this last element that constitutes the most important index of the existence of relationship.[173]

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171 *Id.* at 372.

172 *Id.*

173 *De los Reyes v. Espineli*, G.R. No. L-28280-81, November 28, 1969, 141 Phil. 247–262, 253–254 [Per J. Castro, *En Banc*].

Thus, it is incumbent upon the petitioners to show with substantial evidence that they were selected and engaged by Uy, or that Uy paid their wages, or had the power to dismiss them. More importantly, they must show that Uy had the power to control their conduct.

In this case, petitioners present new evidence to establish two claims: (1) that Uy's property is around 30 hectares, and (2) that petitioners are Uy's employees.

To corroborate the claim that petitioners are Uy's employees, they submitted the separate Sworn Statements all dated October 26, 2012 of Roberto Paculares, Rene Paculares and Teresita Grapa, who allegedly retracted their previous testimonies saying that there was no employer-employee relationship between Uy and petitioners.

Thus, the Sworn Affidavits state that petitioners are indeed workers at Uy's sugar farm who were dismissed after they clamored for higher wages and benefits.[174] The affidavits also stated that Uy possessed and used for sugar production the adjacent agricultural land of the Galvan family, and thus managed around 40 hectares of land.[175] The affiants claimed to have executed these statements because they were bothered by their conscience.[176]

Additionally, Teresita Grapa's Sworn Affidavit also stated that she does not know how to write and that she only uses her thumbmark as her signature.[177] Thus, she claims she did not sign any paper for Uy, although the others signed because they were promised their 3% workers' share under Republic Act No. 809.[178]

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[174] *Rollo* pp. 88–90, 94–96. "That my co-workers then were not just my next of kin/relatives/family but a lot of others commensurate to the size of the said landholdings of Manuel D. Uy including those he admitted to be his workers and the following whom I personally knew and who worked with me in said Hda. Lumboy, namely: ...
That I do not profess to know every detail of all their length of service particularly when they each started working, except for a few. But I confirm that they all worked with Manuel D. Uy at his sugar farm Hda. Lumboy, Brgy. Bi-ao, Binalbagan City, Neg. Occ. and were dismissed by him sometime 2005 when they clamored for the correct wages under pertinent Wage Orders and statutory benefits under the Labor Code that led them to file their complaint before the Hon. Department of Labor & Employment, Bacolod City;"

[175] *Id.* "That this Hda. Lumboy comprised of agricultural land Manuel D. Uy took over from his ancestors/parents/next of kin that measured about 16 hectares. In addition to this, he was able to possess and use for sugar production another adjacent agricultural land consisting of around 24 hectares, formerly public land, which we gathered came from the Galvan family. Thus, the total hectarage under his effective management was about 40 hectares and although I might not be a trained land surveyor, yet I can approximate the land area whereby I used to work and traverse considering the distances and fields we used to be accustomed being our workplace Hda. Lumboy;"

[176] *Id.* "That I was not innocent of this fact that Manuel D. Uy denied that these co-workers of mine were also his workers. Subsequently I was bothered by my conscience & the pain that accompanied the stares my said co-workers led me to put into positive action my sympathy with them..."

[177] *Rollo*, pp. 92–93.

[178] *Id.* "That I only affix my thumbmark to papers since I do not know how to write and was not able to go to school at all. As such, I did not sign any paper made by Manuel D. Uy. Although some of my co-workers signed the same who were informed by him that it was for the purpose of receiving their 3% Workers' Share under R.A. 809 which they readily signed without question considering that there was

This Court finds that petitioners' evidence is not substantial enough to warrant the reversal of the ruling of the Court of Appeals and the National Labor Relations Commission.

This Court notes that Rene Paculares was not one of the affiants in the Paculares Joint Affidavit, which was executed by Roberto Paculares, Mercy Paculares, Herman Paculares, Teresita Grapa, Estelita Mabit, Arnel Sermona, Roberto Hermogenes, Pedrito Grapa, Wilcita Tuanda, and Hermie Paculares. Rene Paculares's name only appears in the payrolls shown by Uy. Thus, contrary to the petitioners' allegations, his Sworn Statement is not a retraction of any testimony.

Nonetheless, as to the Sworn Statements of Roberto Paculares and Teresita Grapa, this Court has consistently held that retractions are looked upon with disfavor because of their unreliable nature and the likely probability of being repudiated again.

In *Reano v. Court of Appeals*:[179]

> 1.The Court has looked with disfavor upon retractions of testimonies previously given in court. Thus, the Court has ruled against the grant of a new trial on the basis of a retraction by a witness. The rationale for the rule is obvious:
>
> > Affidavits of retraction can easily be secured from poor and ignorant witnesses usually for a monetary consideration. Recanted testimony is exceedingly unreliable. There is always the probability that it may later be repudiated. So courts are wary or reluctant to allow a new trial based on retracted testimony.

The rationale for the ruling is that retraction can easily be obtained from witnesses through intimidation or monetary consideration. Thus, in *People v. Deauna*:[180]

> The Separate Opinion of Mr. Justice Reynato S. Puno in *Alonte v. Savellano* explains the rationale for rejecting recantations in these words:
>
> > "Mere retraction by a witness or by complainant of his or her testimony does not necessarily vitiate the original testimony or statement, if credible. The general rule is that courts look with disfavor upon retractions of testimonies

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money in return in consideration thereof. However, it turned out that the same was surreptitiously used by Manuel Uy in his labor case against those mentioned in paragraph 4 above to lie about the fact that they were also his workers;"

179 *Reano v. Court of Appeals*, 247-A Phil. 605, 608–609 (1988) [Per J. Cortes, Third Division].

180 435 Phil. 141 (2002) [Per J. Panganiban, Third Division].

> previously given in court. . . . The reason is because affidavits of retraction can easily be secured from poor and ignorant witnesses, usually through intimidation or for monetary consideration. Moreover, there is always the probability that they will later be repudiated and there would never be an end to criminal litigation. It would also be a dangerous rule for courts to reject testimonies solemnly taken before courts of justice simply because the witnesses who had given them later on changed their minds for one reason or another. This would make solemn trials a mockery and place the investigation of the truth at the mercy of unscrupulous witnesses."
>
> To be sure, recantations made by witnesses must be viewed with utmost caution and circumspection, because the motivations behind them may not necessarily be in consonance with the truth. Moreover, to automatically uphold them in any form would allow unscrupulous witnesses to trifle with the legal processes and make a mockery of established judicial proceedings, to the detriment of the entire justice system.[181]

Thus, retractions must not be believed right away. It is important to consider the surrounding circumstances and the motives of the witness for changing his or her stance. *In People v. Ceniza y Casas*:[182]

> Recantations are frowned upon by the courts. A recantation of a testimony is exceedingly unreliable, for there is always the probability that such recantation may later on be itself repudiated. Courts look with disfavor upon retractions because they can easily be obtained from witnesses through intimidation or for monetary considerations. Hence, a retraction does not necessarily negate an earlier declaration. They are generally unreliable and looked upon with considerable disfavor by the courts. *Before accepting a retraction made by a witness, one must examine the circumstances surrounding the retraction and possible motives of the witness in reversing his testimony.* The records show that Lope Estallo applied for coverage under the witness protection program, but after his application was denied, he retracted his testimony.[183]

Thus, there must be a comparison of the two testimonies, and the general rules of evidence must still be applied.

> 2.Where a witness testifies for the prosecution and retracts his or her testimony and subsequently testifies for the defense, the test in determining which testimony to believe is one of comparison coupled with the application of the general rules of evidence, as enunciated in *People v. Ubina*, where the Court said:
>
> > The testimony of Ruben Francisco for the prosecution is claimed to be unworthy of credit because later on he testified for the defense, declaring that all he had stated against the defendants is not true . . .

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181 *Id.* at 163–165.

182 458 Phil. 150 (2003) [Per J. Puno, Third Division].

183 *Id.* at 162.

> The theory of the defense that Francisco's previous testimony is false, as he subsequently declared it to be so, is as illogical as it is dangerous. Merely because a witness says that what he had declared is false and that what he now says is true, is not sufficient ground for concluding that the previous testimony is false. No such reasoning has ever crystallized into a rule of credibility. The rule is that a witness may be impeached by a previous contradictory statement (Rule 123, section 91); not that a previous testimony is presumed to be false merely because a witness now says that the same is not true. The jurisprudence of this Court has always been otherwise, i.e. that contradictory testimony given subsequently does not necessarily discredit the previous testimony if the contradictions are satisfactorily explained. We have also held that if a previous confession of an accused were to be rejected simply because the latter subsequently makes another confession, all that an accused would do to acquit himself would be to make another confession out of harmony with the previous one. Similarly, it would be a dangerous rule for courts to reject testimonies solemnly taken before courts of justice simply because the witnesses who had given them later on change their mind for one reason or another, for such rule would make solemn trials a mockery and place the investigation of truth at the mercy of unscrupulous witnesses. If Francisco says that when he testified for the prosecution he was paid P700, what can prevent the court from presuming that subsequently he testified for the defense because the defendants also paid him to testify for them? *The rule should be that a testimony solemnly given in court should not be lightly set aside and that before this can be done, both the previous testimony and the subsequent one be carefully compared, the circumstances under which each given carefully scrutinized, the reasons or motives for the change carefully scrutinized — in other words, all the expedients devised by man to determine the credibility of witnesses should be utilized to determine which of the contradictory testimonies represents the truth.*[184] (Emphasis in the original; citations omitted)

The same rule applies in labor cases.[185] In *Philippine National Bank v. Gregorio*:[186]

> We concur with the NLRC's appreciation of the affidavits of retraction. We have often repeated that "[j]ust because one has executed an affidavit of retraction does not imply that what has been previously said is false or that the latter is true." The reliability of an affidavit of retraction is determined in the same manner that the reliability of any other documentary evidence is ascertained. In particular, it is necessary to examine the circumstances surrounding it. In the case of Villar's affidavit of retraction, we note that this has never been identified and authenticated. Thus, its

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184 *Reano v. Court of Appeals*, 247-A Phil. 605, 609–610 (1988) [Per J. Cortes, Third Division].

185 *Telecommunications Distributors Specialist, Inc. v. Garriel*, 606 Phil. 146, 154–155 (2009) [Per J. Corona, First Division].

186 818 Phil. 321 (2017) [Per J. Jardeleza, First Division].

> weight as evidence is highly suspect. As to Rebollo's alleged affidavit of retraction, a reading of its contents, as correctly pointed out by the NLRC, reveals that Rebollo in fact affirmed Gregorio's participation in the lending activities within PNB Sucat when she said in this affidavit that Gregorio introduced her to a certain Realina Ty who became her borrower.[187]

In the case at bar, after looking at the evidence presented by the parties, this Court hesitates to accord the retractions any weight or credibility.

There are three joint affidavits that need to be overturned: the Paculares Joint Affidavit, the Nelida Titong Affidavit, and the initial affidavit by the same affiants of the Paculares Joint Affidavit withdrawing from the labor case against Uy.[188]

Thus, to accord the retractions any credibility, Rene Paculares, Roberto Paculares, and Teresita Grapa must each explain their own circumstances for their initial claims.

However, the separate Sworn Statements of Rene Paculares, Roberto Paculares, and Teresita Grapa are all uniform in language, so much so that they did not even specify that Rene Paculares is not an affiant in the Paculares Joint Affidavit. They also did not specify what particular testimony they are retracting.

Furthermore, they did not explain the reason why they initially testified against petitioners. Roberto Paculares did not state why he initially signed the Paculares Joint Affidavit. The affiants also failed to offer any explanation as to why they did not join the petitioners in their clamor for increased wages and benefits, or as to why only their names appeared in the payrolls offered by Uy.

They claim that it is their conscience and the "pain of the stares" of petitioners that made them execute the Sworn Statements. However, this motivation still does not establish any of the facts they allege. They may be troubled by their conscience because they were moved by compassion for petitioners. However, this reason does not automatically mean they are already stating the facts as is. Thus, their use of general and uniform terms for their retractions and statements is problematic.

Moreover, Teresita Grapa claimed that "she did not sign any paper made by Manuel D. Uy." However, her signature appears in the Paculares Joint Affidavit and in the payrolls. There is thus an allegation of forgery, which must be properly proved. The mere denial of the signatures cannot automatically sway us to ignore the payrolls because forgery is never

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[187] *Id.* at 342.
[188] *Rollo*, pp. 127–128.

presumed.[189] The party alleging the forgery has the burden to prove it by "clear, positive, and convincing evidence."[190]

Thus, the Sworn Statements are not sufficient to overturn the ruling of the Court of Appeals.

Likewise, as to the documents petitioners presented to show that Uy's land is larger than 9.869 hectares, this Court finds that the documents also failed to sufficiently prove their allegations.

The documents petitioners submitted to prove that Uy's property is around 30 hectares are: (1) Order: Transfer of Homestead Rights issued by the Director of Lands on August 22, 1955 (Order of Transfer of Homestead Rights), (2) Handwritten Statement of Editha Galvan-Sagun narrating that the mother of Manuel Uy, Lorrenza Dollosa, "land-grabbed" their property (Sagun's Handwritten Statement),[191] (3) Tax Declaration of Real Property in the name of "Galvan, Marciano & Expectacion Deinada," for Lot No. H-142107, located in Brgy. Bi-ao, Binalbagan, Negros Occidental, with an area of 16 hectares (Tax Declaration),[192] (4) Final Proof - Homestead, Testimony of Applicant, signed by Estrella G. Sagun dated April 26, 2001, for homestead entry no. 142107 (Testimony for Homestead Application),[193] and the (5) Official Receipts showing payment of application fee for homestead application for Lot 622 (Official Receipts).[194]

We find that these do not sufficiently prove that Uy has been farming on land beyond the 9.689 hectares that is under his name.

The Order of Transfer of Homestead Rights, the Tax Declaration of Real Property, the Testimony for Homestead Application, and the Official Receipts merely show the rights of the Galvan-Saguns over a particular piece of property. There is no showing that Uy or his family are occupying the properties or are using it for their sugar production.

The only document that indicates that Uy has been occupying the properties of the Galvan-Saguns is the Handwritten Statement of Editha Galvan-Sagun narrating that Uy's mother, Lorrenza Dollosa, "land-grabbed" their property.[195] Petitioners state that this was submitted by Editha Galvan-Sagun as a letter-complaint to the Department of Environment and Natural Resources.

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189 *Javier v. Fly Ace Corp.*, 682 Phil. 359, 374 (2012) [Per J. Mendoza, Third Division].
190 *Id.*
191 *Rollo*, pp. 62–63.
192 *Id.* at 64.
193 *Id.* at 65–66.
194 *Id.* at 67–69, 54.
195 *Id.* at 62–63.

However, the handwritten statement does not seem to be verified, certified, or authenticated. It was not notarized, and it does not appear to have been stamped "received" by the Department of Environment and Natural Resources as a complaint. There is no other evidence of Editha Galvan-Sagun's complaint before the Department of Environment and Natural Resources.

This Court thus finds it difficult to give it any weight, credibility, or authenticity. Thus, petitioners failed to present substantial evidence to reverse the finding of the Court of Appeals and the National Labor Relations Commission that the land that Uy uses for sugar production is only 9.869 hectares.

This is especially in contrast to the evidence presented by Uy who showed payrolls, signed and duly notarized affidavits, Original Certificates of Title, and other certifications.

Petitioners insist that the payrolls were fabricated evidence. They thus allege fraud on the part of Uy. However, aside from their claims and their reliance on the labor arbiter's ruling that the lack of particular data in the payrolls indicates the fabrication, they failed to sufficiently prove the fraud they are alleging. Fraud is not presumed and cannot be based on speculations. In *BMG Records (Phils.), Inc. v. Aparecio*:[196]

> Based on the pleadings, this Court finds nothing to support Aparecio's allegation that fraud was employed on her to resign. Fraud exists only when, through insidious words or machinations, the other party is induced to act and without which, the latter would not have agreed to. This Court has held that the circumstances evidencing fraud and misrepresentation are as varied as the people who perpetrate it, each assuming different shapes and forms and may be committed in as many different ways. Fraud and misrepresentation are, therefore, never presumed; it must be proved by clear and convincing evidence and not mere preponderance of evidence. Hence, this Court does not sustain findings of fraud upon circumstances which, at most, create only suspicion; otherwise, it would be indulging in speculations and surmises.[197]

Moreover, petitioners presented contradictory evidence. The Estopido Joint Affidavit, which is relied on by petitioners to support their claims, stated that the affiants and petitioners are coworkers at Hacienda Lumboy. However, petitioners later state in their Memorandum that the affiants are "coworkers in the sugar lands of the adjacent Montespina." They just witness each other when they were working in the sugar fields, such that the Estopido Joint Affidavit affiants attest to the fact that petitioners work in Uy's sugar

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196 559 Phil. 80 (2007) [Per J. Azcuna, First Division].
197 *Id.* at 92.

lands, and petitioners, in turn, attest that the affiants are workers of Montespina.[198] Thus, contrary to their initial claims, the affiants of the Estopido Joint Affidavit are not workers in Uy's hacienda.

As earlier stated, in labor cases, allegations must be proved by substantial evidence.

> In labor cases, the quantum of proof required is substantial evidence. "Substantial evidence" has been defined as "such amount of relevant evidence which a reasonable mind might accept as adequate to justify a conclusion."[199]

Moreover, one who alleges a fact has burden of proving it. In *Republic v. Estate of Hans Menzi*:[200]

> It is procedurally required for each party in a case to prove his own affirmative allegations by the degree of evidence required by law. ... It is therefore incumbent upon the plaintiff who is claiming a right to prove his case. Corollarily, the defendant must likewise prove its own allegations to buttress its claim that it is not liable.
>
> The party who alleges a fact has the burden of proving it. The burden of proof may be on the plaintiff or the defendant. It is on the defendant if he alleges an affirmative defense which is not a denial of an essential ingredient in the plaintiff's cause of action, but is one which, if established, will be a good defense — *i.e.*, an "avoidance" of the claim.[201] (Citations omitted)

Petitioners failed to persuade this Court that they presented substantial evidence proving that an employer-employee relationship exists between the parties. The evidence that petitioners presented did not establish their employer-employee relationship with Uy based on the four-fold test. They failed to submit competent proof that Uy engaged their services, paid their wages, or dictated their conduct as he would a regular employee.

Thus, the attendant facts and circumstances of this case do not provide this Court with sufficient reason to hold petitioners as employees of Uy.

> While the Constitution is committed to the policy of social justice and the protection of the working class, it should not be supposed that every labor dispute will be automatically decided in favor of labor. Management also has its rights which are entitled to respect and enforcement in the interest of simple fair play. Out of its concern for the less privileged in life, the Court has inclined, more often than not, toward the worker and upheld

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198 *Rollo*, pp. 507–508.

199 *Fuji Television Network, Inc. v. Espiritu*, 749 Phil. 388, 418–419 (2014) [Per J. Leonen, Second Division].

200 512 Phil. 425 (2005) [Per J. Tinga, *En Banc*].

201 *Id.* at 456–457.

his cause in his conflicts with the employer. Such favoritism, however, has not blinded the Court to the rule that justice is in every case for the deserving, to be dispensed in the light of the established facts and the applicable law and doctrine.[202]

ACCORDINGLY, the Petition is **DENIED**. The Court of Appeals Decision dated August 16, 2012 and Resolution dated December 5, 2012 are **AFFIRMED**.

SO ORDERED.

MARVIC M.V.F. LEONEN
Senior Associate Justice

WE CONCUR:

AMY C. LAZARO-JAVIER
Associate Justice

MARIO V. LOPEZ
Associate Justice

JHOSEP Y. LOPEZ
Associate Justice

ON LEAVE
ANTONIO T. KHO, JR.
Associate Justice

[202] *Javier v. Fly Ace Corp.*, 682 Phil. 359, 375 (2012) [Per J. Mendoza, Third Division].

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.

MARVIC M.V.F. LEONEN
Senior Associate Justice
Chairperson

CERTIFICATION

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

ALEXANDER G. GESMUNDO
Chief Justice