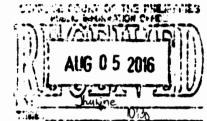


# Republic of the Philippines Supreme Court Manila



#### FIRST DIVISION

ARMANDO N. PUNCIA,

G.R. No. 214399

Petitioner.

Present:

- versus -

SERENO, C.J., Chairperson, LEONARDO-DE CASTRO,

BERSAMIN,

TOYOTA SHAW/PASIG, INC.,

Respondent.

PERLAS-BERNABE, and

CAGUIOA, JJ.

Promulgated:

JUN 2 8 **2016** 

#### DECISION

### PERLAS-BERNABE, J.:

Assailed in this petition for review on *certiorari*<sup>1</sup> are the Decision<sup>2</sup> dated June 9, 2014 and the Resolution<sup>3</sup> dated September 23, 2014 of the Court of Appeals (CA) in CA-G.R. SP No. 132615, which annulled and set aside the Decision<sup>4</sup> dated February 14, 2013 and the Resolution<sup>5</sup> dated August 30, 2013 of the National Labor Relations Commission (NLRC) in NLRC NCR CN. 10-15949-11/ NLRC LAC No. 07-001991-12 and instead, reinstated the Decision<sup>6</sup> dated May 4, 2012 of the Labor Arbiter (LA) finding that respondent Toyota Shaw/Pasig, Inc. (Toyota) validly dismissed petitioner Armando N. Puncia (Puncia) for just cause.

<sup>&</sup>lt;sup>1</sup> Rollo, pp. 10-30.

Id. at 34-46. Penned by Associate Justice Normandie B. Pizarro with Presiding Justice Andres B. Reyes, Jr. and Associate Justice Manuel M. Barrios concurring.

<sup>&</sup>lt;sup>3</sup> Id. at 48-49.

Id. at 84-97. Penned by Presiding Commissioner Leonardo L. Leonida with Commissioners Dolores M. Peralta-Beley and Mercedes R. Posada-Lacap concurring.

Id. at 100-108. Penned by Commissioner Mercedes R. Posada-Lacap with Commissioner Dolores M. Peralta-Beley concurring, and certified by Presiding Commissioner Herminio V. Suelo.

Id. at 58-65. Penned by Labor Arbiter Antonio R. Macam.

#### The Facts

On October 18, 2011, Toyota sent Puncia a Notice of Termination,<sup>14</sup> dismissing him on the ground of insubordination for his failure to attend the scheduled hearing and justify his absence.<sup>15</sup> This prompted Puncia to file a complaint<sup>16</sup> for illegal dismissal with prayer for reinstatement and payment of backwages, unfair labor practice, damages, and attorney's fees against Toyota and its officers, claiming, *inter alia*, that Toyota dismissed him after discovering that he was a director of the Toyota-Shaw Pasig Workers Union-Automotive Industry Worker's Alliance; and that he was terminated on the ground of insubordination and not due to his failure to meet his quota as contained in the Notice to Explain.<sup>17</sup>

In its defense, Toyota denied the harassment charges and claimed that there was a valid cause to dismiss Puncia, considering his failure to comply with the company's strict requirements on sales quota. It likewise stated that Puncia has consistently violated the company rules on attendance and timekeeping as several disciplinary actions were already issued against him.<sup>18</sup>

## The LA Ruling

In a Decision<sup>19</sup> dated May 4, 2012, the LA dismissed Puncia's complaint for lack of merit, but nevertheless, ordered Toyota to pay Puncia

<sup>&</sup>lt;sup>7</sup> Id. at 35.

<sup>&</sup>lt;sup>8</sup> Id. at 37.

<sup>9</sup> Id.

Dated October 15, 2011. Id. at 328.

See letter-memorandum dated October 17, 2011; id. at 198.

<sup>12</sup> Id. See also id. at 38.

<sup>13</sup> Id. at 37.

<sup>&</sup>lt;sup>14</sup> Id. at 199.

<sup>15</sup> Id.

Not attached to the rollo.

<sup>&</sup>lt;sup>7</sup> Rollo, pp. 85-87.

See Reply to Complainant's Position Paper dated March 14, 2012; id. at 222-223 and Opposition to the Memorandum of Appeal dated July 4, 2012; id. at 333-335.

<sup>&</sup>lt;sup>9</sup> Id. at 58-65.

his money claims consisting of his earned commissions, 13<sup>th</sup> month pay for 2011, sick leave, and vacation leave benefits.<sup>20</sup>

The LA found that Puncia was dismissed not because of his involvement in the labor union, but was terminated for a just cause due to his inefficiency brought about by his numerous violations of the company rules on attendance from 2006 to 2010 and his failure to meet the required monthly quota. This notwithstanding, the LA found Puncia entitled to his money claims, considering that Toyota failed to deny or rebut his entitlement thereto. 22

Aggrieved, Puncia appealed<sup>23</sup> to the NLRC.

# The NLRC Ruling

In a Decision<sup>24</sup> dated February 14, 2013, the NLRC reversed the LA ruling and, accordingly, declared Puncia to have been illegally dismissed by Toyota, thus, entitling him to reinstatement and backwages.<sup>25</sup> The NLRC found that Toyota illegally dismissed Puncia from employment as there were no valid grounds to justify his termination. Moreover, the NLRC observed that Toyota failed to comply with the due process requirements as: *first*, the written notice served on the employee did not categorically indicate the specific ground for dismissal sufficient to have given Puncia a reasonable opportunity to explain his side, since the Intra-Company Communication<sup>26</sup> providing the company rules failed to explain in detail that Puncia's deficiency merited the penalty of dismissal;<sup>27</sup> and *second*, Puncia's dismissal was not based on the same grounds cited in the Notice to Explain, since the ground indicated was Puncia's failure to meet the sales quota, which is different from the ground stated in the Notice of Termination, which is his unjustified absence during the scheduled hearing.<sup>28</sup>

Both parties filed their separate motions for reconsideration,<sup>29</sup> which were denied in a Resolution<sup>30</sup> dated August 30, 2013.

Aggrieved, Toyota filed a Petition for *Certiorari*<sup>31</sup> before the CA, which was docketed as CA-G.R. SP No. 132615 and was raffled to the First

<sup>&</sup>lt;sup>20</sup> Id. at 65.

<sup>&</sup>lt;sup>21</sup> Id. at 61-63.

<sup>&</sup>lt;sup>22</sup> Id. at 64.

See Memorandum of Appeal dated June 13, 2012; id. at 66-82.

<sup>&</sup>lt;sup>24</sup> Id. at 84-97.

<sup>&</sup>lt;sup>25</sup> Id. at 96.

<sup>&</sup>lt;sup>26</sup> Id. at 319.

<sup>&</sup>lt;sup>27</sup> Id. at 90-91.

<sup>&</sup>lt;sup>28</sup> Id. at 94.

See Puncia's Motion for Partial Reconsideration dated March 6, 2013; id. at 152-156. Toyota's motion for reconsideration is not attached to the *rollo*.

<sup>30</sup> Id. at 100-108.

Dated October 19, 2013. Id. at 376-411.

Division (CA-First Division). In the same vein, Puncia filed his Petition for *Certiorari*<sup>32</sup> before the CA, which was docketed as CA-G.R. SP No. 132674 and was raffled to the Eleventh Division (CA-Eleventh Division).<sup>33</sup>

## The CA Proceedings

In a Resolution<sup>34</sup> dated November 29, 2013, the CA-Eleventh Division dismissed outright CA-G.R. SP No. 132674 on procedural grounds. Consequently, Puncia filed an Omnibus Motion (For Consolidation and Reconsideration of Order of November 29, 2013)<sup>35</sup> and a Supplement to the Omnibus Motion,<sup>36</sup> seeking the consolidation of CA-G.R. SP No. 132674 with CA-G.R. SP No. 132615.

In a Resolution<sup>37</sup> dated January 24, 2014, the CA-First Division denied the motion for consolidation on the ground that CA-G.R. SP No. 132674 was already dismissed by the CA-Eleventh Division. Thereafter, and while CA-G.R. SP No. 132674 remained dismissed, the CA-First Division promulgated the assailed Decision<sup>38</sup> dated June 9, 2014 (June 9, 2014 Decision) in CA-G.R. SP No. 132615 annulling and setting aside the NLRC ruling and reinstating that of the LA. It held that Toyota was able to present substantial evidence in support of its contention that there was just cause in Puncia's dismissal from employment and that it was done in compliance with due process, considering that: (a) Puncia's repeated failure to meet his sales quota constitutes gross inefficiency and gross neglect of duties; and (b) Puncia was afforded due process as he was able to submit a written explanation within the period given to him by Toyota.<sup>39</sup>

Dissatisfied, Puncia filed a motion for reconsideration,<sup>40</sup> which the CA-First Division denied in the assailed Resolution<sup>41</sup> dated September 23, 2014 (September 23, 2014 Resolution).

Meanwhile, in a Resolution<sup>42</sup> dated July 22, 2014, the CA-Eleventh Division reconsidered its dismissal of CA-G.R. SP No. 132674, and accordingly, reinstated the same and ordered Toyota to file its comment thereto.

<sup>&</sup>lt;sup>32</sup> Dated November 13, 2013. Id. at 416-437.

<sup>&</sup>lt;sup>33</sup> See id. at 10-11.

<sup>&</sup>lt;sup>34</sup> Id. at 439. Issued by Division Clerk of Court Atty. Celedonia M. Ogsimer.

Dated December 26, 2013. Id. at 255-265.

<sup>&</sup>lt;sup>36</sup> Dated December 27, 2013. ld. at 344-345.

Id. at 440. Issued by Division Clerk of Court Atty. Anita Jamerlan Rey.

<sup>&</sup>lt;sup>38</sup> Id. at 34-45.

<sup>&</sup>lt;sup>39</sup> See id. at 41-45.

Dated June 23, 2014; id. at 454-459.

<sup>&</sup>lt;sup>41</sup> Id. at 48-49.

Id. at 496-497. Penned by Associate Justice Eduardo B. Peralta, Jr. with Associate Justices Vicente S.E. Veloso and Jane Aurora C. Lantion concurring.

In view of the foregoing, Puncia filed the instant petition<sup>43</sup> mainly contending that the rulings in CA-G.R. SP No. 132615, *i.e.*, the assailed June 9, 2014 Decision and September 23, 2014 Resolution, should be set aside and the case be remanded back to the CA for consolidation with CA-G.R. SP No. 132674 so that both cases will be jointly decided on the merits.<sup>44</sup>

For its part,<sup>45</sup> Toyota maintained that the CA-First Division correctly promulgated its June 9, 2014 Decision in CA-G.R. SP No. 132615, considering that at the time of promulgation, there was no other pending case before the CA involving the same issues and parties as CA-G.R. SP No. 132674 was dismissed by the CA-Eleventh Division on November 29, 2013, and was only reinstated on July 22, 2014.<sup>46</sup>

#### The Issues Before the Court

The issues for the Court's resolution are (a) whether or not the CA-First Division correctly promulgated its June 9, 2014 Decision in CA-G.R. SP No. 132615 without consolidating the same with CA-G.R. SP No. 132674; and (b) whether or not Puncia was dismissed from employment for just cause.

## The Court's Ruling

The petition is denied.

At the outset, the Court notes that consolidation of cases is a procedure sanctioned by the Rules of Court for actions which involve a common question of law or fact before the court.<sup>47</sup> It is a procedural device granted to the court as an aid in deciding how cases in its docket are to be tried so that the business of the court may be dispatched expeditiously and with economy while providing justice to the parties.<sup>48</sup>

The rationale for consolidation is to have all cases, which are intimately related, acted upon by one branch of the court to avoid the possibility of conflicting decisions being rendered<sup>49</sup> and in effect, prevent

<sup>43</sup> Id. at 10-30.

<sup>44</sup> See id. at 22 and 29.

<sup>45</sup> See Comment dated April 28, 2015; id. at 354-373.

<sup>&</sup>lt;sup>16</sup> Id. at 361-363.

<sup>47</sup> Rule 31, Section 1 of the RULES OF COURT states:

Section 1. Consolidation. — When actions involving a common question of law or fact are pending before the court, it may order a joint hearing or trial of any or all the matters in issue in the actions; it may order all the actions consolidated; and it may make such orders concerning proceedings therein as may tend to avoid unnecessary costs or delay.

Producers Bank of the Philippines v. Excelsa Industries, Inc., 685 Phil. 694, 700 (2012).

Deutsche Bank AG v. CA, 683 Phil. 80, 93 (2012), citing Benguet Corporation, Inc. v. CA, 247-A Phil. 356 (1988).

confusion, unnecessary costs,<sup>50</sup> and delay.<sup>51</sup> It is an action sought to avoid multiplicity of suits; guard against oppression and abuse; clear congested dockets; and to simplify the work of the trial court in order to attain justice with the least expense and vexation to the parties-litigants.<sup>52</sup>

In order to determine whether consolidation is proper, the test is to check whether the cases involve the **resolution** of common questions of law, related facts, <sup>53</sup> or the same parties. <sup>54</sup> Consolidation is proper whenever the subject matter involved and the relief demanded in the different suits make it expedient for the court to determine all of the issues involved and adjudicate the rights of the parties by hearing the suits together. <sup>55</sup> **However, it must be stressed that an essential requisite of consolidation is that the several actions which should be pending before the court, arise from the same act, event or transaction, involve the same or like issues, and depend largely or substantially on the same evidence. <sup>56</sup> As succinctly stated in the rules, consolidation is allowed when there are similar actions which are pending before the court <sup>57</sup> – for there is nothing to consolidate when a matter has already been resolved and the very purpose of consolidation, to avoid conflicting decisions and multiplicity of suits, rendered futile. The Court's pronouncement in** *Honoridez v. Mahinay***, <sup>58</sup> is instructive on this matter, to wit:** 

Petitioners attempt to revive the issues in Civil Case No. CEB-16335 by moving for the consolidation of the same with Civil Case No. CEB-23653. Under Section 1, Rule 31 of the Rules of Court, only pending actions involving a common question of law or fact may be consolidated. Obviously, petitioners cannot make out a case for consolidation in this case since Civil Case No. CEB-16335, the case which petitioners seek to consolidate with the case *a quo*, has long become final and executory; as such, it cannot be re-litigated in the instant proceedings without virtually impeaching the correctness of the decision in the other case. Public policy abhors such eventuality. (Emphasis and underscoring supplied)

See Herrera, Oscar M., Remedial Law (Revised Edition), 1994 Ed., pp. 48-49.

RULES OF COURT, Rule 31, Section 1.

Deutsche Bank AG v. CA, supra note 49, at 94-95.

See Herrera, Oscar M., Remedial Law (Revised Edition), 1994 Ed., p. 48, citing *Active Wood Products Co., Inc. v. CA*, 260 Phil. 825, 830 (1990).

Section 3 (a), Rule III of the 2009 Internal Rules of the Court of Appeals has forthrightly mandated the consolidation of related cases assigned to different Justices, *viz*.:

Section 3. Consolidation of Cases. — When related cases are assigned to different Justices, they shall be consolidated and assigned to one Justice.

<sup>(</sup>a) Upon motion of a party with notice to the other party/ies, or at the instance of the Justice to whom any or the related cases is assigned, upon notice to the parties, consolidation shall ensue when the cases involve the same parties and/or related questions of fact and/or law. (Emphasis supplied)

Deutsche Bank AG v. CA, supra note 49, at 91.

Philippine National Bank v. Gotesco Tyan Ming Development, Inc., 606 Phil. 806, 812 (2009), citing Teston v. Development Bank of the Philippines, 511 Phil. 221, 229 (2005).

<sup>57</sup> RULES OF COURT, Rule 31, Section 1.

<sup>&</sup>lt;sup>58</sup> 504 Phil. 204 (2005).

<sup>&</sup>lt;sup>59</sup> Id. at 212-213.

In the instant case, while there were indeed two (2) separate petitions filed before the CA assailing the Decision dated February 14, 2013 and the Resolution dated August 30, 2013 of the NLRC in NLRC NCR CN. 10-15949-11/ NLRC LAC No. 07-001991-12, i.e., CA-G.R. SP No. 132615 and CA-G.R. SP No. 132674, it must nevertheless be stressed that CA-G.R. SP No. 132674 was dismissed by the CA-Eleventh Division as early as November 29, 2013 due to procedural grounds. This fact was even pointed out by the CA-First Division in its Resolution<sup>60</sup> dated January 24, 2014 when it held that CA-G.R. SP No. 132674 could no longer be consolidated with CA-G.R. SP No. 132615 since the former case had already been dismissed. From that point until the CA-First Division's promulgation of the assailed June 9, 2014 Decision in CA-G.R. SP No. 132615, no consolidation between CA-G.R. SP No. 132615 and CA-G.R. SP No. 132674 could take place mainly because the latter case remained dismissed during that time. In other words, when the CA-First Division promulgated its ruling in CA-G.R. SP No. 132615, it was the one and only case pending before the CA assailing the aforesaid NLRC rulings. Therefore, the CA-First Division acted within the scope of its jurisdiction when it promulgated its ruling in CA-G.R. SP No. 132615 without having the case consolidated with CA-G.R. SP No. 132674, notwithstanding the latter case's reinstatement after said promulgation.

It should be emphasized that the consolidation of cases is aimed to simplify the proceedings as it contributes to the swift dispensation of justice. As such, it is addressed to the sound discretion of the court and the latter's action in consolidation will not be disturbed in the absence of manifest abuse of discretion tantamount to an evasion of a positive duty or a refusal to perform a duty enjoined by law, which is absent in this case.

The foregoing notwithstanding, the Court deems it appropriate to look into the issue of the validity of Puncia's dismissal so as to finally resolve the main controversy at hand.

In his petition, Puncia insists that the CA gravely erred in upholding his dismissal, considering that the administrative proceeding against him was due to his failure to meet his monthly sales quota, but he was dismissed on the ground of gross insubordination.<sup>63</sup> On the other hand, Toyota maintains that the CA correctly declared Puncia's termination to be valid and in compliance with due process.<sup>64</sup>

It is settled that "for a dismissal to be valid, the rule is that the employer must comply with both substantive and procedural due process requirements. Substantive due process requires that the dismissal must be

<sup>60</sup> *Rollo*, p. 440.

<sup>61</sup> See *Domdom v. Sandiganbayan*, 627 Phil. 341, 349 (2010).

See Deutsche Bank AG v. CA, supra note 49, at 97-98.

<sup>63</sup> See *rollo*, p. 27.

<sup>&</sup>lt;sup>64</sup> See Comment dated April 28, 2015; id. at 355-356 and 363.

pursuant to either a just or an authorized cause under Articles 297, 298 or 299 (formerly Articles 282, 283, and 284)<sup>65</sup> of the Labor Code. Procedural due process, on the other hand, mandates that the employer must observe the twin requirements of notice and hearing before a dismissal can be effected."<sup>66</sup> Thus, to determine the validity of Puncia's dismissal, there is a need to discuss whether there was indeed just cause for his termination.

In the instant case, records reveal that as a Marketing Professional for Toyota, Puncia had a monthly sales quota of seven (7) vehicles from March 2011 to June 2011. As he was having trouble complying with said quota, Toyota even extended him a modicum of leniency by lowering his monthly sales quota to just three (3) vehicles for the months of July and August 2011; but even then, he still failed to comply. 67 In that six (6)-month span, Puncia miserably failed in satisfying his monthly sales quota, only selling a measly five (5) vehicles out of the 34 he was required to sell over the course of said period. Verily, Puncia's repeated failure to perform his duties -i.e., reaching his monthly sales quota – for such a period of time falls under the concept of gross inefficiency. In this regard, case law instructs that "gross inefficiency" is analogous to "gross neglect of duty," a just cause of dismissal under Article 297 of the Labor Code, for both involve specific acts of omission on the part of the employee resulting in damage to the employer or to his business. 68 In Aliling v. Feliciano, 69 the Court held that an employer is entitled to impose productivity standards for its employees, and the latter's non-compliance therewith can lead to his termination from work, viz.:

[T]he practice of a company in laying off workers because they failed to make the work quota has been recognized in this jurisdiction. x x x. In the case at bar, the petitioners' failure to meet the sales quota assigned to each of them constitute a just cause of their dismissal, regardless of the permanent or probationary status of their employment. Failure to observe prescribed standards of work, or to fulfill reasonable work assignments due to inefficiency may constitute just cause for dismissal. Such inefficiency is understood to mean failure to attain work goals or work quotas, either by failing to complete the same within the allotted reasonable period, or by producing unsatisfactory results. (Emphases and underscoring supplied)

Indisputably, Toyota complied with the substantive due process requirement as there was indeed just cause for Puncia's termination.

Anent the issue of procedural due process, Section 2 (I), Rule XXIII, Book V of the Omnibus Rules Implementing the Labor Code<sup>71</sup> provides for

See Department of Labor and Employment Department Advisory No. 01, Series of 2015, entitled "RENUMBERING OF THE LABOR CODE OF THE PHILIPPINES, AS AMENDED," approved on April 21, 2015.

Alps Transportation v. Rodriguez, 711 Phil. 122, 129 (2013); citations omitted.

See *rollo*, pp. 36-37.
 See *Aliling v. Feliciano*, 686 Phil. 889, 910 (2012), citing *Lim, v. NLRC*, 328 Phil. 843 (1996).

<sup>&</sup>lt;sup>70</sup> Id. at 911, citing *Leonardo v. NLRC*, 389 Phil. 118, 126-127.

As amended by DOLE Department Order No. 009-97 entitled "AMENDING THE RULES IMPLEMENTING BOOK V OF THE LABOR CODE AS AMENDED" approved on May 1, 1997.

the required standard of procedural due process accorded to employees who stand to be terminated from work, to wit:

- Section 2. Standards of due process; requirements of notice. In all cases of termination of employment, the following standards of due process shall be substantially observed:
- I. For termination of employment based on just causes as defined in Article 282 [now Article 297] of the Labor Code:
  - (a) A written notice served on the employee specifying the ground or grounds for termination, and giving to said employee reasonable opportunity within which to explain his side;
  - (b) A hearing or conference during which the employee concerned, with the assistance of counsel if the employee so desires, is given opportunity to respond to the charge, present his evidence, or rebut the evidence presented against him; and
  - (c) A written notice of termination served on the employee indicating that upon due consideration of all the circumstances, grounds have been established to justify his termination.

The foregoing standards were then further refined in *Unilever Philippines, Inc. v. Rivera*<sup>72</sup> as follows:

To clarify, the following should be considered in terminating the services of employees:

- (1) The first written notice to be served on the employees should contain the specific causes or grounds for termination against them, and a directive that the employees are given the opportunity to submit their written explanation within a reasonable period. "Reasonable opportunity" under the Omnibus Rules means every kind of assistance that management must accord to the employees to enable them to prepare adequately for their defense. This should be construed as a period of at least five (5) calendar days from receipt of the notice to give the employees an opportunity to study the accusation against them, consult a union official or lawyer, gather data and evidence, and decide on the defenses they will raise against the complaint. Moreover, in order to enable the employees to intelligently prepare their explanation and defenses, the notice should contain a detailed narration of the facts and circumstances that will serve as basis for the charge against the employees. A general description of the charge will not suffice. Lastly, the notice should specifically mention which company rules, if any, are violated and/or which among the grounds under Art. 282 is being charged against the employees.
- (2) After serving the first notice, the employers should schedule and conduct a hearing or conference wherein the employees will be given the opportunity to: (1) explain and clarify their defenses to the charge against them; (2) present evidence in support of their defenses; and (3) rebut the evidence presented against them by the management. During the hearing or conference, the employees are given the chance to defend themselves personally, with the assistance of a representative or counsel of

<sup>&</sup>lt;sup>72</sup> 710 Phil. 124 (2013).

their choice. Moreover, this conference or hearing could be used by the parties as an opportunity to come to an amicable settlement.

(3) After determining that termination of employment is justified, the employers shall serve the employees a written notice of termination indicating that: (1) all circumstances involving the charge against the employees have been considered; and (2) grounds have been established to justify the severance of their employment. (Emphases and underscoring supplied)

In this case, at first glance it seemed like Toyota afforded Puncia procedural due process, considering that: (a) Puncia was given a Notice to Explain;<sup>74</sup> (b) Toyota scheduled a hearing on October 17, 2011 regarding the charge stated in the Notice to Explain; (c) on the date of the hearing, Puncia was able to submit a letter<sup>76</sup> addressed to Toyota's vehicle sales manager explaining his side, albeit he failed to attend said hearing; and (d) Toyota served a written Notice of Termination<sup>77</sup> informing Puncia of his dismissal from work. However, a closer look at the records reveals that in the Notice to Explain, Puncia was being made to explain why no disciplinary action should be imposed upon him for repeatedly failing to reach his monthly sales quota, which act, as already adverted to earlier, constitutes gross inefficiency. On the other hand, a reading of the Notice of Termination shows that Puncia was dismissed not for the ground stated in the Notice to Explain, but for gross insubordination on account of his non-appearance in the scheduled October 17, 2011 hearing without justifiable reason. In other words, while Toyota afforded Puncia the opportunity to refute the charge of gross inefficiency against him, the latter was completely deprived of the same when he was dismissed for gross insubordination – a completely different ground from what was stated in the Notice to Explain. As such, Puncia's right to procedural due process was violated.

Hence, considering that Toyota had dismissed Puncia for a just cause, albeit failed to comply with the proper procedural requirements, the former should pay the latter nominal damages in the amount of ₱30,000.00 in accordance with recent jurisprudence.<sup>78</sup>

WHEREFORE, the petition is **DENIED**. The Decision dated June 9, 2014 and the Resolution dated September 23, 2014 of the Court of Appeals in CA-G.R. SP No. 132615 are hereby **AFFIRMED** with **MODIFICATION** in that respondent Toyota Shaw/Pasig, Inc. is **ORDERED** to indemnify petitioner Armando N. Puncia nominal damages in the amount of ₱30,000.00 for dismissing the latter in violation of his right to procedural due process, but for a just cause.

<sup>&</sup>lt;sup>73</sup> Id. at 136-137, citing King of Kings Transport, Inc. v. Mamac, 553 Phil. 108, 115-116 (2007).

<sup>&</sup>lt;sup>74</sup> *Rollo*, p. 328.

<sup>&</sup>lt;sup>75</sup> Id.

<sup>&</sup>lt;sup>76</sup> Id. at 198.

<sup>&</sup>lt;sup>77</sup> Id. at 199.

See Sang-an v. Equator Knights Detective and Security Agency, Inc., 703 Phil. 492, 503 (2013), citing Agabon v. NLRC, 485 Phil 248 (2004).

SO ORDERED.

ESTELA MIPÉRLAS-BERNABE
Associate Justice

Associate Justice

**WE CONCUR:** 

MARIA LOURDES P. A. SERENO
Chief Justice

Terisita dinaido de Castro TERESITA J. LEONARDO-DE CASTRO

Associate Justice

LIFREDO BENJAMIN S. CAGUIOA

Associate Yustice

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.

MARIA LOURDES P. A. SERENO Chief Justice

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