



**Republic of the Philippines
Supreme Court
Manila**

SECOND DIVISION

**LUFTHANSA TECHNIK
PHILIPPINES, INC., ANTONIO
LOQUELLANO AND ARTURO
BERNAL,**

Petitioners,

G.R. No. 184452

Present:

PERLAS-BERNABE, J.,
Chairperson,
REYES, A. JR.,
HERNANDO,
INTING, and
DELOS SANTOS, JJ.

- versus -

ROBERTO CUIZON,
Respondent.

Promulgated:

12 FEB 2020

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DECISION

HERNANDO, J.:

Challenged in this appeal is the March 5, 2008 Decision¹ of the Court of Appeals (CA) in CA-G.R. SP No. 02998 which held that respondent Roberto Cuizon (Cuizon) had been illegally dismissed.

The Parties

Petitioner Lufthansa Technik Philippines, Inc. (LTP) is a corporation duly organized under Philippine law, and is engaged in the business of aircraft maintenance, repair and overhaul (MRO). It provides technical support and MRO services for the entire fleet of Philippine Airlines (PAL).² Petitioner Lorenzo Ziga is impleaded in his capacity as officer of LTP, while petitioner Antonio Loquellano (Loquellano) is impleaded in his capacity as an MA2 Division Manager of LTP, and who is the immediate supervisor of herein respondent Cuizon. On the other hand, petitioner Arturo Bernal is

¹ *Rollo*, Volume I, pp. 115-125; penned by Associate Justice Isaias P. Dicdican and concurred in by Associate Justices Priscilla Baltazar-Padilla and Franchito N. Diamante.

² *Id.* at 16.

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impleaded in his capacity as the Duty Manager of the Maintenance Control Center of LTP, and is also the Chairman of the Employee Council of LTP (collectively, petitioners).³

As an MRO provider, LTP's mechanics and engineers perform routine maintenance checks of its clients' aircrafts to ensure the safety of the passengers as well as the aircrafts' scheduled commercial flights. LTP operates a branch located in the Mactan International Airport, Cebu City, known as MA2, which serves LTP's clients' aircrafts that land in said airport.⁴

Cuizon had initially worked with the Maintenance and Engineering Department of PAL for 32 years. Eventually, LTP absorbed said department and its employees, including Cuizon. He held the position of MA2 Duty Manager in LTP's Cebu Station from September 1, 2000 until his dismissal on August 16, 2005.⁵

The Antecedents

Petitioners claim that they validly terminated Cuizon's employment on August 16, 2005 for loss of trust and confidence in his ability to perform his duties as MA2 Duty Manager. They point out that such loss of trust and confidence resulted from Cuizon's numerous violations and blatant disregard of the LTP Standards in the Workplace, which violations were committed in the course of two separate incidents, specifically:

1. [Cuizon's] willful concealment of the accidental light-up of PAL Aircraft EI-BZE [on] 10 March 2005, [accidental light-up incident] and
2. [Cuizon's] failure to observe the safety guidelines and precautions of petitioner LTP with respect to aircraft towing, which caused damage to PAL Aircraft RP-C4008 [on] 15 April 2005 [towing incident].⁶

Petitioners' Version on the First Incident: Concealment of the accidental light-up incident

On March 10, 2005, Cuizon was assigned as Duty Manager and Project Manager in MA2 during the scheduled conduct of an A01 Check of PAL Aircraft EI-BZE, which was assigned to Avionics Crew Chief Julio J. Valencia (Valencia) and Avionics Mechanics Joselito Y. Gargantiel (Gargantiel) and Jonas A. Cabajar (Cabajar). An A01 check includes an ignition check.⁷

³ *Id.* at 14-15.

⁴ *Id.* at 16.

⁵ *Id.* at 15; *See also id.*, Volume III, p. 1220.

⁶ *Id.* at 18.

⁷ *Id.* at 19.

Thus, Gargantiel and Cabajar performed the LH Engine Igniter Operational Check of PAL Aircraft EI-BZE. In the course thereof, they verified the actual operation of the engine igniters. Cabajar noted that the exhaust was emitting hot gas, which was followed by a flame that extended for about one and one-half meters (1.5m) in length. Cabajar immediately notified Gargantiel, Valencia and Aircraft Mechanic Rio M. Aguilar. Upon their assessment, they found that the No. 1 Engine Fan Blades could not be rotated manually by hand, and that an accidental light-up had most likely occurred.⁸

Eventually, Cuizon was called to the scene. Cuizon then instructed those on hand to cool the engine, which action still failed to remedy the situation. Consequently, Valencia suggested to Cuizon that pursuant to the Handbook of LTP, the latter should call the Maintenance Control Center (MA4) in Manila to apprise them of the situation. Despite the foregoing standard operating procedure, Cuizon opted to first tow the aircraft to the MA2 hangar and continued with the scheduled A01 check prior to informing the MA4 in Manila.⁹

Eventually, Cuizon called MA4 Duty Manager Carlos A. Ramirez (Ramirez) of MA4 in Manila. However, instead of informing Ramirez that an accidental light-up had occurred, he reported that the "No. 1 Engine Fan Blade of Aircraft EI-BZE was found hard to rotate upon arrival."¹⁰ Cuizon likewise relayed the same information to Inspector Venustiano Suson who generated a Ground Maintenance Log of the incident.¹¹

In Cuizon's March 11, 2005 Report,¹² he likewise concealed the accidental light-up incident and merely indicated that the "LH engine fan motor blades cannot be rotated freely."¹³ However, Cuizon's Report contradicted the incident reports filed by Gargantiel, Cabajar, and Valencia, who indicated in their respective reports that an accidental light-up had occurred in the course of the LH Engine Igniter Operational Check of PAL Aircraft EI-BZE. As a result of the contrasting reports, Cuizon submitted a revised report which then indicated that the LH engine froze as a result of the accidental light-up. Moreover, to exonerate himself, he claimed that he made an immediate verbal report to Loquellano about the accidental light-up, which the latter denied.¹⁴

Petitioners' Version on the Second Incident: RP-C4008 Towing Incident on April 15, 2005

⁸ *Id.* at 19-20.

⁹ *Id.* at 20-21.

¹⁰ *Id.* at 21.

¹¹ *Id.*

¹² *Id.*, Volume II, p. 756.

¹³ *Id.*

¹⁴ *Id.*, Volume I, pp. 24-26.

On April 15, 2005, or a month after the accidental light-up incident, Cuizon was involved in a towing incident that resulted in substantial losses to LTP.¹⁵

On said date, Cuizon was the Duty Manager and Project Manager for an A12 Check of a PAL Boeing Aircraft RP-C4008. For this particular A12 Check, Loquellano designated certain individuals as members of the Phase Check Crew, headed by Cuizon, in his capacity as Duty Manager and Project Manager. Thus, a certain Mr. G. Sarmiento, Jr. (Sarmiento), an Airframe and Powerplant Mechanic, was assigned as a Headset Man for the towing crew in view of having been duly trained and licensed as such.¹⁶

Petitioners claim that in the course of the A12 Check of Aircraft RP-C4008, Cuizon took the headset from Sarmiento and performed the tasks of the latter, without authority to do so and despite having no expertise on such matters. Cuizon then assigned Cabajar as a Headset Man, who was inexperienced and unqualified as such.¹⁷ Cuizon then left his team in the hands of Cabajar, while he returned to the hangar in order to initiate housekeeping thereof. He also allowed the wing walkers and tail guides to leave their positions before the towing of the aircraft to Bay 31 was completed.¹⁸

Among the diagnostics to be performed in an A12 Check is an RH Engine Ignition Operational Check. Since the aircraft was located within LTP's hangar in Mactan International Airport, Cuizon instructed the members of the Phase Check Crew to tow the aircraft to the run-up area at Bay 31.¹⁹

Petitioner LTP points out that based on the Boeing Maintenance Manual, the following safety precautions should be performed prior to the towing of the aircraft: (i) the hydraulic system should be pressurized; (ii) the brake hydraulic pressure is approximately 3,000 per square inch (psi); and (iii) the wing flaps are up. However, Cuizon disregarded the foregoing precautions and continued to tow the aircraft to Bay 31.²⁰

In addition, Cuizon failed to await the prior clearance from the Mactan International Tower, which, at the time the aircraft was being towed, had not yet been informed of the aircraft movement.²¹

As a consequence of the foregoing, RP-C4008 was grounded for repair due to the damage sustained by the aircraft's LH Wing Inboard Trailing Edge Flaps upon its collision with a four-foot high utility post,

¹⁵ *Id.* at 29.

¹⁶ *Id.* at 29-30.

¹⁷ *Id.* at 30.

¹⁸ *Id.* at 38.

¹⁹ *Id.* at 33.

²⁰ *Id.* at 36-37.

²¹ *Id.* at 37.

which was located on a grassy field near the edge of the cemented portion of the ramp between Bays 32 and 33. As a result, LTP spent US\$21,000.00 for the repair of the damaged wing flaps plus US\$14,470.00 as lease charge for the entire period the aircraft was grounded.²²

In view of the foregoing infractions, and the damage sustained by RP-C4008 as a result thereof, Cuizon, together with Tow Tractor Operator Reynaldo Dulce and Cabajar, were served with show cause memorandum by Loquellano for having committed a violation on safety, as provided in Article 6.2.3.2 of LTP's Standards at the Workplace,²³ which states:

6.2.3.2. **Violation of Safety.** - Violating safety rules and regulations issued by competent government authority or by company or otherwise endangering, jeopardizing, or compromising in any manner, by way of action, the safety of any company operation, deliberately or through negligence.²⁴

Respondent Cuizon's Version

In his defense, Cuizon asserts that petitioners have no basis in terminating him; hence, the termination was illegal. Cuizon avers that he was being singled-out due to events prior to the accidental light-up and towing incidents. He explains that prior to the foregoing incidents, an anonymous letter was circulated, which was addressed to LTP's President and CEO, Andreas Heizner, and to some of the LTP's officers. The letter was allegedly criticizing Loquellano's handling of the company in Cebu and his other alleged culpabilities, which are inimical to LTP's interest. In the same letter, Cuizon was being praised for his work ethic and named as the better person to hold the position of MA-2 Manager than Loquellano. Loquellano suspected Cuizon as the sender of the anonymous letter. As a result, Cuizon received a cold treatment from his direct superior, Loquellano.²⁵

Cuizon further points out that he was the only one terminated despite the involvement and admissions of the other personnel.²⁶ In addition, he claims that petitioners railroaded his efforts to procure documents necessary to defend himself, such as transcripts of the investigation.²⁷ He asserts that petitioners had no basis in terminating him, thus his termination was illegal.²⁸

²² *Id.* at 38.

²³ *Id.* at 352-387.

²⁴ *Id.* at 371.

²⁵ *Id.* at 117.

²⁶ *Id.*, Volume III, p. 1391.

²⁷ *Id.* at 1397.

²⁸ *Id.* at 1407-B.

With regard to the accidental light-up incident, Cuizon claims that he immediately informed Loquellano through a phone call about his findings.²⁹ He also asserts that he timely submitted/furnished a copy of his incident report³⁰ to Loquellano. Moreover, he argues that he did not conceal any information, rather, he could not immediately conclude the finding that there was an accidental light-up because the same had to be confirmed using a *boroscope*.³¹

With regard to the towing incident, Cuizon claims that he did not abandon the towing crew but only proceeded to do other tasks to support the leak check that was meant to be conducted on the aircraft's engine.³²

On May 25, 2005, Cuizon received a Request for Explanation³³ from Loquellano regarding the towing incident on April 15, 2005, charging him with violation of safety rules based on LTP's rules and guidelines. On June 1, 2005, Cuizon submitted his response³⁴ to the request for explanation. On June 9, 2005, he received another Request for Explanation³⁵ for an accidental aircraft engine light-up which occurred on March 10, 2005, wherein he was charged with negligence on the job, false information, insubordination or willful disobedience, and fraud against the company.³⁶ Cuizon submitted his response³⁷ to said request for explanation on June 13, 2005.

After conducting a hearing on the matter, LTP issued on August 9, 2005 a Memorandum³⁸ finding Cuizon to have violated LTP's safety rules and guidelines, negligence on the job, false information, and was dismissed from the service.³⁹

On November 7, 2005, Cuizon filed a complaint for illegal dismissal against petitioners, docketed as NLRC RAB-VII Case No. 11-2384-2005. The complaint was then scheduled for mandatory conference, however, no amicable settlement was reached between the parties.⁴⁰

²⁹ *Id.* at 1412; See also paragraph 8 of the Incident Report dated April 21, 2005, *id.* at 747; See also testimony of Mr. Julio Valencia in the Transcript of the investigation on the light-up incident conducted on July 7, 2005, *id.* at 782; and testimony of Mr. Loquellano in the Transcript of the investigation on the light-up incident conducted on July 7, 2005, *id.* at 793.

³⁰ *Id.*, Volume II, p. 756; See also *Rollo*, Volume III, p. 1416.

³¹ *Id.*, Volume III, p. 1418.

³² *Id.*, Volume I, p. 122.

³³ *Id.*, Volume III, p. 1407-B.

³⁴ *Id.* at 1410.

³⁵ *Id.* at 1408.

³⁶ *Id.*, Volume I, p. 117.

³⁷ *Id.*, Volume III, p. 1412.

³⁸ *Id.*, Volume I, p. 294.

³⁹ *Id.* at 117.

⁴⁰ *Id.* at 116.

On May 4, 2006, the Labor Arbiter rendered a Decision⁴¹ dismissing Cuizon's complaint for illegal dismissal. The dispositive portion of said Decision reads:

WHEREFORE, PREMISES CONSIDERED, judgment is hereby rendered declaring respondents NOT GUILTY of illegally dismissing complainant from his employment. However, respondents LUFTHANSA TECHNIK PHILIPPINES, ANDREAS HEIZNER, THOMAS RUECKERT, LORENZO ZIGA, ANTONIO LOQUELLANO and ARTURO BERNAL are hereby ordered to pay, jointly and severally, complainant ROBERTO CUIZON the total amount of SEVENTY-NINE THOUSAND SIX HUNDRED NINETY-ONE PESOS and 42/100 (₱79,691.42), Philippine currency, representing the 13th and 14th month pay including the commutation of complainant's earned leave credits, within ten (10) days from receipt hereof, through the Cashier of this Arbitration Branch.

Other claims are DISMISSED for lack of merit.

SO ORDERED.⁴²

Aggrieved, Cuizon appealed to the National Labor Relations Commission (NLRC).

In its Decision⁴³ dated March 6, 2007, the NLRC likewise held that there was no illegal dismissal in respect to Cuizon. The dispositive portion of the NLRC's Decision reads:

WHEREFORE, premises considered, the decision of the Labor Arbiter dated 4 May 2006 is hereby **AFFIRMED**.

SO ORDERED.⁴⁴

Cuizon filed a Motion for Reconsideration, which was denied in the NLRC's Resolution dated June 27, 2007.⁴⁵

Cuizon thereafter filed a Petition for *Certiorari*⁴⁶ under Rule 65 of the Rules of Court with the CA, claiming that the NLRC's March 6, 2007 Decision and June 27, 2007 Resolution should be annulled and set aside for having been rendered with grave abuse of discretion amounting to lack or excess of jurisdiction.⁴⁷

⁴¹ *Id.*, Volume III, pp. 1220B-1238; penned by Labor Arbiter Julie C. Rendoque.

⁴² *Id.* at 1237.

⁴³ *Id.* at 1357-1374; penned by Commissioner Oscar S. Uy and concurred in by Commissioner Aurelio D. Menzon.

⁴⁴ *Id.* at 1373.

⁴⁵ *Id.*, Volume I, p. 119.

⁴⁶ *Id.*, Volume III, pp. 1386-1442.

⁴⁷ *Id.* at 1387.

In its Decision⁴⁸ dated March 5, 2008, the CA in CA-G.R. SP No. 02998 found the petition meritorious. Thus, the CA reversed the findings of the Labor Arbiter and the NLRC and held that Cuizon was indeed illegally dismissed.

The CA pointed out that: (i) petitioners herein failed to establish that Cuizon had intentionally, willfully, knowingly and purposely breached his duty as would warrant his dismissal on the ground of loss of trust and confidence. Moreover, the appellate court noted that Cuizon was the only one sanctioned/terminated despite the clear participation of other personnel involved in the two incidents; (ii) Cuizon could not be guilty of deliberately giving false, inaccurate, misleading, incomplete or delayed information to LTP regarding the accidental aircraft engine light-up incident since: *firstly*, he indeed submitted a copy of the incident report to Loquellano; and *secondly*, the report was based on his personal findings and appreciation of the facts of the accidental aircraft engine light-up incident, which were corroborated by the reports of his fellow employees; and (iii) the towing precautions that he allegedly did not follow and which were made as the basis for his alleged negligence, were for the tow tractor operator, brake rider and radio operator to comply with. Thus, Cuizon could not be faulted if in the course of the towing operation, some members of the crew left. Granting that Cuizon should be responsible as the supervisor of the crew, petitioners failed to prove that Cuizon consented or had full knowledge that said crew members left their posts. Moreover, the CA gave credence to Cuizon's argument that he did not abandon the towing job but only proceeded to do other tasks to support the leak check that was meant to be conducted on the aircraft's engine.⁴⁹ Thus, the dispositive portion of the CA's Decision reads:

WHEREFORE, in view of the foregoing premises, judgment is hereby rendered by us **SETTING ASIDE** the assailed decision of the respondent NLRC and:

1. Declaring the dismissal of [Cuizon] as **ILLEGAL**;
2. Ordering the [petitioners] to pay [Cuizon] **SEPARATION PAY** computed from his date of employment up to the time of the finality of this decision; and
3. Ordering the [petitioners] to pay [Cuizon] his **FULL BACKWAGES** inclusive of allowances and other benefits computed from the time [he] was illegally dismissed up to the x x x finality of this decision[.]

The foregoing awards are **IN ADDITION** to the amount awarded to [Cuizon] by the [L]abor [A]rbiter in the latter's decision dated May 4, 2006 representing [Cuizon's] 13th and 14th month pay and earned leave credits.

SO ORDERED.⁵⁰

⁴⁸ *Id.*, Volume I, pp. 115-125.

⁴⁹ *Id.* at 121-122.

⁵⁰ *Id.* at 124-125.

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Aggrieved, petitioners filed a Motion for Reconsideration, which the Court of Appeals denied in its September 5, 2008 Resolution.⁵¹

Dissatisfied, petitioners filed the instant Petition for Review on *Certiorari*⁵² under Rule 45 of the Rules of Court, which raises the following assignment of errors:

- A. The complete and inexplicable reversal of the CA of the factual findings of both the Labor Arbiter and the [NLRC], which were supported by substantial evidence, violated the Rules of Court and established jurisprudence.
- B. In failing to determine how the labor tribunals *a quo* acted without jurisdiction or with grave abuse of discretion amounting to lack or excess of jurisdiction, and in substituting its own factual findings to that of the labor tribunals *a quo* without offering any valid explanation for such substitution, the CA violated and went beyond the scope of Section 1, Rule 65 of the Rules of Court.
- C. The CA erred in not finding that respondent Cuizon was validly dismissed for loss of trust and confidence in his ability and competence to perform his duties as MA2 Duty Manager after he blatantly disregarded the "LTP Standards in the Workplace" by concealing the accidental light up of PAL aircraft EI-BZE [on] March 10, 2005 and failing to observe the safety guidelines and precautions of petitioner LTP with respect to aircraft towing, which caused damage to petitioner LTP in the total amount of US\$35,470.00.
- D. The CA erred when it completely ignored the findings of the NLRC that respondent Cuizon was validly dismissed for gross negligence when as a result of his actions, petitioner LTP lost US\$35,470.00.⁵³

In essence, the main issue in the instant case is whether or not Cuizon was validly terminated on the ground of loss of trust and confidence and gross negligence.

The Court's Ruling

We find petitioners' instant appeal unmeritorious. Thus, we uphold the findings of the CA that Cuizon was illegally terminated.

As a general rule, the Supreme Court may only entertain questions of law. As an exception, the Court may review factual issues when the factual findings are in conflict.

⁵¹ *Id.* at 128-129.

⁵² *Id.* at 12-102.

⁵³ *Id.* at 63-64.

The Court may review factual issues in a labor case when the factual findings are in conflict.⁵⁴ Thus, in *Casco v. National Labor Relations Commission*,⁵⁵ (*Casco*) citing *Montoya v. Transmed Manila Corporation*,⁵⁶ We held that:

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. This is the approach that should be basic in a Rule 45 review of a CA ruling in a labor case. In question form, the question to ask is: **Did the CA correctly determine whether the NLRC committed grave abuse of discretion in ruling on the case?** (Citations omitted)

Therefore, although as a rule this Court may only review questions of law, however, in exceptional cases, it may review the facts in labor cases where the findings of the CA and of the labor tribunals are contradictory, which is the case herein.⁵⁷

Cuizon was not validly dismissed for loss of trust and confidence.

We find that petitioners did not validly dismiss Cuizon on the ground of loss of trust and confidence.

Article 297 (formerly 282) of the Labor Code provides that an employer may terminate its employee for “[f]raud or willful breach by the employee of the trust reposed in him by his employer or duly authorized representative.”

“The requisites for dismissal on the ground of loss of trust and confidence are: (1) the employee concerned must be holding a position of trust and confidence; (2) there must be an act that would justify the loss of trust and confidence; [and (3)] such loss of trust relates to the employee’s performance of duties.”⁵⁸

⁵⁴ *Casco v. National Labor Relations Commission*, G.R. No. 200571, February 19, 2018, 856 SCRA 12, 23-24.

⁵⁵ *Id.*

⁵⁶ 613 Phil. 696, 707 (2009).

⁵⁷ *Casco v. National Labor Relations Commission*, *supra* note 54 at 24.

⁵⁸ *Cadavas v. Court of Appeals*, G.R. No. 228765, March 20, 2019.

Cadavas v. Court of Appeals,⁵⁹ (*Cadavas*) citing *Bristol Myers Squibb (Phils.), Inc. v. Baban*,⁶⁰ explained the two classes of positions of trust, thus:

There are two (2) classes of positions of trust. The first class consists of managerial employees. They are defined as those vested with the powers or prerogatives to lay down management policies and to hire, transfer, suspend, lay-off, recall, discharge, assign or discipline employees or effectively recommend such managerial actions. The second class consists of cashiers, auditors, property custodians, *etc.* They are defined as those who in the normal and routine exercise of their functions, regularly handle significant amounts of money or property. (Citations omitted)

“Managerial employees refer to those whose primary duty consists of the management of the establishment in which they are employed, or of a department or a subdivision thereof, and to other officers or members of the managerial staff.”⁶¹

Casco explains the concept of loss of trust and confidence as a valid ground for termination of employment:

Loss of trust and confidence as a valid ground for dismissal is premised on the fact that the employee holds a position whose functions may only be performed by someone who enjoys the trust and confidence of the management. Such employee bears a greater burden of trustworthiness than ordinary workers, and *the betrayal of the trust reposed is the essence of the loss of trust and confidence* that becomes the basis for the employee’s dismissal.⁶²

In *Casco*, which cited *Lima Land, Inc. v. Cuevas*,⁶³ We distinguished between managerial employees, on the one hand, and rank and file personnel on the other hand, insofar as terminating them on the basis of loss of trust and confidence, thus:

As firmly entrenched in our jurisprudence, loss of trust and confidence, as a just cause for termination of employment, is premised on the fact that an employee concerned holds a position where greater trust is placed by management and from whom greater fidelity to duty is correspondingly expected. This includes managerial personnel entrusted with confidence on delicate matters, such as the custody, handling, or care and protection of the employer’s property. The betrayal of this trust is the essence of the offense for which an employee is penalized.

It must be noted, however, that in a plethora of cases, this Court has distinguished the treatment of managerial employees from that of rank-and-file personnel, insofar as the application of the doctrine of loss of trust and confidence is concerned. Thus, with respect to rank-and-file personnel, loss of trust and confidence, as ground for valid dismissal, requires proof of involvement in the alleged events in question, and that

⁵⁹ *Id.*

⁶⁰ 594 Phil. 620, 628 (2008).

⁶¹ *Cadavas v. Court of Appeals*, *supra* note 58.

⁶² *Casco v. National Labor Relations Commission*, *supra* note 54 at 28.

⁶³ 635 Phil. 36, 48-49. (2010).

mere uncorroborated assertions and accusations by the employer will not be sufficient. **But as regards a managerial employee, the mere existence of a basis for believing that such employee has breached the trust of his employer would suffice for his dismissal. Hence, in the case of managerial employees, proof beyond reasonable doubt is not required, it being sufficient that there is some basis for such loss of confidence, such as when the employer has reasonable ground to believe that the employee concerned is responsible for the purported misconduct, and the nature of his participation therein renders him unworthy of the trust and confidence demanded of his position.**

On the other hand, **loss of trust and confidence as a ground of dismissal has never been intended to afford an occasion for abuse because of its subjective nature. It should not be used as a subterfuge for causes which are illegal, improper, and unjustified. It must be genuine, not a mere afterthought intended to justify an earlier action taken in bad faith.** Let it not be forgotten that what is at stake is the means of livelihood, the name, and the reputation of the employee. To countenance an arbitrary exercise of that prerogative is to negate the employee's constitutional right to security of tenure.⁶⁴ (Citations omitted)

In the instant case, We find that petitioners failed to substantially prove the second requisite (*i.e.*, there must be an act that would justify the loss of trust and confidence). In *Cadavas*, We have emphasized that “[l]oss of trust and confidence to be a valid cause for dismissal must be based on a willful breach of trust and founded on clearly established facts. Such breach is willful if it is done intentionally, knowingly, and purposely, without justifiable excuse as distinguished from an act done carelessly, thoughtlessly, heedlessly or inadvertently.”⁶⁵

However, in this case, We are of the firm view that petitioners failed to prove that Cuizon willfully, intentionally, knowingly, purposely, and without justifiable excuse disregarded LTP's rules and regulations in the workplace. On the contrary, this Court finds that Cuizon has substantially refuted petitioners' claim on the alleged concealment of the accidental light-up and the towing incident.

The CA found, and this Court agrees, that Cuizon could not be held guilty of deliberately giving false, inaccurate, misleading, incomplete or delayed information to LTP regarding the accidental aircraft engine light-up incident.⁶⁶ We note the following circumstances: (i) Cuizon had indeed immediately called Loquellano to inform him about the accidental light-up⁶⁷ and likewise timely submitted/furnished him a copy of his incident report;⁶⁸ (ii) the report submitted by Cuizon was based on his personal findings and appreciation of facts of the accidental aircraft engine light-up incident. The facts that he transmitted were the most precise information that he could

⁶⁴ *Casco v. National Labor Relations Commission*, *supra* note 54 at 30-31.

⁶⁵ *Cadavas v. Court of Appeals*, *supra* note 58.

⁶⁶ *Rollo*, Volume I, p. 122.

⁶⁷ *Id.*, Volume II, p. 747; *See also id.*, Volume II, pp. 782 and 793.

⁶⁸ *Id.*, Volume II, p. 756; *See also id.*, Volume III, p. 1416.

gather at that time. We give credence to his justification that he could not immediately conclude that there was an accidental light-up because the same had to be eventually confirmed using a *boroscope*,⁶⁹ and (iii) Cuizon's claim had been substantially corroborated and confirmed by the reports⁷⁰ of his fellow employees involved in the incident.

The foregoing efforts of Cuizon showed that he followed the rules of procedure of LTP and that there was no act of deliberately giving false, inaccurate, and misleading information to petitioners.

Similarly, We are of the firm view that Cuizon did not willfully, purposely, and without justifiable excuse disregard the towing precautions during the towing incident. As aptly held by the CA, towing is a shared responsibility of the towing crew. Thus, the entire towing crew was supposed to observe the safety precautions, such as not leaving their posts during the towing operation. Indeed, Cuizon could not be faulted if unknown to him, some members of the towing crew, specifically the tail and wing guides, decided to leave their posts without permission or authority to do so. As properly held by the CA, petitioners failed to prove that Cuizon consciously allowed some members of the towing crew to leave their posts. Furthermore, We find that the CA aptly gave credence to Cuizon's claim that he did not abandon the towing crew but that he only proceeded to do other tasks to support the leak check that was meant to be conducted on the aircraft's engine.⁷¹

Cuizon is not liable for Gross Negligence.

"Neglect of duty, as a ground for dismissal, must be both gross and habitual."⁷² In *Casco*, We pronounced that:

Gross negligence implies a want or absence of or a failure to exercise slight care or diligence, or the entire absence of care. It evinces a thoughtless disregard of consequences without exerting any effort to avoid them. Habitual neglect implies repeated failure to perform one's duties for a period of time, depending upon the circumstances.⁷³

In termination cases, the employer bears the burden of proving that the employee's dismissal was for a valid and authorized cause. Consequently, the failure of the employer to prove that the dismissal was valid, would mean that the dismissal was unjustified, and thus illegal.⁷⁴

We find that petitioners failed to discharge the burden.

⁶⁹ *Id.*, Volume III, p. 1418; *See also id.*, Volume II, p. 804.

⁷⁰ *Id.* at 1416; *See also id.* at 813; *Rollo*, Volume 1, p. 161; *Rollo*, Volume 1, p. 393.

⁷¹ *Id.*, Volume I, p. 122.

⁷² *Nissan Motors Phils., Inc. v. Angelo*, 673 Phil. 150, 160 (2011); *See also Casco v. National Labor Relations Commission*, *supra* note 54 at 24.

⁷³ *Casco v. National Labor Relations Commission*, *id.* at 24-25.

⁷⁴ *Id.*

Firstly, petitioners miserably failed to show that Cuizon did not exercise even a slight care or diligence which caused the grounding of and damage to the aircraft during the towing operation. Moreover, petitioners failed to prove that it was Cuizon's act that directly or solely caused the grounding of and damage to the aircraft during the towing incident.

This Court gives credence to the following allegations of Cuizon: (i) Sarmiento, whom petitioners claim as the licensed Headset Man, could not perform his task since at the time of the towing incident, he needed to perform a leak check on the aircraft's engine since he was also an Airframe and Powerplant Mechanic. On the other hand, Cuizon assigned Cabajar as the Headset Man. Based on Cuizon's assessment, Cabajar was qualified to perform said task considering his several prior experience in towing an aircraft. As a Radioman, Cabajar had been assisting mechanics who had been acting as Headset Man. In view of his work experience, Cuizon found him fit to perform the task as Headset Man, since he was the only mechanic in the area;⁷⁵ (ii) the aircraft was towed with the flaps fully extended because the same could not be retracted as there was a problem with the hydraulic system. Because of this problem, the aircraft had to be repositioned to the run-up at bay 31 (for safety purposes) to pressurize the hydraulic system;⁷⁶ and (iii) the aircraft was actually towed with brakes. Despite the absence of working brakes due to the problem with the hydraulic system, the aircraft was towed with a precautionary measure in place in the form of the brake accumulator. In the absence of a brake hydraulic pressure, the brake accumulators can be used. Hence, the aircraft was not towed without brakes.⁷⁷

As We have pointed out, a towing operation is a shared responsibility. Thus, We note the involvement and admissions of the other personnel who were part of the towing crew. For instance, radioman and mechanic Abelar Pilaza had testified and admitted that through his own volition, he decided not to ask clearance from the tower when the aircraft was being towed.⁷⁸ Thus, Cuizon could not be faulted if without his knowledge and authorization, members of the towing crew decided to deviate from the standard operating procedure, including not leaving their designated posts.

Secondly, We find that petitioners failed to prove that Cuizon was negligent in his job when he allegedly concealed the accidental light-up incident or allegedly provided false information thereon. On the contrary, We find that he performed his task in accordance with the rules and procedures of LTP. We note that Cuizon immediately informed his supervisor, Loquellano, through a phone call, about his findings.⁷⁹ In addition, We note the fact that Cuizon had indeed timely

⁷⁵ *Rollo*, Volume IV, p. 1926; *See also Rollo*, Volume II, p. 878.

⁷⁶ *Id.* at 1930.

⁷⁷ *Id.* at 1933, *citing* Boeing Maintenance Manual; *See also id.*, Volume II, pp. 956 and 962; *id.*, Volume II, p. 992.

⁷⁸ *Id.*, Volume III, p. 1395; *See also id.*, Volume II, p. 992.

⁷⁹ *Id.* at 412; *See also id.*, Volume II, pp. 747, 782 and 793.

submitted/furnished a copy of his incident report⁸⁰ to Loquellano. Moreover, Cuizon did not rely on hearsay information on what happened with the aircraft but he acted based on his personal findings and appreciation of facts of the accidental aircraft engine light-up incident.⁸¹

Considering Cuizon's untainted 32 years of service, this Court finds that it is incongruous for him to deliberately act recklessly on his job, especially since his employer's line of business involves the lives and safety of airline passengers.

Furthermore, the CA found, and this Court agrees, that reinstatement is no longer feasible, and thus separation pay in lieu of reinstatement is in order. This Court is not unaware that under the law and prevailing jurisprudence, an illegally dismissed employee is entitled to reinstatement as a matter of right.⁸² However, if reinstatement would only aggravate the tension and strained relations between the parties, or where the relationship between the employer and the employee has been unduly strained by reason of their irreconcilable differences, it would be more prudent to order payment of separation pay instead of reinstatement.⁸³

In the present case, this Court holds that reinstatement is no longer feasible since the relationship between petitioners and Cuizon, as employer and employee, respectively, has been indeed strained due to the events that transpired and as a necessary consequence of the present judicial controversy. Thus, if Cuizon is reinstated, an atmosphere of antipathy and antagonism may be generated as to adversely affect his efficiency and productivity as an employee.⁸⁴ Thus, in lieu of reinstatement, it is but proper to award Cuizon his separation pay computed at one month salary for every year of service, a fraction of at least six months considered as one whole year. In the computation of separation pay, the period where backwages are awarded must be included.⁸⁵

Finally, all monetary awards granted shall earn legal interest at the rate of six percent (6%) per *annum* from date of finality of this Decision until full satisfaction.⁸⁶

WHEREFORE, the instant Petition is **DENIED**. The assailed March 5, 2008 Decision and the September 5, 2008 Resolution of the Court of Appeals in CA-G.R. SP No. 02998 are hereby **AFFIRMED with MODIFICATION** that interest at the rate of six percent (6%) per *annum* is imposed on all monetary awards from date of finality of this Decision until full satisfaction. No pronouncement as to costs.

⁸⁰ *Id.*, Volume II, p. 756; *See also id.*, Volume III, p. 1416.

⁸¹ *Id.*, Volume III, p. 1413; *See also id.*, Volume II, pp. 800-801.

⁸² Article 279, Labor Code of the Philippines; *See also Cabigting v. San Miguel Foods, Inc.*, 620 Phil. 14, 24 (2009).

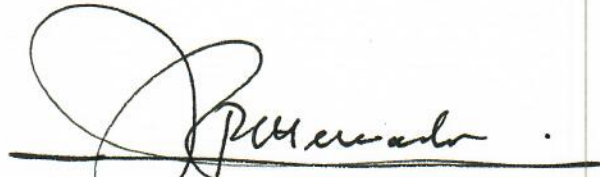
⁸³ *Cabigting v. San Miguel Foods, Inc.*, *id.* at 24.

⁸⁴ *Id.*; *See also Aliling v. Feliciano*, 686 Phil. 889, 918 (2012).


⁸⁵ *Id.* quoting *Sagales v. Rustan's Commercial Corporation*, 592 Phil. 468 (2008).

⁸⁶ *See Genuino Agro-Industrial Development Corporation v. Romano*, G.R. 204782, September 18, 2019.


SO ORDERED.



RAMON PAUL L. HERNANDO
Associate Justice

WE CONCUR:


ESTELA M. PERLAS-BERNABE
Senior Associate Justice
Chairperson



ANDRES B. REYES, JR.
Associate Justice


HENRI JEAN PAUL B. INTING
Associate Justice


EDGARDO L. DELOS SANTOS
Associate Justice

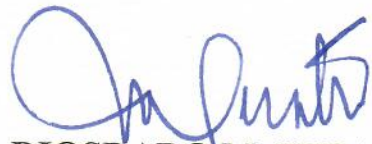
ATTESTATION

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


ESTELA M. PERLAS-BERNABE
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.


DIOSDADO M. PERALTA
Chief Justice