

CHANROBLES PUBLISHING COMPANY

**SUPREME COURT
SECOND DIVISION**

**FIVE J TAXI and/or JUAN S.
ARMAMENTO,**
Petitioners,

-versus-

**G.R. No. 111474
August 22, 1994**

**NATIONAL LABOR RELATIONS
COMMISSION, DOMINGO MALDIGAN
and GILBERTO SABSALON,**
Respondents.

X-----X

RESOLUTION

REGALADO, J.:

Petitioners Five J taxi and/or Juan S. Armamento filed this Special Civil Action for *Certiorari* to Annul the Decision^[1] of respondent National Labor Relations Commission (NLRC) ordering petitioners to pay private respondents Domingo Maldigan and Gilberto Sabsalon

their accumulated deposits and car wash payments, plus interest thereon at the legal rate from the date of promulgation of judgment to the date of actual payment, and 10% of the total amount as and for attorney's fees.

We have given due course to this petition for, while to the cynical the de minimis amounts involved should not impose upon the valuable time of this Court, we find therein a need to clarify some issues the resolution of which are important to small wage earners such as taxicab drivers. As we have heretofore repeatedly demonstrated, this Court does not exist only for the rich or the powerful, with their reputed monumental cases of national impact. It is also the Court of the poor or the underprivileged, with the actual quotidian problems that beset their individual lives.

Private respondents Domingo Maldigan and Gilberto Sabsalon were hired by the petitioners as taxi drivers^[2] and, as such, they worked for 4 days weekly on a 24-hour shifting schedule. Aside from the daily "boundary" of P700.00 for air-conditioned taxi or P450.00 for non-air-conditioned taxi, they were also required to pay P20.00 for car washing, and to further make a P15.00 deposit to answer for any deficiency in their "boundary," for every actual working day.

In less than 4 months after Maldigan was hired as an extra driver by the petitioners, he already failed to report for work for unknown reasons. Later, petitioners learned that he was working for "Mine of Gold" Taxi Company. With respect to Sabsalon, while driving a taxicab of petitioners on September 6, 1983, he was held up by his armed passenger who took all his money and thereafter stabbed him. He was hospitalized and after his discharge, he went to his home province to recuperate.

In January, 1987, Sabsalon was re-admitted by petitioners as a taxi driver under the same terms and conditions as when he was first employed, but his working schedule was made on an "alternative basis," that is, he drove only every other day. However, on several occasions, he failed to report for work during his schedule.

On September 22, 1991, Sabsalon failed to remit his "boundary" of P700.00 for the previous day. Also, he abandoned his taxicab in

Makati without fuel refill worth P300.00. Despite repeated requests of petitioners for him to report for work, he adamantly refused. Afterwards it was revealed that he was driving a taxi for “Bulaklak Company.”

Sometime in 1989, Maldigan requested petitioners for the reimbursement of his daily cash deposits for 2 years, but herein petitioners told him that not a single centavo was left of his deposits as these were not even enough to cover the amount spent for the repairs of the taxi he was driving. This was allegedly the practice adopted by petitioners to recoup the expenses incurred in the repair of their taxicab units. When Maldigan insisted on the refund of his deposit, petitioners terminated his services. Sabsalon, on his part, claimed that his termination from employment was effected when he refused to pay for the washing of his taxi seat covers.

On November 27, 1991, private respondents filed a complaint with the Manila Arbitration Office of the National Labor Relations Commission charging petitioners with illegal dismissal and illegal deductions. That complaint was dismissed, the labor arbiter holding that it took private respondents two years to file the same and such unreasonable delay was not consistent with the natural reaction of a person who claimed to be unjustly treated, hence the filing of the case could be interpreted as a mere afterthought.

Respondent NLRC concurred in said findings, with the observation that private respondents failed to controvert the evidence showing that Maldigan was employed by “Mine of Gold” Taxi Company from February 10, 1987 to December 10, 1990; that Sabsalon abandoned his taxicab on September 1, 1990; and that they voluntarily left their jobs for similar employment with other taxi operators. It, accordingly, affirmed the ruling of the labor arbiter that private respondents’ services were not illegally terminated. It, however, modified the decision of the labor arbiter by ordering petitioners to pay private respondents the awards stated at the beginning of this resolution.

Petitioners’ motion for reconsideration having been denied by the NLRC, this petition is now before us imputing grave abuse of discretion on the part of said public respondent.

This Court has repeatedly declared that the factual findings of quasi-judicial agencies like the NLRC, which have acquired expertise because their jurisdiction is confined to specific matters, are generally accorded not only respect but, at times, finality if such findings are supported by substantial evidence.^[3] Where, however, such conclusions are not supported by the evidence, they must be struck down for being whimsical and capricious and, therefore, arrived at with grave abuse of discretion.^[4]

Respondent NLRC held that the P15.00 daily deposits made by respondents to defray any shortage in their “boundary” is covered by the general prohibition in Article 114 of the Labor Code against requiring employees to make deposits, and that there is no showing that the Secretary of Labor has recognized the same as a “practice” in the taxi industry. Consequently, the deposits made were illegal and the respondents must be refunded therefor.

Article 114 of the Labor Code provides as follows:

“Article 114. Deposits for loss or damage. — No employer shall require his worker to make deposits from which deductions shall be made for the reimbursement of loss of or damage to tools, materials, or equipment supplied by the employer, except when the employer is engaged in such trades, occupations or business where the practice of making deposits is a recognized one, or is necessary or desirable as determined by the Secretary of Labor in appropriate rules and regulations.”

It can be deduced therefrom that the said article provides the rule on deposits for loss or damage to tools, materials or equipments supplied by the employer. Clearly, the same does not apply to or permit deposits to defray any deficiency which the taxi driver may incur in the remittance of his “boundary.” Also, when private respondents stopped working for petitioners, the alleged purpose for which petitioners required such unauthorized deposits no longer existed. In other case, any balance due to private respondents after proper accounting must be returned to them with legal interest.

However, the un rebutted evidence with regard to the claim for Sabsalon is as follows:

<u>YEAR</u>	<u>DEPOSITS</u>	<u>SHORTAGES</u>	<u>VALUES</u>
1987	P1,403.00	P 567.00	P 1,000.00
1988	720.00	760.00	200.00
1989	686.00	130.00	1,500.00
1990	605.00	570.00	—
1991	<u>165.00</u>	<u>2,300.00</u>	<u>—</u>
	P3,579.00	P4,327.00	P 2,700.00
	=====	=====	=====

The foregoing accounting shows that from 1987-1991, Sabsalon was able to withdraw his deposits through value or he incurred shortages, such that he is even indebted to petitioners in the amount of P3,448.00. With respect to Maldigan's deposits, nothing was mentioned questioning the same even in the present petition. We accordingly agree with the recommendation of the Solicitor General that since the evidence shows that he had not withdrawn the same, he should be reimbursed the amount of his accumulated cash deposits.^[5]

On the matter of the car wash payments, the labor arbiter had this to say in his decision: "Anent the issue of illegal deductions, there is no dispute that as a matter of practice in the taxi industry, after a tour of duty, it is incumbent upon the driver to restore the unit he has given to the same clean condition when he took it out, and as claimed by the respondents (petitioners in the present case), complainant(s) (private respondents herein) were made to shoulder the expenses for washing, the amount doled out was paid directly to the person who washed the unit, thus we find nothing illegal in this practice, much more (sic) to consider the amount paid by the driver as illegal deduction in the context of the law."^[6] (Words in parentheses added.)

Consequently, private respondents are not entitled to the refund of the P20.00 car wash payments they made. It will be noted that there was nothing to prevent private respondents from cleaning the taxi units themselves, if they wanted to save their P20.00. Also, as the Solicitor General correctly noted, car washing after a tour of duty is a practice in the taxi industry, and is, in fact, dictated by fair play.

On the last issue of attorney's fees or services fees for private respondents' authorized representative, Article 222 of the Labor Code, as amended by Section 3 of Presidential Decree No. 1691, states

that non-lawyers may appear before the NLRC or any labor arbiter only (1) if they represent themselves, or (2) if they represent their organization or the members thereof. While it may be true that Guillermo H. Pulia was the authorized representative of private respondents, he was a non-lawyer who did not fall in either of the foregoing categories. Hence, by clear mandate of the law, he is not entitled to attorney's fees.

Furthermore, the statutory rule that an attorney shall be entitled to have and recover from his client a reasonable compensation for his services^[7] necessarily imports the existence of an attorney-client relationship as a condition for the recovery of attorney's fees, and such relationship cannot exist unless the client's representative is a lawyer.^[8]

WHEREFORE, the questioned judgment of respondent National Labor Relations Commission is hereby **MODIFIED** by deleting the awards for reimbursement of car wash expenses and attorney's fees and directing said public respondent to order and effect the computation and payment by petitioners of the refund for private respondent Domingo Maldigan's deposits, plus legal interest thereon from the date of finality of this resolution up to the date of actual payment thereof.

SO ORDERED.

Narvasa, C.J., Padilla, Puno and Mendoza, JJ., concur.

[1] Penned by Presiding Commission Bartolome S. Carale, with Commissioner S. E. Veloso concurring, in NLRC NCR CA No. 003285-92; Rollo, 35.

[2] It appears that Maldigan was hired on November, 1987, although petitioners claim that he was already working as an extra driver in October, 1986. Sabsalon started working on June 24, 1979.

[3] San Miguel Corporation vs. Javate, Jr., G.R. No. 54244, January 27, 1992, 205 SCRA 469; Planters Products, Inc. vs. NLRC, et al., G.R. Nos. 78524 & 78739, January 20, 1989, 169 SCRA 328.

[4] San Miguel Corporation vs. NLRC, et al., G.R. No. 88268, June 2, 1992, 209 SCRA 494.

[5] Rollo, 88.

[6] Rollo, 24.

[7] Section 24, Rule 138, Rules of Court.

[8] Philippine Association of Free Labor Unions (PAFLU), et al vs. Binalbagan Isabela Sugar Co., et al., L-23959, November 29, 1971, 42 SCRA 302.

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