



REPUBLIC OF THE PHILIPPINES
SUPREME COURT
Manila

SECOND DIVISION

NOTICE

Sirs/Mesdames:

*Please take notice that the Court, Second Division, issued a Resolution dated **01 March 2021** which reads as follows:*

“**G.R. No. 255313 (Shipstar Container Philippines, Inc. and/or Eugenio S. Ynion, Jr. v. Joseph M. Collantes IV)**. – After a judicious study of the case, the Court resolves to **DENY** the instant petition¹ and **AFFIRM** the Decision² dated January 23, 2020 and the Resolution³ dated January 15, 2021 of the Court of Appeals (CA) in CA-G.R. SP No. 158075 for failure of petitioners Shipstar Container Philippines, Inc. and Eugenio S. Ynion, Jr. (petitioners) to sufficiently show that the CA committed any reversible error in upholding the finding that there was no valid retrenchment.

As correctly ruled by the CA, petitioners failed to substantiate their claim that respondent Joseph M. Collantes IV (respondent) was validly dismissed on the ground of retrenchment, which is among the authorized causes provided under Article 298 of the Labor Code.⁴ Case law provides that for retrenchment to be a valid exercise of management prerogative, the following requirements must be established: (1) that the retrenchment is reasonably necessary and likely to prevent business losses which, if already incurred, are not merely *de minimis*, but substantial, serious, actual, and real; (2) it is exercised in good faith for the advancement of its interest and not to defeat or circumvent the employees’ right to security of tenure; and (3) a fair and reasonable criteria was used in ascertaining who would be dismissed and who would be retained among the employees,⁵ which petitioners failed to prove by substantial evidence. Hence, the CA cannot be faulted in sustaining the finding that respondent was illegally dismissed and

¹ See Petition for Review on *Certiorari* dated February 10, 2021; *rollo*, pp. 3-28.

² *Id.* at 39-45. Penned by Associate Justice Eduardo B. Peralta, Jr. with Associate Justices Celia C. Librea-Leagogo and Ruben Reynaldo G. Roxas, concurring.

³ *Id.* at 36-38. Penned by Associate Justice Eduardo B. Peralta, Jr. with Associate Justices Perpetua Susana T. Atal-Paño and Ruben Reynaldo G. Roxas, concurring.

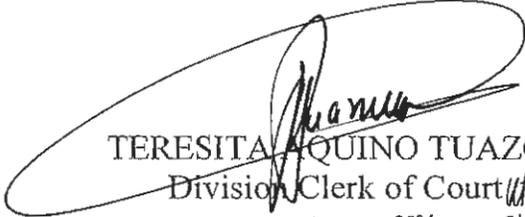
⁴ See Article 298 (formerly Article 283) of the Labor Code, as renumbered pursuant to Republic Act No. 10151, entitled ‘AN ACT ALLOWING THE EMPLOYMENT OF NIGHT WORKERS, THEREBY REPEALING ARTICLES 130 AND 131 OF PRESIDENTIAL DECREE NUMBER FOUR HUNDRED FORTY-TWO, AS AMENDED, OTHERWISE KNOWN AS THE LABOR CODE OF THE PHILIPPINES,’ approved on June 21, 2011. See also Department Advisory No. 01, Series of 2015 of the Department of Labor and Employment, entitled ‘RENUMBERING OF THE LABOR CODE OF THE PHILIPPINES, AS AMENDED,’ issued on July 21, 2015.

⁵ *La Consolacion College of Manila v. Pascua*, 828 Phil. 182 (2018).

entitled to the payment of full backwages and separation pay⁶ in lieu of reinstatement in accordance with Article 294 of the Labor Code. It bears stressing that factual findings of the labor tribunals, when affirmed by the CA, are generally accorded not only respect, but even finality, and are binding on the Court,⁷ as in this case.

SO ORDERED. (Rosario, J., on leave).”

By authority of the Court:


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Division Clerk of Court
19 MAR 2021 3/18

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⁶ Rollo, p. 41.

⁷ See *The Heirs of Andag v. DMC Construction*, G.R. No. 244361, July 13, 2020.