

**CATHERINE DELA CRUZ-CAGAMPAN vs. ONE NETWORK BANK, INC./OR ALEX
V. BUENAVENTURA/MYRNA S. VIADO
GR No. 217414, June 22, 2022³**

FACTS:

One Network Bank, Inc. hired Catherine as an Accounting Specialist. On May 1, 2006, it implemented what it called an "Exogamy Policy," which stated:

“Effective May 1, 2006, when two employees working for One Network Bank are subsequently married through Church or Civil Court rites, one must terminate employment immediately after marriage.”

On October 31, 2009, Catherine married her co-worker, Audie Angelo A. Cagampan (Audie Angelo), who served as a Loan Specialist in One Network Bank. The couple requested for permission from One Network Bank to continue working for the bank, similar to that given to other couples in its office. They expressed that Audie Angelo may be transferred to other One Network Bank branches. The request was denied and terminated Catherine’s employment.

Catherine sought reconsideration, pointing out that the policy cannot be applied to her case because she was employed prior to its effectivity. Further, she argued that the exogamy policy contradicts Article 136 of the Labor Code which prohibits practices that discriminate against marriage. This remained unheeded, prompting her to file a Complaint for illegal dismissal against One Network Bank.

The Labor Arbiter rendered its Decision, ruling that Catherine was illegally dismissed. It ordered One Network Bank to reinstate Catherine and pay her money claims.

On appeal, the NLRC affirmed the Labor Arbiter’s ruling. It found that One Network Bank's policy was unreasonable considering that the "mere fear of the possibility that the spouses may divulge to each other information with respect to client's accounts is speculative, unfounded, and imaginary." It ruled that One Network Bank failed to prove the legitimate business concern in implementing the discriminatory policy against its employees.

One Network Bank filed a Petition for Certiorari with Application for Issuance of Temporary Restraining Order before the Court of Appeals. It argued that the NLRC committed grave abuse of discretion amounting to lack or excess of jurisdiction in

³ Full text available at <https://sc.judiciary.gov.ph/217414-catherine-dela-cruz-cagampan-vs-one-network-bank-inc-one-network-bank-or-alex-v-buenaventura-president-myrna-s-viado-hr-head/>.

finding that Catherine was illegally dismissed despite Catherine and her husband's willful violation of a policy they have known long beforehand.

In its Decision, the Court of Appeals granted One Network Bank's petition. It found that One Network Bank's policy was a valid exercise of management prerogative. Hence, there was a just cause in dismissing Catherine.

Hence, Catherine filed a Petition for Review on Certiorari.

ISSUE:

Whether respondent One Network Bank, Inc.'s prohibition on retaining employees who marry a co-worker is lawful.

RULING:

NO. Under the Magna Carta of Women, the State commits to eliminate discrimination against women and ensures their right to freely choose a spouse. Particularly, Article 134 [136] of the Labor Code prohibits employers from discriminating women employees:

ARTICLE. 134. Stipulation against marriage. It shall be unlawful for an employer to require as a condition of employment or continuation of employment that a woman employee shall not get married, or to stipulate expressly or tacitly that upon getting married, a woman employee shall be deemed resigned or separated, *or to actually dismiss, discharge, discriminate or otherwise prejudice a woman employee merely by reason of her marriage.* (Emphasis supplied)

Apart from the couple's supposed transgression when they married, respondents did not state any other reason why they dismissed petitioner. Further, respondents consistently argued that the couple willingly violated the company policy despite their knowledge of it. While respondents maintained that petitioner and her husband both knowingly transgressed the rule, nothing in the records show why respondents dismissed petitioner in particular. To stress, they opted to terminate petitioner's employment sans any reason why *she* must leave, in lieu of her husband. An employer's dismissal of a female employee solely because of her marriage is precisely the discrimination that the Labor Code expressly prohibits.

The Court further note that since the finding of a *bona fide* occupational qualification justifies an employer's no-spouse rule, the exception is interpreted strictly and narrowly by these state courts. There must be a compelling business necessity for which no alternative exists other than the discriminatory practice. To justify a *bona fide* occupational qualification, the employer must prove two factors: (1) that the

employment qualification is reasonably related to the essential operation of the job involved; and, (2) that there is a factual basis for believing that all or substantially all persons meeting the qualification would be unable to properly perform the duties of the job.

Weighed against the constitutionally mandated full protection to labor and the various statutory protections accorded to the sector, the Court finds that respondents failed to demonstrate the reasonable business necessity for its no-spouse employment policy.

Respondents' no-spouse employment policy cannot justify petitioner's dismissal. The NLRB did not gravely abuse its discretion, as nothing was whimsical, capricious, or arbitrary in finding that petitioner was illegally dismissed. A reasonable business necessity must be clearly shown to excuse a discriminatory exercise of management prerogative.

Under the Labor Code, an illegally dismissed employee is entitled to reinstatement, with payment of backwages from dismissal.