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IN THE SUPREME COURT OF JUDICATURE OF JAMAICA

IN COMMON LAW

SUIT NO. C.L. R-052 OF 1998

BETWEEN OWEN REID PLAINTIFF
AND DIVERSEY LEVER J'CA LTD DEFENDANT

CONSOLIDATED WITH SUIT NO. C.L. R-102 OF 1998

BETWEEN OWEN REID PLAINTIFF
AND HORATIO WILLIAMS DEFENDANT

Messrs. Roy Fairclough and Ronald Paris instructed by Paris & Co. for the Plaintiff.

Messrs. Frank Williams and Kent Gammon instructed by Dunn, Cox, Orrett and Ashenheim for the Defendants.

Heard: July 2nd, 3rd, 4th, 18th & 19th & December 3rd, 2001

Pitter, J.

The plaintiff was employed to Diversey J'ca Ltd. hereinafter called the first defendant as a sales representative under contract of service and paid on a commission basis. He was summarily dismissed on the allegations that he used expletives to Horatio Williams, hereinafter called the second defendant, the business unit manager institutional and laundry division of the first defendant.

The plaintiff's action against the first defendant is for wrongful dismissal in that it wrongfully determined the plaintiff's contract and dismissed the plaintiff from the first defendant's employment although no notice as required by law had been given.

As against the second defendant the action is in libel published in The letter of dismissal which contained the alleged defamatory statement: -

"You displayed the highest level of disrespect towards me by use of profanity.... And that the management of this company has no intention to continue to allow you to display gross insubordination".

The defence of the first defendant is that it lawfully determined the plaintiff's contract of employment in circumstances where the plaintiff was guilty of gross misconduct and thereby in fundamental breach of the said contract of employment and that in law was not entitled to notice.

The defence of the second defendant is that the words were published on an occasion of qualified privilege.

The plaintiff testified that he was employed to the first defendant as a sale representative since May 1991 up to his dismissal in October 1997 and as such was allowed to give credit to customers for a period of up to 14 days. If payments were outstanding for a period of over 60 days he would lose his

commission on the sale even if the customer subsequently pays. There was a particular account at Braco Village which he serviced and payments ran into arrears because of a change of ownership. This led him to seek recovery of his lost commission on this account occasioned through no fault of his. He communicated this to Mrs. Nettie Scarlett-Jones the national sales manager of the company who was his immediate supervisor, with a view to resolving the matter.

A meeting was subsequently convened at the La Mirage Hotel in Montego Bay attended by the plaintiff, Mrs. Nettie Scarlett-Jones and the second defendant.

He said that whilst himself and the second defendant asked him about an amount of \$23,000 owed to him regarding the purchase of a motor car on the plaintiff's behalf. He denied owing him any money and the second defendant went on to ask him about the Braco account and he handed him a copy memo relating to his enquiries regarding his commission and asking him why he had not responded to it despite several reminders. He said the second defendant told him he had nothing to say to him and that he should shut his mouth and await the return of Mrs. Scarlett-Jones. Upon the return of Mrs. Scarlett-Jones the second defendant told her he would not be sitting in any meeting with him as he resented the way he spoke to him whilst she was away. The meeting was aborted. He received his letter of dismissal on the

13th October, 1997 handed to him in an unsealed envelope by a Mr. Bryan Espeut as also faxed copy of the said letter given to him by Mrs. Maxine Vernon.

Cross-examined he admitted that in April 1996 he was suspended from work for ten (10) working days and placed on probation for three (3) months for using expletives to his supervisor Mrs. Watson. He denied using expletives to Mrs. Charlene Smith employed in the customer service division on the 12th August, 1987, regarding the non-delivery of goods to a customer.

He also admitted that on Mrs. Nettie Scarlett-Jones' return to the meeting room the second defendant complained to her that he had used a "whole heap" of bad words to him whilst she was absent from the room. He denied confirming the second defendant's complaints to Mrs. Jones and also denied that he told her he would speak to the second defendant the way he saw fit and that Mrs. Jones never reprimanded him of being disrespectful to the second defendant.

The second defendant testified that he is the business manager of the first defendant and that at the meeting of the 9th October, 1997, during the absence of Mrs. Jones he asked the plaintiff about the Braco account when the plaintiff exploded using expletives while telling him not to ask him anything. He asked the plaintiff to desist and the plaintiff continued using more expletives which he found offensive, also telling him he would address him anyway he saw fit. That was when Mrs. Jones returned to the room he reported to her that the plaintiff had used a whole heap of bad

words to him whilst she was away whereupon Mrs. Jones asked the plaintiff to explain and he said "Let Mr. Williams tell you". He said he related the entire incident to Mrs. Jones in detail and when asked by Mrs. Jones if that was so, the plaintiff said, "Just like Mr. Williams said". That when he said he would not be spoken to like that the plaintiff interjected "I will speak to you in any manner I feel, don't let me lose it".

He said the plaintiff called him by phone the following day saying he was sorry for his behaviour the day before and asked him what he was going to do as he was never dismissed from a job before and that he was not ready to leave Diversey. He also asked him whether his treatment of him had anything to do with his having to get the assistance of the police to get his car to which he answered "no, that happened years ago".

He said he made a report to Mr. Kong the managing director, relating the incident between himself and the plaintiff and a decision was taken to dismiss the plaintiff on the ground of insubordination taking into account his past history. That Mr. Kong directed him to write to the plaintiff terminating his employment. This he did personally. Cross-examined he said the plaintiff's outburst to him was acrimonious profanity and that it was Mr. Kong's decision to dismiss the plaintiff to which he had agreed. He did not suggest to Mr. Kong that he should hear what the plaintiff had to say. He said that the letter of dismissal was typed by him or his full-

time secretary to the Montego Bay office where Mrs. Vernon would collect same and hand it directly to the plaintiff. Mrs. Yvonne Brown the financial secretary and Mrs. Nettie Scarlett Jones were each given a copy.

As regard the purchase of the motor car, he said he offered and did pay the additional cost of \$23,000 for the car to Mr. Wood as it was clear that if he had not done so the plaintiff would not be getting his car that day. He was contributing \$13,000 of this amount to avoid disharmony as the plaintiff said he would only pay back \$10,000 of this amount.

Braco's account was secured by the plaintiff himself and other managers. It was a very important account to the defendant's company. At one stage there was a problem with this account which affected the plaintiff's commission. It was when he asked the plaintiff about this account that he got angry and used bad words to him. Up to that time the issue of commission had not been resolved.

Mrs. Nellie Jones testified that she is employed to the first defendant company as its national sales manager. She is the plaintiff's immediate supervisor whilst the second defendant is the business manager who supervises the unit that both herself and the plaintiff work.

On the 9th April, 1996 as result of a complaint made by Mrs. Watson the office supervisor she suspended the plaintiff from work for ten (10) working days

followed up by three (3) months probation. This was for using acrimonious expletives to Mrs. Watson.

She said that a meeting with the plaintiff and the second defendant was convened in her office on the 9th October, 1997. She had left the plaintiff and the second defendant for a short while and upon her return attempted to start the meeting but could not as the second defendant said he did not believe they could proceed with it as the plaintiff had verbally abused him during her absence. She asked the plaintiff what had happened and he said she should let the 2nd defendant tell her. She said the second defendant told her that he had asked the plaintiff about Braco's account and the plaintiff exploded using expletives to him and when he tried to discuss the matter further the plaintiff continued using more expletives which became personal to him and when he told him to stop he continued using more expletives and when further told by him that he would not have him speak to him in that manner, he said he would speak to him in any manner he saw fit.

She said she asked the plaintiff what had happened and he said, "Just as Mr. Williams said".

At that stage the second defendant said he was not prepared to deal with the meeting based on the way the plaintiff had spoken to him whereupon the plaintiff said he could speak to the second defendant in any way he saw fit and went on to say "Don't let me lose it".

She said that she reprimanded the plaintiff about his behaviour especially in her presence which she told him was unacceptable and showed a lack of respect for authority and that she was disappointed in him. She told him to apologise to the second defendant and he did. The meeting was called off.

She spoke to Mr. Kong the managing director on the 13th October, 1997 and told him of the report the second defendant had made to her recounting to him the events that took place in her office.

She said that despite his suspension in 1996 the plaintiff distinguished himself in sales, that he took his work seriously and did it in a timely manner.

She does not know what transpired between the plaintiff and the second defendant regarding a motor car and that the plaintiff did not tell her of any problems he was having with the second defendant about the car.

Dianne Hibbert gave evidence that she is the credit administrator for the first defendant company and that in 1997 she supervised the customer service department. She said on the 12th August, 1987 she reported to the plaintiff that Charlene Smith employed to customer service complained to her that he was very rude to her and had used expletives to regarding an account at Sea Castles. She said the plaintiff told her he was very angry over orders being messed up which was an ongoing thing and that was the reason for his behaviour.

Charlene Smith testified that on the 12th August, 1987 the plaintiff used expletives to her, cursing a lot of bad words regarding the non-delivery of goods to a customer and that when she told him she was not the person responsible he said he was sorry.

Winston Kong testified that he was managing director of the 1st defendant company. He said that on the 13th October 1997 the 2nd defendant made a report to him regarding an incident between himself and the plaintiff. He also spoke to Mrs. Scarlett-Jones, Miss Carlene Smith and Miss Dianne Hibbert and as a result of the discussion with them he told the 2nd defendant that the services of the plaintiff were to be terminated and instructed him to prepare a letter of dismissal for review which he later reviewed and signed it. He said he gave the 2nd defendant a circulation list of the letter of dismissal to Mr. Brown the commercial manager, Mrs. Scarlett-Jones and himself kept the original.

It was because of what had happened before and the incident of the 13th October, 1997 that he issued the termination letter. He regarded the abuse of staff especially the female members as a very serious offence.

He said that there is a company policy in relation to insubordination and standards of personal conduct which is set out in the letter of appointment of sales representatives. That each employee receives a folder of the company's policy

apart from the letter of appointment. The policy of payment of commission is also included in that letter.

He said the proper functioning of the company depended on all the workers co-operative efforts which will ensure success to the company and its employees. He did not find out what it was that caused the plaintiff to abuse Miss Smith nor did he go into the circumstances. He did not investigate what happened to the particular regarding the Braco's account.

He did not speak to the plaintiff during the process of his dismissal and he never heard him. He was satisfied that gross insubordination was proven against the plaintiff.

Mr. Dwayne Wood testified regarding the sale of a motor car to the plaintiff through the introduction of the second defendant. He said were hitches in obtaining the car which had to be imported at a higher cost. He spoke to the plaintiff and the second defendant attending his garage attended by men whom he subsequent learn to be policemen.

FINDINGS

On the evidence I find as a fact that on 9th October, 1997 the plaintiff used expletives to the second defendant. This is supported by Mrs. Nettie Scarlett-Jones whom I accept as a witness of truth when she said the second defendant reported to her that the plaintiff had used expletives to him which he found very offensive

when he enquired about the Braco account. That when asked about the report the plaintiff told her "Just as Mr. Williams said", I regard this to be an admission by the plaintiff of the complaint made to Mrs. Scarlett-Jones against him. I further find that the plaintiff told Mrs. Jones that he would speak to the second defendant in any way he saw fit and "not to let him lose it".

I further find that when the second defendant spoke to him he threw down a memo on a table before them and closed his eyes.

I also find as a fact that the plaintiff on the 12/8/97 used expletives to Miss Charlene Smith in the Customer Service Division. This is supported by Mrs. Dianne Hibbert whose evidence I accept.

MALICE

The incidents of the use of profanity and expletives by the plaintiff are all proven. The malice alleged I find to be far-fetched and have nothing to do with the motor car transaction which took place as far back as January 1994. I am persuaded that that incident had nothing to do with the events of the 10th July, 1997. I find that there was neither actual or implied malice on part of the second defendant when he published the letter of dismissal of the plaintiff.

NATURAL JUSTICE

During the cross-examination of Mr. Kong questions were put to him suggesting that there had been a breach of the principles of natural justice. This

was not pleaded, nor were questions relating to this objected to. Be that as it may Mr. Williams in his submission has asked that no consideration should be given on that ground, there being no reference to natural justice in the plaintiff's pleadings nor was an amendment to the pleadings made to accommodate it.

The law makes a distinction between the holder of an office or status on the one hand and a mere employee under a contract of service on the other. In the case of ***Ridge v Baldwin (1963) 2 AER 71*** it was held that the holder of an office can only be removed by a due and lawful exercise of the power of removal, failing which he remains legally in office. A servant under a mere contract of service enjoys no such protection – his remedy lies in damages for breach of contract.

In delivering his judgment, Lord Reid said inter alia:

“The law regarding master and servants is not in doubt. There cannot be specific performance of contract of service, and the master can terminate the contract with his servant at any time or for none. But if he does so in a manner not warranted by the contract, he must pay damages for breach of contract. So the question in a pure case of master and servant does not at all depend on whether the master has heard the servant in his own defence; it depends on whether the facts emerging at the trial prove breach of contract”.

The importance of the distinction is evident for the purposes of determining whether the plaintiff in the instant case had right to be heard. If his post is

considered to be an office, which, I hold is not, and he was dismissed from it without a hearing where he had the right to be heard, he would recover his office specifically. If he is merely a servant, which I find him to be, then his dismissal remains legally affective and there is no remedy to compel his employers to continue to employ him.

See also the dictum of Lord Wilberforce in the case of *Malloch v. Alerdeen Corporation (1971) 2 AER 1294* reinforcing the principle in *Ridge v Baldwin* (supra). The application of the principles of natural justice in the instant case is without foundation as the relationship between the plaintiff and the first defendant is that of master and servant.

WRONGFUL DISMISSAL

Section 3 (1) of the Employment (Termination and Redundancy Payments) Act sets out the method by which an employer may terminate the contract of an employee who has been employed for four weeks or more.

Section 3 (5) of the Act also provides for circumstances where an employer may summarily dismiss an employee. Either party may treat the contract of employment as terminable without notice by reason of such conduct by the other party as would have enabled him so to treat it before the passing of the Act. It becomes necessary therefore to look at the common law position. Guidance is to

be found in the fourth edition of Halsbury's Law of England, Volume 16 where at paragraph 640 the learned authors state and I quote: -

“An employer has a common law right to dismiss his employee without notice on the grounds of the employee's serious misconduct”

There are, however, no fixed rules defining the degree of conduct that will justify summary dismissal. Such conduct in my view turns on a question of fact, which depends upon its nature and the terms and condition of the contract. At paragraph 642 of the said edition (supra) continuing it states that an employee may be summarily dismissed if his conduct is insulting and insubordinate to such a degree as to be incompatible with the continuance of the relationship of employer and employee.

See Edwards v. Levy (1860) 2 F&F 94 at 95, per Hill J, where however it was pointed out that a single instance of insolence would hardly justify dismissal.

See also Wilson v. Racher (1974) 1 CR 428, CA where it was held that one instance of bad language did not justify dismissal.

In Pepper v. Web (1969) 2 AER 216, it was however held that a minor act of insubordination may be the “last straw” justifying dismissal.

It seems therefore that although an employer may have the right to dismiss an employee summarily this should be done in only exceptional circumstances.

In General Insurance Co. Ltd. v Shroff (1937) 3 AER 67 it was held that immediate dismissal of an employee is a strong measure and it can only be in exceptional circumstances that an employer is acting properly in dismissing an employee on his committing a single act of negligence.

In delivering his judgment Lord Maugham said inter alia: -

“Their Lordships recognise that the immediate dismissal of an employee is a strong measure. On the other hand it can be exceptional circumstances only that an employer is acting properly in summarily dismissing an employee on his committing a single act of negligence; on the other hand their lordships would be very loath to assent to the view that a single outbreak of bad temper, accompanied it may be, with regrettable language, is a sufficient ground for dismissal. Sir John Beaumont was stating a proposition of mere good sense when he observed that in such cases one must apply the standards of men, and not those of angels, and remember that men are apt to show temper when reprimanded. Their lordships have to determine..... whether the misconduct of the respondent was not such as to interfere with and to prejudice the safe and proper conduct of the business of the company, and therefore to justify immediate dismissal. It must be remembered that the test to be applied must vary with the nature of the business and the position held by the employee, and that decision in other cases are of little value”.

The Court of Appeal of Barbados held in the case of *Hilton International (Barbados) Ltd. v. Boyce (1996) 52 WIR* that although dismissal for a single act of disobedience was unusual, it was justified where that act interfered with the prejudicial and proper conduct of the employer's business.

In the instant case, the plaintiff, an outstanding worker had been suspended and placed on probation on the 9th April, 1996 on the ground of insubordination for acrimonious outburst of expletives directed at the office supervisor Mrs. Yvonne Watson. His conduct was regarded as a display of gross disrespect for authority for fellow employees which would not be tolerated.

The letter of suspension reads: -

April 9, 1996

Mr. Owen Reid
Lot 200
Catherine Mount
Rose Mount
St. James

Dear Mr. Reid

Your acrimonious outburst of expletives directed at the Office supervisor, Ms. Norma Watson, on Thursday, April 4, was reported to me by her.

I am extremely disappointed with your behavior, and should like to inform you that any such display of gross disrespect for authority or fellow employees will not be tolerated.

In light of the foregoing, you are required to give Ms. Watson a written apology. In addition you are suspended, effective April 10, on the ground of insubordination. Your suspension will be for ten (10) working days. You are required to report to work of April 24.

In the meantime, you are not allowed to make contact with your customers and you will therefore, not be eligible for commission on collections during this period. Sales during this period will also not be credited to your area.

Finally, to prevent any recurrence of this very serious matter and to re-evaluate your position in the company, you will be placed on three months probation upon your return to work.

Please be reminded that this company is guided on the principles of proper work ethics which I intend to maintain.

Sincerely,
DIVERSEY JAMAICA LTD.

Nettie Scarlett-Jones (Mrs.)
MARKETING MANAGER

c.c **Mr. Winston Kong**
Mrs. Yvonne Brown
Mr. Lloyd Butler
Ms. Norma Watson
Personal File

His conduct on the 9th July 1997 which resulted in his being dismissed summarily is similar to that which earned him suspension in that he directed acrimonious expletives to the second defendant the business manager of the unit and when asked to desist he continued. There is evidence that he used expletives to Ms. Charlene Smith a worker in the customer division; albeit no action was taken.

It is the contention of the first defendant that the persistent use of expletives by the plaintiff to the second defendant who is the head of the institutional division of the company constituted a breach of the company's standard of personal conduct policy which it regards as insubordination.

Mr. Williams submitted that on the authorities, the first defendant was entitled, in the circumstances of this case to terminate the services of the plaintiff without notice either:-

- (1) solely on the basis of gross insolence, insubordination and disrespect for authority displayed by him on the 9th October, 1997.

or,

- (2) a fortiori, on the basis of that incident when viewed against the background of the preceding incidents referred to in his letter of dismissal, which taken together, show a course of conduct that is reflective of the utmost disrespect, and a determination to do as he pleased.

Mr. Paris contends that whatever transpired between the plaintiff and the second defendant on the 9th October, 1997 was private and at the highest, the plaintiff ought to have been dismissed if at all, upon adequate notice. Further he says that the defendants have not established that the plaintiff's conduct evinced an intention no longer to be bound by the terms of his contract and therefore repudiating them.

Quoting from Avins (no copy supplied) he said the author of his works expressed his views by saying inter alia:

“That harm to discipline caused by private discussion or grumbling is so trifling as to constitute deminimis. Such discussion is usually taken for what it's meant to be – one means opinion and not to be acted upon by others. It is a natural and useful safety valve for emotional reactions of employees and should not be subject to disciplinary proceedings. Personal hostility to a supervisor expressed in private correspondence is not misconduct”.

He relied also on the dictum of Lord Maugham in General Insurance Ltd v. Shroff (supra) regarding summary the dismissal of an employee by his employer.

Against the background of submissions of both counsels, the question which must be answered firstly, is whether the use of expletives by the plaintiff was a private discussion between the plaintiff and the second defendant. The answer is, as I hold, that the expletives used by the plaintiff was not in the confines of a private discussion but was job-related. Is this then the sort of conduct coupled with previous instances of insubordination that warrants instant dismissal? Further, was the plaintiff's conduct on this occasion so insulting and insubordinate as to be incompatible with the continuance of the relationship of employer and employee or was the defendant over-reacting in dismissing the plaintiff summarily?

In light of the foregoing, I hold that the plaintiff's conduct was so insulting and insubordinate as to be incompatible with the continuance of the relationship of employer and employee. I further hold that this is the sort of conduct that warrants instant dismissal. The plaintiff must have been aware of the company's policy regarding the discipline of its employees. A grim reminder is the fact that he was severely reprimanded for similar conduct on the 9th April, 1996. He ought to have known that a recurrence of this nature would not have been tolerated. Having taken the course he did, that conduct evinced an intention no longer to be bound by the terms of the contract and therefore repudiating same. This is not an isolated incident and could be described as "the last straw". It could not be said that in these circumstances the second defendant was over-reacting.

Having considered in full the several cases cited and the respective submissions by counsels on both sides, I hold that the defendant is justified in summarily dismissing the plaintiff.

I note that the defendant has accepted liability as regards payment due for accumulated vacation leave and for which the plaintiff has been paid.

The action is dismissed with judgment for the defendant with costs to be agreed or taxed.

I now turn to the action for libel which is contained in the letter of dismissal to the plaintiff by the second defendant. The pleadings aver that the words used were false and deny the use by the plaintiff of any profane or insubordinate language and that the defendant was actuated by malice when the said defendant published the said letter. The malice is predicated upon a motor vehicle transaction to which I have already referred.

The full text of the letter is as follows:

October 13, 1997,

**Mr. Owen Reid
Lot 200
Catherine Mount
Rosemount
St. James**

Dear Mr. Reid,

During our brief meeting on Thursday October 9, 1997, you displayed the highest level of disrespect towards me by use of profanity, and your utterance towards me that you can address me in any way appropriate to you. You continued to make these utterances even in the presence of

your direct manager Mrs. Jones.

It was also pointed out to me by another manager that this behaviour was meted out to an employee at the order processing desk only a few weeks ago. On reviewing your personal file, I have noted where you were put on suspension in April 1996 for the same reason.

I would like to make it quite clear that your behaviour is far from acceptable, And that the Management of this Company has no intentions to continue to Allow you to display gross insubordination, and therefore, *your services are terminated with immediate effect.*

Please turn in all properties belonging to the Company to Mrs. Maxine Vernon, and contact the Managing Director's Office regarding the disposition of the Company's benefits schemes.

Sincerely,
DIVERSEY LEVER JAMAICA LIMITED

Horatio Williams
Business Unit Manager
Institutional & Laundry Division

The defence to this action is qualified privilege. The plaintiff in his pleadings says that the defendant caused the said letter of dismissal to be typed by his secretary, addressed to the plaintiff and by facsimile to the said company's Montego Bay office and also caused the original thereof to be delivered unsealed and by hand to the plaintiff.

An occasion is privileged where the person who makes a communication has an interest or duty, whether legal, social or moral, to make it to the person to whom it is made. The person to whom it is made should also have a corresponding interest or duty to receive it.

See also *Hunt v. Great Northern Railway (1891) 2 QB 189* where

Lopez C.J. referring to Odgers on libel said:

“where the defendant has an interest in the subject-matter of the communication, and the person to whom the communication is made has a corresponding interest, the occasion is privileged”.

The complaint by the plaintiff is that the publication to other servants of the company was malicious. I find that when the publication was made it was done in the ordinary course of business.

Support for this is to be found in the case of *Edmonson v. Birch & Co. Ltd.* and *(1907) 1KB 371 per Fletcher Moulton C.J.* whilst agreeing with his other brethren said:-

“In my opinion the law on the subject, as laid down in the cases, amounts to this. If a business communication is privileged as being made on a privileged occasion, the privilege covers all incidents of the transmission and treatment of that communication which are in accordance with the reasonable and usual course of business”.

Acting on the principles from the cases referred to, and the law, and applying them to the facts in this case I come to the conclusion-

(1) that the contents of the letter of dismissal are true

(2) that the occasion on which the letter was written was privileged:
that the protection of the privilege was not lost by publishing of the
letters even though they may contain defamatory statements.

The action therefore is dismissed with Judgment for the defendant with costs
to be agreed or taxed.

