

### Title: Department of Agriculture vs. The National Labor Relations Commission, et al.

### Facts:

The Department of Agriculture (DOA) entered into a contract with Sultan Security Agency on 01 April 1989 for security services, which was followed by another contract under similar terms on 01 May 1990. Consequently, Sultan Security Agency deployed guards at various DOA premises. Several guards lodged a complaint on 13 September 1990 against both DOA and the agency for various monetary claims. The Executive Labor Arbiter, on 31 May 1991, found DOA and the agency jointly liable for the claims, totaling P266,483.91. Following the decision's finality and a subsequent writ of execution, the City Sheriff levied on execution the motor vehicles of DOA. The DOA filed a petition with the NLRC Cagayan de Oro, arguing the Labor Arbiter's jurisdiction lack and the non-suability of the state. However, the NLRC on 27 November 1991 denied the petition, prompting DOA to seek certiorari with the Supreme Court, claiming grave abuse of discretion by the NLRC.

### Issues:

1. Did the NLRC assume jurisdiction over a department of the government rightfully?
2. Does the doctrine of non-suability of the state protect DOA from execution of the judgment?
3. Was there an implied waiver of state immunity by entering into a contract with Sultan Security Agency?

### Court's Decision:

The Supreme Court granted the petition, reversing the NLRC resolution. It clarified that the execution against DOA's property was nullified and permanently enjoined any writs of execution against the petitioner stemming from the Labor Arbiter's decision. The Court reiterated the state's non-suability, underscoring that the state could only be sued with its consent, express or implied. It distinguished between acts done in sovereign versus proprietary capacity; the latter could imply consent to be sued. However, the Court highlighted that claims arising from contracts, like this case, should first go to the Commission on Audit as per existing statutes. The state, when consenting to be sued, does not consent to unrestricted execution against it.

### Doctrine:

This case reaffirms the doctrine of non-suability of the state, emphasizing that while the state may consent to be sued, such consent does not extend to unrestricted execution against its property. It delineates the procedural requirements for claims against the

government, primarily that money claims must first be brought to the Commission on Audit, as provided by Commonwealth Act No. 327, as amended by Presidential Decree No. 1445.

### ### Class Notes:

#### Key Concepts:

- Non-suability of the state: The doctrine that the state cannot be sued without its express or implied consent.
- Implied and express consent: Implied through actions such as entering contracts; express through statutes.
- Sovereign vs. Proprietary functions: The distinction affects the applicability of state immunity.
- Commission on Audit's Role: Mandatory procedure for claims against the government involves filing with the COA.

#### Relevant Legal Statutes:

- Act No. 3083: General law waiving the immunity of the state from suit under certain conditions.
- Commonwealth Act No. 327 as amended by Presidential Decree No. 1445: Procedures for filing claims against the government.

### ### Historical Background:

The decision underscores the evolution of the doctrine of non-suability of the state amid changing governmental activities, distinguishing sovereign from proprietary or commercial functions. It highlights the balance between honoring legitimate claims against the government and ensuring public functions and services are not paralyzed by litigation or enforcement actions.