

Title:

Luzon Development Bank vs. Association of Luzon Development Bank Employees and Atty. Ester S. Garcia (Voluntary Arbitration Case)

Facts:

The case originated from a submission agreement between Luzon Development Bank (LDB) and the Association of Luzon Development Bank Employees (ALDBE) to resolve a dispute regarding the alleged violation of the Collective Bargaining Agreement (CBA) provision and a Memorandum of Agreement dated April 1994 on promotion. Both parties agreed to submit their respective position papers between December 1-15, 1994. LDB, however, failed to submit its position paper despite reminders from the Voluntary Arbitrator, Atty. Ester S. Garcia. On May 24, 1995, without LDB's position paper, the Voluntary Arbitrator rendered a decision finding LDB in violation of the CBA and Memorandum of Agreement on promotion. LDB filed a petition for certiorari and prohibition with the Supreme Court to set aside the Voluntary Arbitrator's decision and to prohibit its enforcement.

Issues:

1. Whether the decision or award of a voluntary arbitrator is final and executory.
2. Whether a petition for certiorari is the proper recourse against the decision of a voluntary arbitrator.
3. Whether the Supreme Court has jurisdiction over appeals from decisions of voluntary arbitrators.

Court's Decision:

1. ****Finality of Voluntary Arbitrator's Decision****: The Supreme Court emphasized that arbitration awards should ideally be complied with promptly as parties choose arbitration voluntarily to resolve disputes, expecting the decision to be final and binding.
2. ****Recourse Against Voluntary Arbitrator's Decision****: The Court acknowledged past practices of elevating decisions of voluntary arbitrators to the Supreme Court via certiorari. However, it clarified this imposes an unnecessary burden on the Court.
3. ****Jurisdiction Over Appeals****: The Supreme Court clarified that under B.P. 129 as amended by R.A. 7902, the Court of Appeals has exclusive appellate jurisdiction over all final judgements, decisions, orders, or awards of quasi-judicial agencies, including those of a voluntary arbitrator or panel of arbitrators. Consequently, the Court resolved to refer such cases to the Court of Appeals for proper disposition, streamlining the appellate process for arbitration decisions.

Doctrine:

The decision established that the Court of Appeals has jurisdiction over appeals from decisions or awards of voluntary arbitrators or panels of arbitrators, aligning them with quasi-judicial agencies in the context of appellate review. This doctrine emphasizes the finality and enforceability of arbitration decisions while ensuring an orderly procedure for their review.

Class Notes:

- ****Voluntary Arbitration****: A chosen mode of dispute resolution where parties agree to be bound by the decision of a selected arbitrator.
- ****Final and Executory****: Arbitration awards are intended to be complied with without delay, presuming the parties' acceptance of the arbitrator's decision as final and binding.
- ****Jurisdiction over Appeals****: The Court of Appeals exercises exclusive appellate jurisdiction over decisions of voluntary arbitrators, treating these decisions similarly to those of regional trial courts and other quasi-judicial bodies.
- ****Judicial Review****: A decision or award of a voluntary arbitrator is subject to judicial review, specifically by filing a petition for certiorari with the Court of Appeals.

Historical Background:

This case underscores the evolution of the legal framework governing arbitration in the Philippines, particularly voluntary arbitration in labor disputes. It clarifies the appellate jurisdiction over arbitration decisions, reflecting the judiciary's effort to delineate the roles of various courts in the resolution of disputes arising from arbitration agreements. The ruling is significant in promoting arbitration as an effective and final means of dispute resolution in labor relations, ensuring that such decisions are treated with the same level of respect and finality as those issued by courts, while also streamlining the processes for their review and enforcement.