

**Title:** Juco vs. National Labor Relations Commission and National Housing Corporation, G.R. No. 104309

**Facts:**

Benjamin C. Juco was hired as a project engineer by the National Housing Corporation (NHC) from November 16, 1970 to May 14, 1975. On May 14, 1975, he was removed from his position after being implicated in a theft and/or malversation of public funds case.

- Initial Complaint:** On March 25, 1977, Juco filed an illegal dismissal complaint against NHC with the Department of Labor.
- Labor Arbiter Decision:** On September 17, 1977, the Labor Arbiter dismissed the case due to lack of jurisdiction.
- Appeal to NLRC:** Juco appealed to the NLRC, which reversed the Labor Arbiter's decision on December 28, 1982.
- Supreme Court Ruling:** Dissatisfied, NHC appealed to the Supreme Court, which on January 17, 1985, ruled that the NLRC had no jurisdiction, reinstating the Labor Arbiter's decision.
- Civil Service Commission (CSC) Complaint:** On January 6, 1989, Juco filed a complaint for illegal dismissal with the CSC. NHC moved to dismiss the complaint on jurisdictional grounds. The CSC agreed and dismissed the case on April 11, 1989.
- Subsequent NLRC Complaint:** On April 28, 1989, Juco again filed an illegal dismissal complaint with the NLRC, leading to a ruling by Labor Arbiter Manuel R. Caday on May 21, 1990, declaring Juco's dismissal illegal and ordering his reinstatement with full back wages.
- NHC's Appeal:** NHC appealed, and on March 14, 1991, the NLRC reversed the Labor Arbiter's decision, citing lack of jurisdiction.
- Petition for Certiorari:** Juco filed a petition for certiorari with the Supreme Court to set aside the NLRC's March 14, 1991 decision.

**Issues:**

- Jurisdiction:** Whether the NLRC had jurisdiction over Juco's complaint, considering NHC is a government-owned corporation.
- Applicability of the Labor Code vs. Civil Service Law:** Whether employees of government-owned or controlled corporations are governed by the Civil Service Law or the Labor Code.
- Prescription of the Claim:** Whether Juco's claim was barred by prescription owing to the time elapsed from his dismissal to the various filings he made.

**Court's Decision:**

- Jurisdiction:** The Supreme Court held that the NLRC had jurisdiction over Juco's complaint.
  - The Court clarified that under the 1987 Constitution, only government-owned or controlled corporations with original charters are within the Civil Service.
  - NHC, being incorporated under the Corporation Law (Act 1459), does not have an original charter and thus falls under the jurisdiction of the NLRC.
- Applicability of the Labor Code:** The Supreme Court ruled that employees of government-owned corporations without original charters are governed by the Labor Code and not the Civil Service Law. Hence, Juco, as an employee of the NHC, is covered by the Labor Code.
- Prescription of the Claim:** The Court determined that the claim was not barred by prescription.
  - The period of prescription was tolled when Juco followed prescribed legal procedures diligently, including the mistaken filings and the Supreme Court directive to approach the CSC.

The Court reversed the NLRC's March 14, 1991 decision and reinstated Labor Arbiter Caday's May 21, 1990 decision, ordering Juco's reinstatement with full back wages.

**Doctrine:**

- NLRC Jurisdiction Over Government Corporations without Original Charters:** The NLRC has jurisdiction over employees of government-owned or controlled corporations that do not have original charters, consistent with the 1987 Constitution.
- Corporate Charter Distinction:** Government corporations incorporated under general corporation laws (such as the Corporation Code) are distinct from those created by special law for jurisdictional purposes.
- Tolling of Prescription:** Legal procedures and incorrect but well-intentioned filings can toll the prescription period for filing a case.

**Class Notes:**

- Jurisdictional Clarification:** NLRC has jurisdiction over labor disputes involving government corporations without original charters (1987 Constitution, Art. IX-B, Sec. 2).
- Civil Service vs. Labor Code:** Employees of government corporations created under the Corporation Code are covered by the Labor Code.

3. **Prescription Suspension:** Legal disputes involving jurisdictional confusion can toll the prescription period.

**Historical Background:**

The case arose during a period of constitutional change in the Philippines, transitioning from the 1973 Constitution to the 1987 Constitution. This transition caused significant jurisdictional re-interpretations, particularly concerning the distinction between government corporations with and without original charters. This case exemplifies issues with public sector employment governance and the legal challenges brought about by evolving constitutional provisions.