

Title: Demetrio Ellao v. Batangas I Electric Cooperative, Inc.

Facts:

Batangas I Electric Cooperative, Inc. (BATELEC I) is an electric cooperative organized under Presidential Decree No. 269 (P.D. 269), distributing electricity in the province of Batangas. Demetrio V. Ellao, who started as Office Supplies and Equipment Control Officer on January 4, 1982, was appointed as General Manager on June 1, 2006. On February 12, 2009, members of BATELEC I, Nestor de Sagun and Conrado Cornejo, filed complaints against Ellao for irregularities in his functions. A fact-finding committee was instituted, and Ellao was placed on preventive suspension. He provided explanations refuting the charges, but the scheduled hearings did not materialize. Eventually, the fact-finding body recommended his termination due to gross and habitual neglect and willful disobedience. On March 13, 2009, Board Resolution No. 24-09 was issued, formalizing his termination effective October 1, 2009, which was confirmed by the National Electrification Administration (NEA) on December 9, 2009.

Ellao filed a Complaint for illegal dismissal and money claims on February 23, 2011, against BATELEC I and its President, Raquel Rowena Rodriguez, before the Labor Arbiter. He claimed that the charges were baseless and that he was deprived of procedural due process. BATELEC I moved to dismiss, claiming that the NEA had jurisdiction. The Labor Arbiter ruled that it had jurisdiction, asserting that dismissal falls under the Labor Code, concluding that Ellao was illegally dismissed. BATELEC I and Ellao both appealed to the National Labor Relations Commission (NLRC) which upheld the Labor Arbiter's decision. BATELEC I's motion for reconsideration was denied by the NLRC, prompting them to file a certiorari petition before the Court of Appeals (CA).

The CA ruled in favor of BATELEC I, concluding that Ellao, as General Manager, was a corporate officer and thus, his dismissal was an intra-corporate controversy under the jurisdiction of Regional Trial Courts (RTCs), not labor tribunals. Ellao's motion for reconsideration was denied, leading to the present petition.

Issues:

1. Does the Labor Arbiter or the Regional Trial Court have jurisdiction over the complaint for illegal dismissal filed by a cooperative officer?
2. Is Ellao's position as General Manager considered a corporate office under BATELEC I's By-Laws?

Court's Decision:

The Court denied Ellao's petition, affirming the ruling of the CA.

1. **Jurisdiction**:

- The Court held that the RTC has jurisdiction over intra-corporate disputes, including issues arising from the termination of corporate officers. As per jurisprudence, disputes involving corporate officers fall within the jurisdiction of the RTC under R.A. 8799, following the transfer of such cases from the SEC to the RTC.

2. **Corporate Office**:

- The Court found that Ellao's position as General Manager is explicitly mentioned in BATELEC I's By-Laws, which designate the General Manager as the individual responsible for the management of the cooperative and accountable to the Board for his duties. Given this designation, the position qualifies as a corporate office, bolstering the conclusion that Ellao's dismissal is an intra-corporate matter.

Doctrine:

1. **Intra-Corporate Dispute Jurisdiction**: Jurisdiction over disputes involving the termination of corporate officers lies with the RTC per R.A. 8799.
2. **Definition of Corporate Officers**: A corporate officer's position must be expressly mentioned in the By-Laws to constitute a corporate office. Functions and responsibilities directly stipulated in the By-Laws affirm the position's status.

Class Notes:

- **Intra-Corporate Dispute**: Disputes involving corporate officers are considered intra-corporate disputes under R.A. 8799, with jurisdiction granted to the RTC.
- **Corporate Officer**: As stipulated in jurisprudence (Tabang v. NLRC), a corporate officer must hold a position specified in the corporation's charter or By-Laws.
- **Procedural Jurisdiction**: Determination of jurisdiction affects the legality and appropriateness of the tribunal's decisions. Where jurisdiction is found to be lacking, decisions rendered may be rendered void.

Historical Background:

- The case operates within the context of governance among electric cooperatives, regulated by statutes like P.D. 269 and R.A. 8799. It highlights the jurisdictional boundaries between labor disputes and intra-corporate controversies in such cooperatives, underscoring the legal transitions from SEC to RTC jurisdiction over intra-corporate matters

post-R.A. 8799. Such decisions affirm RTCs' roles in managing disputes involving corporate officers amid evolving regulatory structures.