

****Title:****

****Traders Royal Bank Employees Union-Independent vs. National Labor Relations Commission and Emmanuel Noel A. Cruz****

****Facts:****

1. In 1987, a retainer agreement was entered into between Traders Royal Bank Employees Union (Union) and the law firm ENA Cruz and Associates, obligating the Union to pay a monthly retainer fee of P3,000.00 for legal services.
2. In April 1990, the Union terminated the retainer agreement.
3. During the agreement's existence, the Union referred a case to Attorney Emmanuel Noel A. Cruz concerning holiday, mid-year, and year-end bonuses against Traders Royal Bank (TRB).
4. The case was certified by the Secretary of Labor and docketed as NLRC-NCR Certified Case No. 0466.
5. On September 2, 1988, the NLRC awarded the employees holiday pay differential, mid-year bonus differential, and year-end bonus differential.
6. TRB challenged the decision before the Supreme Court, which on August 30, 1990, affirmed the holiday pay differential but deleted mid-year and year-end bonuses from the award.
7. TRB computed the holiday pay differential as P175,794.32 and paid this amount to its employees.
8. Attorney Cruz notified the Union, TRB, and the NLRC of his right to enforce his attorney's lien over the award.
9. On July 2, 1991, Attorney Cruz filed a motion for determination of his attorney's fees (10% of the P175,794.32), before Labor Arbiter Oswald Lorenzo.
10. Petitioner Union opposed the motion, while TRB did not contest it.
11. The labor arbiter ordered the Union to pay P17,574.43 to the law firm.
12. The Union appealed to the NLRC, which affirmed the arbitral order.
13. The Union's motion for reconsideration was denied, prompting the Union to petition the Supreme Court.

****Issues:****

1. Whether the NLRC committed grave abuse of discretion in awarding attorney's fees after the Supreme Court reviewed the judgment.
2. Whether attorney's fees should have been incorporated in the main case or could be

claimed subsequently.

3. Whether the retainer agreement precludes the award of additional attorney's fees.

4. Whether the NLRC's award of 10% as attorney's fees was proper under the circumstances presented.

****Court's Decision:****

1. ****Jurisdiction of NLRC****: The Court held that NLRC has jurisdiction to decide claims for attorney's fees even after its initial judgment has been reviewed and affirmed by the Supreme Court. Attorney's lien is an incident that can be claimed after the finalization of the main case.

2. ****Timeliness of the Claim for Attorney's Fees****: The lack of an initial claim for attorney's fees did not preclude subsequent assertion since attorney's fees depend on an existing award. Courts generally rule on issues presented to them, thus no premature claim was applicable.

3. ****Retainer Agreement****: The Court found that the monthly P3,000.00 retainer fee was for general legal services committed but did not cover specific actions taken in litigation. Hence, special services for particular cases, like the one conducted by Attorney Cruz, warrant additional compensation.

4. ****Appropriateness of 10% Award Based on Labor Code****: The proper measurement should be based on quantum meruit, meaning deciding compensation based on the amount and value of services rendered. The Court modified the NLRC's decision and decreed a fair compensation of P10,000.00 for the legal services provided.

****Doctrine:****

1. ****Two Concepts of Attorney's Fees****: Differentiating between ordinary attorney's fees (compensation agreed upon by lawyer and client) and extraordinary attorney's fees (damages awarded by the court).

2. ****Quantum Meruit****: Remuneration based on the reasonable worth of services rendered when there is no pre-agreed fee.

3. ****Claims for Attorney's Fees****: These can be lodged in the original case or as a separate action after the principal issue is resolved if benefits are derived from the attorney's efforts.

****Class Notes:****

1. ****Quantum Meruit****: A legal principle whereby a party is compensated as much as they deserved.

2. **Attorney's Lien**: A lawyer's right to a portion of the judgment for services rendered, enforceable after a favorable judgment for the client.
3. **Labor Code Provisions**:
 - **Article 111**: Maximum of 10% attorney's fees for judicial or administrative recovery of wages.
 - **Implementing Rules, Book III, Rule VIII, Section 11**: Reinforces the 10% cap for wage recovery cases.

Historical Background:

The case reflects the evolving judicial interpretation of attorney's fees within the Philippine labor context, particularly emphasizing lawyer's rights for adequate compensation for specific services rendered, upholding principles of equity and justice. It illustrates the judiciary ensuring parties are neither unjustly enriched nor unreasonably deprived.

This case reiterates a lawyer's right to pursue fair compensation for detailed legal services beyond standard retainer agreements, reinforcing jurisprudence on compensatory principles and technical application of labor laws.