

Title:

Natividad Pondoc, Petitioner, vs. National Labor Relations Commission and Emilio Pondoc, Respondents

Facts:

1. **Employment Relationship Established**:

- Andres Pondoc was employed by Emilio Pondoc at Melleonor General Merchandise and Hardware Supply, Poblacion, Sindangan, Zamboanga del Norte from October 1990 to December 1991.
- Andres worked from 7:00 AM to 8:00 PM, Monday to Sunday, with a daily wage of PHP 20.00.
- Despite working on rest days and holidays, he did not receive premium pay as required by law.

2. **Initial Complaint**:

- On May 14, 1992, Natividad Pondoc filed a labor complaint on behalf of her husband for salary differential, overtime pay, 13th month pay, holiday pay, and other monetary claims before the Sub-Regional Arbitration Branch No. 9 of the NLRC.

3. **Labor Arbiter Decision**:

- On June 17, 1993, Labor Arbiter Esteban Abecia decided in favor of Andres, finding an employer-employee relationship existed, and awarded a total of PHP 44,118.00 for salary differential, holiday pay, premium pay for holiday and rest day services, and 13th-month pay.
- Emilio Pondoc's defense included questioning the employment relationship, claiming the establishment was fictitious.

4. **Appeal and Set-Off Claim**:

- Emilio Pondoc filed a manifestation on the last day to perfect an appeal, claiming an alleged debt owed by Andres should offset the awarded liability.
- The Labor Arbiter denied this claim and issued a writ of execution.

5. **NLRC Proceedings**:

- Emilio obtained a restraining order from the NLRC and filed a Petition for "Injunction and Damages".
- On February 28, 1994, the NLRC allowed the set-off, reducing Emilio's liability to PHP 3,066.65.

6. **Certiorari to Supreme Court**:

- Natividad Pondoc's motion for reconsideration was denied by the NLRC.
- She then filed a special civil action for certiorari under Rule 65 to annul the NLRC decision and enforce the Labor Arbiter's award.

Issues:

1. Whether the NLRC erred by entertaining a petition for injunction and damages to offset a Labor Arbiter's final judgment.
2. Whether the NLRC had jurisdiction to adjudicate and set off the alleged indebtedness against the final judgment of the Labor Arbiter.
3. Whether the alleged indebtedness should be deemed waived for not being pleaded before the Labor Arbiter's judgment.

Court's Decision:

1. **Independence of Petitions**:

- The NLRC should not have entertained a separate petition for "Injunction and Damages" filed by Emilio Pondoc to obstruct the enforcement of a final judgment. The NLRC's ancillary power to issue injunctions did not include jurisdiction over independent petitions intended to counter final judgments.

2. **Jurisdiction Over Indebtedness**:

- The NLRC lacked jurisdiction to adjudicate on the alleged civil indebtedness of Andres Pondoc, as it did not arise from an employer-employee relationship. The Labor Code grants Labor Arbiters exclusive jurisdiction only over disputes arising from such relationships.

3. **Waiver of Set-Off Claim**:

- Any claim for set-off due to alleged indebtedness was waived by Emilio Pondoc, as it was not pleaded during the Labor Arbiter's proceedings. Following procedural rules, defenses and counterclaims not raised timely are deemed waived or barred.

Doctrine:

1. **Jurisdictional Boundaries**:

- Labor Arbiters and the NLRC can only adjudicate matters arising directly from employer-employee relationships.

2. **Finality and Execution of Judgments**:

- Once a judgment becomes final and executory, efforts to defeat or obstruct its enforcement through ancillary or independent petitions are not permissible.

3. **Waiver of Defenses and Counterclaims**:

- Procedural rules require defenses and counterclaims to be timely pleaded, or they are considered waived or barred from subsequent consideration.

Class Notes:

- **Key Elements**:

1. Finality of Judgment - A decision becomes immutable unless appealed timely.
2. Jurisdiction - Only disputes emanating from employment relationships can be adjudicated by labor tribunals.
3. Waiver of Defenses - Timeliness in pleading defenses is crucial.

- **Relevant Provisions**:

- Article 217, Labor Code - Jurisdiction of labor arbiters.
- Article 218, Labor Code - Powers of the NLRC, including injunctions.
- Article 1231, Civil Code - Modes of extinguishing obligations (including set-off).

Historical Background:

- This case emphasizes the adherence to procedural rules and jurisdictional limits in labor disputes. It also marks the Supreme Court's stance on protecting the finality and enforceability of labor arbiter decisions, ensuring that judgments are not undermined by subsequent procedural manipulations aimed at delaying or invalidating lawful entitlements. This decision reaffirms the principles of res judicata and the sanctity of final judgments under Philippine labor law.