

Title: Matling Industrial and Commercial Corporation v. Coros, G.R. No. 154122 (2010)

Facts:

1. ****Dismissal and Initial Complaint****:

- Ricardo R. Coros was dismissed on April 10, 2000, from his position as Vice President for Finance and Administration at Matling Industrial and Commercial Corporation (Matling).
- On August 10, 2000, Coros filed a complaint for illegal dismissal and illegal suspension with the National Labor Relations Commission (NLRC) Sub-Regional Arbitration Branch XII in Iligan City.

2. ****Motion to Dismiss by Petitioners****:

- Matling, represented by its officers, argued that the case involved an intra-corporate dispute due to Coros being a member of its Board of Directors, thus falling under the jurisdiction of the Securities and Exchange Commission (SEC), not the Labor Arbiter (LA).

3. ****Respondent's Opposition****:

- Coros countered that his board membership was questionable since he had not been formally elected and did not own stock in Matling. He further argued that his termination notice pertained to his removal as Vice President, not as a Director.

4. ****Labor Arbiter Ruling****:

- The LA, on October 16, 2000, dismissed the complaint, ruling that Coros was a corporate officer, and thus the matter was under the jurisdiction of the SEC.

5. ****Appeal to NLRC****:

- Coros appealed to the NLRC, stating that his position was not listed as a corporate officer in Matling's By-Laws and hence, the LA had jurisdiction.
- On March 13, 2001, the NLRC set aside the LA's dismissal, ruling that the LA had jurisdiction because Coros's position was not a corporate office.

6. ****Petitioner's Motion for Reconsideration****:

- The petitioners submitted additional documents, including Matling's Amended Articles of Incorporation and By-Laws, alleging that new offices created by the President were corporate offices.
- The NLRC denied the motion for reconsideration on April 30, 2001.

7. ****CA Petition for Certiorari****:

- The petitioners filed for certiorari with the Court of Appeals (CA), which dismissed their petition on September 13, 2002, affirming the NLRC's decision.
- The petitioners' motion for reconsideration was denied on April 2, 2003.

8. **Supreme Court Appeal**:

- The case was elevated to the Supreme Court for a final ruling.

Issues:

1. **Jurisdiction**:

- Whether the dismissal of Coros as Vice President for Finance and Administration fell under the jurisdiction of the Labor Arbiter, given his alleged corporate officer status.

2. **Corporate Officer Status**:

- Whether Coros's position as Vice President for Finance and Administration was a corporate office under Matling's By-Laws.

3. **Nature of the Position**:

- Whether the power vested in the President by the By-Laws to create new offices made Coros's position a corporate office.

Court's Decision:

1. **Jurisdiction**:

- The Supreme Court upheld that the LA had jurisdiction over Coros's complaint because his position as Vice President for Finance and Administration was not a corporate office. Thus, the NLRC's reinstatement of the complaint was proper.

2. **Corporate Officer Status**:

- The Court evaluated Matling's By-Law which stipulated explicit corporate positions, including President, Executive Vice President, Secretary, and Treasurer.
- Coros's role was created under a generalized delegation of power to the President by By-Law No. V, which didn't transform the position into a corporate office.

3. **Nature of the Position**:

- The Supreme Court determined that positions created under enabling provisions in by-laws must still be expressly mentioned to be considered corporate offices. The Court found that the power of the President to create new offices was limited to non-corporate roles.

Doctrine:

1. **Corporate Officer Definition**:

- Only positions explicitly mentioned in the By-Laws or created by the Board of Directors and filled by action of the Board or stockholders can be considered corporate offices.
- This doctrine ensures that the incidental creation of roles through delegation does not evade the security of tenure provisions for regular employees.

2. **Jurisdiction in Dismissal Cases**:

- Termination disputes involving regular employees fall under the jurisdiction of the Labor Arbiter, while disputes involving corporate officers (as defined) fall under the jurisdiction of the Regional Trial Court (previously SEC).

Class Notes:

1. **Regular vs. Corporate Officers**:

- Regular employee disputes (e.g., termination, wages) are handled by the Labor Arbiter as per Article 217 of the Labor Code.
- Corporate officers, classified based on express by-laws mention and proper Board enactment, have disputes resolved in courts with jurisdiction over intra-corporate controversies.

2. **Statutory Interpretation**:

- Section 25 of the Corporation Code guides the identification of corporate offices.
- Jurisdictional rules indicate the necessity of clear legislative or by-laws directives to categorize a position as a corporate office.

Historical Background:

- **Precedents**:

- This case revises interpretations from earlier cases like *Tabang v. NLRC* and clarifies the definition of corporate roles in the context of intra-corporate disputes.
- It reiterates the judiciary's approach to protecting labor rights against broad corporate authority, harmonizing with judicial precedents like *Prudential Bank and Trust Company v. Reyes* on employment status and tenure security.

This case enriches Philippine corporate and labor law by clearly demarcating jurisdictional boundaries and reinforcing statutory adherence in employee vs. corporate officer classifications.