KERIMA POLOTAN-TUVERA, PERSONALLY AND/OR IN HER CAPACITY AS PUBLISHER-EDITOR-IN-CHIEF OF ORIENT NEWS, AND/OR ORIENTAL MEDIA, INC., PETITIONERS, VS. HON. ABELARDO M. DAYRIT, AS P...

G.R. No. L-50096. April 15, 1988

Ponente: GUTIERREZ, JR., J.

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GUTIERREZ, JR., J.:

The main issue in the instant petition is whether or not regular courts have jurisdiction to entertain claims for moral and other damages by a dismissed employee against his former employer.

On February 8, 1977, private respondent Go Tiong was hired by Oriental Media, Inc., as translator in its Editorial Department. His work consisted of translating local news selected by the news editor/deskman from English to Chinese.

On October 26, 1977, Go Tiong was given a termination letter signed by petitioner Kerima Polotan-Tuvera, the publisher and editor of Oriental Media, Inc., for various enumerated causes.

Private respondent filed a complaint for illegal dismissal, violation of P.D. 1123, premium pay for holidays and rest days holiday pay, violation of P D. 851, and other money claims against the petitioners before the Ministry of Labor, Region No. IV, Manila. The case was referred for compulsory arbitration to the Executive Labor Arbiter.

In his position paper, Go Tiong asked for reinstatement without loss of seniority rights, payment of a portion of the 13th month bonus, emergency allowance, additional salary as Acting Managing Editor, overtime, holiday pay, P30,000.00 as moral damages and P50,000.00 as attorney's fees.

While the labor case was pending, Go Tiong filed a complaint for damages against the petitioners before the then Court of First Instance of Manila. In this case docketed as Civil Case No. 117427, Go Tiong asked for: 1) moral damages in the amount of P850,000.00; 2) exemplary damages in the amount of P100,000.00; 3) attorney's fees in the amount of P50,000.00 and 4) costs.

In their Answer, the petitioners alleged as affirmative defense the lack of jurisdiction of the court over the nature of the case "since the allegations in the complaint involve employer-employee relationship, the termination thereof and other money claims arising therefrom or related thereto; and that, plaintiff had originally filed a complaint against defendants with the Department of Labor, Regional Office No. IV, Shurdut Bldg., Intramuros, Manila, for:

"a) Illegal Dismissal

b)

Violation of P.D. 1123

c) Other Money Claims

d) Premium Pay

e)

Holiday Pay

f) Violation of P.D. 851" (Rollo, p. 34).

The petitioners later filed a motion to dismiss the civil case based on the pendency of the labor case.

The respondent court, however, denied the motion for lack of merit on the ground that "the action is purely for indemnification on the damages, as shown in the allegations in the Complaint."

The order denying dismissal is the subject of the instant petition.

On March 17, 1979, we issued a temporary restraining order enjoining the respondent court from further proceeding with Civil Case No. 117427.

The petitioners maintain that the questioned order was issued with grave abuse or in excess of jurisdiction and that the respondent court had no jurisdiction over the case which is an action for damages based on illegal dismissal.

We grant the petition.

The complaint clearly shows that the claim for damages by the private respondent arose from acts attributed to his former employer while he was still an employee. Thus, the action for damages clearly arose from an employer-employee relationship.

Do regular courts have jurisdiction to entertain claims for moral and other damages by a dismissed employee against his former employer?

When this case was filed, the applicable law was Section 1 of Presidential Decree No. 1367 which provides as follows:

"Section 1. Paragraph (a) of Article 217 of the Labor Code as amended is hereby further amended to read as follows:

"a)

The Labor Arbiter shall have exclusive jurisdiction to hear and decide the following cases involving all workers, whether agricultural or non-agricultural:

"1)

Unfair labor practice cases;

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2)

Unresolved cases in collective bargaining, including those which involve wages, hours of work and other terms and conditions of employment; and

"3)

All other cases arising from employer-employee relations duly indorsed by the Regional Directors in accordance with the provisions of this code; Provided, that the Regional Directors shall not indorse and Labor Arbiters shall not entertain claims for moral or other forms of damages." (Emphasis supplied)

During the pendency of this case, Presidential Decree No. 1691 was promulgated on May 1, 1980. It amended the above-quoted provisions as follows:

"ART. 217. Jurisdiction of Labor Arbiter and the Commission. - (a) The Labor Arbiters shall have the original and exclusive jurisdiction to hear and decide the following cases involving all workers, whether agricultural or non-agricultural:

“1.

Unfair labor practice cases;

“2.

Unresolved issues in collective bargaining, including those that involve wages, hours of work and other terms and conditions of employment;

“3.

All money claims of workers, including those based on non-payment or underpayment of wages, overtime compensation, separation pay and other benefits provided by law or appropriate agreement, except claims for employees compensation, social security, medicare and maternity benefits;

“4.

Cases involving household services; and

“5.

All other claims arising from employer-employee relations, unless expressly excluded by this Code.

"(b)

The Commission shall have exclusive appellate-jurisdiction over all cases decided by Labor Arbiters, compulsory arbitrators, and voluntary arbitrators in appropriate cases provided in Article 263 of this Code." (Emphasis supplied)

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The question now is whether or not Presidential Decree No. 1691 has a retroactive effect to cover the instant case.

This query was resolved in the case of Atlas Fertilizer Corporation v. Navarro (149 SCRA 432). We ruled:

> "In conflicts of jurisdiction between the courts and the labor agencies arising from the amendments effected by P.D. 1691 on P.D. 1367, this Court held in the cases of Ebon v. De Guzman (113 SCRA 52), Aguda v. Vallejos (113 SCRA 69), and Sentinel Insurance Co., Inc. v. Bautista, (supra), that P.D. 1691 is a curative statute which corrected the lack of jurisdiction of the Labor Arbiter at the start of the proceedings and, therefore, should be given a retrospective application to the pending proceedings. P.D. 1691 merely restored a jurisdiction earlier vested in Labor Arbiters before the enactment of P.D. 1367. It was intended to correct a situation where two tribunals would have jurisdiction over separate issues arising from the same labor conflict.
>
> "This is also our ruling in the case of Getz Corp., Phils., Inc. v. Court of Appeals (116 SCRA 86), cited by the petitioner. In said case, the complaint for recovery of termination pay, other employment benefits, and damages was filed on March 20, 1979 with the Court of First Instance of Negros Oriental. The complaint was dismissed for lack of jurisdiction on December 5, 1980. On April 9, 1981, the dismissal order was set aside on a motion for reconsideration. On review, this Court ordered the dismissal of the complaint on the ground that 'P.D. 1367 was no longer applicable when the trial court dismissed the case for lack of jurisdiction on December 5, 1980 and when it reconsidered and set aside said Order of dismissal on April 9, 1981 and re-instated the case on its docket.'
>
> "This construction of law is not new. It must be noted that the amendatory provisions of P.D. 1367 itself was given retroactive application, for also being curative in nature, in the case of Garcia v. Martinez (90 SCRA 331) where this Court ruled that the Court of First Instance of Davao City had jurisdiction over the complaint for actual, moral, and exemplary damages arising from the plaintiff's dismissal as a manager of a radio station, which was filed on August 2, 1976. This ruling was reiterated in the more recent case of Calderon, Sr. v. Court of Appeals (100 SCRA 459) where we held that the Court of First Instance of Rizal had jurisdiction over the complaint for recovery of unpaid salaries, allowances, other reimburseable expenses, and damages, which was filed on March 3, 1978 (Abad v. The Philippine American General, Ins., Co., Inc., 108 SCRA 717).
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> "P.D. 1691 should, therefore, be given a retroactive application to this pending case as the precise purpose of the amendment was to hopefully settle once and for all the conflict of jurisdiction between regular courts and labor agencies (Sentinel Ins., Co., Inc. v. Bautista, supra)
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> "In Ebon v. De Guzman, supra, this Court held:
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> "'The lawmaker in divesting the Labor Arbiters and the NLRC of jurisdiction to award moral and other forms of damages in labor cases could have assumed that the Labor Arbiters' position-paper procedure of ascertaining the facts in dispute might not be an adequate tool for arriving at a just and accurate assessment of damages, as distinguished from backwages and separation pay, and that the trial procedure in the Court of First Instance would be a more effective means of determining such damages (See Resolution of May 28, 1979 in Garcia v. Martinez, 90 SCRA 331; Calderon v. Amor, et al. and Court of Appeals, 100 SCRA 459 and Abad v. Philippine American General Ins., Co., 108 SCRA 717).
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> "'Evidently, the lawmaking authority had second thoughts about depriving the Labor Arbiters and the NLRC of the jurisdiction to award damages in labor cases because that setup would mean duplicity suits, splitting the cause of action and possible conflicting findings and conclusions by two tribunals on one and the same claim.
>
> "'So, on May 1, 1980, Presidential Decree No. 1691 (which substantially reenacted Article 217 in its original form) nullified Presidential Decree No. 1367 and restored to the Labor Arbiter and the NLRC their jurisdiction to award all kinds of damages in cases arising from employer-employee relations (Pepsi-Cola Bottling Company of the Philippines v Martinez, G.R. No. 58877).'
>
> "Furthermore, in the case of National Federation of Labor v. Eisma (127 SCRA 419), this Court held:

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> "'The issuance of Presidential Decree No. 1691 and the enactment of Batas Pambansa Blg. 130, made clear that the exclusive and original jurisdiction for damages would once again be vested in labor arbiters. It can be affirmed that even if they were not that explicit history has vindicated the view that in the appraisal of what was referred to by Philippine American Management & Financing Co., Inc. v. Management & Supervisors Association of the Philippine-American Management & Financing Co., Inc. (48 SCRA 187) as 'the rather thorny question as to where in labor matters the dividing line is to be drawn' (Ibid, 91) between the power lodged in an administrative body and a court, the unmistakable trend has been to refer it to the former. Thus: 'Increasingly, this Court has been committed to the view that unless the law speaks clearly and unequivocably, the choice should fall on [an administrative agency].'
>
> "'Certainly, the present Labor Code is even more committed to the view that on policy grounds, and equally so in the interest of greater promptness in the disposition of labor matters, a court is spared the often onerous task of determining what essentially is a factual matter, namely, the damages that may be incurred by either labor or management as a result of disputes or controversies arising from employer-employee relations.'" (149 SCRA, 438-440)

Hence, the inevitable conclusion is that the claim for damages filed by the private respondent against the petitioners before the respondent court must be dismissed.

IN VIEW OF THE FOREGOING, the petition is GRANTED and the questioned order of the respondent court is hereby SET ASIDE. The respondent court or its successor court is directed to dismiss Civil Case No 117427. The restraining order issued in this case is made permanent.

SO ORDERED.

Fernan (Chairman), Feliciano, Bidin, and Cortes, JJ., concur.

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