

CESAR JAYME AND CONCHITA JAYME, PETITIONERS, VS. JUDGE SEVERIANO DE LEON, REYNOLD S. FAJARDO, FLAVIANO ALENTORIO, PEDRO ALLIEZA, ERNESTO CANDIDO, ROMEO CANDIDO, FRANCISCO CRISOS...

G.R. No. L-26933. October 18, 1977

Ponente: SANTOS, J.

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SANTOS, J.:

In this petition for certiorari and prohibition with prayer for preliminary injunction filed on December 5, 1966 petitioners seek to annul the proceedings of the Court of Agrarian Relations (CAR) in CAR Case No. L-229, Negros Occidental entitled "Flaviano Alentorio, et al. versus Dr. Cesar Jayme et al." and to restrain respondent Judge from taking further action in the same. On December 12, 1966, the petition was given due course and respondents were required to file an answer, not a motion to dismiss. Upon the filing and approval of a bond in the amount of One Thousand Pesos (P1,000.00), the lower Court was restrained from further proceedings on January 3, 1967.[1]

The factual antecedents of this petition are as follow: On April 8, 1965, a complaint for unfair labor practice was filed with the Court of Agrarian Relations (CAR) of Bacolod City, by Reynold S. Fajardo, an attorney of the Court of Agrarian Relations, Quezon City, after conducting a preliminary investigation of the unfair labor practice charge filed by private respondents. The complaint was docketed as CAR Case No. L-229-Neg. Occ., and, correspondingly, summons was issued and duly served upon the petitioners herein.[2]

A motion to dismiss dated October 18, 1966, filed by herein petitioners, as defendants below, was denied by respondent Judge in an Order dated October 22, 1966.[3] Their motion for reconsideration of the denial was also denied by respondent Judge in an Order dated November 9, 1966.[4] Hence, this petition.

Petitioners, in asserting "that respondent, Judge Severiano de Leon, has acted without and/or in excess of his jurisdiction (in) denying petitioners' motion to dismiss[5] relies on the following allegations--

"10. That the above mentioned case for unfair labor practice[6] is outside the jurisdiction of the respondent Judge the same being in violation of Sec. 155, Republic Act No. 3844 otherwise known as the Land Reform Code and Republic Act No. 2367 which specifically prescribed the Rules of Procedures of the Court of Agrarian Relations in pursuant to Section 10 of Republic Act 1267 and the Revised Rules of Court;

"11. That the Court of Agrarian Relations has no jurisdiction to hear cases the complaint of which is fatally defective for want of signatures of the proper party in interest in violation of the Rules of Court, Republic Act 1267 and Republic Act 3844;

"12. That the respondent Judge has like-wise no jurisdiction to entertaining cases where moral and/or exemplary damages are asked for, these matters falling exclusively within the jurisdiction of the ordinary court of justice;

"13. That the Honorable Judge cannot entertain matters where differential pay is alleged in the complaint filed in behalf of the other respondent, Flaviano Alentorio, et al., and the same suffers from a defect for alleging therein attorney's fees as asked by the Honorable Investigator Reynold S. Fajardo in behalf of Atty. Bernardo Pablo, counsel for the respondent." [7] (Underscoring supplied.)

Appropos the foregoing, We note petitioners' statement in their "Motion for Reconsideration" to the effect:

"6. That it escapes our logic how Section 2 (4) which is only a declaration of policy, Sections 40, 41, 47 and 154, of Republic Act 3844, which provisions all refer to unfair labor practices for agrarian workers, are made applicable to the question of the procedure in the implementation of these substantive rights. No one disputes any substantive right under Republic Act 3844 or existing laws prior thereto. Rather, it is the manner of enforcing these rights without doing violence to the applicable laws and the constitution governing the matter which the defendants are seeking reverently." [8] (Underscoring supplied).

Then, by way of and "as the grounds upon which the petitioners rely..." they cite:-

"(a) The Land Reform Code (RA 3844), RA 1267, creating and establishing the jurisdiction of the Court of Agrarian Relations, nor the Revised Rules of Court does not vest the Court of Agrarian Relations with the power to conduct preliminary investigation much less grant the Honorable Investigator Reynold S. Fajardo, the power to sign complaints for and in behalf of the real party in interest and that Section 155 of the Land Reform Code specifically so provides that the Revised Rules of Court should govern procedures in the Court of Agrarian Relations;

"(b) The power to award moral damages falls within the original and exclusive jurisdiction of the ordinary courts of justice the same being beyond pecuniary estimation and hence the Judiciary Act of 1948, Sec. 44(c), defining the original and exclusive jurisdiction of the Court of First Instance, remove the award of moral damages from any other body except the Court of First Instance;

"(c) The power to award exemplary damages is likewise vested with the ordinary courts of justice;

"(d) In line with the case of Valleson Inc. versus Tiburcio, G.R. No. L-18185, September 27, 1962, the Court of Agrarian Relations has no power to decide differential pay;

"(e) That it is not for the Honorable Investigator to decide the amount of attorney's fees but the real party in interest." [9] (Underscoring supplied).

A careful consideration of the foregoing pleadings shows that while at first blush petitioners' counsel seem to assert that the CAR has no jurisdiction to try unfair labor practice cases involving agrarian workers--as asserted in paragraph 10 quoted above--petitioners in reality do not dispute the authority and/or jurisdiction of respondent Judge to try and decide the merits of the unfair labor practice charge or complaint involving private respondents who are agricultural workers--as clarified in pars. 6 and (a) also above quoted. For while petitioners, thru counsel assert that this "... case for unfair labor practice is outside the jurisdiction of respondent Judge..." citing Section 155 of Republic Act No. 3844 or the Agricultural Land Reform Code and Republic Act No. 1267, The Charter of the Court of Agrarian Relations, it is obvious that what they question is "... the manner of enforcing these rights ..." because "...The Land Reform Code (Republic Act 3844) Republic Act 1267 creating and establishing the jurisdiction of the Court of Agrarian Relations, nor the Revised Rules of Court does not vest the Court of Agrarian Relations with the power to conduct preliminary investigation much less grant the Honorable Investigator Reynold S. Fajardo, the power to sign complaints for and in behalf of the real party in interest...". The real question presented to Us, therefore, in respect to the unfair labor practice cause is--(1) Did respondent Judge, in designating an investigator, Atty. Reynold S. Fajardo, to look into the merits of the unfair labor practice charge filed by private respondents, and in giving due course to the unfair labor practice complaint signed and filed by the said Court investigator, act without and/or in excess of his jurisdiction? Petitioners, additionally, also contend

that--(2) the Court of Agrarian Relations does not have jurisdiction to take cognizance of claims for moral and exemplary damages and for differential pay--as alleged in paragraphs 11, 12, and 13 and (b), (c) and (d) also quoted above.

1. Now to resolve the first question. There can be no issue with respect to the jurisdiction of respondent Judge over the unfair labor practice case filed by private respondents as agricultural workers at the time the complaint for unfair labor practice was filed on April 8, 1965 in the Court below. For it is a settled doctrine that cases involving agricultural workers, including unfair labor practice cases, were within the original and exclusive jurisdiction of the CAR upon the approval of Republic Act 1267 on June 14, 1955. This has been the consistent holding of this Court in at least three cases, the latest of which was decided on March 30, 1963.

"Jurisdiction: Unfair labor practice: Jurisdiction of Court of Agrarian Relations if agricultural laborers are involved.- Laborers whose principal work in an hacienda consists in the planting and harvesting of sugar canes and other chores incidental to ordinary farming operations, are agricultural laborers, and any unfair labor practice case involving them comes within the jurisdiction of the Court of Agrarian Relations, not the Court of Industrial Relations." [10]

Section 8 of Republic Act 2263, which amended Section 27 of Republic Act 1199, otherwise known as Agricultural Tenancy Act of the Philippines, made this jurisdictional competence of CAR over unfair labor practice cases clearer with the provision that--

"(5) The landholder shall not discourage, directly or indirectly, the formation, maintenance or growth of a union or organization of tenants in his landholding, but he shall not initiate, dominate, assist or interfere in the formation or administration of any such union or organization."

Finally, Republic Act 3844, the Agricultural Land Reform Code of 1963, under the regime of which the cause of action of private respondents herein accrued, expressly and specifically vests in the CAR the jurisdiction to hear and decide unfair labor practice (ULP) cases. [11]

On the procedural aspect of unfair labor practice cases before the CAR, which is our main concern here, this Court in *Matillano vs. De Leon* [12] and *Philippine Packing Corporation vs. Reyes* [13] said:

"The procedure applicable to cases involving agricultural laborers prior to the creation of the Court of Agrarian Relations was the Rules of the Court of Industrial Relations. After the Court of Agrarian Relations was created on June 14, 1955, until the effectivity of the Agricultural Land Reform Code on August 8, 1963, the procedure for said cases was that provided for in the Rules of the Court of Agrarian Relations. This, as stated, was the procedure applicable when the present suit was filed. And finally, on August 8, 1963, to the present, the procedure governing agricultural laborer's cases is the Rules of Court by virtue of Section 155 of the Agricultural Land Reform Code. Neither the Rules of the Court of Agrarian Relations nor the Rules of Court require the preliminary investigations in question."

In both the foregoing cases, petitioners therein questioned the action of the CAR in giving due course to the ULP charge filed by private respondents in said cases, without the benefit of preliminary investigation. In other words, the issue was whether or not a preliminary investigation of the unfair labor practice charge was a condition precedent for the CAR to acquire jurisdiction over an unfair labor practice suit. And this Court held in the negative.

While there is merit in petitioners' contention that preliminary investigation of unfair labor charge before the CAR is not required, this case presents a different situation. For the preliminary investigation was already fait accompli when petitioners questioned, through a motion to dismiss, the procedure adopted by respondent Judge.

Respondent Judge by causing the conduct of a preliminary investigation, although the same was not required, and

in giving due course to the complaint filed by the investigator on behalf of the private respondents, indeed committed a breach of pro-cedure. This, however, did not affect his jurisdiction to try and decide the case. For respondent Court had jurisdiction over the subject matter of the suit and it acquired jurisdiction over the persons of petitioners with the service of summons. The error committed was procedural, i.e., in the mere exercise of jurisdiction, not one involving lack or excess of jurisdiction. Thus--

"Admittedly, respondent court had jurisdiction over the case, the impugned orders were issued in the exercise of such jurisdiction. If the court has jurisdiction of the subject matter and of the person, orders or decisions upon all questions per-taining to the cause are orders or decisions within its jurisdiction and, however irregular or erroneous they may be, they cannot be corrected by certiorari (*Gala vs. Cui and Rodriguez*, 25 Phil. 522). Judicial errors or mistakes of law, are proper subjects of appeal (*Macasieb Sison vs. CFI of Pangasinan*, 34 Phil. 404; *Galang vs. Endencia*, 73 Phil. 399.)"[14]

Besides, the Court of Agrarian Relations, under the provisions of Sec. 155, Republic Act 3844 were allowed to deviate from usual norms of procedure as long as such ex-cursions did not impair substantial rights. We here recall the statement of petitioners in their Motion for Reconsideration[15] quoted earlier, where they in effect conceded that their "substantial rights under Republic Act 3844 or existing laws prior thereto" have not been affected by the allegedly erroneous procedure followed by respondent Judge.

Finally, the preliminary investigation which respondent Judge caused to be conducted was not a useless proceeding; it has a desirable objective. Thus, it has been said that its purpose in unfair labor practice cases is "...not only for the protection of the respondent but also for the benefit of the CIR itself so that the respondent may not be required to defend itself against frivolous and unfounded charges, and the valuable time of the CIR dissipated and unnecessarily spent in hearing charges without basis."[16]

From the point of view of substantive rights and proce-dural due process, therefore, no prejudice has been suffered by petitioners.

2. Now with respect to the second question on the juris-diction of the Court of Agrarian Relations to award moral and exemplary damages and attorney's fees in the concept of damages, suffice it to state that said Courts are vested with such authority not only because the Courts of Agrarian Relations have all the powers and prerogatives inherent in or belonging to the Courts of First Instance;[17] but also, procedurally, to require private respondents to split their causes of action and seek redress in different Courts would be to encourage multiplicity of suits which is abhorred in the interest of orderly administration of justice.[18]

On the last contention of petitioners that respondent Court "cannot entertain matters where differential pay is alleged in the complaint for unfair labor practice" Sec. 154, par. (2), in relation to Secs. 42 and 47 of Republic Act No. 3844 clearly vest in the Courts of Agrarian Relations the jurisdiction to try and decide cases involving violations of minimum wage fixed by law, or regulations issued by the Department of Labor, for agricultural workers.[19]

Finally, on the need for further proceedings and the proper forum for the same. We have thus arrived at the conclusion that this Petition is without merit and, therefore, further proceedings will be necessary in CAR Case No. L-229 Neg. Occ. But in the meantime that this Petition was pending before this Court, Pres. Decree 442, otherwise known as Labor Code of the Philippines, was promulgated and became effective on May 1, 1974. Under the said Code, as amended by Pres. Decree 570-A promulgated on November 1, 1974, the Courts of Agrarian Relations have been divested of jurisdiction over disputes and controversies involving agricultural workers and the authority to try the same was vested in Labor Arbiters with appellate recourse to the National Labor Relations Commission.[20] However, the Transitory and Final Provisions of the Code, as amended, contain

no provision for the transfer of agricultural labor cases pending before Courts of Agrarian Relations to the National Labor Relations Commission.[21] This notwithstanding and with the promulgation and effect-ivity of Pres. Decree 946, on June 17, 1976, further proceedings in this case now properly fall within the jurisdiction of Labor Arbiters and the National Labor Relations Commission.[22] The records of CAR Case No. L-229 should therefore be transferred to the Labor Arbiter at Bacolod for further proceedings.

WHEREFORE, the Petition is hereby DENIED. The writ of preliminary injunction issued on August 3, 1967 is hereby DISSOLVED. Let the records of CAR Case No. L-229 of the Court of Agrarian Relations, Branch I, Bacolod City, be transferred to the Office of the Labor Arbiter thereat for further proceedings. Costs against petitioners.

SO ORDERED.

Barredo, (Acting Chairman), Antonio, Aquino, and Concepcion, Jr., JJ., concur.
Fernando, J., is abroad.

[1] Rollo, pp. 5, 29, 30.

[2] Petition, Rollo, p. 1 and Annex "A"; Rollo, p. 7.

[3] Id., pars. 2 & 3.

[4] Id., pars. 4, 5, & 6.

[5] Id., par. 9.

[6] CAR Case No. L-229, Neg. Occ.

[7] Rollo, pp. 2 & 3.

[8] Pet., Annex "E", Rollo, pp. 24-25.

[9] Petition, par. 14, Rollo, pp. 3 & 4.

[10] See Santos vs. CIR, et al., G.R. No. L-17196, Dec. 28, 1961, 3 SCRA 759; Hacienda Esperanza, et al. vs. CIR, et al., G.R. No. L-18708, November 28, 1962, 6 SCRA 633; Victorias Milling Co., Inc. vs. CIR, et al., G.R. No. L-17281, March 30, 1963, 7 SCRA 43.

[11] Sec. 154, Jurisdiction of the Court, par. (2) in relation with Chap. II, Bill of Rights for Agricultural Labor, specifically Secs. 40 & 41. See 2 Montemayor, Labor, Agrarian and Social Legislation (1964 ed.), pp. 537-548; 358-359.

[12] G.R. No. L-25302, March 15, 1968; 22 SCRA 106.

[13] G.R. No. L-30030, November 29, 1971; 42 SCRA 382 at 387.

[14] Villa-Rey Transit, Inc. vs. Bello, L-18957, April 23, 1963, 7 SCRA 735 at 740.

[15] Annex "E", cit. supra.

[16] National Union of Printing Workers vs. Asia Printing, 99 Phil. 589; Sta. Cecilia vs. CIR, L-19273, February 29, 1964.

[17] Sec. 155, first par., Rep. Act. 3844.

[18] See Rheem of the Phils., Inc., et al. vs. Ferrer et al., G.R. No. L-22979, Jan. 27, 1967, 19 SCRA 130; Pacaña vs. Cebu Autobus Co., G.R. No. L-25382, April 30, 1970, 32 SCRA 442; Filipro, Inc. vs. CIR, G.R. No. L-30827, August 18, 1972, 46 SCRA 621.

[19] Montemayor, p. cit., pp. 547; 360 & 386.

[20] Art. 217, Pres. Decree 442, Jurisdiction of Labor Arbiters and the Commission, Pres. Decree 442, as amended by Pres. Decree Nos. 570-A, 626, 823, 849, 850, 865-A and 891. See Third Official Edition, Labor Code of the Philippines, May 1, 1977 published by the Institute of Labor and Manpower Studies.

[21] Art. 300 on Disposition of Pending Cases.

[22] Reorganizing the CARs, streamlining their Procedures and for other purposes, Sec. 12 (a).

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