

**CONCORDIA CAGALAWAN, PLAINTIFF AND APPELLANT, VS.
CUSTOMS CANTEEN, FRANCISCO YU AND RAMONA PASTORAL,
DEFENDANTS AND APPELLEES.***G.R. No. L-16031. October 31, 1961*

Ponente: PAREDES, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/9b41ba073a21/>**PAREDES, J.:**

On December 24, 1957, Concordia Cagalawan, filed a claim against the Manager, Customs Canteen (Ramona Pastoral), before the Regional Office No. 8, Department of Labor, Davao City for Separation Pay, Overtime Pay and underpayment (Case No. LSV-23). The hearing officer held that the claim for overtime pay and underpayment did not lie and dismissed the same for lack of merit, but ordered the payment of separation pay in the sum of P104.00, if she would not be reinstated, and recommended the filing of an action for a violation of section 11 (b) and 4(c) of the Women and Child Labor Law. No appeal was taken from this ruling to the Labor Standard Commission.

On January 16, 1958, the same Concordia Cagalawan filed a complaint against the Customs Canteen, Francisco Yu and Ramona Pastoral, before the CFI of Davao (Civil Case No. 2554).

She alleged in her complaint that on February 20, 1957, defendants contracted her to work on the Customs Canteen, as a waitress; that she was receiving a monthly salary of P30.00, much below the minimum required by the Minimum Wage Law (Rep. Act No. 602); that she had rendered overtime work for which she was not paid compensation (Comm. Act No. 444); that in June, 1957, she complained with the Police Department of Davao City regarding a quarrel she had with one of the boys in the canteen, which act displeased the manager, defendant Yu who, without cause, compelled her to leave her employment; that she was not formally and actually notified by defendants at least one month in advance that her services was to be terminated, "in gross violation of Republic Act No. 1052, as amended and as such, she is entitled to reinstatement, including back salaries until she is returned to her work"; and that due to the refusal of defendants to pay her claim, despite demands, she was compelled to hire a lawyer to protect her interest for P200.00 and that she suffered moral damages in the sum of P1,000.00. Plaintiff prayed that defendants be ordered: (1) to pay her the amount corresponding to her overtime pay and the differential pay between her actual salary and the minimum provided for by Act No. 602; (2) to pay "her one month separation pay or in the alternative, back salaries and wages until her reinstatement"; and (3) to pay her the sum of P200.00 and P1,000.00 for attorney's fees and moral damages, respectively.

Defendants moved to dismiss the complaint on the grounds that (1) the value of the subject matter sought to be recovered is less than the minimum requirement; and (2) even assuming the value is more than P2,000.00, the Court has no jurisdiction over the action (amended petition to dismiss). It is contended that the subject matter of the complaint being money claim, such as separation pay, overtime pay and underpayment, the regular courts of justice have no original jurisdiction and that the Regional Office No. 8 of Davao City should try and determine such claims, as such office alone has the original and exclusive jurisdiction on all money claim cases.

The court dismissed the case, without costs, holding that "the claim of the plaintiff here does not fall under the original jurisdiction of the Court of First Instance because the claim is less than P2,000.00" and suggesting that what the plaintiff should have done "was to elevate the case to the Labor Standard Commission and after the final decision in accordance with the Rules and Regulations 1, an appeal can be interposed to the Court of First Instance".

The appeal taken from said judgment by the plaintiff to the Court of Appeals, was elevated to us, as the same involves the question of jurisdiction.

We recently held:—

"* * *. So that it was not the intention of congress, in enacting Rep. Act No. 997, to authorize the transfer of powers and jurisdiction granted to courts of justice from these, to the officials to be appointed or offices to be created by the Reorganization Plan.

* * *. The Legislature could not have intended to grant such powers to the Reorganization Commission, an executive body, as the Legislature may not and cannot delegate its powers to legislate or create courts of justice to any other agency of the Government.

* * * the provision of Reorganization Plan No. 20-A, 'particularly Sec. 25, which grants to the regional offices original and exclusive jurisdiction over money claims of laborers, is null and void, said grant having been made without authority by Rep. Act No. 997" (Corominas, Jr., et al. vs. Labor Standards Commission, et al., MCU vs. Calupitan, et al., Wong vs. Carlim, et al., Balrodgan Co., et al., vs. Fuentes, et al., 112 Phil., 551; 59 Off. Gaz., [43] 7432) (See also Pitogo vs. Sen Bee Trading Co., et al., 112 Phil., 842; 59 Off. Gaz. [43] 7446).

As the provision of Reorganization Plan No. 20-A, which grants to the regional offices (in this case Regional Office No. 8, Department of Labor, Davao City), original and exclusive jurisdiction over money claims of laborers, is null and void, what court, should entertain the present claim?

Under the law and jurisprudence the Court of Industrial Relations' jurisdiction extends only to cases involving (a) labor disputes affecting an industry which is indispensable to the national interest and is so certified by the President to the Court (Sec. 10, Rep. Act No. 875); (b) controversy about the minimum wage, under the Minimum Wage Law, Rep. Act No. 602; (c) hours of employment, under the Eight-Hour Law, Comm. Act No. 444 and (d) unfair labor practice (Sec. 5[a], Rep. Act No. 875). And such disputes, to fall under the jurisdiction of the CIR, must arise while the employer-employee relationship between the parties exists or the employee seeks reinstatement. When such relationship is over and the employee does not seek reinstatement, all claims become money claims that fall under the jurisdiction of the regular courts (Sy Huan vs. Judge Bautista, et al., 112 Phil., 941; 61 Off. Gaz. [20] 2942, and cases cited therein).

In the case at bar, admittedly there is no labor dispute; no unfair labor practice is denounced by any of the parties; the cause of the dismissal of the petitioner was the displeasure caused upon the respondent manager, by the act of the petitioner for having brought a quarrel between her and another employee, to the attention of police authorities; and when the claim was filed, there was no longer any employer-employee relationship between the parties. While it may be true that the complaint, alleged that she was not notified by defendants, at least one month in advance, that her services were to be terminated "in gross violation of Republic Act No. 1052, as amended, and as such she is entitled to reinstatement, including back salaries until she is returned to her work" and that in her prayer she asked for the granting of such relief, it is equally true that it is not within the authority of the Court of Industrial Relations, to reinstate her and pay her back wages, in the event that she had a right to a separation pay, there being no allegation nor proof that defendant had committed unfair labor practice. In the recent case of National Labor Union vs. Insular-Yebana Tobacco Corporation, 112 Phil., 821; 58 Off. Gaz. (40) 6447, it was ruled the absence of unfair labor practice, the CIR has no power to grant remedy under its general

powers of mediation and conciliation, such as reinstatement or back wages. Moreover, a violation of the law on separation pay (Rep. Act No. 1052, as amended by Rep. Act No. 1787), involves, at most, a breach of an obligation of the employer to his employee or vice versa, to be prosecuted like an ordinary contract or obligation—a breach of a private right which may be redressed by a recourse to the ordinary courts. Hence, the case at bar is cognizable by an ordinary court, the Court of First Instance of Davao, in this particular case, it appearing that the amount involved herein, is within the jurisdiction of said court, as per findings of the Court of Appeals.

In view hereof, the order appealed from, dismissing the case for lack of jurisdiction, is reversed, and the same is remanded to the lower court for further proceedings, without pronouncement as to costs.

Bengzon, C. J., Padilla, Bautista Angelo, Labrador, Concepcion, Reyes, J. B. L., Dizon, and De Leon, JJ., concur.

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