

BOARD OF LIQUIDATORS AND NATIONAL RESETTLEMENT AND REHABILITATION ADMINISTRATION, PETITIONERS, VS. COURT OF INDUSTRIAL RELATIONS AND EX-LASEDECO EMPLOYEES ASSOCIATION, RESPONDENTS.

G. R. No. L-14366. October 31, 1962

Ponente: REGALA, J.

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REGALA, J.:

This is a petition for certiorari to review the decision of the Court of Industrial Relations, ordering the petitioners to pay the cash value of vacation and sick leaves of eighteen former employees of the defunct Land Settlement and Development Co. (LASEDECO), corresponding to the period of the Japanese occupation of this country.

It appears that on May 14, 1953, the Court of Industrial Relations issued an order in *Manlapit, et al. vs. Land Settlement and Development Corporation* (Case No. 422-V)[1] holding that former employees of the LASEDECO were entitled to the payment of vacation and sick leaves corresponding to the period of the enemy occupation. On December 3, 1956, the present case was filed by the Ex-LASEDECO Employees' Association in behalf of eighteen other former employees of the LASEDECO, seeking application of the benefit of that ruling to them, on the allegation that they were similarly situated as the petitioners in the earlier case against the LASEDECO. The action was brought against the Board of Liquidators (BOL), which was created by Executive Order No. 372, Series of 1950, and designated by Executive Order No. 60, Series of 1954, to liquidate the assets and liabilities of the defunct LASEDECO pursuant to Republic Act No. 1160, and against the National Resettlement and Rehabilitation Administration (NARRA), which took over the assets of the LASEDECO.

The Court of Industrial Relations found that the respondents were former government employees who had been recalled to the service of the LASEDECO after the liberation of the Philippines and who had been given back pay certificates. Upon the abolition of the LASEDECO, these eighteen claimants were laid off. After hearing, the Court of Industrial Relations held that, in line with its previous ruling, claimants were entitled to the payment of vacation and sick leaves during the period of the occupation.

Thereafter, petitioners Board of Liquidators and the National Resettlement and Rehabilitation Administration filed a motion for reconsideration which the Court of Industrial Relations, sitting en banc, denied in a resolution dated August 29, 1958. Hence, this appeal. The petitioners contend (1) that the C.I.R. has no jurisdiction over the present case and (2) that the C. I. R. erred in ordering the payment of vacation and sick leaves benefits to respondents for the period of the enemy occupation.

In support of their contention that the C.I.R. has no jurisdiction over this case, petitioners state that there exists no employer-employee relationship either between the Board of Liquidators and respondent or between NARRA and respondent. On the other hand, respondent association contends that since this case is merely an incident of another case before the C.I.R. over which the latter court acquired jurisdiction, this case may properly be heard by that court in order to avoid multiplicity of suits, pursuant to our ruling in *Gomez vs. North Camarines Lumber*

Co., Inc., 104 Phil., 294; 56 Off. (12) 2630. Respondent association likewise argues that there exists an employer-employee relationship between petitioners and the same because some of its members were, at the time of the filing of the complaint, employees of BOL and NARRA.

In *Price Stabilization Corporation vs. Court of Industrial Relations, et al.*, 108 Phil., 134, We clarified our rulings on the jurisdiction of the C.I.R. thus—

"Analyzing these cases, the underlying principle, it will be noted in all of them, though not stated in express terms, is that where the employer-employee relationship is still existing or is sought to be re-established because of its wrongful severance (as where the employee seeks reinstatement), the Court of Industrial Relations has jurisdiction over all claims arising out of, or in connection with employment, such as those related to the Minimum Wage Law and the Eight-Hour Labor Law. After the termination of the relationship and no reinstatement is sought, such claims become mere money claims, and come within the jurisdiction of the regular courts. (Italics supplied.)

"We are aware that in 2 cases (*Mindanao Bus Employees Labor Union [PLUM] vs. Mindanao Bus Co., et al.*, G. R. No. L-9795, Dec. 28, 1957; *Gomez vs. North Camarines Lumber Co.*, 104 Phil., 294; 56 Off. Gaz. [12] 2630) some statements implying a different view have been made, but we now hold and declare the principle set forth in the next preceding paragraph as the one governing all cases of this nature."

This ruling has been followed in a long line of cases and is now the settled doctrine on the matter[2]

A more recent definition of the jurisdiction of the C.I.R. is found in *Campos, et al. vs. Manila Railroad Co. et al.*, G. R. No. L-17905, May 25, 1962, in which We held that, for such jurisdiction to come into play, the following requisites must be complied with: (1) there must exist between the parties an employer-employee relationship or the claimant must seek his reinstatement; and (b) the controversy must relate to a case certified by the President to the C.I.R. as one involving national interest, or must have a bearing on an unfair labor practice charge, or must arise either under the Eight-Hour Labor Law, or under the Minimum Wage Law. In default of any of these circumstances, the claim becomes a mere money claim that comes under the jurisdiction of the regular courts.

In this case, claimants do not pretend to be employees of the LASEDECO or of the BOL or the NARRA. In fact, paragraph 1 of their petition before the C.I.R. admits that their association "is a legitimate labor organization of former employees and workers of the defunct Land Settlement and Development Corporation." Nor do claimant-members of the association seek reinstatement to their former jobs; indeed, they cannot, what with the abolition of the LASEDECO. The first element—existence of employer-employee relationship—necessary to confer jurisdiction on the C.I.R. is therefore wanting.

Neither is this a case relating to a claim under the Minimum Wage Law or the Eight-Hour Labor Law, or one involving an unfair labor practice or one certified by the President to the Court of Industrial Relations as involving an industry indispensable to the national interest, in which case, the C.I.R., in the exercise of its broad powers under Commonwealth Act No. 103, may grant vacation and sick leave pay. (See *Isaac Peral Bowling Alley vs. Untied Employees Welfare Association, et al.*, 102 Phil., 219). The second element is also lacking.

We hold therefore that the C.I.R. had no jurisdiction over this case. Indeed, in an earlier case between the same parties herein (*Board of Liquidators, et al. vs. Court of Industrial Relations, et al.*, 108 Phil. 162). We held that "considering that the members of respondent (Ex-LASEDECO Employees) Association are former employees and employees and workers of the defunct LASEDECO, who were laid off from service therewith in November, 1953, and do not seek reinstatement thereto, We find that respondent Court (of Industrial Relations) had no jurisdiction over the present case." We make a similar ruling here, without prejudice to the right of the respondent

union to bring such action as it may deem necessary in the regular court of competent jurisdiction.

The resolution of this question makes it unnecessary for Us to pass upon the other point raised in this appeal. (New Angat-Manila Transportation, et al. vs. Court of Industrial Relations, et al., G. R. No. L-16283, Dec. 27, 1960; Board of Liquidators, et al. vs. Court of Industrial Relations, 108 Phil., 162.)

Wherefore, the decision dated April 29, 1958 and the resolution dated August 29, 1958 are hereby set aside, without pronouncement as to costs.

Bengzon, C. J., Padilla, Bautista Angelo, Labrador, Concepcion, Reyes, J. B. L., Barrera, Paredes, Dizon and Makalintal, JJ., concur.

[1] Appeals from this case were taken to this Court in G.R. No. L-6252 and G.R. No. L-10227, but the same were dismissed, the first for having been filed out of time and for lack of merit and the second for being factual and for lack of merit. (Res. dated Feb. 14, 1952 and Dec. 18, 1956, respectively.)

[2] Cagalawan vs. Customs Canteen, et al., G. R. No. L-16031, Oct. 31, 1961; Sy Huan vs. Bautista, et al., 112 Phil., 914; Cuison vs. Gaite, G. R. No. L-16611, March 25, 1961; and several other previous cases.

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