

**GABRIEL ABAD, PIO AGANON, MARIO ALARCIO, JOSE AQUINO,
CESAR ATANACIO, LEONARDO AURELIO, SOTERO BERNARDO,
AURELIO CABRAL, JESUS CAR-REON, ABELARDO CARRILLO,
GERARDO COLOMA, ARMAN...**

G.R. No. L-50563. October 30, 1981

Ponente: ABAD SANTOS, J.

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ABAD SANTOS, J.:

Petition for review on certiorari of the orders of the Court of First Instance of Manila (Branch XXXVII), dated February 16, 1979 and May 2, 1979, which respectively dismissed for lack of jurisdiction the complaint in Civil Case No.117708 and denied for lack of merit the motion for reconsideration filed by the plaintiffs therein—herein petitioners Gabriel Abad, et al.

On August 28, 1978, plaintiffs-petitioners filed with the respondent Court of First Instance of Manila a complaint alleging, among other things, that until their respective dates of retirement, retrenchment or resignation between 1967 and 1978, plaintiffs were permanent and regular employees of the defendant — the herein private respondent Philippine American General Insurance Company, Inc. (hereinafter referred to as PHILAMGEN); that one of the rights and privileges to which plaintiffs were entitled during their employment with the company was sick leave with pay as provided in their collective bargaining agreements; that at the time of their retirement, retrenchment, resignation or separation, their accumulated sick leaves with pay were unilaterally and arbitrarily declared forfeited by the defendant; that as a condition precedent to the payment of their respective retirement, retrenchment or resignation benefits, they were required by the defendant to sign mimeographed documents purporting to completely release and discharge the defendant from all obligations, contractual and legal, to each of them; that such releases or waivers are null and void ab initio for having been obtained under circumstances indicative of undue influence, if not of outright compulsion; that all data necessary for the determination of plaintiffs' sick leaves and of the money values thereof can be found only in records within the exclusive possession of defendant; that defendant's refusal to give due compensation for their earned and accumulated sick leaves have caused anxieties and inflicted upon them serious deprivation and unnecessary suffering, mental and physical, for which they should be allowed moral and exemplary damages within the sound discretion of the court; and that they should likewise be allowed attorney's fees in the sum of not less than P50,000.00. On the basis of the foregoing allegations, plaintiffs prayed -

“a. that upon the authority of Rule 27 of the Rules of Court an order be issued forthwith directing defendant upon service of summons upon it to prepare and submit from pertinent records in its possession and control (1) a list containing the names and addresses of all of defendant's employees who have been retired, retrenched, resigned or separated; (2) the inclusive dates of service of each retired, retrenched, resigned or separated employee; (3) the latest position held or designation given to such employee; (4) the latest basic salary given to such employee plus all allowances and additions all of which, make up the gross salary; (5) the number of days of accumulated sick leave with pay of each employee; and (6) the money value of such accumulated sick leave

with pay based on the latest gross salary of each employee, furnishing a copy of such list to plaintiffs' counsel;

"b. that after trial judgment be rendered sentencing defendant and all persons claiming under it or acting in its behalf, jointly and severally, to pay plaintiffs and all other retired, retrenched, resigned employees of defendant company —

- (i) the money value of the respective accumulated sick leave with pay of all said employees;
- (ii) moral and exemplary damages in amounts to be determined by the Honorable Court within its sound discretion;
- (iii) attorney's fees in the sum of not less than P50,000.00 plus expenses of litigation; and
- (iv) interest at the legal rate of the sums due plaintiffs in the concept of accumulated sick leave with pay from the respective dates of the employees' retirement, retrenchment, resignation or separation and on the awards for moral and exemplary damages and attorney's fees from the date of filing of this complaint; and

"c. that plaintiffs be granted general relief." (Complaint, pp. 8-9.)

Instead of filing an answer to the complaint, PHILAMGEN filed a Motion to Dismiss, dated November 6, 1978, seeking the dismissal of the complaint on the following grounds: (1) that the court has no jurisdiction over the nature of the action or suit under Art. 216 (now Art. 217) of the New Labor Code (P. D. No. 442, as amended); (2) that the claims set forth in the complaint have been paid, waived, abandoned or otherwise extinguished; and (3) that the cause of action alleged in the complaint is barred by Art. 281 (now Art. 292) of the New Labor Code.

After the plaintiffs-petitioners had filed their Opposition to Motion to Dismiss, the Court of First Instance of Manila issued its order of dismissal dated February 16, 1979, which reads as follows:

"ORDER

"Considering the Motion to Dismiss filed by the de-fendant and the Opposition thereto filed by the plaintiffs, and finding that under the rulings of the Supreme Court in the case of Jacqueline Industries versus National Labor Relations Commission, 66 SCRA 403, Ruby International Corporation versus Court of First Instance of Manila, et al., G.R. No. L-28893, August 31, 1977, and Firestone Filipinas Employees Association versus Firestone Tire and Rubber Com-pany of the Philippines, 61 SCRA 346, and Articles 216 and 281 of the New Labor Code (PD 442, as amended), that cases of the nature filed by the plaintiffs against the defendant in this case, fall within the jurisdiction of the National Labor Relations Commission, and not the Court of First Instance, and that the allegations of the plaintiffs that their action being for enforcement of stipula-tions of the collective bargaining agreement and therefore is incapable of pecuniary estimation and falls within the exclusive jurisdiction of the Court of First Instance is too general in scope and do not preclude the vesting of jurisdiction of the National Labor Relations Commission over said money claims arising from the employer-employee relationship under said collective bargaining agreement, the court grants the motion to dismiss for the above-stated reasons.

"WHEREFORE, without prejudice to the proper remedy, if any, the court is constrained to DISMISS, as it hereby dismisses the complaint, without pro-nouncement as to costs.

"SO ORDERED. "

Plaintiffs-petitioners sought reconsideration of said order of dismissal which, however, was denied in an order dated May 2, 1979.

Hence, this petition for review on certiorari, on a pure question of law, of the said orders of the lower court.

The only issue presented to Us for resolution is whether or not the respondent court erred in dismissing the

complaint on the ground that, being in the nature of money claims arising from an employer-employee relationship, the case falls under the exclusive jurisdiction of the National Labor Relations Commission pursuant to Art. 216 (now Art. 217) of the New Labor Code and the rulings of this Court in the cases of *Jacqueline Industries vs. N. L. R. C.*, G.R. No. L-37034, August 29, 1975, 66 SCRA 403; *Ruby International Corp. vs. C.F.I. of Manila, et al.*, G. R. No. L-28893, August 31, 1977, 78 SCRA 499; and *Firestone Filipinas Employees Association vs. Firestone Tire and Rubber Co. of the Philippines*, G.R. No. L-37952, December 10, 1974, 61 SCRA 346.

The legal provision relied upon by the respondent court in holding that the case falls under the jurisdiction of the National Labor Relations Commission is the former Art. 216, now Art. 217, of the New Labor Code (P. D. No. 442, as amended), which reads as follows:

"ART. 216. JURISDICTION OF LABOR ARBITERS AND THE COMMISSION. - (a) The Labor Arbiters shall have exclusive jurisdiction to hear and decide the following cases involving all workers, whether agricultural or non-agricultural:

x x x x x x x x

(3) All money claims of workers involving non-payment or underpayment of wages, overtime or pre-mium compensation, maternity or service incentive leave, separation pay and other money claims arising from employer-employee relations, except claims for employee's compensation, social security and medicare benefits and as otherwise provided in Article 127 of this Code;

x x x x x x x x

(5) All other cases arising from employer-employee relations unless expressly excluded by this Code.

x x x x x x x x

(Underscoring supplied.)

Holding that the complaint is in the nature of money claims arising from employer-employee relations, the lower court ruled that the same falls under the jurisdiction of the National Labor Relations Commission and must therefore be dismissed.

We cannot agree.

The petitioner has not raised this point but both private and public respondents relied on Art. 216 of the New Labor Code as above quoted and the *Jacqueline Industries*, *Ruby International Corp.* and *Firestone Filipinas Employees Association* cases, *supra*, which applied said provision without realizing that on May 1, 1978, long before the complaint in Civil Case No. 117708 was filed, Art. 216 had been further amended by P. D. No. 1367 so that as re-numbered into Art. 217 it now reads as follows:

"ART. 217. Jurisdiction of Labor Arbiters and the Commission. - (a) The Labor Arbiters shall have 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; and

(3) All other cases arising from employer-em-mployee relations duly endorsed by the Regional Di-rectors in accordance with the provisions of this Code; Provided, that the Regional Directors shall not endorse and Labor

Arbiters shall not entertain claims for moral or other forms of damages.

"(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 262 of this Code."

The foregoing amendatory provision of P. D. No. 1367 re-moved from the enumeration of cases falling under the exclusive jurisdiction of the Labor Arbiters of the National Labor Relations Commission "money claims arising from employer-employee relations". Furthermore, the jurisdiction of said Labor Arbiters over cases arising from employer-employee relations was expressly limited to those which are "duly indorsed by the Regional Directors in accordance with the provisions of (the) Code" which, in no case, shall include "claims for moral and other forms of damages".

Applying the aforequoted provision of P. D. No. 1367 (which took effect on May 1, 1978) to the subject complaint (which was filed on August 28, 1978), and considering the reliefs prayed for therein—which consist mainly of the payment of the money values of sick leaves, which defendant company allegedly refused to pay despite obligation to do so, and of moral and exemplary damages to which plaintiffs are allegedly entitled by virtue of said non-payment—We find respondent court's dismissal of the complaint for lack of jurisdiction to be without support in law.

It must be noted, furthermore, that said amendatory provision of P. D. No. 1367 was even given retroactive application, for being curative in nature, in the case of *Garcia vs. Martinez* (G. R. No. L-47629, May 28, 1979, 90 SCRA 331) where We ruled that the Court of First Instance of Davao City had jurisdiction over the complaint for actual, moral and exemplary damages, allegedly 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. vs. Court of Appeals* (G. R. No. L-52235, October 28, 1980, 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 re-imbursable expenses, and damages, which was filed on March 3, 1978.

WHEREFORE, the orders of the respondent court, dated February 16, 1979 and May 2, 1979, are hereby set aside; the dismissed complaint is reinstated; and said court is directed to conduct further proceedings for the disposition of Civil Case No. 117708. No costs.

SO ORDERED.

Barredo, (Chairman), Aquino, Concepcion, Jr., and De Castro, JJ., concur.

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