

WORLDWIDE PAPER MILLS, INC., PETITIONER AND APPELLANT, VS. LABOR STANDARDS COMMISSION AND ERNESTO PALOMIQUE, RESPONDENTS AND APPELLEES.

G.R. No. L-17016. April 25, 1962

Ponente: PAREDES, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/b26c322003a5/>

PAREDES, J.:

On June 20, 1958, Ernesto Palomique presented with the Regional Office No. 3 of the Department of Labor, Manila, a complaint against the Worldwide Paper Mills, Inc. for the recovery of a sum of money, consisting of unpaid overtime wages and separation pay (RO3-LS Case No. 1495).

In answer to the complaint, Worldwide Paper Mills, after the usual admissions and denials, interposed, among others, the special defense of lack of authority and jurisdiction of the Regional officer over the subject-matter, contending that Reorganization Plan No. 20-A and the rules and regulations issued to implement the same, are unconstitutional.

Upon the facts and proofs presented by the parties, the hearing officer in Regional Office No. 3, on November 10, 1958, rendered judgment finding that Palomique was entitled to overtime pay from June 23, 1955 to May 12, 1958, amounting to P341.85 and P340.00 as separation pay, and ordered Worldwide Paper Mills to pay said Palomique the total sum of P681.85 with legal interest from June 23, 1958.

An appeal from the above judgment to the Labor Standards Commission was interposed by Worldwide on November 24, 1958, asking for the dismissal of the case, for lack of jurisdiction of the Regional Office. The Labor Standards Commission on June 15, 1959, sustained the Regional Office, holding that the Reorganization Act (Rep. Act No. 997, as amended by Act 1241), upon which Reorganization Plan No. 20-A was based, conferred sufficient authority and jurisdiction upon the Regional Office to hear and decide claims of the same nature involved in the litigation. Worldwide also brought the matter to the CFI of Manila on a Petition for Certiorari and Prohibition with Preliminary Injunction (Civil Case No. 41193), under the same issues as presented by them with the Regional Office and the Labor Standards Commission. The CFI, likewise upheld the validity of Reorganization Plan No. 20-A.

The case is now before Us on the singular issue of "the validity of Reorganization Plan No. 20-A."

We have in a number of cases ruled upon the above issue. Thus, in the case of *Cagalawan vs. Customs Canteen, et al.*, 113 Phil., 386, We said—

"* * *. 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., 112 Phil., 651; 69 Off. Gaz., [43] 7432. Wong vs. Carlim, et al., Balrodgen Co., et al., vs. Puentes, et al., See also Pitogo, vs. Sen Bee Trading Co., et al., 112 Phil., 842; 59 Off. Gaz., 7446)."

Under the authority of the cases cited above, the case at bar should be, as it is hereby dismissed, reserving to Ernesto Palomique the right to bring the appropriate action before the proper court. The decision appealed from is set aside. No costs.

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

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.