

BENITO ARTUYO, PLAINTIFF-APPELLANT, VS. FRANCISCO GONZALVES, ET AL., DEFENDANTS, AMERICAN INTERNATIONAL UNDERWRITERS OF THE PHILIPPINES, INC., DEFENDANT-APPELLEE.

G.R. No. L-29930. April 28, 1969

Ponente: CONCEPCION, C.J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/bb1a210dafc9/>

CONCEPCION, C.J.:

Appeal from an order of the Court of First Instance of Manila dismissing the present case, which has been certified to Us by the Court of Appeals, only questions of law being raised therein.

On September 5, 1956, Benito Artuyo filed, with Regional Office No. 3 of the Department of Labor, Case No. L03-6722 thereof, against the American International Underwriters of the Philippines, Inc. - hereafter referred to as the Company - and Francisco Gonzalves, to recover compensation for overtime services allegedly rendered to said defendants from January 1950 to August 9, 1956, in addition to hospitalization expenses, and - by amendment, made on October 13, 1956 - compensation for work done on Sundays and other legal holidays. On November 29, 1956, defendants moved to dismiss the complaint, which the Regional Office granted on February 27, 1957. A motion for reconsideration having been filed by Artuyo, on March 12, 1957, the Regional Office advised his counsel, on March 18, 1957, to file a formal complaint with the Hearing Section of said Office.

Artuyo did so, on April 24, 1958, his formal complaint having been docketed as Case No. 1307 of the Regional Office. On June 4, 1958, the defendants sought to dismiss the case, upon the ground of prescription, which, on August 21, 1958, was favorably acted upon by the Regional Office. On October 4, 1958, Artuyo appealed from the order of dismissal to the Labor Standards Commission, which, on May 14, 1959, reversed said order and remanded the case to the Regional Office for further proceedings. The defendants appealed, however, to the Court of First Instance of Manila, in which the appeal was docketed as Civil Case No. 40544. At the hearing thereof, on September 26, 1960, while Artuyo was introducing evidence on his services from January 1950 to August 1956, counsel for the Company objected thereto, invoking Section 7-A of Commonwealth Act No. 444, pursuant to which, actions under said Act, as amended by Republic Act No. 1993, shall be barred unless commenced within three (3) years after accrual of the cause of action. The objection was sustained and Artuyo was not allowed to present evidence, except for services rendered within three (3) years before the filing of the complaint, on April 24, 1958. A motion for the reconsideration of the order to this effect was denied on January 17, 1961. A second motion for re-consideration of Artuyo had, on April 15, 1961, the same fate.

Accordingly, Artuyo filed with the Supreme Court a petition docketed as Case G. R. No. L-19505, for a writ of certiorari and mandamus, to set aside the orders of the Court of First Instance dated September 26, 1960 and January 17, and April 15, 1961. On March 8, 1962, this Court certified said petition to the Court of Appeals, where it was docketed as CA-G.R. No. 30622-R. Said appellate court rendered judgment, on September 29, 1962, in favor of Artuyo, allowing him to introduce evidence on his claim for overtime compensation beginning from January 1950. The defendants sought a review of said judgment by this Court (G. R. No. L-20399), which, on

August 23, 1963, denied the petition for review, for lack of merit.

Back to the court of first instance, pursuant to the decision of the Court of Appeals, on November 29, 1963, the former court dismissed Civil Case No. 40544, for want of appellate jurisdiction over the case, upon the ground that the Labor Standards Commission and the Regional Office had no original jurisdiction to hear Case No. 1307, under our ruling in *Corominas v. Labor Standards Commission*.^[1] Accordingly, on February 15, 1964, Artuyo filed, with the court of first instance, the complaint in the pre-sent action, which was docketed as Civil Case No. 56254. On February 27, 1964, defendants moved to dismiss the complaint, upon the ground of lack of cause of action, against Gonzalves, and of prescription, as regards the Company. The motion having been denied, on April 15, 1964, the defendants filed their answer on April 24, 1964. Subsequently, or on August 12, 1965, the defendants moved for a reconsideration of the order of April 15, 1964, which the trial court granted, on September 25, 1965. Hence, this appeal, in which Artuyo maintains that the lower court erred: (1) in not holding that its order of dismissal dated April 15, 1964 had become final, long before the defendants had moved for its reconsideration, on August 12, 1965; (2) in finding that Artuyo had no cause of action against Gonzalves; and (3) in holding that the cause of action against the Company is barred by the statute of limitations.

The first contention is manifestly devoid of merit, for the order of April 15, 1964, denying defendants' motion for reconsideration, is interlocutory in nature^[2] and, not being appealable, independently of the decision on the merits, which has not been rendered, as yet, could not and has not become final.^[3]

As regards the second issue, it is worthy of notice that, al-though plaintiff's complaint alleges that Gonzalves had engaged his services acting as agent or representative of the Company, of which he is its Vice-President, the answer filed by Gonzalves avers that the services of Artuyo were engaged by him in his personal capacity, from January 15, 1950 to December 1950; that in January 1951, Artuyo was employed by the Company as its driver, although in April 1951, there was a change in the policy of the Company, pursuant to which drivers ceased to be its employees and reverted to their former status as domestic drivers; that, while Artuyo was such domestic driver, he drove for local of-ficials of the Company and other officials thereof who came on periodic visits to the Philippines; that Artuyo received a Christ-mas gift, in money, from the Company and that he had, moreover, been allowed to join the Company employees in their group, insurance policy.

Thus, although under his complaint Artuyo might have no cause of action against Gonzalves, the latter's own answer indi-cates the contrary. In fact, said answer suggests that Artuyo's status as a driver was rather peculiar, in that, although he was, at given times, a domestic driver of Gonzalves, he, likewise, drove other officials of the Company, received a Christmas bonus therefrom and participated in the group insurance of its employees. Under these circumstances, it is understandable, that he sued both as alternative defendants. In other words, it is not indubitable from the record that Artuyo has no cause of action against Gonzal-ves, so that the lower court should have denied the motion to dismiss, insofar as Gonzalves is concerned, without prejudice to passing upon the existence or inexistence of a cause of action against the latter in the decision that may, in due course, be rendered on the merits.^[4]

On the third issue, the lower court found that Artuyo's action against the Company is barred by the statute of limitations, more than three (3) years having elapsed from August 9, 1956 to February 15, 1964, when the present case was instituted. It should be noted, however, that the first complaint against the defendants, or Case No. L03-6722 of Regional Office No. 3, was filed by Artuyo as early as September 5, 1956, or less than a month after his services to the defendants had ceased. Although the proceedings in connection therewith, seemingly, ended sometime in 1957, when the Regional Office advised Artuyo's counsel to file a formal complaint with the Hearing Section of said Office, such complaint was filed on April 24, 1958 and docketed as Case No. 1307 of the Office. As above indicated, the defendants appealed this case to the court of first instance - where it was docketed as Civil

Case No. 40544 - whose action was the object of a petition for certiorari and mandamus with the Supreme Court; the latter certified the case to the Court of Appeals, which decided it on September 29, 1962, in favor of Artuyo; and defendants' petition for review of said decision of the Court of Appeals was denied by the Supreme Court on August 23, 1963. Civil Case No. 40544 was, however, dismissed by the Court of First Instance of Manila, on November 29, 1963, upon the ground that it had acquired no appellate jurisdiction over Artuyo's claim, the Labor Standards Commission and the Regional Office having been without original jurisdiction to hear Artuyo's claim in Case No. 1307 of said office, according to the decision of this Court in the Corominas case. As early as December 28, 1961, We have, however, held^[5] that the filing of the claim with the Regional Office had the effect of interrupting the prescriptive period embodied in Republic Act No. 1993, even if said Office had subsequently been held to be without original jurisdiction over said claim. This doctrine was reiterated in 1962,^[6] in 1967,^[7] in 1968^[8] and even as late as March 1969.^[9]

Deducting the period from September 5, 1956 to March 1957, when the proceedings relative to Case No. L03-6722 were pending, and then from April 24, 1958, when Artuyo filed Case No. 1307 of the Regional Office, to November 29, 1963, when the court of first instance dismissed Case No. 40544, the result is that said period of three (3) years had not expired when the case at bar was commenced on February 15, 1964.

Furthermore, Section 7-A of Commonwealth Act No. 444, as amended by Republic Act 1993, explicitly provides that actions already commenced before the effective date of said Act - June 22, 1957 - shall not be affected by the period of three (3) years therein prescribed. Artuyo's claim for overtime compensation is well within the purview of this proviso, said claim having been pending since September 5, 1956.

WHEREFORE, the appealed order of dismissal should be, as it is hereby reversed, and the record remanded to the lower court for further proceedings, consistently with this decision. Costs of this instance against the defendants.

IT IS SO ORDERED.

Reyes, J.B.L., Dizon, Makalintal, Zaldivar, Sanchez, Fernando, Teehankee, and Barredo, JJ., concur.

Castro, J., on leave, did not take part.

Capistrano, J., did not take part.

[1] L-14837, June 30, 1961.

[2] Yu Goat v. Hugo, L-4842, August 20, 1953; Lopez v. Vda. de Tinio, L-6005, December 29, 1953; Harrison Foundry & Machinery v. Harrison Foundry Workers' Ass., L-18432, June 29, 1963.

[3] Rule 41, section 2, Rules of Court; Astraquillo v. Javier, L-20034, Jan. 30, 1965; Warrington v. De la Rama, 46 Phil. 881.

[4] Rule 16, Section 3, Rules of Court.

[5] Tiberio v. Manila Pilots Assn., L-17661, Dec. 28, 1961.

[6] A. L. Ammen Trans. Co., Inc. v. Borja, L-17750, Aug. 31, 1962.

[7] Fernandez v. P. Cuerva & Co., L-21114, Nov. 28, 1967.

[8] Luzon Stevedoring v. Celorio, L-22542, July 31, 1968.

[9] Agraviador v. Court of Appeals, L-26487, March 28 1969.

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.