

**SALVADOR AMBROSIO, DIONISIO REYES, RODOLFO ALMEROL,
FEDERICO DIÑO, ROGELIO DIEGO, DOMICIANO DINDIN, JESUS
ABARRONDO, CAMILO AMBROSIO, ROBERTO PARIZAL, AGUSTIN
EDRADAN, DEMETRIO ...**

G.R. No. L-47651. December 11, 1978

Ponente: AQUINO, J.

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AQUINO, J.:

This certiorari case is about the jurisdiction of the Court of First Instance of Rizal, Caloocan City Branch XIV, to enjoin the execution of a final decision of the National Labor Relations Commission (NLRC).

Thirty-nine (39) taxi-drivers filed a complaint with the NLRC on January 3 and February 8, 1973 against "Extraco Taxi Through the General Manager and/or Personnel Manager". Extraco Taxi was identified as a public service operator doing business at 137 A. del Mundo Street, Caloocan City. The plaintiffs prayed that certain exactions or wage deductions made by Extraco Taxi be declared void and returned to them and that the defendant be required to remit to the Social Security System (SSS) their contributions (NLRC Case No. 656).

The case was submitted for arbitration to an NLRC hearing officer. Extraco Taxi's personnel manager and counsel appeared before the hearing officer and submitted a counter-affidavit. In that counter-affidavit, the personnel manager swore that Extraco Taxi was "a single proprietorship of which Mr. Lim Pa was the owner and proprietor" (p. 35, Rollo). The arbitrator in a decision dated June 15, 1973 ordered Extraco Taxi to reimburse the complainants the sum of P96,677 as illegal wage deductions plus interest and a fine of P2,000.

On appeal by Extraco Taxi or Extraco Transportation Service and Shipping Agency, the NLRC in its decision of June 9, 1975 reduced the claim to P64,536.60, eliminated the fine of P2,000, and ordered the defendant to remit to the SSS and the Medicare Commission complainants' contributions.

The Secretary of Labor affirmed that decision in his order of December 11, 1975. And on appeal to the President of the Philippines, the said decision was affirmed by authority of the President in the first indorsement of the Presidential Assistant for Legal Affairs dated October 4, 1976 (p. 129, Rollo).

To satisfy the judgment, the sheriff of the NLRC levied upon three lots, with a total area of 1,982.5 square meters, located at 137 A. Del Mundo Street, Caloocan City, and registered in the name of Lim Pa. Extraco Taxi's office and garage were located on those three lots (p. 34, Rollo). The levy was made on the assumption that Lim Pa was the real judgment debtor doing business under the name Extraco Taxi. The sheriff issued a notice announcing the sale of the lots at public auction. The sale was scheduled on June 8, 1977.

Lim Pa filed in the NLRC a motion to quash the writ of execution on the grounds that he was not a party in the case and that he was never sued in the NLRC. In denying that motion, the Labor Arbiter pointed out that in the counter-affidavit of the personnel manager of Extraco Taxi, Lim Pa was categorically pinpointed as the sole owner and exclusive operator of Extraco Taxi, which was a division of Extraco Transportation Service and

Shipping Agency.

Instead of exhausting his remedies in the NLRC, Lim Pa filed an injunction complaint dated June 7, 1977 with the Court of First Instance at Caloocan City against the thirty-nine claimants, the NLRC, its sheriff, and the register of deeds of Caloocan City. He prayed that the NLRC sheriff be enjoined from proceeding with the levy and execution sale, that the register of deeds be restrained from recording the sale, and that the defendants be ordered to pay him damages in the sum of P10,000 (Civil Case No. C-6353, Caloocan City Branch XIV, Rizal CFI).

Parenthetically, it should be noted that that case was a revival of Civil Case No. 91389 of the Court of First Instance of Manila, entitled "Extraco Transportation Service & Shipping Agency vs. National Labor Relations Commission, et al.", which was an injunction suit to restrain the enforcement of the arbitrator's 1973 decision (pp. 39 and 86, Rollo). That case was dismissed for failure to prosecute.

Acting on that complaint in Civil Case No. C-6353, the lower court issued on June 8, 1977 an order restraining the register of deeds from recording the sale of the lots.

In its order of September 7, 1977, the lower court directed the issuance of a writ of preliminary injunction to restrain the register of deeds from registering the sale at public auction of Lim Pa's lots by virtue of the judgment in the NLRC case. The lower court reasoned out that the judgment was not binding on Lim Pa because, not having been impleaded, the NLRC did not acquire jurisdiction over him.

That order is assailed by the 37 claimants in their instant petition for certiorari filed on February 16, 1978. The petition may also be treated as a special civil action for prohibition since the petitioners are really controverting the lower court's jurisdiction to entertain an injunction suit against the NLRC which is designed to frustrate the execution of the NLRC's final judgment.

It is true that the lower court's order of injunction is directed against the register of deeds of Caloocan City. But it is incontestable that its far-reaching effect is to freeze the execution and render nugatory the NLRC's final and executory decision. Note that the relief sought by Lim Pa in his injunction suit is for the recall of the writ of execution issued by the NLRC and for permanently enjoining the execution, against his properties, of the judgment rendered against Extraco Taxi. Obviously, the order of injunction is an unwarranted interference with a process or writ issued by the NLRC.

We hold that a Court of First Instance cannot issue an injunction against the NLRC which is the successor of the Court of Industrial Relations and has the same rank as the Court of First Instance. That holding obviates confusion and obstruction in the administration of justice. Section 2, Rule 58 of the Rules of Court explicitly provides that a judge of the Court of First Instance may issue a writ of preliminary injunction "in any action pending in an inferior court within his district".

And section 4, Rule XVI of the Rules and Regulations Implementing the Labor Code, in dogmatic terms provides that "no temporary injunction or restraining order in any case involving or growing out of a labor dispute shall be issued by any court or other entity."

This Court set aside an order issued by the Court of First Instance of Manila restraining the enforcement of a decision of the ad hoc NLRC as affirmed by the Secretary of Labor (Nation Multi Service Labor Union vs. Agcaoili, L-39741, May 30, 1975, 64 SCRA 274).

There is a ruling that the Court of First Instance cannot issue a writ of injunction or prohibition against the Court of Industrial Relations because the CIR is equal in rank with the Court of First Instance (Kaisahan Ng Mga Manggagawa sa La Campana vs. Hon. Caluag, 112 Phil. 700). In that La Campana case, it appears that La

Campana Food Products, Inc. filed an action for prohibition in the Court of First Instance of Quezon City in order to prevent the sheriff from enforcing the writ of execution issued by the CIR for the satisfaction of its final and executory judgment. It was ruled that the Court of First Instance had no jurisdiction over the subject-matter of the case.

Similarly, a Court of First Instance has no authority to issue an injunction against the Public Service Commission or any other court or semi-judicial body of equal rank (*Iloilo Commercial and Ice Co. vs. Public Service Commission*, 56 Phil. 28; *Regalado vs. Provincial Constabulary Commander of Negros Occidental*, 113 Phil. 490), nor against the Social Security Commission which, in exercising its quasi-judicial functions, ranks with the Court of First Instance and the defunct Public Service Commission (*Poblete Construction Co. vs. Social Security Commission*, 119 Phil. 264), nor against the Patent Office (*Kabushiki Kaisha vs. San Diego*, L-22756, March 18, 1966, 16 SCRA 406) and the Court of Agrarian Relations (*Belleza vs. Dimson Farms, Inc.*, L-33355, April 11, 1972, 44 SCRA 385).

Hence, for lack of jurisdiction, respondent Judge should dismiss the injunction case or Civil Case No. C-6353 filed by Lim Pa against the thirty-seven respondents, the NLRC, its sheriff and the register of deeds.

The petitioners and the Solicitor General questioned the joinder of the NLRC and Labor Arbiter Francisco de los Reyes as respondents in this certiorari case, which joinder was ordered in this Court's resolution of February 27, 1978. The thirty-seven claimants impleaded as respondents herein only Judge Serafin Salvador and Lim Pa and did not join the NLRC and Labor Arbiter Francisco de los Reyes.

The NLRC and the Labor Arbiter should have joined the thirty-seven claimants as petitioners but since they did not do so, this Court, in order to hear their side of the issue of whether a Court of First Instance may enjoin the implementation of a writ of execution issued by the NLRC, ordered their joinder as respondents. Respondent Lim Pa is in error in characterizing that joinder as "anomalous". It is quite obvious that the NLRC and its sheriff are proper parties in this case (See Sec. 8, Rule 3, Rules of Court).

The other issue is whether Lim Pa, who was not joined as a party in NLRC Case No. 656, is bound by the judgment against Extraco Taxi.

As already noted, the thirty-seven claimants in NLRC Case No. 656 sued "Extraco Taxi Through the General Manager and/or Personnel Manager" without mentioning Lim Pa at all. It now appears that Extraco Taxi is a mere business name. As correctly pointed out by Lim Pa, "only natural or juridical persons or entities authorized by law may be parties in a civil action" (Sec. 1, Rule 3, Rules of Court; *Metran vs. Paredes*, 79 Phil. 819).

Lim Pa is not mentioned in the judgment sought to be executed. His name is mentioned in the writ of execution but that circumstance did not cure the grave deficiency in claimants' complaint that they did not directly sue Lim Pa. He was not heard in the NLRC. Only the personnel manager of his business appeared before the arbitrator.

In the interest of justice and fair play, Lim Pa should be afforded an opportunity to be heard before the judgment against Extraco Taxi can be enforced against him. We hold that the taxi-drivers, who sued him in the NLRC, should amend their complaint by impleading Lim Pa and should allege ultimate facts justifying their cause of action against him. That amendment could have been effected during the hearing after the personnel manager had disclosed that Extraco Taxi was a single proprietorship and that Lim Pa was the owner of the taxicab business. He should also be granted an opportunity to oppose the execution of the judgment against him. The rudiments of fair play or due process require that he should be given that relief.

On the other hand, it is pertinent to state that Lim Pa, instead of filing the injunction suit in the Caloocan court should have appealed to the NLRC the sheriff's order denying his motion to quash the execution. From the order

of the NLRC sustaining the writ of execution, he has a recourse to this Court.

WHEREFORE, the order of injunction issued by respondent Judge is set aside. The lower court is directed to dismiss Civil Case No. C-6353.

Within fifteen (15) days from the finality of this decision, the thirty-seven (37) claimants mentioned in the NLRC decision of June 9, 1975 and the Secretary of Labor's order of December 11, 1975 should amend their complaint in the NLRC by impleading Lim Pa and alleging matters to support their theory that he is doing business under the name "Extraco Taxi" and that he should be considered as the judgment debtor in the aforementioned NLRC decision.

Aside from amending their complaint, the claimants should file within the same period a motion in the same case for the execution of the NLRC decision against Lim Pa. Copies of the amended complaint and petition should be served upon Lim Pa's counsel who is hereby given fifteen (15) days from service within which to answer the amended complaint and the motion for execution.

In case no amicable settlement is reached, the NLRC should receive Lim Pa's evidence and any rebutting evidence and then resolve the issues of whether its decision should be enforced against Lim Pa and whether the execution sale should be held.

No costs.

SO ORDERED.

Fernando, (Chairman), Barredo, Antonio, Concepcion, Jr., and Santos, JJ., concur.

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