

VENANCIO POTENTE, PETITIONER AND APPELLEE, VS. SAULOG TRANSIT, INC., RESPONDENT AND APPELLANT.*G.R. No. 12300. April 17, 1959*

Ponente: CONCEPCION, J.

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On October 15, 1954, Venancio Potente, a former bus inspector of the Saulog Transit Incorporated, a public utility operator, hereafter referred to as the employer, filed with the Wage Administration Service, hereafter referred to as WAS, a claim or complaint for unpaid overtime compensation, unjust dismissal and vacation and sick leave pay allegedly due him from said employer. On March 10, 1955, a WAS investigator recommended the rendition of a "decision", finding that Potente was entitled to P8,359.75 as unpaid overtime compensation, plus the salary for one (1) month, or P210.00, for his indirect dismissal, or the aggregate sum of P8,569.75, and requiring the employer to deposit this sum with the WAS within a specified period. The Acting Chief of the Wage Protection Division recommended approval of this "decision", and the same was approved by the Acting Chief of said WAS. Over a year later, Potente filed, with the Court of First Instance of Rizal, a petition alleging that he had filed said complaint with the WAS; that the latter had rendered the aforementioned "decision"; and that said "decision" had become final and executory, no appeal having been taken therefrom, and praying "that a writ of execution be issued" by said court "to satisfy the amount of P8,359.75 due the petitioner in accordance with the decision of the Wage Administration Service." Without, either notice to the employer, or hearing, said Court issued, on October 25, 1956, an order granting the aforementioned petition and ordering "that a writ of execution be issued against the respondent, Saulog Transit Inc., to satisfy the amount of P8,359.75 due to the petitioner, Venancio Potente, in accordance with the aforementioned decision of the Wage Administration Service."

Upon receipt of copy of this order and of the writ of execution, issued in compliance therewith, the employer filed a petition to set aside the former and to quash the latter, which was denied on January 18, 1957. On motion of Potente, the lower court ordered, on February 8, 1957, the issuance of an alias writ of execution. The employer now seeks a review of the foregoing orders of October 25, 1956 and January 18, and February 8, 1957.

The issue before us is whether a "decision" of the WAS, finding that Potente is entitled to recover P8,359.75, from his former employer, by way of unpaid overtime compensation, may be ordered executed by a court of justice, without an ordinary action for the recovery of said sum of money, and without a decision of such court sentencing the employer to pay the aforementioned amount. It is obvious to us that the answer must be negative.

Neither the lower court, nor the appellee has cited any legal provision sanctioning the procedure followed in this case by the lower court. What is more, the law creating the WAS indicates clearly that an "action" must be brought, "in any competent court", for the recovery of unpaid wages which the employer fails or refuses to satisfy. Thus, for instance, sections 15 (d), 15(e) and 16(a) of Act 602, provide:

"SECTION 15 (d).—The Secretary (of Labor) may bring an action in any competent court to recover wages owing to an employee under this Act, with legal interest * * *."

"SECTION 15 (e).—Any employer who underpays an employee in violation of this Act shall be liable to the employee affected in the amount of the unpaid wages with legal interest. Action to recover such liability may be maintained in any competent court by any one or more employees on behalf of himself or themselves * * *."

"SECTION 16(a).—The Court of First Instance shall have jurisdiction to restrain violations of this Act; action by the Secretary or by the employees affected to recover underpayment may be brought in any competent court, * * *". (Italics ours.)

"An action," pursuant to Rule 2, Section 1, of the Rules of Court, "means an ordinary suit in a court of justice, by which one party prosecutes another for the enforcement or protection of a right, or the prevention or redress of a wrong." (Italics ours.) It is apparent that the authority to bring "an action," for the recovery of wages due to an employee or laborer, would not have been explicitly vested in the WAS, if it had the power to render a "decision" sentencing the employer to pay the amount found to be due said employee or laborer, and judicial intervention were necessary only to execute such "decision" inasmuch as a petition, before a court of justice, for the execution of said "decision" would not be "an action," as adverted to above.

The rules and regulations promulgated by the WAS, on January 20, 1953, to implement the Minimum Wage Law—pertinent provisions of which are reproduced at the footnote—lead to the same conclusion. Pursuant to said

"ARTICLE 7.—Claims for Unpaid Wages

"SEC. 1.—Claims for unpaid wages may be classified into two kinds, namely, (a) claims for nonpayment, and (b) claims for underpayment of wages. * * *.

"SEC. 2.—A claimant shall accomplish the corresponding claim form in triplicate * * *.

"SEC. 4.—Notice of conference in triplicate shall be simultaneously prepared with the foregoing claim, the original copy to be attached to the record of the claim, the duplicate to be mailed together with the duplicate of the claim to the respondent, and the triplicate given to claimant.

"SEC. 5.—The date and hour of the conference shall be set not later than one week from the date of the filing of the claim.

* * *

B.—Mediation

"SEC. 6.—At the opening of the initial conference, the claims investigator or claims attorney shall endeavor to reconcile the parties and induce them to settle the claim by amicable agreement. If any agreement as to the whole or part of the claim is arrived at between the parties, a memorandum of its terms shall be made in writing, signed and acknowledged by the parties thereof before the claims investigator or claims attorney. Such agreement shall dispose of the claim in whole or in part, as the case may be.

C.—Arbitration

"Sec. 9.—If no amicable agreement is arrived at between the parties on the whole or part of the claim, the claims investigator or claims attorney, shall immediately ask the parties whether they are willing to arbitrate or submit the case to arbitration by the Service, with him or any claims attorney or investigator acting as arbitrator whose decision shall be binding, final, and conclusive between them, the agreement to arbitrate shall be in writing and signed by the parties before the claims investigator or claims attorney. In case of arbitration, the hearing on the claim shall not exceed one week from the initiation thereof.

rules, when a claim for unpaid wages, due, either to nonpayment, or to underpayment thereof, is filed, the WAS shall call the parties to a conference, at which the claims investigator or claims attorney of the WAS shall resort to mediation, by endeavoring "to reconcile the parties and induce them to settle the claim by amicable agreement." However, "if no amicable agreement is arrived at between the parties", said investigator or attorney "shall immediately ask the parties whether they are willing to arbitrate or submit the case to arbitration by the Service", and, "in the event that mediation fails and the parties are not willing to arbitrate", the claim "shall immediately be assigned to a claims attorney", who will conduct an investigation, "to find out whether said claim is meritorious or: not. If meritorious the attorney shall prepare the corresponding complaint * * * for court action * * *."

In other words, the WAS may cause the employer to satisfy the unpaid wages through mediation, arbitration, or court action, and by no other means. It has no authority to render a "decision"—in the sense in which this term is used in legal parlance—on the claim for wages, except

D.—Prosecution

"SEC. 14.—In the event that mediation fails and the parties are not willing to arbitrate, the claims shall immediately be assigned to a claims attorney, who will investigate the claimant and his witnesses to find out if such claim is meritorious or not. If meritorious, the attorney will prepare the corresponding complaint and petition for indigency for court action, as the case may be, within one week after receiving the case.

"SEC. 15.—When a claimant is represented by a private counsel, the Wage Administration Service shall refrain from representing such claimant In any court action." (Chapter II.)

insofar as it has to determine whether, in its opinion, the claim is meritorious, as a condition precedent to the institution,, before "any competent court", of an ordinary "action" for the recovery of the sum of money it considers due to the claimant. But, then, no writ of execution shall issue, except when the judgment rendered by said court— after due notice and hearing, as demanded by the tenets of due process and provided in the Rules of Court—shall have become final and executory.

Seemingly, counsel for Potente and the lower court have labored under the erroneous impression that the claim of the former may be enforced in the manner set forth in the Workmen's Compensation Law (Act No. 3428, as amended), section 51 of which provides:

"Any party in interest may file in any court of record in the jurisdiction of which the accident occurred a certified copy of a decision of any referee or the Commissioner, from which no petition for review or appeal has been taken within the time allowed therefor, as the case may be, or a certified copy of a memorandum of agreement duly approved by the Commissioner, whereupon the court shall render a decree or judgment in accordance therewith and notify the parties thereof.

"The decree or judgment shall have the same effect, and all proceedings in relation thereto shall thereafter be the same, as though the decree or judgment had been rendered in a suit duly heard and tried by the court, except that there shall be no appeal therefrom.

"The Commissioner shall, upon application by the proper party or the Court before which such action is instituted, issue a certification that no petition for review or appeal within the time prescribed by section forty-nine hereof has been taken by the respondent."

It should be noted, however, that this section does not authorize the issuance of a writ of execution of a decision of the Workmen's Compensation Commission. It permits the rendition, by a court of justice, of a decree or judgment in accordance with the decision of a referee of said Commission, or of a Commissioner thereof, which has become final and executory, and said decree or judgment of the court—not the decision of the referee or Commissioner of the Workmen's Compensation Commission—is what may be enforced by writ of execution. At

any rate, there is no similar provision, either in the Minimum Wage Law (Republic Act 602, as amended), or in the Eight-Hour Labor Law (Commonwealth Act 444, as amended), or in any other statute, applicable to the collection of unpaid overtime compensation.

Wherefore, the orders appealed from are hereby reversed, without special pronouncement as to costs. It is so ordered.

Paras, C. J., Bengzon, Padilla, Montemayor, Reyes, A., Bautista Angelo, Labrador, and Endencia, JJ., concur.

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