

NATIONAL ELECTRIFICATION ADMINISTRATION (NEA), represented by its Administrator, TEODORICO SANCHEZ, and NEA MANAGEMENT TEAM, represented by its Project Manager, DANILO CRUZ, Pet...

G.R. No. 132453. February 14, 2008

Ponente: CARPIO MORALES, J.

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CARPIO MORALES, J.:

Petitioner National Electrification Administration (NEA) is a government-owned and controlled corporation exercising supervision and control over electric cooperatives pursuant to Presidential Decree No. 269, as amended.

From 1986 to 1988, the Nueva Ecija III Electric Cooperative, Inc. (NEECO III) experienced serious institutional problems due to its failure to pay its maturing bills from the National Power Corporation (NPC). To bail it out, NEA extended loans to NEECO III, to secure which it mortgaged its entire electric system or entire property to NEA.

NEECO III failed to pay its amortizations to NEA.

NEECO III thereupon availed of NEA's re-lending program to settle its obligations with the NPC. Under the NEA-NEECO III re-lending agreement, NEECO III's Board of Directors was converted into an advisory council, and NEA was to, as it did, designate, pursuant to Section 3 of Presidential Decree No. 1645,[1] a project supervisor/acting general manager to take charge of NEECO III's operations and management. In turn, NEA shelled out P30,000,000 to pay the NPC and to rehabilitate NEECO III. NEECO III, however, still defaulted in the amortization of its loan to NEA,[2] drawing the latter to, by Resolution No. 42[3] approved on June 25, 1992, foreclose the mortgage on NEECO III's assets. Approved too were the acts of the NEA Management including the payment of separation pay to the employees of NEECO III as a result of its dissolution.

Former employees of NEECO III, in separate groups, subsequently filed complaints against NEECO III and Alberto Guiang (Guiang), a NEECO III employee-Project Supervisor/Acting General Manager,[4] for illegal dismissal, reinstatement, non-payment of salaries/backwages, 13[th] month pay, differentials, and bonuses.

By Decision of December 29, 1992, Labor Arbiter Ariel C. Santos, acting on one of those complaints, NLRC Case No. RAB-III-09-2920-92 which was filed by Josephine Manuel et al., disposed as follows:

WHEREFORE, premises considered, judgment is hereby rendered in favor of the complainants, and the respondent is hereby ordered, as follows:

- To immediately reinstate the complainants to their former positions in accordance with the provision of R.A. 6715, without loss of seniority rights and other privileges, with full payment of backwages inclusive of allowance and other benefits from the time that they were unjustly dismissed in June 1992 up to the time of actual reinstatement x x x

x x x x

- To pay attorney's fee equivalent to 10% of the total award of the amount of P83,448.45;
- Ordering the dismissal of the claim for damages for lack of merit;

x x x x

SO ORDERED.[5] (Underscoring supplied)

NEECO III and Guiang filed with the National Labor Relations Commission (NLRC) an Appeal Memorandum with Application for Writ of Preliminary Injunction and Restraining Order,[6] which the NLRC dismissed for failure to post a supersedeas bond.[7] NEECO III and Guiang's motion for reconsideration was denied, prompting them to file before this Court a petition for certiorari[8] docketed as G.R. No. 110509.

On September 9, 1993, the NEA Board of Administrators issued Resolution No. 67 reading:

x x x x

WHEREAS, after conducting consultative sessions with different sectors in Nueva Ecija which included the holding of a public hearing in Sta. Rosa, Nueva Ecija last July 31, 1993, management has recommended to the Board the organization of a new electric cooperative;

WHEREAS, under this proposal, the new electric cooperative will be made to assume the assets as well as the liabilities of the former NEECO III,

RESOLVED THEREFORE to approve, as it hereby approves, the grant of authority to the Administrator to create a management team to organize and operate the now defunct NEECO III and to recommend to the Board of Administrators within six months from this date the appropriate action to take with regard to the former NEECO III.[9] (Underscoring supplied)

In the meantime or on July 25, 1994, this Court dismissed G.R. No. 110509.[10] And it denied NEECO III and Guiang's motion for reconsideration.[11]

On November 21, 1994, the NLRC Arbiter, Branch III issued a Partial Writ of Execution of the Labor Arbiter's decision in the complaint of Josephine Manuel et al.[12] NEA filed an Affidavit of Third Party Claim with the deputized sheriff of the said office opposing the Partial Writ of Execution, alleging that it was never impleaded as a party in NLRC Case No. RAB-III-09-2920-92.[13] The Labor Arbiter denied NEA's claim on the ground that NEA "has not been able to adequately and convincingly establish its legal ownership over the questioned levied properties of [NEECO III]."[14]

NEA filed a motion for reconsideration, which the Labor Arbiter treated as an appeal and thus forwarded it to the NLRC.[15] The NLRC denied the appeal.[16]

On September 30, 1996, the NLRC entered judgment to which the NEA filed an Urgent Motion to Vacate which was denied on October 7, 1996.[17]

NEA thereupon filed on October 18, 1996[18] with this Court, through the Office of the Solicitor General, a Petition for Certiorari with Application for the Issuance of a Temporary Restraining Order and Preliminary Injunction,[19] docketed as G.R. No. 126571. NEA argued that

x x x x

Petitioner NEA took over the properties and assets of the dissolved NEECO III in its legal capacity as CREDITOR-MORTGAGEE pending their disposition through foreclosure proceedings or dacion en pago pursuant to its loan and mortgage agreements with NEECO III and Section 10 of PD 269, as amended by PD 1645. x x x[20]

x x x x

x x x [P]ublic respondents gravely abused their discretion and acted without jurisdiction when they disregarded NEA Resolution Nos. 42 and 67, confirming NEECO III's dissolution and invoking petitioner's preferred possessory lien over NEECO III's properties and assets. These NEA Resolutions are matters [that] are beyond the legal competence of public respondents to set aside, because they may be reviewed only by this Honorable Court. x x x[21]

x x x x

x x x The Writ of Execution was issued against the wrong person or to one not a party to the case; and facts and circumstances had transpired which render execution impossible and unjust.[22]

x x x x

x x x EXECUTION in this case cannot be enforced against the defunct NEECO III properties as these are subject to a possessory lien in favor of NEA by virtue of the NEA-NEECO III Loan and Mortgage Agreements and PD 269, as amended.[23] (Emphasis and underscoring in the original)

The Court dismissed NEA's petition for certiorari in G.R. No. 126571 by Resolution of November 18, 1996, for its failure to submit a duly sworn affidavit of service of copies of the petition on the respondents.[24]

The NEA Board of Administrators thereupon passed Resolution No. 63 on November 20, 1996 the pertinent portions of which read:

x x x x

WHEREAS, the Board of Administrators passed Resolution No. 67 on September 9, 1993 creating a Management Team to operate the defunct NEECO III and tasking it to lay the groundwork for the organization of a new cooperative;

x x x x

WHEREAS, on June 9, 1995, during the Board of Administrator's Meeting No. 6 management recommended the initiation of foreclosure proceedings but the Board advised Management to consider other options aside from initiating extra-judicial proceedings;

WHEREAS, of the three available legal remedies namely, extra-judicial foreclosure of chattel mortgage, dacion en pago, and receivership, dacion en pago has been found to be the most tenable and least expensive mode of disposition of the assets of the defunct NEECO III;

RESOLVED THEREFORE, TO AMEND, as it hereby amends, Board Resolution No. 42, series of 1992, approving the foreclosure of the assets of the defunct NEECO III, and to confirm the recommendation of management for the transfer of ownership of all properties and assets from the defunct NEECO III to NEA by way of dacion en pago;

RESOLVED FURTHERMORE, that as a condition to the acceptance of the assets of the defunct NEECO III as payment through dacion en pago, to direct management to have an appraisal conducted on the assets of the electric cooperative and that acceptance of the assets as payment shall be only up to the extent of its appraised value;

RESOLVED FINALLY, to authorize Management after a proper valuation of the assets of the defunct NEECO III is made, and after compliance with other legal requisites, to dispose of NEECO III's properties assets through public bidding.[25] (Emphasis and underscoring supplied)

On September 10, 1997, Josephine Manuel et al. filed before the NLRC an Ex Parte Motion for Alias Writ of

Execution[26] of the decision in their favor. As prayed for, herein respondent Labor Arbiter Dominador B. Saldares (Saldares) issued on November 7, 1997 an Alias Partial Writ of Execution[27] directing the sheriff

. . . to collect the amount of P2,485,382.86 representing the complainants' award plus execution fees of P24,700.00 payable to the NLRC pursuant to the Sheriff's Manual on Execution of Judgment.

[In case of failure to collect the said amount in cash, you are hereby directed to cause the full satisfaction of the same from the movable or immovable properties of the respondent [NEECO III] not exempt from execution in accordance with the provision[s] of the Labor Code of the Philippines and the New Rules of Court.

Further, you are directed to accompany complainants and have them reinstated to their former or co-equal positions either physically or at the payroll without loss of seniority rights or other privileges.

x x x x[28] (Underscore supplied)

On November 26, 1997, the NEA Management Team assailed before the Regional Trial Court (RTC) of Cabanatuan City the Alias Partial Writ of Execution via Complaint[29] docketed as Civil Case No. 2934-AF, for injunction, declaration of nullity of executions/garnishments, writs of preliminary preventive and mandatory injunction and restraining order against respondent Labor Arbiter Saldares and respondent NLRC deputy Sheriff Antonio T. Datu (Datu). The NEA Management Team alleged that Datu forcibly entered NEA's premises, ransacked its valuables, and carted away its properties and those belonging to other persons without proper inventory, and that he and Saldares set the auction sale of the properties the following day, November 27, 1997.[30]

Also on November 26, 1997, the NEA filed before the NLRC a Motion to Quash Alias [Partial] Writ of Execution,[31] which included in its prayer the quashal of the "Notice of Levy/Sale on execution of personal properties." [32] The records of the case do not show how the NLRC disposed of the said motion.

Branch 30 of the Cabanatuan RTC granted a temporary restraining order.[33]

In their Comment on the NEA Management Team's complaint, Saldares and Datu argued that the trial court has neither jurisdiction over the nature of the action nor the legal authority to enjoin the NLRC and its labor arbiters from enforcing their judgment or order.[34] They invoked the concurrent jurisdiction and co-equal rank of trial courts with the NLRC.[35]

Josephine Manuel et al. later filed before the trial court a Motion for Intervention[36] and an Urgent Motion to Dismiss,[37] essentially echoing the stand of Saldares and Datu.

By Decision of January 2, 1998, the trial court dismissed the NEA Management Team's complaint on the following grounds:

x x x x

Instead of a separate action and in order to avoid a multiplicity of suits, the plaintiffs could have sought the effective quashal of the Writ of Execution and subsequently the "Notice of Sale" from the Supreme Court in G.R. No. 110509, when – as contended by the plaintiff – the same was being enforced against the wrong parties x x x.

x x x x

. . . [T]he Court is powerless to restrain the Honorable Dominador Saldares, Labor Arbiter, whose Decision, which was admitted by plaintiff, has become final and executory by virtue of the July 25, 1994 resolution of the Supreme Court x x x.

x x x x

Neither could the defendant-sheriff Antonio T. Datu be restrained, he being just a ministerial officer designated to carry out the order of the defendant Dominador B. Saldares, NLRC Labor Arbiter, who has immediate and direct supervision and control over them.[38] (Underscoring supplied)

The NEA Management Team filed a Motion for Reconsideration,[39] which the trial court denied.[40] Hence, the present Petition for Review,[41] it arguing that NEA was not a party in NLRC Case No. RAB-III-09-2920-92, the complaint filed by Josephine Manuel et al. (G.R. No. 110509), hence, cannot be bound by NLRC decisions, orders, writs of execution, and other processes.[42]

The petition must be dismissed outright on the ground of lack of jurisdiction.

It is the NLRC, not the RTC, which has jurisdiction over NEA's move for the quashal of the Alias Partial Writ of Execution. So *Deltaventures Resources, Inc. v. Hon. Cabato*[43] instructs:

Ostensibly the complaint before the trial court was for the recovery of possession and injunction, but in essence it was an action challenging the legality or propriety of the levy vis-à-vis the alias writ of execution, including the acts performed by the Labor Arbiter and the Deputy Sheriff implementing the writ. The complaint was in effect a motion to quash the writ of execution of a decision rendered on a case properly within the jurisdiction of the Labor Arbiter, to wit: Illegal Dismissal and Unfair Labor Practice. Considering the factual setting, it is then logical to conclude that the subject matter of the third party claim is but an incident of the labor case, a matter beyond the jurisdiction of the regional trial courts.

Precedents abound confirming the rule that said courts have no jurisdiction to act on labor cases or various incidents arising therefrom, including the execution of decisions, awards, or orders. Jurisdiction to try and adjudicate such cases pertains exclusively to the proper labor official concerned under the Department of Labor and Employment. To hold otherwise is to sanction split jurisdiction which is obnoxious to the orderly administration of justice.

Petitioner failed to realize that by filing its third-party claim with the deputy sheriff, it submitted itself to the jurisdiction of the Commission acting through the Labor Arbiter. It failed to perceive the fact that what it is really controverting is the decision of the Labor Arbiter and not the act of the deputy sheriff in executing said order issued as a consequence of said decision rendered.[44] (Emphasis and underscoring supplied)

At all events, as priorly stated, NEA filed before the NLRC a Motion to Quash Alias [Partial] Writ of Execution on the same date that it filed the complaint that gave rise to the present case before the trial court[45] assailing the same writ. It thus committed forum-shopping.

There is forum-shopping when as a result of an adverse decision in one forum, or in anticipation thereof, a party seeks a favorable opinion in another forum through means other than appeal or certiorari.[46] Forum-shopping exists when two or more actions involve the same transactions, essential facts, and circumstances; and raise identical causes of action, subject matter, and issues.[47] Still another test of forum-shopping is when the elements of *litis pendencia* are present or where a final judgment in one case will amount to *res judicata* in another – whether in the two or more pending cases, there is an identity of (a) parties (or at least such parties as represent the same interests in both actions),[48] (b) rights or causes of action, and (c) reliefs sought.[49]

The remedies NEA sought before the NLRC in the Motion to Quash Alias Partial Writ of Execution are substantially the same as those sought before the RTC. The issues which NEA raised before the NLRC and those sought in the RTC are likewise the same.[50] The parties in both cases are the same, given the intervention in the case before the RTC by Josephine Manuel et al.

NEA's argument that the NLRC acquired no jurisdiction over it[51] does not persuade. Applying the above-cited *Deltaventures Resources, Inc. v. Hon. Cabato* ruling, NEA submitted itself to the jurisdiction of the NLRC when it filed its Third Party Claim and Motion to Quash Alias Partial Writ of Execution.

WHEREFORE, the petition is DENIED.

Costs against petitioner.

SO ORDERED.

Quisumbing, (Chairperson), Carpio, Tinga, and Velasco, Jr., JJ., concur.

[1] Presidential Decree No. 1645, Section 3:

Section 5(a), Chapter II of Presidential Decree No. 269 is hereby amended by adding sub-paragraph (6) to read as follows:

[The Board shall, without limiting the generality of the foregoing, have the following specific powers and duties.]

"(6) To authorize the NEA Administrator to designate, subject to the confirmation of the Board Administrators, an Acting General Manager and/or Project Supervisor for a Cooperative where vacancies in the said positions occur and/or when the interest of the Cooperative and the program so requires, and to prescribe the functions of said Acting General Manager and/or Project Supervisor, which powers shall not be nullified, altered or diminished by any policy or resolution of the Board of Directors of the Cooperative concerned."

[2] Vide rollo, p. 311.

[3] Id. at 314.

[4] Id. at 298.

[5] Records, pp. 7-8.

[6] Id. at 8.

[7] Id. at 65.

[8] Id. at 55-78.

[9] Rollo, pp. 37-38.

[10] Records, p. 79.

[11] Id. at 9.

[12] Ibid.

[13] Id. at 86.

[14] Id. at 88.

[15] Id. at 86.

[16] Id. at 87.

[17] Ibid.

- [18] Rollo, p. 45.
- [19] Records, pp. 80-109; id. at 45.
- [20] Id. at 90.
- [21] Id. at 94.
- [22] Id. at 96.
- [23] Id. at 100.
- [24] Id. at 110.
- [25] Rollo, pp. 315-316. (The resolution starts at p. 316 and ends on p. 315.)
- [26] Records, p. 10.
- [27] Id. at 7-11.
- [28] Id. at 10-11.
- [29] Id. at 1-6.
- [30] Id. at 2-3, 14.
- [31] Id. at 30-35.
- [32] Id. at 34.
- [33] Id. at 18.
- [34] Id. at 23.
- [35] Ibid.
- [36] Id. at 40-42.
- [37] Id. at 43-50.
- [38] Id. at 157-159.
- [39] Id. at 160-164.
- [40] Id. at 173.
- [41] Rollo, pp. 18-47.
- [42] Id. at 27-41.
- [43] 384 Phil. 252 (2000).
- [44] Id. at 260-261.
- [45] Records, pp. 30-35.
- [46] *Ligon v. Court of Appeals*, 355 Phil. 503, 519 (1998). Citation omitted.
- [47] Ibid.
- [48] *Vide Mondragon Leisure and Resorts Corporation v. United Coconut Planter's Bank*, G.R. No. 154187,

April 14, 2004, 427 SCRA 585, 590.

[49] Ibid.

[50] Vide records at 30-37; rollo, pp. 27-43.

[51] Rollo, p. 29.

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