

**THE EARNSHAWS DOCKS & HONOLULU IRON WORKS,
PETITIONER AND APPELLEE VS. ATANACIO A. MARDO, IN HIS
CAPACITY AS CHIEF HEARING OFFICER OF THE REGIONAL OFFICE
NO. 3 OF THE DEPT. OF L...**

G.R. No. 14759. July 31, 1961

Ponente: PADILLA, J.

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PADILLA, J.:

This is an appeal from a judgment rendered by the Court of First Instance of Manila holding that Regional Office No. 3 of the Department of Labor is not vested by law with judicial or quasi-judicial functions and that it has no jurisdiction to hear and determine the claims for overtime pay of Raymundo Polancos, Agustin Dinio and Luis Ramos filed against the petitioner; and making permanent the writ of preliminary injunction issued by the Court on 15 January 1958 restraining and enjoining the respondent Chief Hearing Officer of the Regional Office No. 3 of the Department of Labor, his agents and representatives, from proceeding with the hearing and determination of the respondent employees' claims for overtime pay.

On 6 January 1958 the appellee (Earnshaws Docks & Honolulu Iron Works) filed a petition for certiorari and prohibition in the Court of First Instance of Manila praying that Reorganization Plan No. 20-A, that empowers and vests in the Regional Offices of the Department of Labor and the Labor Standards Commission original and exclusive jurisdiction to hear and determine money claims, and Rules and Regulations No. 1, promulgated by the Labor Standards Commission on 16 January 1957, implementing the provisions of the said reorganization plan be held and declared illegal, null, void and unconstitutional as well as the orders dated 27 November 1957 and 13 December 1957 of the appellant Chief Hearing Officer in case No. RO3-LS case No. 354, denying the appellee's motion to dismiss and motion for reconsideration (Annexes F & II), and praying further that during the pendency of the case, a writ of preliminary injunction be issued enjoining the appellant officer, his agents and representatives, from proceeding with the hearing, trial and decision of the case. In support of its petition the appellee alleged that in a complaint dated 6 June 1957, filed in the Regional Office No. 3, Labor Standards Commission, Department of Labor, each of the appellant employees (Raymundo Polancos, Agustin Dinio and Luis Ramos) sought to recover from the appellee the sum of P15,000 for overtime pay for services rendered beyond eight hours and during legal holidays and Sundays from the time they were employed to 30 April 1957, P1,500 for attorney's fees and P10,000 for exemplary damages (Annex B); that on or about 12 June 1957 the appellee received summons from the said office directing it to appear, answer the appellant employees' complaint and produce its evidence (Annex A); that the appellee filed a motion to dismiss the appellant employees' complaint dated 29 August 1957, on the ground of prescription and lack of jurisdiction of the regional office to hear and determine the appellant employees' claim and to enforce its decision by a writ of execution (Annex C); that the appellant employees filed an objection to its motion to dismiss dated 12 September 1957 (Annex D) and the appellee, a reply thereto dated 23 September 1957 (Annex E); that on 27 November 1957 the appellant Chief Hearing Officer denied the appellee's motion to dismiss and set the case for hearing on 13 December 1957 at 2:00

o'clock p.m. (Annex F); that the appellee filed a motion for reconsideration dated 11 December 1957 (Annex G); that on 13 December 1957 the appellant Chief Hearing Officer denied the appellee's motion for reconsideration (Annex H); that the regional office has no jurisdiction to hear and determine cases for recovery of overtime compensation, attorney's fees and damages; and that the petitioner has no other plain, speedy and adequate remedy in the ordinary course of law.

On 7 January the Court entered an order requiring the appellants to answer the appellee's complaint and setting for hearing the petition for issuance of a writ of preliminary injunction on 10 January at 8:30 o'clock in the morning. After hearing the Court directed the parties to file within three days their respective memoranda. On 13 January the appellants filed their memoranda and on 14 January, the appellee its memorandum. On 15 January the Court granted the writ of preliminary injunction prayed for upon the filing of a bond in the amount of P1,000. After the appellee had filed the necessary bond, on 18 January 1958 the Court issued the writ.

On 27 January 1958 the appellant employees filed their answer to the petition, setting up a counterclaim for damages incurred in the amount of P500 each as a result of the issuance of the writ of preliminary injunction. On 29 January 1958 the appellant officer filed his answer to the petition. All of them maintained the legality and validity of Reorganization Plan No. 20-A.

On 31 January 1958 the appellee filed a "motion to dismiss so-called 'counterclaim for damages' " of the appellant employees in the amount of P500 each for lack of jurisdiction of the Court.

On 5 February 1958 the Court denied the appellee's motion.

On 8 February 1958 the appellant employees filed an objection to the appellee's motion to dismiss counterclaim for damages.

On 14 February 1958 the appellee filed an answer to the appellant employees' counterclaim for damages and prayed for its dismissal.

On the date set for hearing of the case, 9 September 1958, the appellants or their counsel did not appear. Whereupon the appellee submitted the case for judgment on the pleadings and requested a period of twenty days within which to submit its memorandum. The Court considered the case submitted for judgment on the pleadings and granted the parties twenty days within which to submit their respective memoranda.

On 29 September 1958 the appellee filed a motion stating "its intention not to file any memorandum in support of its petition but adopts (adopting) all the arguments contained in the" motion to dismiss (Annex C), reply to objection to motion to dismiss (Annex E), motion for reconsideration of order dated 27 November 1957 (Annex G) and brief memorandum of 14 January 1958, it had previously filed in the case.

On 7 October 1958 counsel for the appellant Chief Hearing Officer informed the Court that they are not filing a memorandum but submitting the case for judgment on the pleadings.

On 8 October 1958 the appellant employees filed their memorandum.

On 14 November 1958 the Court rendered judgment dated 11 November, the dispositive part of which is, as follows:

FOR ALL THE FOREGOING CONSIDERATIONS, this Court is of the opinion that the actuation in the case at bar of Regional Office No. 3 of the Department of Labor in exercising original and exclusive jurisdiction under Reorganization Plan No. 20-a is without legal authority and grave abuse of its discretion and in violation of Art. 18, Sec. 1 of our Constitution insofar as it arrogated unto itself judicial and quasi-judicial power. In view thereof, the Court hereby declares all the actuations of Regional Office No. 3 of the Department of Labor

over the subject matter of the claims of respondents Raymundo Polancos, Agustin Dinio and Luis Ramos null and void, the same having been rendered in excess of jurisdiction and grave abuse of discretion; and also declares that the writ of preliminary injunction issued in the order of January 15, 1958 be made permanent for all legal purposes.

Hence this appeal taken by the employees and the Chief Hearing Officer.

This Court has ruled that the provisions of Reorganization Plan No. 20-A, particularly Section 25, that empowers and vests in the regional offices original and exclusive jurisdiction over money claims of laborers, is not authorized by Republic Act No. 997, and hence null and void.[1]

The judgment appealed from is affirmed, without pronouncement as to costs.

Bengzon, C. J., Labrador, Concepcion, Reyes, J. B. L., Barrera, Paredes, Dizon, De Leon, and Natividad, JJ., concur.

[1] Corominas et al., vs. Labor Standards Commission, Manila Central University vs. Calupitan, Wong Chun vs. Carlim, and Balrodgan Co, Ltd. et al., vs. Fuentes et al., supra, p. 551.

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