GERONIMO Q. QUADRA,PETITIONER, VS. THE COURT OF APPEALS AND THE PHILIPPINE CHARITY SWEEPSTAKES OFFICE, RESPONDENTS.

G.R. NO. 147593. July 31, 2006

Ponente: PUNO, J.

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PUNO, J.:

This is a petition for review of the decision of the Court of Appeals in CA-G.R. SP No. 55634 dated December 29, 2000 and its resolution dated March 26, 2001. The Court of Appeals reversed and set aside the decision of the National Labor Relations Commission (NLRC) in NLRC NCR Case No. 4312-ULP which affirmed the decision of the Labor Arbiter granting moral and exemplary damages to petitioner Geronimo Q. Quadra in connection with his dismissal from the service.

Petitioner Geronimo Q. Quadra was the Chief Legal Officer of respondent Philippine Charity Sweepstakes Office (PCSO) when he organized and actively participated in the activities of Philippine Charity Sweepstakes Employees Association (CUGCO), an organization composed of the rank and file employees of PCSO, and then later, the Association of Sweepstakes Staff Personnel and Supervisors (CUGCO) (ASSPS [CUGCO]). In April 1964, he was administratively charged before the Civil Service Commission with violation of Civil Service Law and Rules for neglect of duty and misconduct and/or conduct prejudicial to the interest of the service. On July 14, 1965, the Civil Service Commission rendered a decision finding petitioner guilty of the charges and recommending the penalty of dismissal. The following day, on July 15, 1965, the General Manager of PCSO, Ignacio Santos Diaz, sent petitioner a letter of dismissal, in accordance with the decision of the Civil Service Commission. Petitioner filed a motion for reconsideration of the decision of the Civil Service Commission on August 10, 1965. At the same time, petitioner, together with ASSPS (CUGCO), filed with the Court of Industrial Relations (CIR) a complaint for unfair labor practice against respondent PCSO and its officers. The case was docketed as Case No. 4312-ULP.

On November 19, 1966, the CIR issued its decision finding respondent PCSO guilty of unfair labor practice for having committed discrimination against the union and for having dismissed petitioner due to his union activities. It ordered the reinstatement of petitioner to his former position with full backwages and with all the rights and privileges pertaining to said position.[1]

Respondent PCSO complied with the decision of the CIR. But while it reinstated petitioner to his former position and paid his backwages, it also filed with the Supreme Court a petition for review on certiorari entitled "Philippine Charity Sweepstakes Office, et al. v. The Association of Sweepstakes Staff Personnel, et al." assailing the decision of the CIR in Case No. 4312-ULP. The petition was docketed as G.R. No. L-27546.[2]

On March 16, 1967, during the pendency of the case in the Supreme Court, petitioner filed with the CIR a "Petition for Damages." He prayed for moral and exemplary damages in connection with Case No. 4312-ULP. He cited the decision of the Supreme Court in Rheem of the Philippines, Inc., et al. v. Ferrer, et al.[3] where it upheld

the jurisdiction of the CIR over claims for damages incidental to an employee's dismissal.

Respondent PCSO moved to dismiss the petition for damages on the following grounds: (1) the CIR has no jurisdiction to award moral and exemplary damages; (2) the cause of action is barred by prior judgment, it appearing that two complaints are brought for different parts of a single cause of action; and (3) the petition states no valid cause of action.

Petitioner resigned from PCSO on August 18, 1967.

The petition for damages and the motion to dismiss, however, remained pending with the CIR until it was abolished and the NLRC was created. On April 25, 1980, the Labor Arbiter rendered a decision awarding moral and exemplary damages to petitioner in the amount of P1.6 million. The dispositive portion of the decision stated:

> WHEREFORE, in view of all the foregoing considerations, judgment is hereby rendered awarding to complainant Geronimo Q. Quadra moral damages consisting of the following sum: Three Hundred Fifty Thousand Pesos (P350,000.00) for besmirched reputation; Three Hundred Fifty Thousand Pesos (P350,000.00) for social humiliation; One Hundred Thousand Pesos (P100,000.00) for mental anguish; One Hundred Thousand Pesos (P100,000.00) for serious anxiety; One Hundred Thousand Pesos (P100,000.00) for wounded feelings; One Hundred Thousand Pesos (P100,000.00) for moral shock; and the further sum of P500,000.00 as exemplary damages, on account of the arbitrary and unlawful dismissal effected by respondents. Consequently, respondents are therefore ordered to pay complainant Quadra the total sum of One Million Six Hundred Thousand Pesos (P1,600,000.00) within ten (10) days after this Decision becomes final.
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> SO ORDERED.[4]

The NLRC affirmed the decision of the Labor Arbiter,[5] prompting respondent PCSO to file a petition for certiorari with the Court of Appeals.

The Court of Appeals reversed the decision of the NLRC. It held that there was no basis for the grant of moral and exemplary damages to petitioner as his dismissal was not tainted with bad faith. It was the Civil Service Commission that recommended petitioner's dismissal after conducting an investigation. It also held that the petition claiming moral and exemplary damages filed by petitioner after respondent PCSO had complied with the CIR decision of reinstatement and backwages amounted to splitting of cause of action.[6]

Petitioner filed a motion for reconsideration of the decision of the Court of Appeals, but the same was denied for lack for merit.[7]

Petitioner now seeks the Court to review the ruling of the Court of Appeals. He basically argues:

> First: The ruling of the Court of Appeals that the PCSO did not act in bad faith when it dismissed the petitioner is contrary to the already final and executory decision of the CIR dated November 1[9], 1966 finding the PCSO guilty of bad faith and unfair labor practice in dismissing the petitioner. The decision of the CIR was affirmed by the High Court in the case of PCSO, et al. v. Geronimo Q. Quadra, et al., 115 SCRA 34. The Court of Appeals has no jurisdiction to amend the final and executory decision of November 1[9], 1966 of the CIR which was affirmed by the High Court. Once a decision has become final [and] executory, it could no longer be amended or altered.
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> Second: The ruling of the Court of Appeals that the claims for moral and exemplary damages of the petitioner is allegedly "tantamount to splitting of cause of action under Sec. 4, Rule 2 of the 1997 Rules of Civil Procedure" is contrary to law. When petitioner filed with the CIR his complaint for illegal dismissal and unfair labor practice, the prevailing law and jurisprudence was that the CIR did not have jurisdiction to grant moral and exemplary damages. Petitioner's claim for moral damages was filed with the CIR in the same case by virtue of the ruling of the High Court in Rheem v. Ferrer, 19 SCRA 130 holding that the CIR has jurisdiction

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> to award moral and exemplary damages arising out of illegal dismissal and unfair labor practice.[8]

The petition is impressed with merit.

A dismissed employee is entitled to moral damages when the dismissal is attended by bad faith or fraud or constitutes an act oppressive to labor, or is done in a manner contrary to good morals, good customs or public policy. Exemplary damages may be awarded if the dismissal is effected in a wanton, oppressive or malevolent manner.[9] It appears from the facts that petitioner was deliberately dismissed from the service by reason of his active involvement in the activities of the union groups of both the rank and file and the supervisory employees of PCSO, which unions he himself organized and headed. Respondent PCSO first charged petitioner before the Civil Service Commission for alleged neglect of duty and conduct prejudicial to the service because of his union activities. The Civil Service Commission recommended the dismissal of petitioner. Respondent PCSO immediately served on petitioner a letter of dismissal even before the latter could move for a reconsideration of the decision of the Civil Service Commission. Respondent PCSO may not impute to the Civil Service Commission the responsibility for petitioner's illegal dismissal as it was respondent PCSO that first filed the administrative charge against him. As found by the CIR, petitioner's dismissal constituted unfair labor practice. It was done to interfere with, restrain or coerce employees in the exercise of their right to self-organization. It stated:

> Upon the entire evidence as a whole (sic), the [c]ourt feels and believes that complainant Quadra was discriminatorily dismissed by reason of his militant union activities, not only as President of PCSEA, but also as President of the ASSPS.[10]

In Nueva Ecija I Electric Cooperative, Inc. (NEECO I) Employees Association, et al. v. NLRC, et al.,[11] we found it proper to award moral and exemplary damages to illegally dismissed employees as their dismissal was tainted with unfair labor practice. The Court said:

> Unfair labor practices violate the constitutional rights of workers and employees to self-organization, are inimical to the legitimate interests of both labor and management, including their right to bargain collectively and otherwise deal with each other in an atmosphere of freedom and mutual respect; and disrupt industrial peace and hinder the promotion of healthy and stable labor-management relations. As the conscience of the government, it is the Court's sworn duty to ensure that none trifles with labor rights.
>
> For this reason, we find it proper in this case to impose moral and exemplary damages on private respondent. x x x

On the second issue, we agree with petitioner that the filing of a petition for damages before the CIR did not constitute splitting of cause of action under the Revised Rules of Court. The Revised Rules of Court prohibits parties from instituting more than one suit for a single cause of action. Splitting a cause of action is the act of dividing a single cause of action, claim or demand into two or more parts, and bringing suit for one of such parts only, intending to reserve the rest for another separate action. The purpose of the rule is to avoid harassment and vexation to the defendant and avoid multiplicity of suits.[12]

The prevailing rule at the time that the action for unfair labor practice and illegal dismissal was filed and tried before the CIR was that said court had no jurisdiction over claims for damages. Hence, petitioner, at that time, could not raise the issue of damages in the proceedings. However, on January 27, 1967, the Supreme Court rendered its ruling in Rheem of the Philippines, Inc., et al. v. Ferrer, et al.[13] upholding the jurisdiction of the CIR over claims for damages incidental to an employee's illegal dismissal. Petitioner properly filed his claim for damages after the declaration by the Court and before the ruling on their case became final. Such filing could not be considered as splitting of cause of action.

IN VIEW WHEREOF, the assailed decision and resolution of the Court of Appeals are REVERSED and SET

ASIDE. The decision of the NLRC in NLRC NCR Case No. 4312-ULP is REINSTATED.

SO ORDERED.

Sandoval-Gutierrez, Corona, and Azcuna, JJ., concur.
Garcia, J., No Part

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[1] Rollo, pp. 61-86.

[2] G.R. No. L-27546, July 16, 1982, 115 SCRA 34.

[3] G.R. No. L-22979, January 27, 1967, 19 SCRA 130.

[4] See CA Decision, rollo, pp. 28-29.

[5] Rollo, pp. 44-60.

[6] Rollo, pp. 26-31.

[7] Rollo, p. 42.

[8] Rollo, pp. 13-14.

[9] Kay Products, Inc., et al. v. Court of Appeals, G.R. No. 162472, July 28, 2005, 464 SCRA 544.

[10] CIR Decision, Case No. 4312-ULP, p. 23, rollo, p. 83.

[11]G.R. No. 116066, January 24, 2000, 323 SCRA 86.

[12]Regalado, Remedial Law Compendium, vol. 1, (1997), p. 67.

[13] Supra note 3.

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