

**J. K. MERCADO & SONS AGRICULTURAL ENTERPRISES, INC.,
PETITIONER, VS. HON. PATRICIA A. STO. TOMAS, IN HER CAPACITY
AS SECRETARY OF LABOR AND EMPLOYMENT, ANICETO S.
TORREJOS, SR.,...**

G.R. No. 158084. August 29, 2008

Ponente: AZCUNA, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-158084/>

AZCUNA, J.:

This is a petition for review on certiorari under Rule 45 of the Rules of Court.

The facts are stated in the Decision of the Court of Appeals in CA-G.R. SP No. 70003 dated March 10, 2003:

On December 3, 1993, the Regional Tripartite Wages and Productivity Board, Region XI, issued Wage Order No. RTWPB-XI-03, granting a Cost of Living Allowance (COLA) to covered workers.

On January 28, 1994, petitioner filed an application for exemption from the coverage of the aforesaid wage order. Thus, however, was denied by the regional wage board in an Order dated April 11, 1994, the dispositive portion of which states:

"WHEREFORE, premises considered, the application for exemption from compliance with Wage Order No. RTWPB-XI-03 is DENIED for Lack of Merit. Applicant J.K. MERCADO AND SONS AGRICULTURAL ENTERPRISES, INCORPORATED is hereby ordered to pay its covered workers the allowance prescribed under said Wage Order plus interest of one percent (1%) per month retroactive December 1, 1993.

Let copies of the Order be furnished the Regional Director of the Department of Labor and Employment, Region XI to cause the computation of the award and the issuance of writ of execution, the parties concerned and the National Wages Productivity Commission for their information and guidance.

Notwithstanding the said order, private respondents were not given the benefits due them under Wage Order No. RTWPB-XI-03. On July 10, 1998, private respondents filed an Urgent Motion for Writ of Execution, and Writ of Garnishment in RTWPB-XI-03-CBBE-94 NWPBC Case No. E-95-087 Case No. R1100 seeking the enforcement of subject wage order against several entities including herein petitioner.

In reaction thereto, petitioner submitted an Inquiry dated August 13, 1998, stating that it is not a party to the aforesaid case and has not entered appearance therein.

On October 7, 1998, the OIC-Regional Director, Region XI, issued a Writ of Execution for the enforcement of the Order dated April 11, 1994 of the Regional Tripartite Wages and Productivity Board.

On November 17, 1998 and November 23, 1998, respectively, petitioner filed a Motion to Quash the Writ of Execution and a Supplemental Motion to the Motion to Quash. Petitioner argued that herein private respondents' right had already prescribed due to their failure to move for the execution of the April 11, 1994 Order within the period provided under Article 291 of the Labor Code, as amended, or within three (3) years from the finality of the said order.

Ruling that the benefits which remained unpaid have not prescribed and that the private respondents need not file a claim to be entitled thereto, the Regional Director denied the Motion to Quash in an Order dated January 7, 1999.

Not satisfied with the denial of its motion to quash, petitioner filed a Notice of Appeal on January 29, 1999.

Petitioner argued on appeal that the Regional Director abused his discretion in issuing the writ of execution since it was not a party to RTWPB-XI-03-CBBE-97-NWPC Case No. E-95-087. Petitioner likewise argued that the Regional Director abused his discretion in issuing the writ of execution in the absence of any motion filed by private respondents. Petitioner likewise claimed that since more than three (3) years have already elapsed from the time of the finality of the order dated April 11, 1994, the right of private respondents to claim the benefits under the same had already prescribed.

Denying the appeal, the dispositive portion of the assailed order dated February 2, 2001 reads:

"WHEREFORE, the Appeal is denied for lack of merit and the order dated January 7, 1999, is affirmed."

On March 2, 2001, petitioner filed a Motion for Reconsideration but the same was denied for lack of merit by public respondent in an Order dated March 14, 2002.

The Court of Appeals stated the issues, thus:

Before us petitioner contends that:

"xxx the Honorable Undersecretary and Hon. Secretary of Labor and Employment committed grave abuse of discretion amounting to lack or excess of jurisdiction in issuing the assailed Orders [Annexes A & B], as the same are contrary to Law and Jurisprudence, in:

- Declaring that an application for exemption from compliance with Wage Orders before the Wage Board is equivalent to 'money claims' provided for under Article 291 of the Labor Code.
- Deliberately refusing and failing to recognize that the prescriptive period to file money claims under Article 291 of the Labor Code applies to money claims for COLA granted under Wage Order No. RTWPB-XI-03.
- Ruling that DOLE Regional Directors can legally issue writs of execution to enforce Wage Orders pursuant to Policy Instruction No. 55, beyond the 3-year prescriptive period provided under Article 291 of the Labor Code, pursuant to Section 1, Rule 39 of the Revised Rules of Court.

The assailed Decision resolved the issues, as follows:

The petition is not meritorious.

It must be stressed at the outset that while the filing by herein private respondents of the Urgent Motion for Writ of Execution and Writ of Garnishment refer to recovery of benefits under the subject Wage Order No. RTWPB-XI-03, which entitled respondents to a cost of living allowance (COLA), Article 291 of the Labor Code finds no application in the case at bar since what is being enforced is the final order dated April 11, 1994 denying petitioner's application for exemption under the wage order. Being a final order, the same may be the subject of execution *motu proprio* or upon motion by any of the parties concerned.

The law is equivocal that a judgment may be executed on motion within five (5) years from the date of its entry or from the date it becomes final and executory. Hence, we see no basis for petitioner's insistence on the applicability of Article 291 of the Labor Code in the instant case.

Arguing that a money claim must be filed by herein private respondents to avail of the wage differential or COLA granted under Wage Order No. 3, petitioner avers:

"The crux of the controversy in the case at bar is not when the writ of execution issued by the Regional Director of Region XI can be enforced, but rather, whether a money claim must be filed first by private respondents against petitioner for the latter's refusal to pay the COLA granted under WO 03."

We are not persuaded.

Clearly, petitioner's contention is premised on the mistaken belief that the right of private respondents to recover their wage differential or COLA under Wage Order No. 03 is still a contestable issue.

It must be emphasized that the order dated April 11, 1994 had long become final and executory. Petitioner did not appeal the said order. Having failed to avail of the remedy of appeal of the said order, petitioner cannot belatedly avoid its duty to comply with the said order by insisting that a money claim must first be filed by herein private respondents. A contrary ruling would result to absurdity and would even unjustly benefit petitioner who for quite sometime had exerted every effort to avoid the obligation of giving the wage differential or COLA granted under Wage Order No. 3.

Petitioner now presents the following issues:

- Whether or not the Honorable Court of Appeals committed an error in holding that Article 291 of the Labor Code is not applicable to recovery of benefits under the subject Wage Order No. RTWPB-XI-03, which entitled respondents to a cost of living allowance (COLA).
- Whether or not the Court of Appeals committed an error in holding that the cost of living allowance (COLA) granted by Wage Order No. RTWPB-XI-03 can be enforced without the appropriate case having been filed by herein private respondents within the three (3) year prescriptive period.
- Whether or not the claim of the private respondents for cost of living allowance (COLA) pursuant to Wage Order No. RTWPB-XI-03 has already prescribed because of the failure of the respondents to make the appropriate claim within the three (3) year prescriptive period provided by Article 291 of the Labor Code, as amended.

The Court sees no error on the part of the Court of Appeals.

Art. 291 of the Labor Code applies to money claims in general and provides for a 3-year prescriptive period to file them.

On the other hand, respondent employees' money claims in this case had been reduced to a judgment, in the form of a Wage Order, which has become final and executory. The prescription applicable, therefore, is not the general one that applies to money claims, but the specific one applying to judgments. Thus, the right to enforce the judgment, having been exercised within five years, has not yet prescribed.

Stated otherwise, a claimant has three years to press a money claim. Once judgment is rendered in her favor, she has five years to ask for execution of the judgment, counted from its finality. This is consistent with the rule on statutory construction that a general provision should yield to a specific one and with the mandate of social justice that doubts should be resolved in favor of labor.

WHEREFORE, the petition is DENIED.

No costs.

SO ORDERED.

Puno, C.J., (Chairperson), Carpio, Corona, and Leonardo-De Castro, JJ., concur.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.