JINALINAN TECHNICAL SCHOOL, INC. PETITIONER, VS. NATIONAL LABOR RELATIONS COMMISSION (FOURTH DIVISION), JOB G. OLARTE AND DELILAH T. OLARTE, RESPONDENTS.

G.R. NO. 163167. August 09, 2006

Ponente: PUNO, J.

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PUNO, J.:

This case involves a petition for certiorari under Rule 45 of the 1997 Rules of Civil Procedure. It seeks to reverse the decision of the Special Fourth Division of the Court of Appeals in CA–G.R. SP No. 74421 which upheld the decision of the National Labor Relations Commission (NLRC) in private respondents' favor.

The facts are as found by the Court of Appeals.

Private respondents Job Olarte and Delilah Olarte rendered various services for petitioner Jinalinan Technical School, Inc. from 1988 to 1994.[1] For school year 1988-1989, Mr. Olarte concurrently taught Bible & Math subjects and was Chairman of the Board and received P600.00 per month.[2] For school year 1989-1990, Mr. Olarte held the positions of Bible teacher and Treasurer concomitantly, and was paid P660.00 per month. His wife, Mrs. Delilah Olarte, worked as Official Solicitor and Kinder Teacher without receiving any salary.[3] During school year 1990-1991, Mr. Olarte again acted as Bible teacher and Treasurer, and was paid P720.00 per month, while Mrs. Olarte received P660.00 per month for acting as PEHM Teacher and worker for the College Care program.[4] In school year 1991-1992, Mr. Olarte acted as Treasurer for P780.00 per month, while Mrs. Olarte worked as PEHM and Bible teacher for P720.00 per month.[5] For the 1992-1993 academic year, Mr. Olarte acted as Treasurer for the 1st semester and Cashier for the 2nd semester for P1,500.00 per month, while Mrs. Olarte acted as Health Aid Instructress & Secretary of the Board for P1,500 per month.[6] For the 1993-1994 academic year, Mr. Olarte worked as Cashier for P1,770.00 per month, and Mrs. Olarte as Health Aid Instructress and Secretary of the Board for P1,530.00 per month.[7] For all the foregoing years, the spouses Olarte worked from June until the first week of April, Mondays to Fridays, from 7:30 a.m. to 11:30 a.m. and 1:30 p.m. to 5:00 p.m.[8]

In June 1994, sometime before the opening of classes for academic year 1994-1995, Mrs. Olarte was not given any teaching load or administrative position.[9] She asked Mr. Deventre Orcajada, Vice-President of the petitioner school's Board of Trustees, as to the reasons for her non-appointment.[10] Thereafter, she received an unsigned letter informing her that the reasons for the non-appointment were: 1) her failure to enroll her daughter in the petitioner's High School; 2) her allegedly spreading rumors that the school was about to close; and 3) her opposition to the fencing of the school campus.[11] Like Mrs. Olarte, private respondent Mr. Olarte was not reappointed as Cashier.[12] He inquired from Mr. Ernest Orcajada, Principal and Chairman of the Board of Directors of the petitioner school, as to the reason for his non-appointment. He was informed that the reason was due to the ongoing dispute between his wife's father and the petitioner school.[13]

Private respondent spouses then filed complaints for illegal dismissal, underpayment of salaries, nonpayment of

overtime, service incentive leave, 13th month and cost of living allowance, and attorney's fees against the petitioner school and Mr. Ernest Orcajada which were consolidated by the Labor Arbiter.[14] Petitioner school and Mr. Ernest Orcajada moved to dismiss the complaints for lack of jurisdiction and improper venue, which the Labor Arbiter granted on August 13, 1996.[15] The private respondent spouses Olarte appealed to the NLRC. On April 21, 1997, the public respondent NLRC granted the appeal, set aside the Labor Arbiter's Decision, and remanded the case to the Labor Arbiter for further proceedings on the merits of the case.[16]

After conducting hearings on the case, the Labor Arbiter rendered his decision on June 29, 1998, dismissing the consolidated cases for lack of merit.[17] The Labor Arbiter ruled that there was no employer-employee relationship between private respondent spouses and petitioner school, and that the private respondents were merely rendering volunteer service. In support of his findings, the Labor Arbiter relied on the fact that private respondent spouses received meager amounts for their services.[18]

The private respondents appealed the Labor Arbiter's decision to the NLRC. On November 2, 1999, the NLRC reversed the Labor Arbiter's ruling and ordered petitioner school to pay private respondents P129,412.00 and P108,934.00, respectively.[19] Petitioner school's motion for reconsideration was denied by the NLRC on February 27, 2002.[20]

On December 17, 2002, petitioner school filed a petition for certiorari under Rule 65 of the 1997 Rules of Civil Procedure with the Court of Appeals, challenging the public respondent NLRC's decision.[21] The petitioner alleged that the NLRC committed grave abuse of discretion in disregarding the material facts found by the Labor Arbiter during the hearings of the case.[22]

On October 1, 2003, the Special Fourth Division of the Court of Appeals affirmed the decision of the NLRC, and dismissed the petition.[23] The petitioner's Motion for Reconsideration was denied by the Court of Appeals on April 12, 2004.[24]

On May 19, 2004, petitioner filed the present petition for certiorari under Rule 45 of the 1997 Rules of Civil Procedure, within the reglementary period.[25] Petitioner alleges that the Court of Appeals: 1) erred in not giving credence to the factual findings of the Labor Arbiter; and 2) erred in finding that there exists an employer-employee relationship between the petitioner school and private respondent spouses.[26]

We rule for the private respondents.

The petitioner contends in its petition that the Court of Appeals should have given credence to the factual findings of the Labor Arbiter as these were "supported by substantial evidence."[27] In fine, petitioner only argues that the Court of Appeals erred in appreciating the evidence made by the Labor Arbiter. The petitioner overlooks that the challenged decision of the Court of Appeals dealt with a petition for certiorari that it filed pursuant to Rule 65 of the 1997 Rules of Civil Procedure assailing the public respondent NLRC's decision.[28] It is basic that mere errors of fact or law committed by a lower court are not correctable via a Rule 65 petition for certiorari.[29] For a Rule 65 petition for certiorari to prosper, the tribunal exercising judicial or quasi-judicial functions must act without or in excess of its jurisdiction, or with grave abuse of discretion amounting to lack or excess of jurisdiction.[30] The phrase "grave abuse of discretion" is well-defined in our jurisprudence. It exists where an act of a court or tribunal is performed with a capricious or whimsical exercise of judgment equivalent to lack of jurisdiction. The abuse of discretion must be so patent and gross as to amount to an evasion of a positive duty or to a virtual refusal to perform a duty enjoined by law, or to act at all in contemplation of law, as where the power is exercised in an arbitrary and despotic manner by reason of passion or personal hostility.[31] For the reason that the petitioner school failed to allege and prove in the proceedings before the Court of Appeals that public respondent NLRC committed grave abuse of discretion, we hold that the appellate court correctly dismissed the

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petitioner school's Rule 65 petition for certiorari.

IN VIEW WHEREOF, the petition is DENIED for lack of merit. The decision of the Special Fourth Division of the Court of Appeals promulgated on October 1, 2003 and its resolution promulgated on April 12, 2004 are SUSTAINED. No costs.

SO ORDERED.

Sandoval-Gutierrez, Corona, Azcuna and Garcia, JJ., concur.

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[1] Rollo, p. 47.

[2] Ibid.

[3] Ibid.

[4] Ibid.

[5] Ibid.

[6] Ibid.

[7] Ibid.

[8] Rollo, p. 48; CA rollo, p. 54.

[9] CA rollo, p. 86.

[10] Rollo, p. 48; CA rollo, p. 86.

[11] Ibid.

[12] CA rollo, p. 81.

[13] Ibid.

[14] CA rollo, pp. 80-88.

[15] Rollo, pp. 48, 72-74.

[16] Rollo, p. 48

[17] Rollo, pp. 49, 76-81.

[18] Rollo, pp. 80-81.

[19] Rollo, pp. 49, 60-66.

[20] Rollo, pp. 49, 68-69.

[21] CA rollo, p. 2.

[22] CA rollo, p. 14.

[23] Rollo, pp. 46-52.

[24] Rollo, p. 54

[25] Rollo, pp. 11, 84.

[26] Rollo, pp. 28-29.

[27] Rollo, p. 31.

[28] Rollo, p. 46.

[29] Elks Club v. Rovira, 80 Phil. 272, 275 (1948).

[30] 1997 Rules of Civil Procedure, Rule 65, Section 1.

[31] Intestate Estate of Carmen de Luna v. Intermediate Appellate Court, G.R. No. 72424, February 13, 1989, 170 SCRA 246, 254.

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