BANK OF THE PHILIPPINE ISLANDS, PETITIONER, VS. LABOR ARBITER RODERICK JOSEPH CALANZA, SHERIFF ENRICO Y. PAREDES, AMELIA ENRIQUEZ, AND REMO L. SIA, RESPONDENTS.

G.R. No. 180699. October 13, 2010

Ponente: NACHURA, J.

Read online (full-text search, related cases, audio case brief): https://batas.org/library/g-r-no-180699/

NACHURA, J.:

This is a Petition for Indirect Contempt filed by petitioner Bank of the Philippine Islands (BPI) against respondents Labor Arbiter Roderick Joseph Calanza (LA Calanza), Sheriff Enrico Y. Paredes (Sheriff Paredes), Amelia Enriquez (Enriquez), and Remo L. Sia (Sia).

The case stemmed from the following facts:

Enriquez and Sia were the branch manager and the assistant branch manager, respectively, of Bacolod-Singcang Branch of petitioner. On September 3, 2003, they were dismissed from employment on grounds of breach of trust and confidence and dishonesty. The following day, they filed separate complaints for illegal dismissal against petitioner before the National Labor Relations Commission (NLRC), Regional Arbitration Branch No. VI, Bacolod City.[1]

After the submission of their respective position papers, Executive LA Danilo C. Acosta rendered a decision on March 29, 2004, finding that Enriquez and Sia had been illegally dismissed from employment. The dispositve portion of LA Acosta's decision reads:

> WHEREFORE, premises considered, judgment is hereby rendered as follows:
>
> - DECLARING that complainants were illegally dismissed by respondents;
>
> - ORDERING respondents to reinstate complainants to their former position without loss of seniority rights and to pay them their corresponding full back wages inclusive of allowances and other benefits as computed, in the sum of Pesos: ONE MILLION ONE HUNDRED SEVENTY-THREE THOUSAND, FOUR HUNDRED THIRTY-FOUR AND 50/100 ONLY (P1,173,434.50).[2]

Pursuant to the aforesaid decision, Enriquez and Sia were reinstated in petitioner's payroll.[3]

Petitioner appealed to the NLRC. The NLRC ruled that petitioner had just cause to terminate Enriquez and Sia. Hence, it reversed and set aside the LA decision and, although it dismissed the complaint, it ordered petitioner to give the dismissed employees financial assistance equivalent to one-half month's pay for every year of service.[4] In view of this decision, petitioner stopped the payroll reinstatement.[5]

Enriquez and Sia elevated the matter to the Court of Appeals (CA), but failed to obtain a favorable decision. On November 30, 2005, the appellate court affirmed in toto the NLRC decision. The case eventually reached this Court and was docketed as G.R. No. 172812.

During the pendency of the petition before this Court, Enriquez and Sia filed a Motion for Partial Execution[6] of the LA decision dated March 29, 2004. Citing Roquero v. Philippine Airlines,[7] they claimed that the reinstatement aspect of the LA decision was immediately executory during the entire period that the case was on appeal.

In an Order[8] dated October 13, 2007, LA Calanza granted Enriquez and Sia's motion despite the opposition of petitioner. He opined that so long as there is no finality yet of the decision reversing a ruling of the lower tribunal (in this case, the LA) awarding reinstatement, the same should be enforced. Considering that the case was then pending before this Court, he sustained Enriquez and Sia's claim, applying the cases of Roquero and Air Philippines Corporation v. Zamora.[9] The corresponding writ of execution was subsequently issued.[10] Upon service of the writ, Sheriff Paredes served on petitioner a notice of sale of a parcel of land owned by petitioner to satisfy its obligation.[11]

Aggrieved, petitioner immediately filed an Urgent Petition for Injunction with prayer for the issuance of a Temporary Restraining Order (TRO) and/or Writ of Preliminary Injunction with the NLRC, Fourth Division, Cebu City. On November 26, 2007, the NLRC issued a TRO.[12]

Disappointed with the conduct of LA Calanza, Sheriff Paredes, Enriquez, and Sia, and in view of the pendency of G.R. No. 172812, entitled Enriquez v. Bank of the Philippine Islands,[13] before this Court, petitioner instituted the present petition for indirect contempt. Petitioner avers that LA Calanza's Order granting Enriquez and Sia's motion for partial writ of execution preempts the decision of this Court and eventually results in the payment of Enriquez and Sia's claims which may be contrary to this Court's conclusion. Petitioner adds that respondents obstinately persist in applying jurisprudence which is clearly inapplicable. Finally, petitioner argues that the execution proceedings were done with undue haste that petitioner was not given an opportunity to submit evidence in its defense to stop the execution. These, according to petitioner, clearly indicate utter disrespect to the Court and are grounds to cite respondents in indirect contempt.

Meanwhile, on February 12, 2008, this Court rendered a Decision in G.R. No. 172812, denying the petition filed by Enriquez and Sia, thereby sustaining the NLRC and the CA's conclusion that Enriquez and Sia were validly dismissed from employment by petitioner.

In a decision[14] dated June 30, 2008, the NLRC, Fourth Division, Cebu City, granted BPI's petition for injunction, the dispositive portion of which is quoted below:

> WHEREFORE, premises considered, the instant petition is hereby GRANTED. The Order dated 12 October 2007 issued by public respondent Labor Arbiter granting the Writ of Execution is declared NULL and VOID. The Writ of Execution issued in pursuance to said Order is likewise declared NULL and VOID. Public respondent Labor Arbiter Roderick Joseph B. Calanza, and any person acting for and in his behalf, is DIRECTED to take no further action in pursuance of the aforementioned Order and Writ of Execution.
>
> The Writ of Preliminary Injunction issued by this Commission dated 12 December 2007 is hereby MADE PERMANENT.
>
> SO ORDERED.[15]

On October 27, 2008, LA Calanza issued an Order[16] considering the case closed and terminated based on Enriquez and Sia's manifestation and motion to dismiss in view of the satisfaction and full payment of their claims.

Hence, the only issue that is left unsettled is whether or not respondents are guilty of indirect contempt.

Indirect contempt of court is governed by Section 3, Rule 71 of the Rules of Court, which provides:

Bar review courses, mock exams and a study planner that keeps you on pace - batas.org

> SEC. 3. Indirect contempt to be punished after charge and hearing.-After a charge in writing has been filed, and an opportunity given to the respondent to comment thereon within such period as may be fixed by the court and to be heard by himself or counsel, a person guilty of any of the following acts may be punished for indirect contempt:
>
> (a) Misbehavior of an officer of a court in the performance of his official duties or in his official transactions;
>
> (b) Disobedience of or resistance to a lawful writ, process, order, or judgment of a court, including the act of a person who, after being dispossessed or ejected from any real property by the judgment or process of any court of competent jurisdiction, enters or attempts or induces another to enter into or upon such real property, for the purpose of executing acts of ownership or possession, or in any manner disturbs the possession given to the person adjudged to be entitled thereto;
>
> (c) Any abuse of or any unlawful interference with the processes or proceedings of a court not constituting direct contempt under section 1 of this Rule;
>
> (d) Any improper conduct tending, directly or indirectly, to impede, obstruct, or degrade the administration of justice;
>
> (e) Assuming to be an attorney or an officer of a court, and acting as such without authority;
>
> (f) Failure to obey a subpoena duly served;
>
> (g) The rescue, or attempted rescue, of a person or property in the custody of an officer by virtue of an order or process of a court held by him. x x x.

Do the acts of respondents Enriquez and Sia in filing a motion for partial execution; of LA Calanza in granting the writ of execution and applying or not applying established jurisprudence; and of Sheriff Paredes in serving the notice of sale of the real property owned by petitioner fall under the above enumeration?

We answer in the negative.

Contempt of court is defined as a disobedience to the court by acting in opposition to its authority, justice, and dignity. It signifies not only a willful disregard or disobedience of the court's order, but such conduct which tends to bring the authority of the court and the administration of law into disrepute or, in some manner, to impede the due administration of justice.[17] It is a defiance of the authority, justice, or dignity of the court which tends to bring the authority and administration of the law into disrespect or to interfere with or prejudice party-litigants or their witnesses during litigation.[18]

The power to punish for contempt is inherent in all courts and is essential to the preservation of order in judicial proceedings and to the enforcement of judgments, orders, and mandates of the court, and consequently, to the due administration of justice.[19] However, such power should be exercised on the preservative, not on the vindictive, principle. Only occasionally should the court invoke its inherent power in order to retain that respect, without which the administration of justice will falter or fail.[20] Only in cases of clear and contumacious refusal to obey should the power be exercised. Such power, being drastic and extraordinary in its nature, should not be resorted to unless necessary in the interest of justice.[21]

It is true that, at the time of the filing by Enriquez and Sia of the motion for the partial execution of the LA decision which directed their reinstatement, the decision had already been reversed by the NLRC, and such reversal was affirmed by the CA. The case was then on appeal to this Court via a petition for review on certiorari under Rule 45 of the Rules of Court. We find that their motion for partial execution was a bona fide attempt to implement what they might have genuinely believed they were entitled to in accordance with existing laws and jurisprudence.[22] This is especially true in the instant case where the means of livelihood of the dismissed

employees was at stake. Any man in such an uncertain and economically threatened condition would be expected to take whatever measures are available to ensure a means of sustenance for himself and his family.[23] Clearly, Enriquez and Sia were merely pursuing a claim which they honestly believed was due them. Their act is far from being contumacious.

On the other hand, LA Calanza, on motion of Enriquez and Sia, issued the writ of execution considering that at the time of the application of the writ, this Court had yet to decide G.R. No. 172812. LA Calanza opined that so long as there is no finality yet of the decision reversing a ruling of the LA awarding reinstatement, the same should be enforced. This was how he interpreted this Court's pronouncements in Roquero[24] and Zamora;[25] that "even if the order of reinstatement of the Labor Arbiter is reversed on appeal, it is obligatory on the part of the employer to reinstate and pay the wages of the dismissed employee during the period of appeal until reversal by the higher court."

But as we clearly discussed in Bago v. National Labor Relations Commission,[26] while it is true that the reinstatement aspect of the LA decision is immediately executory, the reversal thereof by the NLRC becomes final and executory after ten (10) days from receipt thereof by the parties. That the CA may take cognizance of and resolve a petition for the nullification of the NLRC decision on jurisdictional and due process considerations does not affect the statutory finality of the NLRC decision. It then logically follows that, at the time of the application for the writ ¾ since the Court eventually sustained the NLRC and the CA decisions in G.R. No. 172812 ¾ no issue of payroll reinstatement may be considered at all after the reversal of the LA decision by the NLRC.

Still, the erroneous issuance of the writ of execution by LA Calanza can only be deemed grave abuse of discretion which is more properly the subject of a petition for certiorari and not a petition for indirect contempt.[27] No one who is called upon to try the facts or interpret the law in the process of administering justice can be infallible in his judgment.[28]

Finally, Sheriff Paredes, in serving the notice of sale, was only performing his duty pursuant to the writ of execution. No matter how erroneous the writ was, it was issued by LA Calanza and was addressed to him as the sheriff, commanding him to collect from petitioner the amount due Enriquez and Sia. In the event he failed to collect the amount, he was authorized to cause the satisfaction of the same on the movable and immovable properties of petitioner not exempt from execution.[29] Thus, any act performed by Sheriff Paredes pursuant to the aforesaid writ cannot be considered contemptuous. At the time of the service of the notice of sale, there was no order from any court or tribunal restraining him from enforcing the writ. It was ministerial duty for him to implement it.

To be considered contemptuous, an act must be clearly contrary to or prohibited by the order of the court or tribunal. A person cannot, for disobedience, be punished for contempt unless the act which is forbidden or required to be done is clearly and exactly defined, so that there can be no reasonable doubt or uncertainty as to what specific act or thing is forbidden or required.[30]

WHEREFORE, premises considered, the petition is DISMISSED for lack of merit.

SO ORDERED.

Velasco, Jr.,[*] Leonardo-De Castro,[***] Brion,[****] and Mendoza, JJ., concur.

---

[*] Additional member in lieu of Associate Justice Antonio T. Carpio per Special Order No. 897 dated September

28, 2010.

[**]In lieu of Associate Justice Antonio T. Carpio per Special Order No. 898 dated September 28, 2010.

[***] Additional member in lieu of Associate Justice Roberto A. Abad per Special Order No. 905 dated October 5, 2010.

[****] Additional member in lieu of Associate Justice Diosdado M. Peralta per Special Order No. 904 dated October 5, 2010.

[1] Enriquez v. Bank of the Philippine Islands, G.R. No. 172812, February 12, 2008, 544 SCRA 590, 596-597.

[2] Id. at 597.

[3] Rollo, p. 55.

[4] Enriquez v. Bank of the Philippine Islands, supra note 1, at 598.

[5] Rollo, pp. 65-66.

[6] Id. at 64-70.

[7] 449 Phil. 437 (2003).

[8] Rollo, pp. 27-30.

[9] G.R. No. 148247, August 7, 2006, 498 SCRA 59.

[10] Rollo, pp. 31-33.

[11] Id. at 7.

[12] Id. at 7-8.

[13] Supra note 1.

[14] Rollo, pp. 71-80.

[15] Id. at 79.

[16] Id. at 81.

[17] Lu Ym v. Mahinay, G.R. No. 169476, June 16, 2006, 491 SCRA 253, 261-262; Lee v. Regional Trial Court of Quezon City, Br. 85, 496 Phil. 421, 433 (2005).

[18] Tokio Marine Malayan Insurance Company Incorporated v. Valdez, G.R. No. 150107, January 28, 2008, 542 SCRA 455, 467; Lu Ym v. Mahinay, supra, at 262; Lee v. Regional Trial Court of Quezon City, Br. 85, supra, at 433.

[19] Inonog v. Ibay, A.M. No. RTC-09-2175, July 28, 2009, 594 SCRA 168, 177-178; Lu Ym v. Mahinay, supra note 17, at 262.

[20] Lu Ym v. Mahinay, supra, at 262.

[21] Id.

[22] See Bildner v. Ilusorio, G.R. No. 157384, June 5, 2009, 588 SCRA 378, 394.

[23] Salvador v. Court of Appeals, 387 Phil. 453, 461 (2000).

Bar review courses, mock exams and a study planner that keeps you on pace - batas.org

[24] Supra note 7.

[25] Supra note 9.

[26] G.R. No. 170001, April 4, 2007, 520 SCRA 644.

[27] Urgent Appeal/Petition For Immediate Suspension & Dismissal of Judge Legaspi, 453 Phil 459, 465-466 (2003).

[28] Id. at 465.

[29] Supra note 10.

[30] Lu Ym v. Mahinay, supra note 17, at 263-264.

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.