NEGROS METAL CORPORATION, PETITIONER, VS. ARMELO J. LAMAYO, RESPONDENT.

G.R. No. 186557. August 25, 2010

Ponente: CARPIO MORALES, J.

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CARPIO MORALES, J.:

Armelo J. Lamayo (respondent) began working for Negros Metal Corporation (petitioner or the company) in September 1999 as a machinist.

Sometime in May 2002, while respondent was at the company's foundry grinding some tools he was using, William Uy, Sr. (Uy), company manager, called his attention why he was using the grinder there to which he replied that since the machine there was bigger, he would finish his work faster.

Respondent's explanation was found unsatisfactory, hence, he was, via memorandum, charged of loitering and warned.[1] Taking the warning as a three-day suspension as penalized under company rules, respondent reported for work after three days, only to be meted with another 10-day suspension[2] â”€ from May 30 to June 10, 2002, for allegedly failing to sign the memorandum suspending him earlier.

After serving the second suspension, respondent reported for work on June 11, 2002 but was informed by Uy that his services had been terminated and that he should draft his resignation letter, drawing respondent to file on June 17, 2002 a complaint[3] for illegal dismissal.

In lieu of a position paper, petitioner submitted a Manifestation[4] contending that the complaint should be dismissed because the Labor Arbiter had no jurisdiction over it since, under their Collective Bargaining Agreement[5] (CBA), such matters must first be brought before the company's grievance machinery.

By Decision[6] of December 29, 2004, the Labor Arbiter, brushing aside petitioner's position, held that respondent was illegally dismissed. The dispositive portion of the said Decision reads:

> WHEREFORE, premises considered, judgment is hereby rendered as follows:
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> - DECLARING that complainant was illegally dismissed by respondents;
>
> - ORDERING respondent to pay complainant the total amount of P178,978.48 representing payment for separation pay, back wages and 13[th] month pay, plus 10% thereof as attorney's fees in the amount of P17,897.85, or in the total amount of
>
> ONE HUNDRED NINETY SIX THOUSAND EIGHTH HUNDRED SEVENTY SIX PESOS & 33/100 (P196,876.33) the same to be deposited with the Cashier of this Office, within ten (10) calendar days from receipt of this Decision.

On petitioner's appeal, the National Labor Relations Commission (NLRC), by Resolution[7] of March 30, 2006, set aside the ruling of, and remanded the case to, the Labor Arbiter for disposition based on the company's grievance procedure. It held that based on a letter of the company union president Arturo Ronquillo (Ronquillo),

respondent invoked the CBA provision on grievance procedure. Respondent's Motion for Reconsideration was denied by the NLRC by Resolution[8] of June 27, 2006. He thereupon appealed to the Court of Appeals.

By Decision[9] of March 25, 2008, the appellate court set aside the NLRC Resolutions and reinstated the Labor Arbiter's Decision. It held that the Labor Arbiter had jurisdiction to hear the complaint; that as respondent's dismissal did not proceed from the parties' interpretation of or implementation of the CBA, it is not covered by the grievance machinery procedure; that the laws and rules governing illegal dismissal are not to be found in the parties' CBA but in the labor statutes, hence, the Labor Arbiter had jurisdiction; and that although the option to go through the grievance machinery was stated in Ronquillo's letter[10] to petitioner, respondent denied having made that option as he had ceased to be a member of the union, as evidenced by a March 20, 2001 Certification[11] of the union's past president Alex Sanio that he had resigned effective March 18, 2001. The appellate court went on to hold that, at that point, it was too late to direct the parties to go through the grievance machinery.

In holding that respondent was illegally dismissed, the appellate court noted that he was not allowed to go back to work after serving two suspensions, without affording him the requisite notice and hearing; and that respondent's failure to seek reinstatement did not negate his claim for illegal dismissal, there being nothing wrong in opting for separation pay in lieu of reinstatement.

Petitioner's motion for reconsideration having been denied by Resolution[12] of January 21, 2009, it interposed the present petition for review on certiorari, maintaining that the grievance machinery procedure should have been followed first before respondent's complaint for illegal dismissal could be given due course.

The petition fails.

Articles 217, 261, and 262 of the Labor Code outline the jurisdiction of labor arbiters and voluntary arbitrators as follows:

> Art. 217. Jurisdiction of the Labor Arbiters and the Commission. - (a) Except as otherwise provided under this Code, the Labor Arbiters shall have original and exclusive jurisdiction to hear and decide, within thirty (30) calendar days after the submission of the case by the parties for decision without extension, even in the absence of stenographic notes, the following cases involving all workers, whether agricultural or non-agricultural:
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> 1. Unfair labor practice cases;
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> 2. Termination disputes;
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> 3. If accompanied with a claim for reinstatement, those cases that workers may file involving wages, rates of pay, hours of work and other terms and conditions of employment;
>
> 4. Claims for actual, moral, exemplary and other forms of damages arising from the employer-employee relations;
>
> 5. Cases arising from any violation of Article 264 of this Code, including questions involving the legality of strikes and lockouts; and
>
> 6. Except claims for Employees Compensation, Social Security, Medicare and maternity benefits, all other claims arising from employer-employee relations, including those of persons in domestic or household service, involving an amount exceeding five thousand pesos (P5,000.00) regardless of whether accompanied with a claim for reinstatement.
>
> (b) The Commission shall have exclusive appellate jurisdiction over all cases decided by Labor Arbiters.
>
> (c) Cases arising from the interpretation or implementation of collective bargaining agreements and those

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> arising from the interpretation or enforcement of company personnel policies shall be disposed of by the Labor Arbiter by referring the same to the grievance machinery and voluntary arbitration as may be provided in said agreements. (emphasis and underscoring supplied)
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> x x x x
>
> Art. 261. Jurisdiction of Voluntary Arbitrators or panel of Voluntary Arbitrators. - The Voluntary Arbitrator or panel of Voluntary Arbitrators shall have original and exclusive jurisdiction to hear and decide all unresolved grievances arising from the interpretation or implementation of the Collective Bargaining Agreement and those arising from the interpretation or enforcement of company personnel policies referred to in the immediately preceding article. Accordingly, violations of a Collective Bargaining Agreement, except those which are gross in character, shall no longer be treated as unfair labor practice and shall be resolved as grievances under the Collective Bargaining Agreement. For purposes of this article, gross violations of Collective Bargaining Agreement shall mean flagrant and/or malicious refusal to comply with the economic provisions of such agreement.
>
> The Commission, its Regional Offices and the Regional Directors of the Department of Labor and Employment shall not entertain disputes, grievances or matters under the exclusive and original jurisdiction of the Voluntary Arbitrator or panel of Voluntary Arbitrators and shall immediately dispose and refer the same to the Grievance Machinery or Voluntary Arbitration provided in the Collective Bargaining Agreement. (emphasis and underscoring supplied)
>
> ART. 262. Jurisdiction over other labor disputes. - The Voluntary Arbitrator or panel of Voluntary Arbitrators, upon agreement of the parties, shall also hear and decide all other labor disputes including unfair labor practices and bargaining deadlocks. (emphasis and underscoring supplied)

Under Art. 217, it is clear that a labor arbiter has original and exclusive jurisdiction over termination disputes. On the other hand, under Article 261, a voluntary arbitrator has original and exclusive jurisdiction over grievances arising from the interpretation or enforcement of company policies.

As a general rule then, termination disputes should be brought before a labor arbiter, except when the parties, under Art. 262, unmistakably express that they agree to submit the same to voluntary arbitration.[13]

In the present case, the CBA provision on grievance machinery being invoked by petitioner does not expressly state that termination disputes are included in the ambit of what may be brought before the company's grievance machinery. Thus, the pertinent provision in the parties' CBA reads:

> Article IV
> GRIEVANCE MACHINERY
>
> Section 1. The parties hereto agree on principle that all disputes between labor and management may be settled through friendly negotiations that the parties have the same interest in the continuity of work until all points in dispute shall have been discussed and settled. x x x For this purpose, a grievance is defined as any disagreement between the UNION and the EMPLOYER or between a worker or group of workers on one hand and the EMPLOYER on the one hand as to the application and interpretation of any of the provisions of this contract. Other matters subject of collective bargaining or regulated by existing labor laws shall not be considered as grievances. (emphasis and underscoring supplied)

Even assuming, however, that the suspension of an employee may be considered as a "disagreement" which bears on the "application and interpretation of any of the provisions" of the CBA, respondent could not have bound himself to bring the matter of his suspension to grievance procedure or voluntary arbitration in light of the documented fact that he had resigned from the union more than a year before his suspension, not to mention the fact that he denied having a hand in the preparation of the union president Ronquillo's letter invoking the

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grievance procedure. In fine, the labor tribunal had original and exclusive jurisdiction over respondent's complaint for illegal dismissal.

On the merits, as did the appellate court, the Court sustains the Labor Arbiter's ruling that respondent was illegally dismissed absent a showing that he was accorded due process when he was summarily terminated. The Court is not a trier of facts. It is not tasked to review the evidence on record, documentary and testimonial, and reassess the probative weight thereof, especially in view of the well-entrenched rule that findings of fact of administrative officials, such as labor arbiters, who have acquired expertise on account of their specialized jurisdiction are accorded by the courts not only respect but, most often, with finality, particularly when affirmed on appeal.

WHEREFORE, the petition is DENIED.

SO ORDERED.

Brion, Bersamin, Villarama, Jr., and Sereno, JJ., concur.

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[1] NLRC records, p. 107.

[2] Id. at 109

[3] Id. at 1-3.

[4] Id. at 11-12.

[5] Id. at 121-134.

[6] Id. at 58-65. Penned by Labor Arbiter Phibun Pura.

[7] Id. at 257-262. Penned by Commissioner Aurelio D. Menzon and concurred in by Commissioner Oscar S. Uy and Presiding Commissioner Gerardo C. Nograles.

[8] CA rollo, pp. 102-103. Penned by Commissioner Aurelio D. Menzon and concurred in by Commissioner Oscar S. Uy and Presiding Commissioner Gerardo C. Nograles.

[9] Id. at 190-198- Penned by Associate Justice Amy C. Lazaro-Javier and concurred in by Associate Justices Pampio A. Abarintos and Francisco P. Acosta.

[10] NLRC records, p. 111.

[11] Id. at 16.

[12] Rollo, pp. 36-37. Penned by Associate Justice Amy C. Lazaro-Javier and concurred in by Associate Justices Franchito N. Diamante and Francisco P. Acosta.

[13] Vide San Miguel Corporation v. NLRC, G.R. No. 108001, March 15, 1996, 255 SCRA 133.

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