

GOVERNMENT SERVICE INSURANCE SYSTEM, PETITIONER, VS. PEDRO OLASE AND COURT OF INDUSTRIAL RELATIONS, RESPONDENTS.

G. R. No. 19988. January 05, 1967

Ponente: BENGZON, J.P., J.

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BENGZON, J.P., J.:

Pedro Olase, an employee of the Government Service Insurance System, hereafter called GSIS, was separated from the service upon an administrative charge and subsequent finding of malfeasance.[*] Assailing his dismissal, Pedro Olase, on June 11, 1957, resorted to the Court of Industrial Relations, thru a petition for reinstatement with prayer for back wages (CIR Case No. 896-v[2]). In said case the Court of Industrial Relations rendered on January 7, 1960 a decision, the dispositive portion of which states:

"IN VIEW OF ALL THE FOREGOING, this Court finds no substantial evidence to support respondent's accusation that Olase committed the swindle and that the investigation and administrative proceedings conducted by respondent's officials fall short of the due process as provided for under Executive Order No. 370. The Court, therefore, orders the respondent Government Service Insurance System, its general manager and agents, jointly and severally to reinstate Pedro Olase to his former position. With respect to the petitioner-movant's claim for back wages, it is believed that the same cannot be granted in view of the fact that the dismissal was not motivated by malice but done in good faith. Although there might have been a bad judgment on the part of the respondent in dismissing petitioner-movant, yet this judgment was based on its honest belief that petitioner-movant committed the act. The court also orders respondent, its general manager and agents, to post a copy of this order in two conspicuous places in the premises of respondent within a period of thirty (30) days and thereafter shall inform this Court from time to time compliance with the same."

The GSIS and Pedro Olase both moved for reconsideration of the decision; but the same Court, en banc, denied on February 18, 1960 their motions for reconsideration. Receipt by the GSIS of the Court's denial resolution took place on July 16, 1960.

From the afore-stated decision and resolution of the Court of Industrial Relations, both parties appealed to this Court. The appeal of GSIS, docketed here as L17186, was directed against the reinstatement; that of Pedro Olase, docketed as L-17363, took issue with the denial of back wages.

Deciding said appeals (L-17186 and L-17363) jointly, on October 31, 1961, this Court affirmed the decision of the Court of Industrial Relations aforementioned. Subsequently, on January 4, 1962, Pedro Olase filed a motion for execution in the Court of Industrial Relations. In said motion, he asked for reinstatement effective from July 27, 1960, or after ten (10) days from receipt by the GSIS of the CIR decision. The GSIS meanwhile actually reinstated Pedro Olase on January 21, 1962 to a similar position with the same pay. It however opposed the motion to reckon his right to reinstatement from July 27, 1960, contending that because of the appeal taken by employee Olase from the CIR decision, there was actually no decision to enforce prior to the promulgation of the Supreme Court decision affirming the CIR.

The Court of Industrial Relations, on April 28, 1962, granted Olase's motion for execution. Said Court ruled that Olase's reinstatement should be deemed from July 27, 1960, when the CIR decision ordering it, became self-executory under Section 14 of Commonwealth Act 103, and therefore ordered the GSIS to pay Olase his salary from July 27, 1960 up to the date he was actually reinstated (January 21, 1962), at the rate of P230.00 a month.

After the CIR en banc denied on June 11, 1962 GSIS' motion for reconsideration, the latter took the present appeal to this Court.

Appellant's contention that because of the appeal taken by Pedro Olase from the CIR decision there was no decision to be enforced pending said appeal, is against the express provision of Section 14 of Commonwealth Act 103. It states therein:

"SEC. 14. Enforcement of Awards, Orders, and Decisions. - At the expiration of ten days from the date of the award, order, or decision, in cases brought under the provisions of section four hereof, judgment shall be entered in accordance therewith, unless during said ten days an aggrieved party shall appeal therefrom to the Supreme Court of the Philippines by writ of certiorari as hereinafter provided. The institution of such an appeal shall not, however, stay the execution of the award, order, or decision sought to be reviewed, unless for special reasons the Court shall order that execution be stayed, in which event the Court, in its discretion, may require the appellant to deposit with the clerk of the Court such amount of salaries or wages due the employees, laborers, tenants, or farm-laborers concerned under the award, order, or decision appealed from or require him to give bond in such form and of such amount as to insure compliance with the award, order, or decision in case the same is affirmed. The Court may also require the appellant to deposit with the clerk of the Court every week, on a day therein to be fixed by the Court, an amount equivalent to the salaries or wages to be earned during the time of the appeal by the employees or laborers, or tenants or farm-laborers whose reinstatement in, or readmission to, their employment has been decreed by the Court. The failure to make such deposit shall vacate the order for stay of execution. When writs of execution are so issued the proceeds thereof shall be kept by the Clerk of the Court of Industrial Relations in his custody, pending decision of the appeal, to be disposed of in conformity with the final judgment of the Supreme Court."

Regardless, therefore, of the pendency of the appeals, taken both by GSIS and Pedro Olase, the CIR decision became effective and self-executory on July 27, 1960, after the lapse of the ten-day period stated in the law.

Appellant would, however, argue that Pedro Olase could not be allowed to appeal that part of the CIR decision unfavorable to him (denial of back wages) and to execute, pending appeal, that part of the decision favorable to him (reinstatement). Pedro Olase is not being allowed to execute a part of the CIR decision. It is the full CIR decision that is executed after the lapse of the afore-stated ten days. Said decision ordered reinstatement of Olase without back wages. Reinstatement, therefore, was all the CIR decision called for. Accordingly, the execution, pending appeal, of the CIR decision in full would amount to reinstatement of Pedro Olase from July 27, 1960. It follows that said employee, who was actually reinstated only on January 21, 1962, should be paid the salaries corresponding to the intervening period. This is different from the back wages sought by him in his main petition with the CIR, which the latter as well as this Court denied. For said denied back wages refer to the period from his dismissal on June 1, 1957 up to the date his right to reinstatement accrued, on July 27, 1960, after ten days from receipt of CIR decision ordering employee's reinstatement. As to this period, no back salary is now being sought nor has any been awarded.

Wherefore, the appealed order of the Court of Industrial Relations dated April 28, 1962 and its resolution en banc of June 11, 1962, are hereby affirmed, without costs.

So ordered.

Concepcion, C.J., Reyes, J.B.L., Dizon, Regala, Makalintal, Zaldivar, Sanchez, and Ruiz Castro, JJ., concur.

[*] Pedro Olase was allegedly responsible in part for a customer's being mulcted of a portion of the value of his check.

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