

PHILIPPINE LONG DISTANCE TELEPHONE COMPANY, MARIANO R. PADILLA AND ERIBERTO MELLIZA, PETITIONERS, VS. THE HONORABLE CEFERINO DULAY, IN HIS CAPACITY AS JUDGE OF THE COURT OF FIRS...

G.R. No. 53446. April 12, 1989

Ponente: CORTES, J.

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CORTES, J.:

The instant petition challenges the jurisdiction of the Court of First Instance over the subject matter of Civil Case No. 437-L entitled "Rosemary Mayordo-Alferez, joined in and assisted by her husband, Rey Alferez, Anita Mayordo and Teresita Mayordo vs. The Philippine Long Distance Telephone Company, Inc., et al." on the ground that since it involves a labor dispute, it falls within the original and exclusive jurisdiction of the Labor Arbiters and the National Labor Relations Commission (NLRC) of the then Ministry of Labor.

Private respondents, Rosemary Alferez and Teresita Mayordo, were employed as junior representatives of petitioner Philippine Long Distance Telephone Co., Inc. (PLDT).

On October 17, 1979, PLDT filed with the Ministry of Labor, Region VII Office (Cebu City) an application for clearance to suspend and subsequently dismiss seven employees including respondents Rosemary Alferez and Teresita Mayordo for alleged involvement in fraudulent transactions of PLDT stock certificates [Petition, p. 4; Rollo, p. 5.]

On October 20, 1979 Rosemary Alferez and Teresita Mayordo together with their mother Anita Mayordo and Rey Alferez (husband of Rosemary) filed with the Court of First Instance (now Regional Trial Court) of Cebu, Branch XVI, Lapu-Lapu City, a verified complaint against petitioner PLDT for damages arising from their employer's conduct and practices allegedly violative of the Constitution and the Civil Code provisions on torts ["Annex B" to the Petition, pp. 9-10; Rollo, pp. 26-27.]

From the complaint, it appears that Anita Mayordo is the widow of the late Jose L. Mayordo, an employee of the PLDT for eighteen (18) years who was killed by lawless elements in Marawi City way back on June 29, 1974 while in actual performance of his duties as radio operator. The surviving heirs (herein private respondents) were paid only nine thousand pesos (P9,000.00) and to discourage them from filing suit, PLDT offered to employ the daughters of the late Jose Mayordo, Rosemary Alferez and Teresita Mayordo, which offer was accepted by private respondents. Private respondents alleged two independent causes of action against PLDT. The first pertains to the alleged breach by PLDT of its commitment by suspending respondents-employees and subjecting them to harassment and slanderous accusations of involvement in fraudulent transactions of PLDT stock certificates. The second is a claim for damages for the death of Jose Mayordo allegedly occasioned by the negligence of PLDT. They asked the court a quo to enjoin defendants (herein petitioners) from suspending and dismissing plaintiffs-employees from their employment in PLDT and to award damages [Complaint, pp. 15-16; Rollo, pp. 32-33.]

Respondent judge issued the ex-parte restraining order prayed for ("Annex C" to the Petition.) Petitioners then filed their Answer to the Complaint and sought the lifting of the restraining order. Subsequently petitioner PLDT filed a motion to dismiss the case on the ground of prescription and lack of jurisdiction but this was denied by respondent Judge.

On December 26, 1979, the Ministry of Labor rendered its resolution on the application for clearance to suspend and/or dismiss respondents-employees and issued an order granting the preventive suspension requested by PLDT, but leaving the determination of the involvement of respondents-employees in fraudulent transactions to the grievance machinery provided for in the collective bargaining agreement ["Annex D" to the Petition, pp. 1-3; Rollo, pp. 38-40.] In view of the clearance granted by the Ministry of Labor, petitioner Eriberto V. Melliza, local manager of Cebu City branch of PLDT, issued an "inter-office" memo dated December 27, 1979 with copy furnished to petitioner Mariano Padilla, Senior Manager of PLDT for Visayas and Mindanao, placing respondent employees under preventive suspension for an indefinite period effective December 28, 1979.

Upon respondent-employees' motion, petitioners Padilla and Melliza were cited for indirect contempt for disobeying and disregarding the Order of the court dated October 20, 1979 and were further ordered to "desist from transferring, reassigning, suspending, dismissing and/or in any manner harassing or disturbing the terms and conditions of employment of plaintiffs-employees with defendant PLDT until further orders of [the] Court." [CFI Order dated December 29, 1979; Rollo, p. 45.]

Respondent judge denied petitioners' motion for reconsideration of the Order citing Padilla and Melliza for indirect contempt and issued an Order dated February 7, 1980 directing petitioners to comply with the previous orders of the court. Petitioners then filed this instant Petition challenging the validity of the orders of respondent judge on the ground of lack of jurisdiction. On April 11, 1980 this Court issued a temporary restraining order enjoining respondent judge from enforcing the challenged Orders.

The resolution of the issue raised by petitioner PLDT depends largely upon the determination of the true nature of the action filed by the private respondents in the court below. If as claimed by private respondents it is purely civil in nature then there is no question that the case falls within the general jurisdiction of the regular courts and not the NLRC. Otherwise, if as contended by petitioners the case arose out of an employer-employee relationship, then the regular courts do not have jurisdiction over the subject matter of the case, jurisdiction having been lodged with the NLRC. This necessarily involves a consideration of the ultimate facts alleged in the complaint constituting the private respondents' causes of action, for the averments of the complaint determine the nature of the action and, consequently, the jurisdiction of the courts [*Calo v. Roldan, et al.*, 76 PHIL 445 (1946); *Serrano v. Munoz Motors Inc.*, G.R. No. L-255547, November 27, 1967, 21 SCRA 1085; *Union Obrera de Tabacco, Inc. v. Quicho*, G.R. No. L-25799, August 31, 1971, 40 SCRA 589; *Vargas v. Akai Philippines*, G.R. No. UDK-7927, December 14, 1987, 156 SCRA 531.]

A careful examination of the complaint shows that while the second cause of action is purely civil in nature and hence within the general jurisdiction of regular courts, the first cause of action arose from the employer-employee relationship of petitioner PLDT and the respondents-employees and therefore outside of the jurisdiction of respondent court.

Private respondents claim that the two causes of action "while apparently separate are in fact linked to each other in the sense that what led to the employment of respondents-employees in the petitioner PLDT was precisely the death of their father Jose Mayordo" and therefore they should be tried in the same proceeding before the respondent court [Memorandum for Respondents, p. 18; Rollo, p. 241.]

This argument is unmeritorious.

The two causes of action are independent of each other. The fact that respondents in their second cause of action also claim damages for the untimely death of Jose Mayordo does not affect the true nature of the first cause of action as one arising from employer-employee relations. If at all the two causes of action are connected, it is but a tenuous connection. The determination of the merits of one cause of action does not affect that of the other.

In any case, private respondents' second cause of action has already prescribed. Article 1146 of the Civil Code explicitly provides that actions upon an injury to the right of the plaintiff and upon a quasi-delict must be instituted within four years from the time the cause of action accrued. Private respondents' right of action against PLDT for the death of Jose Mayordo prescribed on June 29, 1978, four (4) years after his death, while the complaint below was filed only on October 20, 1979. They cannot now hope to erase the effect of prescription by merely joining their claim for damages for the death of Jose Mayordo with their claim for damages for the suspension and/or dismissal of respondents employees.

Moreover, private respondents are estopped from claiming damages for the death of Jose Mayordo since, by their own admission, they already received from PLDT the sum of nine thousand pesos (P9,000.00) as indemnity for the death of Jose Mayordo [Complaint, p. 3; Rollo p. 20.]

As to the first cause of action, private respondents cannot rely on the ruling of this Court in *Quisaba v. Sta. Ines-Melale Veneer and Plywood, Inc., et al.* [G.R. No. L-38088, August 30, 1974, 58 SCRA 771] to bolster their claim that the case falls within the jurisdiction of the regular court and not the Labor Arbiters of the NLRC.

In the *Quisaba* case a distinction was drawn between the right of the employer to dismiss an employee, which is within the competence of labor agencies to pass upon and the manner in which the right was exercised, declared to be intrinsically civil and cognizable only by the regular courts. This doctrine has been abandoned by this Court in a number of cases subsequent to *Quisaba* [*Atlas Fertilizer Corporation v. Navarro*, G.R. No. 72074, April 30, 1987, 149 SCRA 432; *Primero v. Intermediate Appellate Court*, G.R. No. 72644, December 14, 1987, 156 SCRA 433; *Garcia v. Martinez*, G.R. No. L-47629, August 3, 1978, 84 SCRA 577.]

However, it was only in the case of *Primero v. IAC*, *supra*, where the Court categorically stated its intention to abandon the *Quisaba* doctrine. The Court held that the distinction laid down in *Quisaba* is tenuous and difficult to observe and that the question of the legality of the act of dismissal is intimately related to the issue of the legality of the manner by which that act of dismissal was performed. The fact that the issue of whether or not moral or other damages were suffered by an employee and in the affirmative, the amount to be awarded to him is determined by the Civil Code provisions on torts and damages and not the Labor Code, was not meant to create a cause of action independent of that for illegal dismissal. Whatever tribunal exercises jurisdiction over the question of illegal dismissal also has jurisdiction over claims for moral and exemplary damages arising from such dismissal [*Primero*, *supra* at 445.] Furthermore, respondents in this case are not only challenging the manner by which PLDT exercised its right to dismiss its employees but also the validity of the suspension and threatened dismissal of respondents-employees.

Private respondents also contend that even assuming that the claim for damages arose from the employer-employee relations of PLDT and respondents-employees, the regular court still has jurisdiction over the case because pursuant to Presidential Decree No. 1367, which was the law prevailing at the time the complaint was filed, the NLRC had no jurisdiction over claims for moral damages and other forms of damages which is precisely the nature of the claims in their first cause of action. They argue that "matters arising from the injustice and unfairness committed by an employer against an employee . . . matters about the manner such an employee is treated and its effects, and matters about moral damages and other forms of damages are definitely beyond the cognizance now of the NLRC" [Memorandum for Respondents, pp. 25-26; Rollo, pp. 248-249.]

The law governing jurisdiction over cases involving claims for damages arising from employer-employee relations is Article 217 of the Labor Code (Pres. Decree 442). Prior to its amendment Article 217 provided for the exclusive jurisdiction of the Labor Arbiters and the NLRC over "all money claims of workers" and "all other cases arising from employer-employee relation unless expressly excluded by [the] Code" [par. 3 and 5 of Article 217, Pres. Decree 442.]

On May 1, 1978, Presidential Decree No. 1367 amended Article 217 by removing from the enumeration of cases falling under the exclusive jurisdiction of Labor Arbiters "money claims arising from employer-employee relations." Furthermore, it limited the jurisdiction of Labor Arbiters over cases arising from employer-employee relations to those which are "duly indorsed by the Regional Directors in accordance with the provisions of [the] Code" which in no case shall include claims for moral and other forms of damages. [Abad v. Philamgen, G.R. No. 50563, 30 October 1981, 108 SCRA 717.]

On May 1, 1980, Presidential Decree No. 1691 substantially reenacted Article 217 in its original form and restored to the Labor Arbiters and the NLRC their jurisdiction to award all kinds of damages in cases arising from employer-employee relations. Presidential Decree No. 1691 was again amended by Batas Pambansa Blg. 130 which took effect on August 21, 1981. On June 1, 1982, said Article was amended anew by Batas Pambansa Blg. 227, vesting on Labor Arbiters jurisdiction over cases that workers may file involving wages, hours of work and other terms and conditions of employment and all money claims of workers, except money claims for employees' compensation, social security, medicare and maternity benefits [Sentinel Insurance Co., Inc. v. Bautista, G.R. No. 55774, February 20, 1984, 127 SCRA 623; Atlas Fertilizer Corporation v. Navarro, G.R. No. 72074, April 30, 1987, 149 SCRA 432.]

The complaint in this case was filed on October 20, 1979 when P.D. 1367 was the law applicable. However, the amendatory provisions of P.D. 1691, which took effect during the pendency of this case, ousted respondent court from the jurisdiction it initially had under P.D. 1367. Jurisdiction over all money claims, including claims for damages arising from or in connection with employer-employee relations is now vested exclusively on the Labor Arbiters of the NLRC.

The Court is not unmindful of the rule that where a court has already obtained and is exercising jurisdiction over a controversy, its jurisdiction to proceed to the final determination of the case is not affected by new legislation placing jurisdiction over such proceedings in another tribunal [Iburan v. Labes, 87 Phil. 234 (1950); Insurance Company of North America v. United States Lines Company, et al., G.R. No. L-21021, May 27, 1966, 17 SCRA 301; Tinitigan v. Tinitigan, Sr., G.R. No. L-45574, October 30, 1980, 100 SCRA 619; Ramos v. Our Lady of Peace School, G.R. No. 55950, December 26, 1984, 133 SCRA 741.] This rule, however is not without exception. It is not applicable when the change in jurisdiction is curative in character [Garcia v. Martinez, G.R. No. L-47629, May 28, 1979, 20 SCRA 335; Calderon v. CA, G.R. No. 52235, 28 October 1980, 100 SCRA 459; Atlas Fertilizer Corporation v. Navarro, G.R. No. 72074, April 30, 1987, 149 SCRA 432; Abad v. RTC of Manila, G.R. No. 65505, October 12, 1987, 154 SCRA 664.]

In at least four (4) cases the Court has declared that P.D. No. 1691 is a curative statute with retrospective application to pending proceedings. In the cases of Getz Corporation Philippines, Inc. v. Court of Appeals [G.R. No. 59823, August 21, 1982, 116 SCRA 86]; Sentinel Insurance Company, Inc. v. Bautista [G.R. No. 55774, February 20, 1984, 127 SCRA 623]; and Atlas Fertilizer Corporation v. Navarro, supra, the Court applied P.D. No. 1691 to cases filed during the effectivity of P.D. No. 1367.

In the more recent case of Abad v. Regional Trial Court of Manila [G.R. No. 65505, October 12, 1987, 154 SCRA 664] the Court upheld the decision of the lower court giving retroactive application to P.D. No. 1691. The Court

said:

However, whereas before jurisdiction over money claims of laborers and employees appertained to Courts of First Instance, the same are now to be taken cognizance of by proper authorities in the Department of Labor and Employment.

The rule of adherence of jurisdiction until a cause is finally resolved or adjudicated does not apply when the change in jurisdiction is curative in character. Thus in the instant case, there is nothing wrong in holding that Courts of First Instance/Regional Trial Courts no longer have jurisdiction over aforesaid monetary claims of labor [at p. 671; Underscoring supplied.]

There is therefore no reason why P.D. 1691 should not be given retroactive application to this pending case. P.D. 1691 merely restored the jurisdiction earlier vested in Labor Arbiters before the enactment of P.D. 1367. It was intended to correct a situation where two tribunals would have jurisdiction over separate issues arising from the same labor conflict [Ebon v. De Guzman, *supra*; Aguda v. Vallejos, *supra*; Sentinel Insurance Company, Inc., v. Bautista, *supra*; Atlas Fertilizer v. Navarro, *supra*.]

In any case, private respondents can still file an action before the administrative machineries in the Department of Labor and Employment [Getz, Corp. Phils., Inc. v. Court of Appeals, *supra*; Atlas Fertilizer Corp., v. Navarro, *supra*; Abad v. RTC of Manila, *supra*.] While it is true that the respondents-employees' cause of action has already prescribed, since Article 291 of the Labor Code provide for a three-year prescriptive period for all money claims arising from employer-employee relations, equity dictates that petitioners be allowed to file the proper action before the appropriate labor tribunal. At the time the petitioners filed their complaint with the then Court of First Instance, the regular courts were the proper forum for all claims for damages arising from employer-employee relations. Under these circumstances, the retroactive application of Pres. Decree 1691 should not unduly deprive petitioners of the right to pursue their claim in the proper tribunal if they choose to do so.

WHEREFORE, premises considered, the Petition is GRANTED and the assailed Orders of the respondent court are SET ASIDE. Civil Case No. 437-L is DISMISSED without prejudice to the right of private respondents to file appropriate action before the proper administrative body in the Department of Labor and Employment. The Restraining Order previously issued by this Court is hereby made PERMANENT.

SO ORDERED.

Fernan, C.J., Gutierrez, Jr., and Bidin, JJ., concur.

Feliciano, J., on leave.

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