

CARDINAL INDUSTRIES, INC., PETITIONER, VS. HONORABLE AMADOR T. VALLEJOS AND MANUEL Z. RAMOS, RESPONDENTS.

G.R. No. 57032. June 19, 1982

Ponente: MELENCIO-HERRERA, J.

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MELENCIO-HERRERA, J.:

The basic issue for resolution revolves around the jurisdiction of regular Courts of justice over claims for damages arising out of an overseas employment contract.

In January 1980, petitioner company employed private respondent, Manuel Z. Ramos, as rebar foreman to work for one year at one of petitioner's projects in Iraq, with a basic monthly salary of \$490.00.

On November 20, 1980, petitioner terminated respondent's employment. The latter then filed a complaint for Sum of Money and Damages (docketed as Civil Case No. 136579) before the Court of First Instance of Manila, Branch XXII, alleging that petitioner had prematurely terminated their contract without any just or valid cause by reason of which he (respondent) was claiming the payment of his salaries for the unexpired period of his contract and the payment of benefits that he would otherwise have earned had he completed the stipulated twelve-month period of service. In addition, respondent also demanded payment of P150,000.00 moral damages, P20,000.00 corrective and exemplary damages, P20,000.00 nominal damages, and P10,000.00 attorney's fees.

On January 6, 1981, petitioner moved to dismiss the case on the ground that jurisdiction over the nature of the suit pertained to the Bureau of Employment Services pursuant to Section 1 of Presidential Decree No. 1691, which amended Article 15 of the Labor Code. That amendment conferred on the Bureau Of Employment Services exclusive jurisdiction over cases involving employer-employee relations, including money claims, arising out of or by virtue of any law or contract, involving Filipino workers for overseas employment, except seamen.

Private respondent opposed dismissal alleging that jurisdiction over the case belonged to the Court of First Instance even if his cause of action arose from his contract with petitioner, because said Court had first taken cognizance of his claim for damages, which he could not have pleaded if he had filed his complaint with the Bureau of Employment Services.

On February 25, 1981, respondent Judge issued the assailed Order stating:

"There being allegations in the complaint that the defendant had committed acts that would entitle plaintiff to damages, this court believes that it has jurisdiction over this case and not the labor arbiter (*Calderon vs. Court of Appeals*, G.R. No. L-52235, October 28, 1980).

WHEREFORE, defendant's motion to dismiss is hereby denied."

To preclude default, petitioner filed its Answer. The Court set the case for pre-trial on June 5, 1981.

On May 30, 1981, petitioner filed the present Petition for Certiorari raising the following issues for resolution:

"1. Whether or not Civil Case No. 136579 involves employer-employee relations and money claims arising out

of or by virtue of a contract involving Filipino workers for overseas employment, original and exclusive jurisdiction over which is vested in the Bureau of Employment Services.

2. Whether or not the Calderon ruling is applicable to Civil Case No. 136579 notwithstanding the fact that -

- a) Presidential Decree No. 1367 which was prevailing when the Calderon ruling was rendered had been superseded by Presidential Decree 1691 which was already in effect when the complaint was filed; and
- b) The Calderon ruling involved claims for compensation earned prior to resignation and not salaries for the unexpired portion of the contract entitlement to which would depend upon whether private respondent was in fact dismissed."

We find for petitioner. Private respondent's claims undeniably arose out of employer-employee relations involving overseas employment, and fall within the original and exclusive jurisdiction of the regional offices of the Ministry of Labor pursuant to Article 15, paragraph (b) of the Labor Code, as amended by PD 1691, which provides:

"(b) The regional offices of the Ministry of Labor shall have the original and exclusive jurisdiction over all matters or cases involving employer-employee relations including money claims, arising out of or by virtue of any law or contract involving Filipino workers for overseas employment except seamen: Provided, That the Bureau of Employment Services may, in the case of the National Capitol Region, exercise such power, whenever the Minister of Labor deems it appropriate. The decision of the regional offices or the Bureau of Employment Services if so authorized by the Minister of Labor as provided in this Article, shall be appealable to the National Labor Relations Commission upon the same grounds provided in Article 223 hereof. The decision of the National Labor Relations Commission shall be final and unappealable."

The subject complaint was filed on November 29, 1981 or after the enactment of PD 1691 on May 1, 1980. The Calderon case, on the other hand, upon which respondent Court relied in issuing the challenged Order sustaining its jurisdiction, was decided when PD 1367 (which took effect on May 1, 1978) was still prevailing. That law specifically divested Labor Arbiters and the National Labor Relations Commission (NLRC) of jurisdiction to award moral and other forms of damages.[1] Since then, however, PD 1367 has been superseded by PD 1691[2] and by BP 130, both of which took effect on May 1, 1980, and restored the jurisdiction of Labor Arbiters and the NLRC over all money claims of workers and all other claims arising from employer-employee relations, including moral and exemplary damages (Aguda vs. Vallejos, G.R. No. 58133, March 26, 1982, citing Bengzon vs. Inciong, 91 SCRA 248 [1979]; Garcia vs. Martinez, 84 SCRA 577 [1978]; Ebon vs. Hon. de Guzman, G.R. No. 58265, March 25, 1982).[3] The Calderon case, therefore, is no longer controlling. Moreover, the Calderon case dealt with the jurisdiction of Labor Arbiters under Article 217 of the Labor Code and did not touch upon the jurisdiction of the Bureau of Employment Services under Article 15 of the same Code.

WHEREFORE, the Petition is granted. Respondent Judge is directed to dismiss Civil Case No. 136579 without prejudice to the right of respondent Manuel Z. Ramos to refile his claims against petitioner Cardinal Industries, Inc. with the proper regional office of the Ministry of Labor.

No costs.

SO ORDERED.

Makasiar, Plana, Vasquez, Relova, and Gutierrez, Jr., JJ., concur.
Teehankee, J., (Chairman), reserves his vote.

[1] "ART. 217. Jurisdiction of Labor Arbiters and the Commission. - (a) The Labor Arbiters shall have exclusive

jurisdiction to hear and decide the following cases involving all workers, whether agricultural or non-agricultural:

- (1) Unfair labor practice cases;
 - (2) Unresolved issues in collective bargaining, including those that involve wages, hours of work and other terms and conditions of employment; and
 - (3) All other cases arising from employer-employee relations duly endorsed by the Regional Directors in accordance with the provisions of this Code; Provided, that the Regional Directors shall not endorse and Labor Arbiters shall not entertain claims for moral or other forms of damages.
- "(b) The Commission shall have exclusive appellate jurisdiction over all cases decided by Labor Arbiters, compulsory arbitrators, and voluntary arbitrators in appropriate cases provided in Article 262 of this Code."
(As amended by PD No. 1367) (Emphasis supplied).

[2] Pepsi-Cola Bottling Co. vs. Martinez, G.R. L-58877, March 15, 1982.

[3] "ART. 217. Jurisdiction of Labor Arbiters and the Commission. - (a) The Labor Arbiters shall have the original and exclusive jurisdiction to hear and decide the following cases involving all workers, whether agricultural or non-agricultural:

1. Unfair labor practice cases;
 2. Those that involve wages, hours of work and other terms and conditions of employment;
 3. All money claims of workers, including those based on non-payment or underpayment of wages, overtime compensation, separation pay and other benefits provided by law or appropriate agreement, except claims for employees compensation, social security, medicare and maternity benefits;
 4. Cases involving household services; and
 5. All other claims arising from employer-employee relations, unless expressly excluded by this Code.
- (b) The Commission shall have exclusive appellate jurisdiction over all cases decided by Labor Arbiters."
(265, PD 442; 266, PD 570-A; 215, PD 626; 216, PD 850; 217, PD 1367; PD 1691; BP 130)."

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