

**GABRIEL ABAD, PIO AGANON, MARIO ALARCIO, JOSE AQUINO,
CESAR ATANACIO, LEONARDO AURELIO, SOTERO BERNARDO,
AURELIO CABRAL, JESUS CARREON, ABELARDO CARILLO, ET AL.,
PETITIONERS, VS...**

G.R. No. 65505. October 12, 1987

Ponente: PARAS, J.

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PARAS, J.:

THE INSTANT PETITION FOR CERTIORARI ORIGINATED FROM A COMPLAINT BY THE PETITIONERS FILED ON AUGUST 18, 1978 AGAINST RESPONDENT PHILIPPINE AMERICAN GENERAL INSURANCE COMPANY, INC. (PHILAMGEN, FOR BREVITY) FOR THE ENFORCEMENT OF CONTRACT AND RECOVERY OF LOSS OF MONEY BASICALLY PRAYING FOR, AMONG OTHER THINGS, PAYMENT OF THE MONEY VALUE OF THE RESPECTIVE ACCUMULATED SICK LEAVE WITH PAY OF THE SEPARATED EMPLOYEES OF RESPONDENT COMPANY EITHER THRU RETIREMENT, RETRENCHMENT OR RESIGNATION. INSTEAD OF FILING AN ANSWER THERETO, PHILAMGEN MOVED TO DISMISS THE COMPLAINT, WHICH THE TRIAL COURT GRANTED IN ITS ORDER[1] DATED FEBRUARY 16, 1979. AFTER A DENIAL OF THEIR MOTION TO RECONSIDER THE AFORESAID ORDER BY THE TRIAL COURT ON MAY 2, 1979, PETITIONERS FILED BEFORE US A PETITION FOR CERTIORARI, DOCKETED AS G.R. No. 50563. A DECISION[2] WAS RENDERED BY THIS COURT PROMULGATED ON OCTOBER 30, 1981, THE DECRE TAL PORTION OF WHICH READS:

"WHEREFORE, THE ORDERS OF THE RESPONDENT COURT, DATED FEBRUARY 16, 1979 AND MAY 2, 1979, ARE HEREBY SET ASIDE, THE DISMISSED COMPLAINT IS REINSTATED; AND SAID COURT IS DIRECTED TO CONDUCT FURTHER PROCEEDINGS FOR THE DISPOSITION OF CIVIL CASE NO. 117708. NO COSTS.

"SO ORDERED."

THE CASE WAS REMANDED TO THE TRIAL COURT FOR FURTHER PROCEEDINGS. UNFORTUNATELY FIRE DESTROYED THE SALA WHEREIN THE ENTIRE RECORDS OF CIVIL CASE NO. 117708 WERE KEPT. HOWEVER, THE RECORDS OF THE CASE WERE RECONSTITUTED ON JANUARY 21, 1982 AND THE CASE WAS RENUMBERED AS CIVIL CASE NO. 82-1324. THEREAFTER, RESPONDENT PHILAMGEN FILED ITS ANSWER TO THE COMPLAINT. ON JANUARY, 1983, JUDICIAL REORGANIZATION TOOK PLACE BY THE PASSAGE OF EXECUTIVE ORDER NO. 864 AND THE CASE AT BAR WAS RE-RAFFLED TO RESPONDENT REGIONAL TRIAL COURT OF MANILA, WHICH WAS PRESIDED OVER BY JUDGE DAVID G. NITAFAN. RESPONDENT COURT MOTU PROPRIO DISMISSED THE COMPLAINT IN CIVIL CASE NO. 82-1324 DECLARING THAT IT LACKED JURISDICTION OVER THE SUBJECT MATTER, BEING MONEY CLAIMS ARISING FROM EMPLOYER-EMPLOYEE RELATIONS. MOTION FOR RECONSIDERATION FILED BY PETITIONERS WAS DENIED BY RESPONDENT JUDGE. HENCE, THIS PETITION FOR CERTIORARI WITH THE

FOLLOWING:

"ASSIGNMENTS OF ERROR

"FIRST ASSIGNMENT OF ERROR

"RESPONDENT COURT ERRED IN REVERSING MOTU PROPRIO THIS HONORABLE SUPREME COURT'S DECISION IN G.R. NO. L-50563 BY DISMISSING ONCE AGAIN PETITIONERS' ACTION ON THE ERRONEOUS GROUND OF LACK OF JURISDICTION.

"SECOND ASSIGNMENT OF ERROR

"RESPONDENT COURT ERRED IN HOLDING ITSELF A TOTALLY DIFFERENT COURT FROM THE COURT OF FIRST INSTANCE WHOSE CASES WERE MERELY TAKEN OVER BY RESPONDENT COURT." (P. 25, ROLLO)

BY WAY OF REFERENCE THE ENTIRE RECORD AND DECISION OF THIS COURT IN G.R. NO. L-50563 (108 SCRA 717) WERE INCORPORATED BY PETITIONERS IN THEIR PETITION.

THE PERTINENT PORTION OF THE ASSAILED DECISION OF THE LOWER COURT READS AS FOLLOWS:

"EVEN BEFORE RECEIVING THE VIEWS OF THE PARTIES, HOWEVER, THIS COURT HAS DECIDED TO PROCEED WITH AND RESOLVE THE ISSUE OF JURISDICTION MOTU PROPRIO, FOR THE SAME IS SO BASIC AS TO AFFECT THE VALIDITY AND PROPRIETY OF ANY AND ALL PROCEEDINGS IN THIS CASE.

"1. IT IS THE PERCEPTION OF THIS COURT THAT THE JURISDICTIONAL ISSUE DECIDED AND SETTLED IN G.R. NO. 50563 CANNOT BE CONSIDERED AS THE LAW OF THE CASE INsofar AS THIS PROCEEDING NOW PENDS BEFORE THIS COURT. WHAT WAS THERE PUT TO REST WAS THE JURISDICTION OF THE COURT OF FIRST INSTANCE OF MANILA.

"SECTION 1 OF EXECUTIVE ORDER NO. 864 PROVIDES THAT THE COURTS OF FIRST INSTANCE SHALL BE DEEMED AUTOMATICALLY ABOLISHED UPON THE CONSTITUTION AND ORGANIZATION OF THE COURTS PROVIDED IN BATAS PAMBANSA BLG. 129 AS OF 12:00 O'CLOCK MIDNIGHT OF JANUARY 17, 1983, WHICH RE-ECHOES A SENTENCE IN SECTION 44 OF SAID ACT.

"WITH THE ABOLITION OF THE COURT OF FIRST INSTANCE - WHICH WAS HELD IN G.R. NO. 50563 AS HAVING JURISDICTION OVER THE CASE, THE JURISDICTION OF SAID COURT WAS ABOLISHED WITH IT. THIS IS SUPPORTED BY THE REPEAL OF REP. ACT. NO. 296 (DEFINING THE JURISDICTION OF, AMONG OTHERS, THE COURTS OF FIRST INSTANCE) BY SECTION 47 OF B.P. BLG. 129, AND WHICH LAW (B.P. BLG. 129) IN TURN DEFINES THE JURISDICTION OF THE REGIONAL TRIAL COURTS IN ITS SECTIONS 19, 20, 21 AND 22.

"2. THE POSTULATE THAT ONCE JURISDICTION IS ACQUIRED BY A COURT, THE SAME LASTS UNTIL THE TERMINATION OF THE CASE, NOTWITHSTANDING CHANGES IN THE LAW ON JURISDICTION, DOES NOT APPLY TO THIS CASE BECAUSE IT WAS THE COURT ITSELF WHICH ACQUIRED INITIAL JURISDICTION THAT WAS ABOLISHED SO THAT THERE IS NO MORE COURT TO CONTINUE EXERCISING SUCH INITIALLY ACQUIRED JURISDICTION.

"3. JURISDICTION OF THIS COURT (THE REORGANIZED REGIONAL TRIAL COURT) MUST BE TESTED BY THE LAWS IN FORCE AT THE TIME THE REORGANIZATION TOOK PLACE, AND

WHEN THIS CASE WAS RE-RAFFLED, NOT AT THE TIME OF THE COMMENCEMENT OF THE ACTION BECAUSE THE COURTS THEN EXISTING WERE ALL ABOLISHED UPON THE REORGANIZATION.

"WHAT WERE THE RELEVANT LAWS ON JURISDICTION IN FORCE AT THE TIME OF DECLARATION OF JUDICIAL REORGANIZATION?

"OF COURSE, INsofar AS THE REORGANIZED COURTS VESTED WITH GENERAL JURISDICTION, BATAS PAMBANSA BLG. 129 WAS AND STILL IS THE CONTROLLING LAW. WHEN IT COMES TO LABOR-RELATED ACTIONS, HOWEVER, SUCH AS THE ONE AT BAR, INITIAL JURISDICTION IS VESTED ON 'ADMINISTRATIVE MACHINER(IES)' PROVIDED 'FOR THE EXPEIDITIOUS SETTLEMENT OF LABOR OR INDUSTRIAL DISPUTES' (SEE ART. 211, P.D. 442), WHICH ARE THE NATIONAL LABOR RELATIONS COMMISSIONS AND THE LABOR ARBITERS, THE JURISDICTION OF THE LATTER OF WHICH ARE DEFINED AS FOLLOWS:

'ART. 217. JURISDICTION OF LABOR ARBITERS AND THE COMMISSION. - (A) THE LABOR ARBITERS SHALL HAVE THE ORIGINAL AND EXCLUSIVE JURISDICTION TO HEAR AND DECIDE WITHIN THIRTY (30) WORKING DAYS AFTER SUBMISSION OF THE CASE BY THE PARTIES FOR DECISION, THE FOLLOWING CASES INVOLVING ALL WORKERS, WHETHER AGRICULTURAL OR NON-AGRICULTURAL:

'1. UNFAIR LABOR PRACTICE CASES;

'2. THOSE THAT WORKERS MAY FILE INVOLVING 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. CASES ARISING FROM ANY VIOLATION OF ARTICLE 265 OF THIS CODE, INCLUDING QUESTIONS INVOLVING THE LEGALITY OF STRIKES AND LOCK-OUTS.'

(THIS ARTICLE OF THE LABOR CODE WAS ORIGINALLY ARTICLE 216 OF PD 442, BUT SUBSEQUENTLY RENUMBERED TO ART. 217, AMENDED BY PD 1367 WHICH TOOK EFFECT 1 MAY 1978, FURTHER AMENDED BY PD 1691 WHICH TOOK EFFECT 1 MAY 1980, THEN FURTHER AMENDED BY BP BLG. 130 WHICH TOOK EFFECT ON 21 AUGUST 1981 AND FINALLY AMENDED BY BP BLG. 227 WHICH TOOK EFFECT ON 1 JUNE 1982; UNDERSCORING SUPPLIED.)

AS LAST AMENDED BY BP BLG. 130 AND 227, THE ABOVE PROVISION WAS IN FORCE ON 17 JANUARY 1983 WHEN THE JUDICIAL REORGANIZATION TOOK PLACE.

"NOTE, THAT BP BLG. 130 WAS CONSIDERED BY THE BATASAN PAMBANSA IN THE SAME SESSION WHEN IT ENACTED BP BLG. 129, THE JUDICIAL REORGANIZATION ACT, SO THAT THERE COULD HAVE BEEN NO DOUBT IN THE LEGISLATIVE MIND AT THE TIME THAT JURISDICTION OVER LABOR-RELATED CLAIMS WAS BEING INITIALLY VESTED, NOT TO THE COURTS BUT TO ADMINISTRATIVE MACHINERIES. BESIDES THE UNDERScoreD PORTIONS OF THE ABOVE-QUOTE D PROVISIONS OF THE LABOR CODE ARE CLEAR AND COMPREHENSIVE ENOUGH TO INCLUDE THE CLAIMS EMBODIED IN THE COMPLAINT IN THIS

ACTION, AND WHAT IS MOST IMPORTANT IS THAT THE ADMINISTRATIVE JURISDICTION VESTED BY THE LAW UPON THE LABOR ARBITERS IS 'ORIGINAL AND EXCLUSIVE'.

"THAT IT WAS THE EVIDENT INTENTION OF THE LEGISLATURE TO DIVEST THE COURTS OF GENERAL JURISDICTION INITIAL JURISDICTION OVER CASES SUCH AS THAT INVOLVED IN THIS ACTION IS FURTHER CORROBORATED BY ARTS. 292, 293 AND 294 OF THE LABOR CODE WHICH OUTLINE THE PROCEDURE OF 'PROSECUTING ALL MONEY CLAIMS ACCRUING' BOTH DURING OR PRIOR TO THE EFFECTIVITY OF THE CODE.

"MORE PARTICULARLY, THE SECOND PARAGRAPH OF ART. 293 OF THE LABOR CODE PROVIDES -

'PENDING THE FINAL DETERMINATION OF THE MERIT OF MONEY CLAIM FILED WITH THE APPROPRIATE ENTITY, NO CIVIL ACTION ARISING FROM THE SAME CAUSE OF ACTION SHALL BE FILED WITH ANY COURT. X X'

"WE ARE NOT UNMINDFUL OF THE FACT THAT G.R. NO. 50563 WAS DECIDED BY THE HIGHEST COURT ON THE BASIS OF THE PROVISIONS OF ARTICLE 217 OF THE LABOR CODE, AS AMENDED BY PD 1367, WHICH TOOK EFFECT ON 1 MAY 1978, BUT AS HERETOFORE INDICATED, SUBSEQUENT AMENDMENTS OF THE SAME PROVISION TOOK PLACE. IN SAID DECISION IN G.R. NO. 50563, MENTION WAS MADE OF THE AMENDMENT BROUGHT ABOUT BY PD 1367 HAVING BEEN GIVEN RETROACTIVE APPLICATION. FOLLOWING THIS RULE OF RETROSPECTIVE APPLICATION, WE CAN NOT SEE ANY REASON WHY THE SUBSEQUENT AMENDMENT TO ARTICLE 217 OF THE LABOR CODE, BROUGHT ABOUT BY PD 1691 (1 MAY 1980), BP BLG. 130 (21 AUGUST 1981) AND BP BLG. 227 (1 JUNE 1982) MAY NOT ALSO BE APPLIED TO THIS ACTION WHICH WAS FILED ON 28 AUGUST 1978.

"NEITHER IS THIS COURT UNAWARE OF THE 10 FEBRUARY 1983 RESOLUTION OF THE HON. SUPREME COURT PROVIDING FOR ADMINISTRATIVE GUIDELINES IN THE DISTRIBUTION OF CASES RELATIVE TO THE IMPLEMENTATION OF BP BLG. 129, BUT SAID ADMINISTRATIVE REGULATION CANNOT BE INTERPRETED TO HAVE THE EFFECT OF MODIFYING OR ABROGATING SUBSTANTIVE PROVISIONS OF LAWS ON JURISDICTION BECAUSE BY EXPRESS MANDATE OF THE CONSTITUTION, THE RULE MAKING POWER OF THE SUPREME COURT IS LIMITED TO PROCEDURAL RULES MERELY, WHICH MAY NOT DIMINISH, INCREASE OR MODIFY SUBSTANTIVE LAWS. (SEC. 5[5], ART. X, CONSTITUTION).

"THIS COURT IS NOT ALSO UNAWARE OF THAT PORTION OF SECTION 44 OF BP BLG. 129 PROVIDING THAT CASES PENDING IN THE ABOLISHED COURTS SHALL BE TRANSFERRED TO THE APPROPRIATE COURTS CREATED IN THE ACT, BUT IT IS EVIDENT THAT THE PHRASE 'APPROPRIATE COURTS' MUST HAVE REFERENCE TO THOSE COURTS WHOSE JURISDICTION ARE CLEARLY DEFINED IN OTHER PARTS OF THE LAW, OTHERWISE A MERE TRANSITORY PROVISION WILL SERVE TO NEGATE THE PRIMARY AND AVOWED PURPOSE OF THE JUDICIARY REORGANIZATION ACT. BUT BE THAT AS IT MAY, THIS PROVISION HAS HARDLY ANY APPLICATION HERE BECAUSE THIS CASE IS BEING REFERRED TO AN ADMINISTRATIVE MACHINERY WHICH HAS BETTER FACILITIES OF ADJUDICATING THE CLAIM. (MOLE IS FURNISHED WITH COPIES OF CBA'S) MORE EXPEDITIOUSLY AS THEY ARE NOT HAMSTRUNG BY THE STRICT RULES OF PROCEDURE AND EVIDENCE.

"IN ANY EVENT, EVEN IF LIMITATIONS OF ACTIONS ARE ALSO PROVIDED IN THE LABOR CODE (ART. 292 THEREOF), THE PENDENCY OF THIS ACTION BEFORE THE THEN COURT OF FIRST INSTANCE OF MANILA MAY BE DEEMED TO HAVE SUSPENDED THE PERIOD OF LIMITATION IF ONLY TO GIVE MEANING TO THE SOCIAL JUSTICE SPIRIT AND ORIENTATION

OF THE LABOR CODE." (PP. 40-44, ROLLO).

BASED ON SUCH FINDINGS, THE RESPONDENT COURT ISSUED THE FOLLOWING DISPOSITIVE PORTIONS:

"WHEREFORE, WITHOUT PREJUDICE TO PLAINTIFF'S PURSUING THEIR CLAIMS BEFORE THE APPROPRIATE ADMINISTRATIVE MACHINERIES IN THE MINISTRY OF LABOR EMPLOYMENT, THE COMPLAINT IN THIS CASE IS DISMISSED. NO COSTS.

"SO ORDERED." (P. 45, ROLLO, UNDERSCORING FOR EMPHASIS).

PETITIONERS' ALLEGATIONS DO NOT DESERVE MERIT. ONE OF THE IMPORTANT FEATURES IN THE JUDICIARY REORGANIZATION EFFECTED THROUGH B.P. BLG. 129 IS THE ADDITION OF PARAGRAPH (6), SEC. 19, IN DEFINING THE JURISDICTION OF REGIONAL TRIAL COURTS (WHICH TOOK THE PLACE OF THE ABOLISHED COURTS OF FIRST INSTANCE), READING AS FOLLOWS:

"IN ALL CASES NOT WITHIN THE EXCLUSIVE JURISDICTION OF ANY COURT, TRIBUNAL, PERSON OR BODY EXERCISING JUDICIAL OR QUASI-JUDICIAL FUNCTIONS." (UNDERSCORING FOR EMPHASIS).

A PROVISION NOT FOUND IN SEC. 44 OF THE JUDICIARY ACT OF 1948. IT WAS THE INTENTION OF THE LEGISLATIVE BODY TO UNCLOG THE COURTS OF CASES WHICH MAY BE ADJUDICATED, IN THE FIRST INSTANCE, BY OFFICIALS OR BODIES EXERCISING QUASI-JUDICIAL ADJUDICATORY POWERS LIKE THE LABOR ARBITERS OR THE NATIONAL LABOR RELATIONS COMMISSION A SPECIALIZED BODY OR BODIES ON LABOR RELATED PROVISIONS AND ARE NOT RESTRICTED BY THE TECHNICAL RULES OF PLEADING AND EVIDENCE.

THE REGIONAL TRIAL COURTS OF TODAY ARE ACTUALLY THE SAME COURTS THAT FUNCTIONED AS COURTS OF FIRST INSTANCE BEFORE THE JUDICIARY REORGANIZATION ACT (BATAS PAMBANSA BILANG 129). THERE MIGHT HAVE BEEN A CHANGE IN THE NAME AND IN SOME INCIDENTAL FEATURES, BUT ESSENTIALLY, THEY ARE THE SAME.

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 ENTITIES 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.

WHEREFORE, PREMISES CONSIDERED, THE PETITION IS HEREBY DENIED AND THE RULING OF THE RESPONDENT COURT IS HEREBY AFFIRMED. LET THE PARTIES FILE THE APPROPRIATE ACTION BEFORE THE PROPER ADMINISTRATIVE BODIES IN THE DEPARTMENT OF LABOR AND EMPLOYMENT.

SO ORDERED.

Yap, (Chairman), Melencio-Herrera, Padilla, and Sarmiento, JJ., concur.

[1] PENNED BY JUDGE BIENVENIDO C. EJERCITO OF THE THEN CFI OF MANILA, BRANCH 39.

[2] 108 SCRA 717. PENNED BY JUSTICE VICENTE ABAD SANTOS WITH THE CONCURRING VOTES OF JUSTICES ANTONIO P. BARREDO, RAMON C. AQUINO, HERMOGENES CONCEPCION, JR. & PACIFICO P. DE CASTRO.

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