

FILIPINO PIPE WORKERS UNION

G.R. No. 75851. July 29, 1988

Ponente: FERNAN, C.J.

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FERNAN, C.J.:

Sometime in 1981, a labor dispute between the Filipino Pipe and Foundry Corporation [COMPANY] and the Filipino Pipe Workers Union [Union] resulting from a deadlock in collective bargaining negotiations over vacation and sick leaves, wage increase and retire-ment gratuity, was certified for compulsory arbitration before the Manila arbitration branch of the then Ministry of Labor and Employment.[1]

On March 19, 1981, Labor Arbiter Cornelio Linsangan rendered his decision, later amended on May 20, 1981, "ordering the parties to conclude a col-lective bargaining agreement containing provisions they have previously agreed upon x x x as well as provisions granting to individual complainants com-mutable vacation and sick leave benefits of ten [10] days each and one peso [P1.00] across-the-board annual increase." [2]

The Company appealed the Labor Arbiter's deci-sion to the National Labor Relations Commission [NLRC] but its appeal was dismissed on March 11, 1982 for having been filed out of time. The Company then came to this Court on a special civil action for certiorari with prayer for a restraining order docketed as G.R. No. 64074 but the petition was dismissed on August 8, 1983. The dismissal became final and executory on September 26, 1983.[3]

On January 11, 1984, acting on the Union's motion for computation and execution of his decision, the Labor Arbiter ordered the socio-economic analyst to compute the award due the workers. To stay the execution, the Company appealed said order to the NLRC, contending that there was nothing to compute since the decision to be enforced merely directed the parties to execute a new collective bargaining agree-ment without stating its date of effectivity.

The NLRC rejected the appeal and the Company once again came to this Court by means of another peti-tion for certiorari[4] but the same was likewise dis-missed on October 23, 1985, which dismissal became final on January 6, 1986.[5]

The Union thereafter applied for a writ of execution of the 1981 decision of the Labor Arbiter, but on March 6, 1986, the Company filed with the Regional Trial Court of Pasig, Branch 158, a peti-tion for prohibition with prayer for the issuance of a writ of preliminary injunction seeking to annul said judgment as amended and to restrain its execution by the sheriff of the Labor Ministry.[6]

The Union sought the dismissal of Civil Case No. 53236 on jurisdictional grounds but the lower court, with respondent Judge Batario Jr. presiding, upheld its authority over the subject matter of the suit and denied the Union's motion to dismiss on May 22, 1986, as well as its subsequent motion for reconsideration on August 5, 1986. The public respondent judge reasoned:

"Under Section 21 of B.P. Blg. 129 x x x, it provides that:

'Sec. 21. Original jurisdiction in other case. -

'Regional Trial Court shall exercise original jurisdiction:

'[1] In the issuance of writ of certiorari, prohibition, mandamus, quo warranto, habeas corpus, and injunction which may be enforced in any part of their respective regions.'

'Moreover, Section 19 of said law, likewise provides that, 'Regional Trial Courts shall exercise exclusive original jurisdiction: [1] in all civil actions in which the subject of the litigation is incapable of pecuniary estimation.'

"Considering that this case is for annulment of judgment, which is not capable of pecuniary estimation and not with (sic) the exclusive original jurisdiction of any court, tribunal, per-son or body exercising jurisdictional or quasi-jurisdictional function, this Court can take cognizance of the case."[7]

Hence, the above-entitled petition by the Union for certiorari under G. R. No. 75851. On February 16, 1987, we gave due course to the petition and required the parties to submit their respective memoranda.

Meanwhile on April 4, 1986, the Labor Arbiter granted the earlier motion for execution by the Union and issued the corresponding writ of execution dated April 7, 1986. The Company appealed to the NLRC, refuting the basis of such order and writ.

On May 22, 1986, respondent Judge Batario issued a writ of preliminary injunction restraining the MOLE sheriff from implementing the April 7, 1986 writ of execution.

For its part, the NLRC, on April 28, 1987, gave due course to the Company's appeal and set aside the aforesaid order and writ of execution but directed the Chief of the Research and Information Division "to proceed to the principal office and factory of respondent company at Barrio Hulo, Mandaluyong, Metro Manila, in the presence of complainant's counsel or his duly authorized representative, to examine its payrolls, vouchers, books of account and other pertinent records for the purpose of computing the final award, without prejudice to the inclusion of the recent increase of P3.00 a day for each worker."[8]

Protesting against such resolution, the Company filed before the NLRC a petition to hold in abeyance further action on the said resolution on the ground of the pendency of Civil Case No. 53236 before the Pasig Regional Trial Court involving the same cause of action.

On July 17, 1987, the NLRC dismissed the Company's petition and directed anew the immediate implementation of its April 28, 1987 resolution.[9] Hence the other instant petition for certiorari, herein docketed as G.R. No. 79417, instituted by the Company to assail the NLRC for having allegedly acted with grave abuse of discretion or in excess of its jurisdiction in denying the Company's petition for deferment of the April 28, 1987 resolution.

In the resolution of August 26, 1987, G.R. Nos. 75851 and 79417 were ordered consolidated as they both stemmed from the monetary benefits decreed by Labor Arbiter Linsangan in favor of the Union.

We shall first discuss G.R. No. 75851.

Respondent Judge Batario asserts jurisdiction over Civil Case No. 53236 on the premise that said case is an ordinary action for annulment of judgment. In arriving at this conclusion, he obviously relied upon the following allegations in the complaint:

"[3] x x x on March 19, 1981, said Arbiter rendered a decision with absolutely no basis in fact and in law, because he rendered a decision DEVOID of evidence and VIOLATIVE of due processes of law, basing said decision simply and ONLY on FEELINGS and sympathy to workers without considering the PROFITABILITY of the business of the plaintiff, its CAPACITY to pay, and the PRODUCTIVITY of its workers x x x;

"[4] That because defendant Arbiter decided the case without EVIDENTIARY basis, and therefore, violative of due process, he exceeded the power granted by Presidential Decree 1367, amending Section 1, par. (a) Article 217 of the Labor Code to hear and decide unresolved issues in Collective Bargaining including those which involve wage increases and hours of work which grant of power in (sic) predicated on the premise that he should do so in the framework of his quasi-judicial functions;

"[5] That by exceeding his jurisdiction and exercising a power not delegated to him by law, he had arrogated unto himself the power EXCLUSIVELY belonging to the President under the Constitution and Presidential Decree No. 1790 reserving to the President the power to increase wages to afford the workers immediate relief from the impact of spiralling prices in consumer goods and services, x x x;

"[6] That for lack of and/or in excess of jurisdiction and want of constitutional and statutory power to determine and fix wages and benefits for laborers based on MERE sympathy and on URGENT ECONOMIC NECESSITY, his judgment is VOID ab initio and has no existence in reality and in law x x x;

x x x x

"[9] That defendant, National Labor Relations Commission, affirmed the said VOID judgment in its decision, dated November 5, 1984 x x x".[10]

as well as its prayer portion, thus:

"WHEREFORE, in view of the foregoing, it is most respectfully prayed that judgment be rendered:

[1] declaring that the decision of the Arbiter dated March 19, 1981 and its amendatory order, dated May 20, 1981 as NULL and VOID, and PROHIBITING and RESTRAINING defendants, National labor Union-TUCP, Filipino Pipe Workers Union, NATIONAL LABOR RELATIONS, Hon. Arbiter Cornelio Linsangan and the sheriff of MOLE and his deputies from enforcing, executing and carrying into effect the void judgment; x x x."[11]

A careful examination of these allegations, however, shows that they fail to make out a case for annulment of judgment. It is not pretended that the Labor Arbiter did not have jurisdiction over the parties or subject matter of the controversy or that fraud extrinsic to the proceedings before the labor Tribunal had vitiated the decision sought to be annulled. Rather, the import of these allegations, particularly pars. 4, 5 and 6, is that in the course of the exercise of his jurisdiction and authority over the controversy, the labor arbiter exceeded such jurisdiction and authority. This circumstance does not render the judgment void, but merely erroneous, the correction of which properly lies within the office of an appeal to the NLRC and eventually by certiorari proceedings to the Supreme Court. Even the bare allegation in par. 3 that the decision rendered by the labor arbiter is "with absolutely no basis in fact and in law... etc.," aside from being a mere conclusion of law, calls for an examination of the sufficiency of the evidence upon which the decision was based. This function again pertains to an appeal to the NLRC,[12] and thereafter, to a certiorari proceedings before the Supreme Court.

In fine, while the complaint in Civil Case No. 53236 seeks the nullification of the labor arbiter's decision, the grounds relied therefor are, not grounds proper for an action for annulment of judgment over which the regional trial courts would ordinarily have jurisdiction, but are based on grounds proper in an appeal. However, since appellate jurisdiction over decisions, awards and orders of the labor arbiters is exclusively vested in the NLRC by Article 217 [b] of the Labor Code, as amended, the cognizance by respondent Judge Batario of Civil Case No. 53236 is clearly untenable.

It must be stressed in this connection that the Company had the opportunity to have the Labor Arbiter's decision reviewed by the NLRC. Such opportunity was however lost due to the Company's own fault consisting in the tardy appeal to the NLRC. It cannot now attempt to regain a remedy lost through its own negligence under the

guise of an action for annulment of judgment. The writ applied for by the Union should therefore be, as it is hereby, granted. All proceedings taken in Civil Case No. 53236 are declared a nullity for lack of jurisdiction on the part of the court a quo.

With a long line of decisions dealing with the exclusive jurisdiction of the labor arbiters, the remedies available to a party adversely affected by a decision, award or order of the Labor Arbiter and the rationale behind this procedure, not to mention the abundant jurisprudence on Article 254 of the Labor Code prohibiting courts or other entities from issuing injunctions or restraining orders in any case involving or growing out of labor disputes, We would expect respondent judge, and all judges of the lower courts for that matter, to be more cautious and circumspect in entertaining actions involving decisions, awards or orders of the Labor Arbiters as well as the NLRC. And particularly so in this case where the caption "Prohibition with Preliminary Injunction" given by the Company to its complaint in Civil Case No. 53236 was sufficient to put respondent judge on guard.

Notwithstanding, We do not entirely blame respondent judge for this jurisdictional faux pas, for the clever ruse employed by the Company in misleading him into taking cognizance of Civil Case No. 53236 had not escaped our attention. We refer specifically to the obvious deliberate omission by the Company from the complaint in Civil Case No. 53236 of any reference to the certiorari proceedings taken by it before this Court in G.R. No. 64074. Such omission is apparently designed to misrepresent to respondent judge the proceedings had in the arbitration case and to persuade him into a blind acceptance of the Company's characterization of its action as one for annulment of judgment. We express our displeasure over this last ditch attempt of the Company to thwart the enforcement of the decision of the labor arbiter which had become final and executory as early as September 26, 1983.

Accordingly, the writ of certiorari prayed for by the Union in G.R. No. 75851 is granted.

In view of the foregoing, there is no further need to discuss the merits of the related petition in G.R. No. 79417 except for one point. This refers to the recent wage increase of P3.00 which the assailed NLRC resolution of April 28, 1987 ordered included in the computation of the ultimate award due the Union. The Company contested such inclusion, arguing that this was a new matter which was never touched upon in the decision of the Labor Arbiter.

In his Comment on the petition, the Solicitor General stated that the said P3.00 a day increase was made pursuant to Wage Orders Nos. 2 and 3, which took effect after the finality of the Labor Arbiter's decision but pending its execution. A common section found in both Wage Orders Nos. 2 and 3, as well as in the subsequent Wage Orders Nos. 5 and 6 uniformly provides that all increases and/or allowances granted by employers within a specified period "shall be credited as compliance with the minimum wage and allowance adjustments prescribed herein, provided that where the increases are less than the applicable amount provided in this Order, the employer shall pay the difference. Such increases shall not include anniversary wage increases provided in collective bargaining agreements unless the agreement expressly provide otherwise."^[13]

We interpret the above section to mean that every grant of daily increase in statutory minimum wage rates and living allowance must be considered as independent, separate or apart from the wage increases in the collective bargaining agreement and must be integrated into the salary scale of the employees to the end that the desired rates decreed by the National Wages Council are attained.

While distressed firms may be granted exemptions or deferments from compliance with the various wage orders, there is nothing in the records to indicate that petitioner Company had sought exemption from Wage Orders Nos. 2 and 3. What the records show, is that the Company was extended an exemption from Wage Order No. 5 for one year from June 16, 1985, and from Wage Order No. 6 also for one year from November 1, 1985.^[14]

When the NLRC resolution under review was issued on April 28, 1987, the exemption from compliance with Wage Orders Nos. 5 and 6 in favor of the Company was no longer in effect. That being the case, the only proper recourse was to integrate the statutory wage increases into the wage scheme of the workers for full compliance with the law. We find that the NLRC committed no grave abuse of discretion when it ordered the inclusion of the P3.00 daily increase for each worker in the final award.

In conclusion, we cannot help but notice that this is the third and fourth time that the labor dispute between the Company and the Union has reached this Court. This is lamentable for as earlier observed, while the Labor Arbiter's decision awarding wage increases and additional benefits to the workers became final way back in 1983, the same has remained unenforced up to this day. To complicate matters, the Regional Trial Court of Pasig has been dragged into the picture despite its patent lack of jurisdiction. With the final disposition of the instant petitions, there should be no further obstacle to the often-frustrated and much-delayed grant of benefits.

WHEREFORE, the petition for the corrective writ of certiorari in G.R. No. 75851 is granted. Civil Case No. 53236 of the Regional Trial Court of Pasig, Branch 158 is ordered dismissed for lack of jurisdiction on the part of the court a quo. Re-sultantly, the petition in G.R. No. 79417 is dismissed for lack of merit and for being moot. The National Labor Relations Commission is directed to proceed with the computation of the final award as decreed in the 1981 decision of the Labor Arbiter and without prejudice to the inclusion, if warranted, of whatever statutory wage increases granted in favor of the workers in the private sector. Double costs against respondent COMPANY.

This decision is immediately executory.

SO ORDERED.

Gutierrez, Jr., Feliciano, Bidin, and Cortes, JJ., concur.

[1] Case No. AB-7933-80 (NCR-CA-8-674-80)

[2] Rollo of G.R. No. 75851, pp. 23-27

[3] Rollo of G.R. No. 75851, p. 39

[4] G.R. No. 70480

[5] Rollo of G.R. No. 75851, p. 40

[6] Civil Case No. 53236

[7] Rollo of G.R. No. 75851, pp. 37-38

[8] Rollo of G.R. No. 79417, p. 18

[9] Rollo of G.R. No. 79417, p. 9

[10] Rollo of G.R. No. 75851, pp. 18-19

[11] Ibid, p. 20

[12] Arts. 217[b] and 223 of the Labor Code as amended

[13] Wage Orders Nos. 2, 3, 5 and 6, Sections 4, 3, 7 and 4 respectively. Underscoring supplied.

[14] Rollo of G.R. No. 75851, pp. 148-149

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