

**BRIAD AGRO DEVELOPMENT CORPORATION, PETITIONER, VS.
HONORABLE DIONISIO DELA SERNA, IN HIS CAPACITY AS
UNDERSECRETARY OF THE DEPARTMENT OF LABOR AND
EMPLOYMENT, TRADE UNIONS OF T...**

G.R. No. 82505. November 09, 1989

Ponente: SARMIENTO, J.

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SARMIENTO, J.:

This refers to the motion for reconsideration filed in G. R. No. 82805. This Court reconsiders its Decision, promulgated on June 29, 1989, dismissing the petition therein.

The pertinent portion of the said Decision, insofar as material to the motion to reconsider, is as follows:

The court rules that, in view of the promulgation of Executive Order No. 111, Zambales Base Metals v. Minister of Labor is no longer good law. Executive Order No. 111 is in the character of a curative law, that is to say, it was intended to remedy a defect that, in the opinion of the legislature (the incumbent Chief Executive in this case, in the exercise of her lawmaking powers under the Freedom Constitution) had attached to the provision subject of the amendment. This is clear from the proviso: "The provisions of Article 217 of his Code to the contrary notwithstanding . . . "Plainly, the amendment was meant to make both the Secretary of Labor (or the various Regional Directors) and the Labor Arbiters share jurisdiction.

Curative statutes have long been considered valid in the jurisdiction. Their purpose is to give validity to acts done that would have been invalid under existing laws, as if existing laws have been complied with. They are, however, subject to exceptions. For one, they must not be against the Constitutional and for another, they cannot impair vested rights or the obligation of contracts. It has not been shown in this case that these exceptions apply.

That Executive Order No. 111 intended to make the jurisdiction to pass upon money claims, among the other cases mentioned by Article 217 of the Labor Code, concurrent between the Secretary of Labor (Regional Directors) and the Labor Arbiters in clear from its perambulatory clauses, to wit:

WHEREAS, the welfare of the workers in a primary concern of the government.

WHEREAS, it is necessary to amend or repeal provisions of laws that repress the rights of workers and of their trade unions.

Executive Order No. 111, it is obvious, was enacted to widen worker's access to the Government for redress of grievances.

The language of the provision is indeed broad enough to encompass cases over which Labor Arbiters had hitherto exercised exclusive jurisdiction, We quote, in part:

. . . the Minister of Labor and Employment or his duly authorized representatives shall have the power to order and administer, after due notice and hearing, compliance with the labor standards provisions of this Code and

other labor legislation. .

We can no longer accept the connection that the Regional Director's singular concern, under the said provision, is to ensure compliance with labor standards, such as industrial safety and similar concerns. In *Zambales Base Metals*, It was our reading of Section 128(b) of the Code that the aforesaid labor officials' authority stopped there, but we have, in view of the amendment under Executive Order No. 111, since taken a second look. As we said, the Executive Order vest in Regional Directors jurisdiction, "[t]he provisions of Article 217 of this Code to the contrary notwithstanding"; it would have rendered such a provisio — and the amendment itself — unless to say that they (Regional Directors) retained the self0same restricted powers, despite such an amendment. It is fundamental that a statue is to be read in a manner that would breathe life into it, rather than defeat it. At any rate, and as we have observed, the language of Executive Order No. 111 is comprehensive enough to extend to the resolution of employer-employee controversies covered by Article 217.

The Court finds that reconsideration is proper in view of the enactment of Republic Act No. 6715, approved on March 2, 1989. Under Section 9 of the statute:

Sec. 9. Article 217 of the same Code, as emended, is hereby further amended to read as follows:

"ART. 217. Jurisdiction of Labor Arbiters and the Commission. — (a) Except as otherwise provided under this code, the Labor Arbiters shall have original and exclusive jurisdiction to hear and decide, within thirty (30) calendar days after the submission of the case by the parties for decision without extension, even in the absence of stenographic notes, the following cases involving all workers, whether agricultural or non-agricultural:

"(1) Unfair labor practice cases;

"(2) Termination disputes;

"(3) If accompanied with a claim of reinstatement, those cases that workers may file involving wages, rates of pay, hours of work and other terms and conditions of employment;

"(4) Claims of actual, moral, exemplary and other forms of damages arising from the the employer-employee relation;

"(5) Cases arising from any violation of Article 264 of this Code, including questions involving the legality of strikes and lockouts; and

"(6) Except claims for employees compensation, social security, medicare and maternity benefits, all other claims arising from employer-employee relations, including those persons in domestic or household service, involving an amount exceeding five thousand pesos (P5,000.00), whether or not accompanied with a claim for reinstatement.

(b) The Commission shall have exclusive appellate jurisdiction over all cases decided by Labor Arbiters.

(c) Cases arising from the interpretation or implementation of collective bargaining agreements and those from the interpretation or enforcement of company personnel policies shall be disposed by the Labor Arbiter by referring the same to the grievance machinery and voluntary arbitration as may be provided in said agreements."

Republic Act No. 6715, like its predecessors, Executive Order No. 111 and Article 217, as amended, has retroactive application. Thus, when this new law divestment affected pending litigations.[1] It also affected this particular case. (Note that under par. 6, where the claim does not exceed P5,000.00, regional directors have jurisdiction.

In *Garcia v. Martinez*,^[2] we categorically held that amendments relative to the jurisdiction of labor arbiters (under Presidential Decree No. 1367, divesting the labor arbiter of jurisdiction) partake of the nature of curative statutes, thus:

It now appears that at the time this case was decided the lower court had jurisdiction over Velasco's complaint although at the time it was filed said court was not clothed with such jurisdiction. The lack of jurisdiction was cured by the issuance of the amendatory decree which is in the nature of a curative statute with retrospective application to a pending proceeding, like Civil Case No. 7657 (See 89 C.J.S. 1004).^[3]

Garcia has since been uniformly applied in subsequent cases. Thus, in *Calderon v. Court of Appeals*,^[4] reiterated that "P.D. No. 1367 [is] curative and retrospective in nature."^[5]

The Decision of this case, finally, acknowledged the retrospective characteristics of Executive Order No. 111.

The Court hastens to state that it is not reversing itself, but merely applying the new law.

WHEREFORE, the Decision, dated June 29, 1989 (G.R. No. 82805) is RECONSIDERED and SET ASIDE. The case is REFERRED, if the respondents are so minded, to the Labor Arbiter for proper proceedings.

SO ORDERED.

Gutierrez, Jr., Cruz, Paras, Gancayco, Padilla, Bidin, Cortes, Griño-Aquino, Medialdea, and Regalado, JJ., concur.

Fernan, C.J. and Feliciano, J., join in the separate opinion of Justice Narvasa.

Narvasa, J., see separate opinion.

Melencio-Herrera, J., on leave.

[*] Actual title of the petition. Per the Court's resolution dated November 15, 1988, the Court required the petitioner (in G. R. No. 82805) to submit the names of the respondents. As of the time of promulgation hereof, the petitioners have not complied. But since the petition raises pure principles of law, the Court is promulgating judgment herein without the names of respondents required. The Court reserves the right, however, to impose proper disciplinary measures against the petitioner of failing without justifiable reason to comply with its directives.

[1] *Garcia v. Martinez*, No. L-67629, May 29, 1979, 90 SCRA 331, per Aquino, J. In this case, Presidential Decree No. 1367 was given retroactive effect in relation to the jurisdiction of labor arbiters.

[2] *Supra*.

[3] *Supra*, 333.

[4] No. 52235, October 28, 1980, 100 SCRA 459.

[5] *Supra*, 462. See also *Pepsi-Cola Battling Company v. Martinez*, No. 5887, March 15, 1982, 112 SCRA 578, in connection with Presidential Decree No. 1691, amending Presidential Decree No. 1367, restoring labor arbiters of jurisdiction; also *Ebon v. De Guzman*, No. 58265, March 25, 1982, 113 SCRA 52; also *Agusan Del Norte Electric Coop., Inc. v. Suarez*, No. 60716, October 27, 1983, 125 SCRA 436, with respect to Batas Blg. 227 retaining jurisdiction in arbiters.

CONCURRING OPINION

NARVASA, J.:

Mr. Justice Sarmiento adjudges it proper to reconsider his ponencia "in view of the enactment of Republic Act No. 6715, approved on March 2, 1989," which, "like its predecessors, Executive Order No. 111 and Article 217, as amended, has retroactive application." I agree, but wish to state that I do so for the reason that another review of the record of these two cases shows that it is not to certain that the findings of the labor regulations officers may be deemed uncontested so as to bring said cases within the competence of the Regional Director, as duly authorized representative of the Secretary of Labor, in accordance with Article 128 of the Labor Code, as amended. Hence, and in view of the fact that the aggregate claims involve millions of pesos, it would appear more appropriate that the issue of the employer's liability therefor be ventilated and determined, not in summary proceeding before the Regional Director under Article 128 of the Code, but in accordance with the more formal and comprehensive proceeding before the Labor Arbiter.

I would also emphasize that neither the Resolution granting reconsideration nor Republic Act No. 6715 should be constructed as modifying the visatorial and enforcement powers conferred on the Secretary of Labor and his representatives by Article 128 of the Labor Code, as amended. Those powers include that of directing — in cases where the relationship of employer-employee still exists, and on the basis of findings of labor regulations officers or industrial safety engineers made in the course of inspection, and after due notice and hearing — compliance by an employer with labor standards provisions, and the issuance of writs of execution to the appropriate authority for enforcement thereof. It is noteworthy that the amount of the employer's liability is not a factor in the determination of the Regional Director's jurisdiction. However, the power to order compliance with labor standards provisions may not be exercised where the employer concerned contests the findings of the labor regulation officers and raises issues which cannot be resolved without considering evidentiary matter not verifiable in the normal course of inspection.

I wish to point out, too, that R.A.671 gives the Regional Director or any of the duly authorized hearing officers of the Department or any of the duly authorized hearing officers of the Department of Labor and Employment, jurisdiction to decide through summary proceeding and after due notice, any case initiated by complaint of any interested party involving the recovery of wages and other monetary claims and benefits, including legal interest, owing to an employee or person employed in domestic or household service or househelper * * * arising from employer-employee relations; provided that such complaint does not include a claim for reinstatement, and provided further, that the aggregate money claims of each employee or househelper does not exceed P5,000.00.

In other words, as already pointed out in the first concurring opinion, the Regional Director now has exclusive original jurisdiction over a claim for recovery of wages and other monetary claims and benefits, including legal interest, if the following requisites concur, to wit:

- 1) the claim is presented by an employer or person employed in domestic or household service, or househelper under the Code;
- 2) the claimant, no longer being employed, does not seek reinstatement; and
- 3) the aggregate money claim of the employee or househelper does not exceed P5,000.00

Where these requisites do not co-exist, it is the Labor Arbiters who have exclusive original jurisdiction of all

claims arising from employer-employee relations, other than those for employees' compensation, social security, medicare and maternity benefits.

In the resolution, therefore, of any question of jurisdiction over a money claim arising from employer-employee relations, the first inquiry should be into whether the employment relation does indeed still exist between the claimant and the respondent.

If the relation no longer exists, and the claimant does not seek reinstatement, the case is cognizable by the Labor Arbiter, not by the Regional Director. On the other hand, if the employment relation still exists, or reinstatement is sought, the next inquiry should be into the amount involved.

If the amount involved does not exceed P5,000.00, the Regional Director undeniably has jurisdiction. But even if the amount of the claim exceeds P5,000.00, the claim is not on that account necessarily removed from the Regional Director's competence. In respect thereof, he may still exercise the visitorial and enforcement powers vested in him by Article 128 of the Labor Code, as amended, *supra*; that is to say, he may still direct his labor regulations officers or industrial safety engineers to inspect the employer's premises and examine his records; and if the officers should find that there have been violations of labor standards provisions, the Regional Director may, after due notice and hearing, order compliance by the employer therewith and issue a writ of execution to the appropriate authority for the enforcement thereof. However, this power may not, to repeat, be exercised by him where the employer contests the labor regulation officers' findings and raises issues which cannot be resolved without considering evidentiary matters not verifiable in the normal course of inspection. In such an event, the case will have to be referred to the corresponding Labor Arbiter for adjudication, since it falls within the latter's exclusive original jurisdiction.

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