

**SERGIO MEDADO, POLICARPIO MAGLASANG, LUISITO LAURON,
ELISEO QUINAPUNDAN, PRIMO MELENDRES, REMEGIO LAURON,
RESTITUTO LAURON, GENEROSO LAURON, IGNACIO IBALE,
RODOLFO OSWA, JOVENO ...**

G.R. No. 84664. May 07, 1990

Ponente: GRINO-AQUINO, J.

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GRINO-AQUINO, J.:

On March 5, 1987, Sheriff Leahmon V. Tolo sold on execution the following properties of the private respondents to satisfy a judgment for backwages in favor of the workers (herein petitioners) in NLRC Case No. RAB-VII-7-128:

(1) a 47,422-sqm. parcel of land in Barrio Tayud, Consolacion, Cebu, covered by OCT No. 0-13268 in the name of Vicente S. Sandoval, plus

(2) the following properties of Sandoval Shipyard, Inc.:

- a) a fabrication office;
- b) a fiberglass fabrication plant;
- c) a bodega;
- d) a water tank; and
- e) a generating set.

Alleging that the sale was irregular as it included properties not specified in the notice of auction sale, Vicente Sandoval and Sandoval Shipyard Inc. filed in the Regional Trial Court, Branch 22, in Cebu City, an action against Sheriff Tolo and the workers/judgment creditors (Medado, et al.) to annul the auction sale (Civil Case No. CEB-6141). They asked the court to issue a writ of preliminary mandatory injunction to return the possession of the shipyard properties to them.

The defendants workers, on the other hand, filed a motion to dismiss the complaint on the ground that it was merely an offshoot of a labor case in the National Labor Relations Commission (hereafter NLRC), hence, the NLRC, not the RTC, has jurisdiction. The court denied the motion to dismiss in its order date August 26, 1987.

On March 10, 1988, Sheriff Tolo asked for a hearing on his affirmative defense of lack of jurisdiction, and prayed for the dismissal of the complaint. He was directed by the court to formalize his motion to dismiss and to amplify it with a memorandum of authorities.

On the basis of the final deed of sale which Tolo executed in favor of the dismissed workers, the latter, on April 8, 1988, forcibly entered and seized the Sandoval Shipyard premises and ousted more than 170 employees and their

families. On April 11, 1988, Sandoval applied to the trial court for a writ of preliminary mandatory injunction to restore him or Sandoval Shipyard, Inc. in the possession of the shipyard premises pending determination of the legality of the sheriff's sale thereof. The sheriff's motion to dismiss and the plaintiff's petition for injunction were jointly heard by the court on May 6, 1988 (p. 27, Rollo).

On May 9, 1988, the trial court, through RTC Judge Fortunato Vailoces, dismissed the complaint for lack of jurisdiction.

Sandoval filed a petition for certiorari in this Court (G.R. No. 83182). We referred it to the Court of Appeals (CA-G.R. SP No. 14780) for proper determination and adjudication.

On August 17, 1988, the Court of Appeals reversed the trial court's order of dismissal and ordered it to "proceed with the trial of aforesaid case (Civil Case No. CEB-6141), and upon the filing of the proper bond by petitioners, a writ of preliminary mandatory injunction be issued to restore possession of the properties subject of this petition to the petitioners [Sandoval, et al.]" (p. 31, Rollo).

The Court of Appeals rationalized that in seeking to nullify the auction sale, and to have the certificate of sale declared null and void, the petitioners "are clearly asserting their title to the real property in question" and "asking for the quieting of their title" (p. 29, Rollo), hence, the complaint falls within the exclusive original jurisdiction of the Regional Trial Court as provided in Section 9, subparagraph 2, B.P. Blg. 129. It found the seizure of the shipyard complex by the respondents to be "a taking of the law into their own hands," and "a material and substantial invasion not only of the very substantial rights of the petitioners, but also of those of the 170 employees" (p. 30, Rollo). The Court of Appeals issued a mandatory injunction to "prevent further serious damage to petitioners x x x, extend much needed relief and alleviate the worsening conditions of the 170 employees who were wrongfully excluded from their work" (p. 31, Rollo).

In due time the respondents-workers appealed by certiorari to this court praying that we annul the judgment of the Court of Appeals and confirm Judge Vailoces' order.

The petition for review is meritorious. The Court of Appeals' ruling on the jurisdictional issue is erroneous. Sandoval's action to annul the execution sale was, for all intents and purposes, a motion to quash the writ of execution in NLRC Case No. RAB-VII-7-128. We ruled in *Abbott vs. NLRC*, 145 SCRA 207, that "the NLRC has the authority to look into the correctness of the execution of its decision." Pursuant to Article 244(b) of the Labor Code, we further ruled in *Pucan vs. Hon. Eduardo Bengzon*, 155 SCRA 692, that "any irregularities in the issuance of the alias writ of execution should be referred to the same administrative official or tribunal which rendered the decision being executed, for, despite the finality of the decision, the Minister (now Secretary) of Labor retains control over its execution and implementation so that resort to regular courts would be an untenable recourse." Therefore, the trial court, through Judge Vailoces, properly dismissed Sandoval's complaint in Civil Case No. CEB-6141.

Nevertheless, the Court of Appeals correctly annulled the sheriff's sale and ordered the return of the shipyard properties to Sandoval for the second alias writ of execution, which was issued by the Labor Arbiter, was excessive, hence, null and void. Conformably with our decisions in *Mercury Drug Co. vs. Court of Industrial Relations* (April 30, 1974), 56 SCRA 694, and in *Feati University Faculty Club vs. Feati University* (August 15, 1974), 58 SCRA 395, the workers are entitled to backwages for a period only of not more than three (3) years from the date of their unlawful dismissal. The original decision awarded them backwages amounting to P98,778 for a period of two years and seven months. However, in the second alias writ of execution issued by Labor Arbiter Bonifacio Tumamak on November 10, 1986, the award had blown up to P 614,510, spanning a period of 13 years!

Mansalay Catholic High School vs. NLRC, G.R. No. 82741, April 18, 1989, is explicit: "Any decision or order granting backwages in excess of three (3) years is null and void as to the excess." As the second alias writ of execution was null and void, it infects the auction sale made by Sheriff Tolo under it.

The NLRC's en banc resolution dated May 16, 1988 in NLRC Case No. RAB-VII-7-128 directed the Labor Arbiter:

"1. To limit the award of backwages due the complainants-appellees to three (3) years' salaries/wages without qualifications or deductions, computed in the manner prescribed in this Resolution; and

"2. To reinstate herein individual complainants-appellees to their former positions in the appellant company without loss of seniority rights. However, should reinstatement be already impracticable, to let appellant company pay the individual complainants-appellees their separation pay, on top of the backwages, which shall be at one (1) month's salary/wages for every year of service." (p. 38, Rollo of G.R. No. 83490.)

which we affirmed in our resolution dated August 29, 1988 in G.R. No. 83490 "Sergio Medado, et al. vs. NLRC, En Banc." Its effort to harmonize the original decision in the case with applicable law and jurisprudence, is permissible under settled doctrine, to wit:

"When after judgment has been rendered and has become final and executory, facts and circumstances transpire which render its execution impossible or unjust, the interested party may ask the court to modify and alter the judgment to harmonize the same with justice and the law." (Jose Ocampo vs. Hon. Conrado Sanchez, et al., 97 Phil. 472.)

"It has been repeatedly held, and it is now well settled in this jurisdiction, that when after judgment has been rendered and the latter has become final, facts and circumstances transpire which render its execution impossible or unjust, the interested party may ask the court to modify or alter the judgment to harmonize the same with justice and the facts (Molina vs. De la Riva, 8 Phil. 569; Behn, Meyer & Co. vs. McMicking, 11 Phil. 276; Warner Barnes & Co. vs. Jaucian, 13 Phil. 4; Espiritu vs Crossfield and Guash, 14 Phil. 588; Flor Mata vs. Lichauco and Salinas, 36 Phil. 809)." (City of Butuan vs. Ortiz, 3 SCRA 659).

WHEREFORE, the Court hereby sets aside the decision dated August 17, 1988 of the Court of Appeals in CA-G.R. SP No. 14780 insofar as it ordered the Regional Trial Court to hear and decide Civil Case No. CEB-6141. The trial court's dismissal of said case is affirmed.

The order of the Court of Appeals requiring the petitioners to return the shipyard properties to the private respondents is affirmed. The NLRC is directed execute and implement without further delay its resolution dated May 16, 1988 in NLRC Case No. RAB-VII--7-128. No pronouncement as to costs.

SO ORDERED.

Narvasa, (Chairman), Cruz, and Medialdea, JJ., concur.
Gancayco, J., on leave.

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