

NESTLE PHILIPPINES, INC., PETITIONER, VS. NATIONAL LABOR RELATIONS COMMISSION, EUGENIA C. NUNEZ, LIZA T. VILLANUEVA, EMMANUEL S. VILLENA, RUDOLPH C. ARMAS, RODOLFO M. KUA AND RO...

G.R. No. 85197. March 18, 1991

Ponente: GRINO-AQUINO, J.

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GRINO-AQUINO, J.:

This petition for certiorari seeks a review of the resolutions dated May 28, 1988 and September 1, 1988 of the National Labor Relations Commission (NLRC) in Injunction Case No. 1582 granting the injunction prayed for by the private respondents, to hold in abeyance the cancellation of their car loans and payments of the monthly amortizations thereon pending the resolution of their complaints for illegal dismissal.

The private respondents were employed by the petitioner either as sales representatives or medical representatives. By reason of the nature of their work they were each allowed to avail of the company's car loan policy. Under that policy, the company advances the purchase price of a car to be paid back by the employee through monthly deductions from his salary, the company retaining the ownership of the motor vehicle until it shall have been fully paid for. All of the private respondents availed of the petitioner's car loan policy.

On September 14, 1987, private respondents Nuñez, Villanueva, Villena and Armas were dismissed from the service for having participated in an illegal strike. On December 26, 1987, respondents Kua and Solidum were also dismissed for certain irregularities. All the private respondents filed complaints for illegal dismissal in the Arbitration Branch of the NLRC. The Labor Arbiter dismissed their complaints and upheld the legality of their dismissal. They appealed to the NLRC where their appeals are still pending.

In the Notices of Dismissal which they received from Nestle, the private respondents had been directed to either settle the remaining balance of the cost of their respective cars, or return them to the company for proper disposition.

As they failed and refused to avail of either option, the company filed in the Regional Trial Court of Makati a civil suit to recover possession of the cars. The Court issued an Order dated March 7, 1988 directing the Deputy Sheriff to take the motor vehicles into his custody.

The private respondents sought a temporary restraining order in the NLRC to stop the company from cancelling their car loans and collecting their monthly amortizations pending the final resolution of their appeals in the illegal dismissal case.

On May 27, 1988, the NLRC en banc, issued a resolution granting their petition for injunction. Its order reads:

"Acting on the Urgent Petition for the Issuance of a Temporary Restraining Order, the Commission sitting en banc, after deliberation, Resolved to hold in abeyance the cancellation of the petitioners' car loans and the payment of the monthly amortizations thereof pending resolution of their illegal dismissal cases." (p. 5, Rollo.)

The company filed a motion for reconsideration, but it was denied for tardiness. Hence, this petition for certiorari alleging that the NLRC acted with grave abuse of discretion amounting to lack of jurisdiction when it issued a labor injunction without legal basis and in the absence of any labor dispute related to the same.

The private respondents, in their comment on the petition, alleged that there is a labor dispute between the petitioner and the private respondents and that their default in paying the amortizations for their cars was brought about by their illegal dismissal from work by the petitioner as punishment for their participation in the illegal strike of the Union of Filipino Employees of which they are members. If they had not participated in the strike, they would not have been dismissed from work and they would not have defaulted in the payment of their amortizations. Private respondents admitted their civil obligation to the petitioner.

The Office of the Solicitor General filed a manifestation on June 13, 1989, stating that "after judicious scrutiny of the records, x x x and in consonance with the applicable law and jurisprudence on the matter, the Office of the Solicitor General is convinced that it cannot, without violating the law, sustain the findings of the National Labor Relations Commission in the case at bar. So as not to prejudice NLRC's case, the OSG deems it best to refrain from filing its Comment, even as it begs leave of the Honorable Court to be excused from further appearing in behalf of the NLRC in this particular case" (p. 173, Rollo).

Filing its own comment, the NLRC argued that as the illegal dismissal case is a labor dispute which is still pending resolution before it, "it is clothed with authority to issue the contested resolutions because under the law, PD 442, otherwise known as the Labor Code of the Philippines as amended, it is vested with the authority to resolve labor disputes" (p. 252, Rollo).

The power of the NLRC to issue writs of injunction is found in Article 218 of the Labor Code, which provides:

"Art. 218. Powers of the Commission. - The Commission shall have the power and authority:

"xxx xxx xxx.

"(e) To enjoin or restrain any actual or threatened commission of any or all prohibited or unlawful acts or to require the performance of a particular act in any labor dispute which, if not restrained or performed forthwith, may cause grave or irreparable damage to any party or render ineffectual any decision in favor of such party; x x x." (Underscoring ours.)

That power, as the statute provides, can only be exercised in a labor dispute. Paragraph (1) of Article 212 of the Labor Code defines a labor dispute as follows:

"(1) 'Labor dispute' includes any controversy or matters concerning terms or conditions of employment or the association or representation of persons in negotiating, fixing, maintaining, changing or arranging the terms and conditions of employment, regardless of whether the disputants stand in the proximate relation of employer and employee."

Nestle's demand for payment of the private respondents' amortizations on their car loans, or, in the alternative, the return of the cars to the company, is not a labor, but a civil, dispute. It involves debtor-creditor relations, rather than employee-employer relations.

Petitioner Nestle Philippines, Inc., correctly pointed out that:

"The twin directives contained in petitioner's letters to the private respondents to either (1) settle the remaining balance on the value of their assigned cars under the company car plan or return the cars to the company for proper disposition; or (2) to pay all outstanding accountabilities to the company - are matters related to the enforcement of a civil obligation founded on contract. It is not dependent on or related to any labor aspect under which a labor injunction can be issued. Whether or not the private respondents remain as employees of

the petitioner, there is no escape from their obligation to pay their outstanding accountabilities to the petitioner; and if they cannot afford it, to return the cars assigned to them.

"As noted, the options given to the private respondents are civil in nature arising from contractual obligations. There is no labor aspect involved in the enforcement of those obligations." (p. 7, Rollo.)

The NLRC gravely abused its discretion and exceeded its jurisdiction by issuing the writ of injunction to stop the company from enforcing the civil obligation of the private respondents under the car loan agreements and from protecting its interest in the cars which, by the terms of those agreements, belong to it (the company) until their purchase price shall have been fully paid by the employee. The terms of the car loan agreements are not in issue in the labor case. The rights and obligations of the parties under those contracts may be enforced by a separate civil action in the regular courts, not in the NLRC.

WHEREFORE, the petition for certiorari is granted. The questioned resolution dated May 27, 1988 of the NLRC in Injunction Case No. 1582 (Annex A) is hereby annulled and set aside. Costs against the private respondents.

SO ORDERED.

Narvasa, (Chairman), Gancayco, and Medialdea, JJ., concur.

Cruz, J., no part.

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