

ALBA PATIO DE MAKATI, ANASTACIO ALBA AND CLAUDIO OLABARRIETA, PETITIONERS, VS. NATIONAL LABOR RELATIONS COMMISSION, ALBA PATIO DE MAKATI EMPLOYEES ASSOCIATION, HERMOGENES CAGANO...

G.R. No. 85393. September 05, 1991

Ponente: PADILLA, J.

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PADILLA, J.:

This is a petition for certiorari with prayer for the issuance of a writ of preliminary injunction, seeking to set aside or modify the Order of the respondent National Labor Relations Commission (NLRC), dated 6 September 1988, which set aside the order of the Labor Arbiter dated 31 October 1984.[1]

On 5 December 1988, a temporary restraining order was issued by this Court enjoining the respondents from enforcing the questioned NLRC Order until further orders from the Court.[2]

The antecedent facts of the case are as follows:

On 30 April 1973, the Court of Industrial Relations (CIR) rendered a decision in Case No. 5478-ULP, entitled "Alba Patio de Makati Employees Association, et al., complainants, vs. Alba Patio de Makati, et al., respondents," the dispositive part of which reads as follows:

"WHEREFORE, respondents are hereby declared guilty of unfair labor practices as charged and are ordered to cease and desist from further committing said acts, to reinstate the herein four (4) individual complainants with full back wages and to pay them their respective shares in the service charges for May 1 to 15, 1970 and for the rest of that month until their forced resignation."

A motion for reconsideration of the said decision filed by respondents (herein petitioners) was denied on 6 November 1973.

Petitioners then sought a review by this Court of the CIR's decision and resolution. The case was docketed as "Alba Patio de Makati, Anastacio Alba and Claudio Olabar-rieta, petitioners, vs. Alba Patio de Makati Employees Association, Hermogenes Cagano, Ruperto Cruz, Lucio Cagano, and Bonifacio Aclado, respondents, G.R. No. L-37922." [3]

On 16 March 1984, this Court rendered a decision in the above-mentioned case, dismissing the petition for review and affirming the decision and resolution of the CIR.

Thereafter, the National Labor Relations Commission (which had succeeded the Court of Industrial Relations), through Labor Arbiter Antonio Tria Tirona directed the Chief of the Research and Information Division of the NLRC to have the award due the complainants computed. The pertinent part of the "Report of Examiner" submitted stated that the total money value of the backwages and service charges due herein private respondents amounts to P196,270.84, and that the herein petitioners had not as of the date of the report reinstated the private

respondents.

With the submission of the Report of Examiner, private respondents moved for the issuance of a writ of execution. Petitioners opposed the motion, contending, among other things, that the computation of back wages should be limited to three (3) years without qualification or deduction, in accordance with the rulings of this Court on the matter, and that if complainants would insist on payment based on the "Report of Examiner", they should then render an accounting of their income realized elsewhere from 1 May 1970 up to 15 August 1984.

The Report and the petitioners' opposition to the motions were set for hearing on 29 October 1984. At the said hearing, Lucio Cagano, for himself and as the alleged attorney-in-fact of the other complainants, filed a document entitled "Satisfaction of Judgment, Release and Quitclaim" which declares inter alia that complainants have received the sum of P54,000.00 from the Alba Patio de Makati, which amount corresponds to three (3) years back wages, including attorney's fees, in full and complete satisfaction of the judgment and releasing the petitioners from any further liability in connection with their claims against petitioners.[4] Filed with the above-said document were the respective special powers of attorney purportedly executed by Bonifacio Aclado, Ruperto Cruz, and Esteban Cagano, father of deceased Hermogenes Cagano, appointing Lucio Cagano as their attorney-in-fact.[5] Said documents were notarized by Atty. Eugenio Tumalak, counsel for Lucio Cagano.

Acting on the foregoing documents, Labor Arbiter Tirona issued the order of 31 October 1984, the dispositive part of which reads:

"Finding said 'Satisfaction of Judgment, Release and Quitclaim' to be in order and it appearing thereon that complainants have already received P54,000.00 for and in consideration thereof, the instant case is hereby considered CLOSED and TERMINATED."[6]

On 10 December 1985, private co-respondent Bonifacio Aclado wrote his counsel Atty. Felipe P. Fuentes, Jr., informing the latter that as of said date, he had not been reinstated and paid his back wages by the petitioners. The following day, or on 11 December 1985, Atty. Fuentes filed before the NLRC a motion for the immediate execution of the CIR decision. Petitioners opposed the motion, alleging that the case was already considered closed and terminated as per order of 31 October 1984 and that the said order was issued pursuant to the "Satisfaction of Judgment, Release and Quitclaim" which had been executed by Lucio Cagano as the attorney-in-fact of complainant (private co-respondent) Bonifacio Aclado.

Thereafter, on 3 March 1986, other private co-respondent Ruperto Cruz filed a similar motion for execution and to annul and set aside the order dated 31 October 1984, alleging that he had not executed any specific power of attorney naming Lucio Cagano as his attorney-in-fact.[7] Petitioners filed an Omnibus Motion[8] alleging, among other things, that the Labor Arbiter/NLRC had already lost jurisdiction over the case by reason of the satisfaction of the judgment and that any question as to the validity of the "Satisfaction of Judgment, Release and Quitclaim" which is in the nature of a compromise agreement must be brought before the regular courts.

On 6 September 1988, the NLRC promulgated the questioned Order, annulling and setting aside the order of Labor Arbiter Antonio Tria Tirona dated 31 October 1984 and directing the immediate enforcement of the decision of the Court of Industrial Relations dated 30 April 1973 as affirmed by this Court. It held:

"Resolving this issue, we rule that the special power of attorney executed by Esteban Cagano in behalf of his deceased son, Hermogenes Cagano, one of the complainants in this case, who have (sic) children but still minors and the mother of said children (alleged common law wife of the deceased), and in favor of Lucio Cagano as- attorney-in-fact is patently null and void since Esteban Cagano had no legal authority to execute a special power of attorney in behalf of a deceased person or represent the minor children of the deceased complainant. If an agency is extinguished by death of the principal, with more reason that an agency cannot be

constituted for and in behalf of a deceased person or the latter's minor children unless duly authorized by the Court. A cursory reading of these (sic) special power of attorney shows that the attorney-in-fact was practically granted blanket authority to negotiate with respondent any amount of back wages due the complainants. However, such back wages awarded to them and which the attorney-in-fact is allowed to negotiate or receive in their behalf under the special power of attorney is an 'amount (shall) be due in accordance with law.' A fortiori, We should carefully scrutinize and determine in what manner and to what extent was this express authority exercised and whether or not the settlement arrived at by the complainants through their attorney-in-fact and respondents is in accordance with the terms of the special power of attorney and that the same is not contrary to law, morals, good customs, public order, or public policy.

"To Us, the settlement of the computed award of P196,270.84 for only a minuscule sum of P54,000.00 is grossly disproportionate, unconscionable and inequitable. We cannot therefore give imprimatur to such settlement, release and quit-claim for being clearly contrary to the authority granted to the attorney-in-fact and also violative of law and public policy. We cannot allow this miscarriage of justice. Accordingly, the approval of the settlement constitutes a reversible error. Labor justice may not be thwarted or frustrated by strait-jacketed technicalities by denying this Commission its jurisdiction to pass upon these issues. For Us to refer this matter to another forum would necessarily make the complainants who are affected thereby to undergo their calvary twice after so many long years of litigation."

Hence, the present petition for certiorari filed by petitioners with prayer for the issuance of a writ of preliminary injunction.

The only issue to be resolved in this case is whether or not the NLRC still had jurisdiction to issue the resolution or order of 6 September 1988, setting aside the Labor Arbiter's order of 31 October 1984.

Petitioners claim that the jurisdiction of the National Labor Relations Commission over the case had already been lost by virtue of the order dated 31 October 1984, wherein the Labor Arbiter declared the case closed and terminated in view of the document filed by the private respondents entitled "Satisfaction of Judgment, Release and Quitclaim"; that the aforesaid document, petitioners allege, is in the nature of a compromise agreement which has, upon the parties, the effect of res judicata; that the allegations in the private respondents' subsequent motions set forth a cause of action that does not involve a question arising out of employer employee relations but the validity and enforceability of a compromise agreement between petitioners and private respondents, for which reason, the matter should properly be raised before the regular courts.

On the other hand, the Solicitor General maintains that petitioners, having submitted themselves to the jurisdiction of the NLRC, should not be allowed, for reasons of public policy, to repudiate the very same jurisdiction they had invoked to seek affirmative relief, citing in support of his submission the case of *Tijam vs. Sibonghanoy*, 23 SCRA 29.

In addition, private respondents insist that they had not executed any special power of attorney in favor of their co-complainant Lucio Cagano; that they have not received their backwages and have not been reinstated to their former respective positions by petitioners pursuant to the CIR decision as affirmed by this Court.

The petition is bereft of merit.

Time and again, this Court has set aside technicalities in the interest of substantial justice. In the present case, the judgment of the Court of Industrial Relations had long become final and executory. A final and executory judgment can no longer be altered. As we held in a recent case,[9] "(t)he judgment may no longer be modified in any respect, even if the modification is meant to correct what is perceived to be an erroneous conclusion of fact or law, and regardless of whether the modification is attempted to be made by the court rendering it or by the highest court of the land." Moreover, a final and executory judgment cannot be negotiated, hence, any act to subvert it is

contemptuous.[10]

The NLRC was correct in setting aside the order of the Labor Arbiter dated 31 October 1984, as the same was void. It rendered the very decision of this Court meaningless, and showed disrespect for the administration of justice.[11] This should not be sanctioned.

It was incumbent upon the counsel for the complainant (now respondent) Lucio Cagano to have seen to it that the interest of all complainants (now private respondents) was protected. The quitclaim and release in the preparation of which he assisted clearly worked to the grave disadvantage of the complainants (private respondents). As we have stated earlier, to render the decision of this Court meaning-less by paying the backwages of the affected employees in a much lesser amount clearly manifested a willful disregard of the authority of this Court as the final arbiter of cases brought to it.[12]

As for the Labor Arbiter, he should have conscientiously examined the veracity and reliability of the quitclaim purportedly executed by the other complainants (now respondents) through Lucio Cagano, especially so when the counsel of record of private respondents Cruz and Aclado, Atty. Felipe Fuentes, Jr., was not present when the document was filed. Moreover, he should have been aware of this Court's standing rulings that quitclaims and releases signed by employees are normally frowned upon as contrary to public policy. His precipitate approval of the release and quitclaim resulted in the reduction of the backwages to a much lesser amount due the private respondents and in releasing petitioners from their obligation to reinstate the complainants under a final judgment of this Court. This is indeed lamentable.

Finally, we agree with the Solicitor General, that having submitted themselves to the jurisdiction of the NLRC, petitioners should not be allowed to repudiate that same jurisdiction simply because they have failed to obtain a favorable decision.

This case has been pending for almost eighteen (18) years since the order of the CIR was rendered on 30 April 1973. The private respondents have already suffered for a long time. To further prolong the proceedings in this case would be tantamount to a denial of justice to private respondents. It is about time that the decision of the Court of Industrial Relations of 30 April 1973, as affirmed by this Court, be fully and finally implemented.

WHEREFORE, the petition is DISMISSED, and the temporary restraining order LIFTED. Costs against petitioners.

SO ORDERED.

Melencio-Herrera, (Chairman), Paras, and Regalado, JJ., concur.
Sarmiento, J., on leave.

[1] Annex "D", Petition, p. 77, Rollo

[2] Ibid., p. 83

[3] 128 SCRA 253

[4] Annex "C", Petition, p. 34, Rollo

[5] Rollo, pp. 36-41

[6] Annex "D", Petition, p. 42, *ibid.*

[7] Annex "I", p. 57 *ibid*.

[8] Annex "L", p. 67 *ibid*.

[9] *Manning International Corp./Abdulosis & Mohamed Aljomaih vs. NLRC, et al.*, G.R. No. 83018, March 13, 1991.

[10] *Philippine Apparel Workers Union vs. NLRC*, 125 SCRA 393.

[11] *supra*.

[12] *supra*.

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