

TADEO M. CANGCO, PETITIONER, VS. COURT OF APPEALS AND POLYMER CONSULT, INC., RESPONDENTS.

G.R. No. 94348. July 26, 1991

Ponente: FELICIANO, J.

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FELICIANO, J.:

On 29 June 1987, Labor Arbiter Edgardo Magno issued a writ of execution directing the Enforcement Unit of the National Labor Relations Commission, National Capital Region ("NLRC-NCR") Office to carry-out the final and executory decision rendered against private respondent Polymer Consult Inc. ("Polymer") by the NLRC in NLRC-NCR Case No. 1-079-83 entitled "Manuel Duenas v. Polymer Consult Inc." Consequently, on 18 August 1987, NLRC Deputy Sheriff Paz Mercado levied upon a parcel of land located in Taytay, Rizal registered in private respondent's name. Private respondent Polymer was permitted to retain possession of the property.

On 23 October 1987, Polymer filed an omnibus motion with the Labor Arbiter to quash the writ of execution, contending that the computation of the monetary award due Manuel Duenas was erroneous.

On 26 October 1987, petitioner Tadeo Cangco, as the highest bidder, purchased Polymer's parcel of land during the auction sale conducted by NLRC Deputy Sheriff Paz Mercado. Sheriff Mercado issued the corresponding certificate of sale in favor of petitioner upon the latter's full payment of his bid price on the same day.

On 9 November 1987, the Labor Arbiter issued an order which, without quashing the writ of execution, did in fact reduce the monetary award due Manuel Duenas. Polymer filed an appeal therefrom with the NLRC, assigning the Labor Arbiter's refusal to quash the writ of execution as one of his alleged errors.

During the pendency of this appeal, the one-year period to redeem property sold in execution sales conducted under Rule 39 of the Rules of Court expired. Accordingly, NLRC Sheriff Max Lago issued a final bill of sale in favor of petitioner on 25 May 1989. On this same day, petitioner executed an affidavit of consolidation before the Register of Deeds of Rizal, requesting the annotation of the fact that he has consolidated ownership over the land, as well as the issuance in his name of a transfer certificate of title covering the property. The transfer certificate of title was issued in his name by the Register of Deeds on 30 June 1989.

On 21 November 1989, petitioner instituted Land Registration Case No. 740-A with Branch 71 of the Regional Trial Court of Antipolo by filing a petition where he recited the antecedent proceedings before the NLRC's Enforcement Unit in connection with his acquisition of a registered title over the land. He prayed for the issuance ex parte of a writ of possession which would direct the Sheriff of said court to place him in actual possession of the property. The writ of possession was issued ex parte and the land actually delivered to petitioner on 1 March 1990.

Once appraised of this development, private respondent Polymer filed a petition for certiorari with the public respondent Court of Appeals to annul the proceedings in LRC No. 740-A for being conducted in excess of jurisdiction.

In a Decision promulgated on 13 June 1990, the Court of Appeals granted Polymer's petition for certiorari. It held: (1) the trial court should not have taken cognizance of petitioner's application for a writ of possession because it was an incident of an execution sale involved in a labor case, jurisdiction over which is vested in the appropriate officer and/or tribunal of the Department of Labor and Employment, pursuant to the Court's ruling in *Pucan v. Bengzon*;^[1] (2) a regular trial court is permitted to issue ex parte a writ of possession only in cases of extrajudicial foreclosures of mortgages as contemplated under Act No. 3135; (3) Section 35 of Rule 39 of the Rules of Court, entitling a purchaser at an execution sale to a conveyance of a parcel of land upon expiration of the redemption period, does not authorize a regular court to issue a writ of possession in favor of a buyer at an execution sale held to satisfy a judgment in a labor case, at most the provision applies only supplementarily to govern the procedure under which the Labor Arbiter may execute a final decision in a labor case; and (4) the issuance by a regular trial court of the writ of possession, if permitted, would pre-empt and possibly foreclose the result of private respondent's pending appeal with the NLRC, which dealt, inter alia, with the propriety of issuing the writ of execution in NLRC-NCR Case No. 1-079-83.

Petitioner's motion for reconsideration of the Court of Appeals' Decision having been denied, he is now before this Court by way of Petition for Review in order to uphold the validity of the proceedings undertaken by him before the trial court. He contends: (1) Section 35 of Rule 39 entitles him to a writ of possession as a matter of right upon expiration of the redemption period; (2) Policy Instruction No. 13, issued by the Secretary of Labor, authorized officers charged with executing awards of labor officers or tribunals to apply the provisions of Rule 39 in carrying out the process of execution; (3) the original action for certiorari, in annulling the proceedings which placed him in actual possession of the property, constituted a collateral attack on the validity of his transfer certificate of title; and (4) the matters raised in private respondent's pending appeal with the NLRC have nothing to do with the correctness of the computation of the monetary award in satisfaction of which the land was levied upon, consequently the proceedings had in LRC No. 740-A cannot affect the outcome of private respondent's pending appeal with the NLRC.

Deliberating on the present Petition for Review, the Court considers that petitioner has failed to show that public respondent Court of Appeals committed any reversible error in rendering its questioned Decision.

Article 217 of the Labor Code grants to the Labor Arbiter and to the NLRC exclusive jurisdiction to hear and decide money claims by employees for non-payment or underpayment of wages. Such is the subject matter of NLRC-NCR Case No. 1-079-83. The grant of such jurisdiction extends to the enforcement aspect of such cases. Thus, Article 224(a) of the Labor Code grants to the Labor Arbiter the power to issue a writ of execution to enforce final awards rendered by the NLRC. Paragraph "b" of the same Article authorizes the NLRC, among others, to take such measures under existing law as may be necessary to ensure compliance with its decisions. Furthermore, Article 254 of the same Code prohibits regular courts as a general rule from issuing injunctions or restraining orders in cases involving or growing out of labor disputes.

Recent case law is replete with reiterations of the principle that regular courts have no jurisdiction to hear and decide questions which arise and are incidental to the enforcement of decisions, orders or awards rendered in labor cases by appropriate officers and tribunals of the Department of Labor and Employment.^[2] While the facts of these cases, like that of the case of *Pucan v. Bengzon* relied upon by the Court of Appeals, are not precisely on all fours with the facts of the present case, still they do emphasize the relevant legal objective underlying the provisions of law abovementioned of ensuring the orderly disposition of labor cases.

Petitioner's contentions seek to characterize LRC Case No. 740-A as an ordinary land registration proceeding falling within the special and limited jurisdiction of the Regional Trial Court sitting as a land registration court. However, considering in totality the facts of the present case, it is clear that said proceeding, placed in proper

perspective, is essentially an offshoot or incident in the enforcement of the final decision in NLRC-NCR Case No. 1-079-83, where petitioner is merely an interested third-party by virtue of his purchase at the execution sale. Furthermore, petitioner's own conduct in obtaining a registered title over the property, particularly his dealings with the officers of the Enforcement Unit of the NLRC, indicates he was not completely unaware of the legally proper procedure to consolidate his ownership over the property. Hence, it is perplexing that petitioner did not pursue the logical step of obtaining his writ of possession from the Labor Arbiter as well.

The annulment of LRC Case No. 740-A by the public respondent did not affect the indefeasibility of petitioner's transfer certificate of title. It only reminded petitioner of the fact that he had applied for a writ of possession over the property from the wrong tribunal.

Petitioner's contention that private respondent's pending appeal with the NLRC would be unaffected by his application for a writ of possession before the trial court appears well taken in the light of the NLRC's subsequent decision to uphold the Labor Arbiter's issuance of the writ of execution. But this contention overlooks the fact that the dismissal of the appeal will not in any way clothe the trial court with jurisdiction to issue the writ of possession applied for, jurisdiction of a court over a particular subject matter being conferred by law and not being dependent on the conduct of other administrative bodies.

ACCORDINGLY, the Court Resolved to DENY the Petition for Review for lack of merit. The Decision of the Court of Appeals dated 13 June 1990 as well as its Resolution dated 23 July 1990 denying petitioner's motion for reconsideration from its Decision are hereby AFFIRMED in toto.

Fernan, C.J., (Chairman), Gutierrez, Jr., Bidin, and Davide, Jr., JJ., concur.

[1] 155 SCRA 692 (1987).

[2] E.g., *Medado v. Court of Appeals*, 185 SCRA 80, 85 (1990); *Velasco v. Hon. Ople, et. al.*, G.R. No. 53967, 26 November 1990, p. 6; *New Pangasinan Review Inc. v. National Labor Relations Commission, et. al.*, G.R. Nos. 85939 and 86968, 19 April 1991, p. 13.

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