

## **IMPERIAL TEXTILE MILLS, INC., PETITIONER, VS. HON. VLADIMIR P.L. SAMPANG AND IMPERIAL TEXTILE MILLS-MONTHLY EMPLOYEES ASSOCIATION (ITM-MEA), RESPONDENTS.**

*G.R. No. 94960, March 08, 1993*

Ponente: CRUZ, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-94960/>

---

### **CRUZ, J.:**

On March 20, 1987, petitioner Imperial Textile Mills, Inc. (the Company, for brevity) and respondent Imperial Textile Mills-Monthly Employees Association (the Union, for brevity) entered into a collective bargaining agreement providing across-the-board salary increases and other benefits retroactive to November 1, 1986.

On August 21, 1987, they executed another agreement on the job classification and wage standardization plan. This was also to take effect retroactively on November 1, 1986.

A dispute subsequently arose in the interpretation of the two agreements. The parties then submitted it to arbitration and designated public respondent Vladimir P.L. Sampang as the Voluntary Arbitrator. The understanding was that his decision would be final, executory and unappealable.[1]

The Company maintained that the wage of a particular employee subject of possible adjustment on base pay should be the pay with the first year CBA increase already integrated therein.

The Union argued that the CBA increase should not be included in adjusting the wages to the base pay level, as it was separate and distinct from the increases resulting from the job classification and standardization scheme.

On July 12, 1988, the Voluntary Arbitrator rendered a decision upholding the formula used by the Company.

The Union filed a motion for reconsideration which was opposed by the Company.

On December 14, 1988, after a conference with the parties, the Voluntary Arbitrator rendered another decision, this time in favor of the Union.

On January 20, 1989, the Company appealed to the NLRC. The appeal was dismissed for lack of jurisdiction. The reason was that the original rule allowing appeal if the Voluntary Arbitrator's award was more than P100,000.00 had already been repealed by BP 130. Moreover, under Article 262-A of the Labor Code, as amended, awards or decisions of voluntary arbitrators become final and executory after 10 calendar days from notice thereof to the parties.

The Company then came to this Court in this petition for certiorari under Rule 65 of the Rules of Court.

The Court has deliberated on the arguments of the parties in light of the established facts and the applicable law and finds for the Company.

The Union erred in filing a motion for reconsideration of the decision dated July 12, 1988. So did the respondent Voluntary Arbitrator in entertaining the motion and vacating his first decision.

When the parties submitted their grievance to arbitration, they expressly agreed that the decision of the Voluntary Arbitrator would be final, executory and unappealable. In fact, even without this stipulation, the first decision had already become so by virtue of Article 263 of the Labor Code making voluntary arbitration awards or decisions final and executory.

The philosophy underlying this rule was explained by Judge Freedman in the case of *La Vale Plaza, Inc., v. R.S. Noonan, Inc.*,<sup>[2]</sup> thus:

It is an equally fundamental common law principle that once an arbitrator has made and published a final award, his authority is exhausted and he is *functus officio* and can do nothing more in regard to the subject matter of the arbitration. The policy which lies behind this is an unwillingness to permit one who is not a judicial officer and who acts informally and sporadically, to re-examine a final decision which he has already rendered, because of the potential evil of outside communication and unilateral influence which might affect a new conclusion. The continuity of judicial office and the tradition which surround judicial conduct is lacking in the isolated activity of an arbitrator, although even here the vast increase in the arbitration of labor disputes has created the office of the specialized provisional arbitrator. (*Washington-Baltimore N.G., Loc. 35 v. Washington Post Co.*, 442 F.2d 1234 [1971], pp. 1238-1239)

In the case of *The Consolidated Bank & Trust Corporation (SOLIDBANK) v. Bureau of Labor Relations, et al.*,<sup>[3]</sup> this Court held that the Voluntary Arbitrator lost jurisdiction over the case submitted to him the moment he rendered his decision. Therefore, he could no longer entertain a motion for reconsideration of the decision for its reversal or modification. Thus:

By modifying the original award, respondent arbitrator exceeded his authority as such, a fact he was well aware of, as shown by his previous Resolution of Inhibition wherein he refused to act on the Union's motion for reconsideration of the award or decision. Thus, respondent arbitrator emphatically ruled:

"It would be well to remind the Parties in this case that the arbitration law or jurisprudence on the matter is explicit in its stand against revocation and amendment of the submission agreement and the arbitration award once such has been made. The rationale behind this is that:

"An award should be regarded as the judgment of a court of last resort, so that all reasonable presumptions should be ascertained in its favor and none to overthrow it. Otherwise, arbitration proceedings, instead of being a quick and easy mode of obtaining justice, would be merely an unnecessary step in the course of litigation, causing delay and expenses, but not finally settling anything. Notwithstanding the natural reluctance of the courts to interfere with matters determined by the arbitrators, they will do so in proper cases where the law ordains them." (*Arbitration, Manguiat*, citing *U.S. v. Gleason*, 175 US 588)

The power and authority of the Voluntary Arbitrator to act in the case commences from his appointment and acceptance to act as such under the submission agreement of the Parties and terminates upon his rendition of his decision or award which is accorded the benefits of the doctrine of *res judicata* as in judgments of our regular courts of law. Since the power and authority of the arbitrator to render a valid award, order or resolution rest upon the continuing mutual consent of the parties, and there is none shown here, the Voluntary Arbitrator has no choice but to decline to rule on the pleadings submitted by the parties. (Emphasis supplied)

It is true that the present rule makes the voluntary arbitration award final and executory after ten calendar days from receipt of the copy of the award or decision by the parties.<sup>[4]</sup> Presumably, the decision may still be reconsidered by the Voluntary Arbitrator on the basis of a motion for reconsideration duly filed during that period. Such a provision, being procedural, may be applied retroactively to pending actions as we have held in a number of cases.<sup>[5]</sup> However, it cannot be applied to a case in which the decision had become final before the new provision took effect, as in the case at bar.<sup>[6]</sup> *R.A. 6715*, which introduced amended Article 262-A of the Labor

Code, became effective on March 21, 1989. The first decision of the Voluntary Arbitrator was rendered on July 12, 1988, when the law in force was Article 263 of the Labor Code, which provided that:

Voluntary arbitration awards or decisions shall be final, unappealable, and executory.

The above-quoted provision did not expressly fix the time when the Voluntary Arbitrator's decision or award would become final. We have held, however, that it would assume the attribute of finality upon its issuance, subject only to judicial review in appropriate cases.[7]

The public respondent exceeded his authority when he acted on the Union's motion for reconsideration and reversed his original decision. Corollarily, his second decision dated December 14, 1988, having been rendered in violation of law, must be considered null and void and of no force and effect whatsoever.[8]

WHEREFORE, the decision of the Voluntary Arbitrator dated December 14, 1988, is SET ASIDE for lack of jurisdiction and his decision dated July 12, 1988, is REINSTATED.  
SO ORDERED.

Griño-Aquino, Bellosillo, and Quiason, JJ., concur.

---

[1] Original Records, p. 1.

[2] Fernandez, Labor Arbitration, 1975 ed., p. 380.

[3] G.R. No. 64926, October 15, 1984.

[4] Article 262-A, Labor Code, as amended by R.A. 6715.

[5] Enrile v. CFI, 36 Phil. 574; Hosana v. Diomano and Diomano, 56 Phil. 741; Laguio v. Gamet, 171 SCRA 392)

[6] People v. Sumilang, 77 Phil. 764.

[7] Consolidated Bank & Trust Corp. (SOLIDBANK) v. Bureau of Labor Relations, supra.

[8] Ibid.; Cayena v. NLRC, 194 SCRA 134; Egypt Air Local Employees Association NTUIA--Transphil Tupas v. NLRC et al., G.R. No. 98933.

**ABOUT BATAS.ORG**

# Study smarter at BATAS.org

*The Philippine bar review and law-school companion built around how your brain actually remembers.*

**The complete Philippine law library - free for everyone.**

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

**Audio case-brief lectures.**

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

**Bar review built on the science of memory.**

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

**The full law-school curriculum.**

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

**Mock exams that tell you where you stand.**

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

**A study planner that keeps you on pace.**

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

**Start free at <https://batas.org>**

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.