

BLUE BAR COCONUT PHILS., INC., PETITIONER, VS. NATIONAL LABOR RELATIONS COMMISSION (NLRC) (SUB-REGIONAL BRANCH NO. IV, PRESIDED BY LABOR ARBITER NUMERIANO D. VILLENA) AND BLUE B...

G.R. No. 95914. May 05, 1992

Ponente: PARAS, J.

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PARAS, J.:

This is a petition for certiorari with prayer for the issuance of a temporary restraining order to annul the order* of the public respondent National Labor Relations Commission (NLRC) in NLRC Case No. SR-BIV--1-2345-89 entitled “BLUE BAR COCONUT SUPERVISORS' UNION, represented by its President versus BLUE BAR COCONUT PHILS., INC.” for having been issued with grave abuse of discretion amounting to lack of jurisdiction in denying the Omnibus Motion to Dismiss filed by petitioner Blue Bar Coconut Phils., Inc.

The facts as culled from the records of the case are as follows:

On September 18, 1984, the Blue Bar Coconut Workers' Union (BBCWU, for brevity) composing the rank and file employees of petitioner Blue Bar Coconut Phils., Inc. (BBCP, for brevity) staged a strike. The supervisors of petitioner BBCP who were not then formally organized into a union, individually abstained from joining the strike.

Due to the continuing financial pressures brought about by this labor dispute which gave rise to serious labor problems, petitioner BBCP, in the exercise of its sound business judgment filed with the then Ministry of Labor and Employment (MOLE) a Formal Notice of Closure of Business dated March 21, 1985.

In accordance with Article 264 (g) of the Labor Code as amended, the MOLE, *motu proprio* assumed jurisdiction over the labor dispute and accordingly on March 27, 1985 issued an order directing all striking workers “to report for work and management to accept them under the same terms and conditions prevailing before the work stoppage.”

In compliance with said Order of the MOLE, petitioner BBCP resumed its operations and requested all employees including the supervisors to return to their respective posts and assignments. However, on the day of the resumption of operations, the striking union, BBCWU staged a mass rally which resulted in a shooting incident causing havoc and panic in BBCP's compound. Hence, petitioner BBCP ceased its operations and for the second time closed its business.

On May 10, 1985, a return to work order was again issued by the then Ministry of Labor which order was allegedly disregarded by petitioner BBCP.

On November 11, 1986 or after a year of its temporary closure of business, the petitioner BBCP and the BBCWU representing the striking rank and file workers with the mediation of the MOLE entered into a compromise

agreement (Annex “C”).

In an Order dated November 13, 1986, the then Minister of Labor and Employment approved the compromise agreement (Rollo, p. 47; Annex “D”).

Accordingly, the members of BBCWU executed releases and quitclaims in favor of petitioner BBCP in consideration of the benefits received by way of settlement for any and all claims that they may have against petitioner BBCP accruing from March 27, 1985, the day petitioner BBCP ceased its business operations up to and including November 11, 1986, the day the compromise agreement was entered into by and between petitioner BBCP and BBCWU.

The individual supervisors were also made to execute releases and quitclaims in favor of petitioner BBCP after receiving the monetary awards provided for in the said compromise agreement.

On September 13, 1989, the supervisors formally organized into a union with Blue Bar Coconut Supervisors' Union (BBSU, for brevity) as its registered name.

On November 9, 1989, private respondent BBSU filed a complaint for "all monies lawfully due them during the period of the illegal lockout committed by petitioner BBCP during the period 1984 to 1986" with the Sub-Regional Arbitration Branch No. IV of the National Labor Relations Commission (NLRC) (Rollo, p. 171).

Trial of the case ensued. During the proceedings on August 14, 1990, private respondent BBSU amended the period from March 27, 1985 to November 11, 1986 in order to conform with its evidence (Rollo, p. 171).

After private respondent BBSU rested its case, petitioner BBCP filed on September 6, 1990 an Omnibus Motion to Dismiss the case on grounds of res judicata and prescription (Rollo, p. 25; Annex “A”).

On September 20, 1990, the public respondent rendered its Order denying the motion on the ground that “(t)o evaluate the merits and demerits of the case at this point in time, would only constitute prejudgment notwithstanding the respondent's right to present its evidence in case of denial. This kind of procedure if allowed runs counter to the mandate of summary nature of proceedings in labor cases.” Hence it set the continuation of the hearing of the case (Rollo, p. 41, Annex “B”).

Hence this petition.

In its resolution dated July 31, 1991, the Second Division of this Court gave due course to this petition (Rollo, p. 180).

Petitioner BBCP contends that the public respondent committed grave abuse of discretion tantamount to lack of jurisdiction and crucial error in denying the Omnibus Motion of petitioner without delving into the propriety of the arguments stated therein despite the provisions of the rules of procedure of the NLRC on the immediate resolution of a motion to dismiss on the ground of res judicata and prescription (Rollo, p. 7; Petition, p. 6).

Petitioner BBCP asserts that private respondent BBSU's money claim is barred by res judicata and prescription.

The following must concur for a prior judgment to constitute a bar to a subsequent case: (1) the judgment must be final; (2) the judgment must have been rendered by a court having jurisdiction over the subject matter and the parties; (3) the judgment must be on the merits; and (4) there must be between the first and second actions, identity of parties, of subject matter, and of cause of action (*Sta. Monica Industrial and Development Corporation v. Court of Appeals*, G.R. No. 83290, September 21, 1990; 189 SCRA 792).

As admitted by petitioner BBCP, the compromise agreement dated November 11, 1986 was executed by and between the petitioner BBCP and BBCWU. Private respondent BBSU was not a signatory to the compromise

agreement. Hence there was no identity of the parties. Res judicata does not lie.

Petitioner BBCP contends that private respondent BBSU bound themselves to the provisions of the compromise agreement by accepting the benefits stated therein.

The fact that each of the members of BBSU received the benefits from petitioner BBCP and executed quitclaims does not bar them from demanding the benefits to which they are legally entitled. Acceptance of those benefits does not amount to estoppel (*De Leon v. NLRC*, G.R. No. 52056, October 30, 1980; 100 SCRA 691; *Mercury Drug Co., Inc. v. CFI*, G.R. No. L-23357, April 30, 1974; 56 SCRA 694). Furthermore, quitclaims executed by laborers are commonly frowned upon as contrary to public policy and ineffective to bar claims for the full measure of the workers' legal rights (*Lopez Sugar Corp. v. FFW*, G.R. No. 75700-01, August 30, 1990; 189 SCRA 179).

However, with regard to prescription, petitioner BBCP correctly argues that private respondent BBSU's money claim since March 27, 1985 has already prescribed. Under Article 292 (now 291) of the Labor Code, all money claims arising from employer-employee relations must be filed within three (3) years from the time the cause of action accrued, otherwise they shall forever be barred.

It is settled jurisprudence that a cause of action has three elements, to wit: (1) a right in favor of the plaintiff by whatever means and under whatever law it arises or is created; (2) an obligation on the part of the named defendant to respect or not to violate such right; and (3) an act or omission on the part of such defendant violative of the right of the plaintiff or constituting a breach of the obligation of the defendant to the plaintiff (*Baliwag Transit, Inc. v. Ople*, G.R. No. 57642, March 16, 1989; 171 SCRA 250). It is only when the last element occurs or takes place that it can be said in law that a cause of action has arisen (*Kramer, Jr. v. Court of Appeals*, G.R. No. 83524, October 13, 1989, 178 SCRA 518).

From the foregoing, it is clear that private respondent BBSU's cause of action accrued on March 27, 1985, the day petitioner BBCP ceased its business operations. Thus, when private respondent BBSU filed its complaint for payment of money claims on November 11, 1989, more than four (4) years had already elapsed from the time its cause of action accrued. Hence, prescription has already set in.

Lastly, the filing of the Omnibus Motion to Dismiss on the grounds of res judicata and prescription even after the private respondent had rested its case should have been resolved by the public respondent. This is in consonance with Section 14 of the Revised Rules of the NLRC (which was the rule in force at the time the complaint was filed) thus -

“Section 14. Motion to Dismiss. - Any motion to dismiss a complaint or petition on the ground that ... the cause of action is barred by prior judgment or by prescription shall be immediately acted upon by the Labor Arbiter if the acts strongly indicate dismissal. x x x”

The filing of the Omnibus Motion to Dismiss only after the private respondent had rested its case does not constitute a waiver of the defense of prescription. It will be noted that the above-cited section does not provide for the specific period within which to file a motion to dismiss (*Pepsi-Cola v. Guanzon*, G.R. No. 81162, April 19, 1989; 172 SCRA 571).

PREMISES CONSIDERED, (1) the Order of the public respondent dated September 20, 1990 is SET ASIDE; and (2) public respondent is ordered to dismiss the complaint.

SO ORDERED.

Melencio-Herrera, (Chairman), Padilla, Regalado, and Nocon, JJ., concur.

* Penned by Labor Arbiter Numeriano D. Villena.

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