

**Title:** Briad Agro Development Corporation and L.M. Camus Engineering Corporation v. Secretary of Labor

**Facts:**

- **February 21, 1987:** A complaint was filed by the Trade Union of the Philippines and Allied Services (TUPAS) Local Chapter against Briad Agro Development Corporation. The complaint involved alleged underpayment and non-payment of various benefits.
- **May 20, 1987:** Labor Standards and Welfare Officer conducted an inspection at Briad Agro but no records were produced as they were kept at the Manila Office.
- **After May 20, 1987:** Despite being asked to produce records, Briad Agro failed to comply. The repeated absence of Briad Agro at scheduled conferences led to a presumption against them.
- **Order Issued (Date not specified):** Regional Director Filomeno Balbin ruled against Briad Agro for wage underpayment and other deficiencies from January 1984 to April 1987, amounting to P5,369,909.30.
- **Appeal:** Briad Agro appealed to the National Labor Relations Commission (NLRC), challenging the Regional Director's authority. The NLRC dismissed the appeal based on Executive Order No. 111.
- **Subsequent Petition:** Briad Agro brought the case to the Supreme Court, maintaining their jurisdictional objection.
- **Prior Proceedings (for L.M. Camus Engineering Corporation):** The case involved money awards for unpaid allowances and wages granted by Regional Director David Kong after an inspection by the Labor Department's Regional Office No. IX. Despite subpoenas and orders, L.M. Camus failed to produce required documents and later moved to dismiss based on an alleged jurisdictional defect.
- **Petition:** L.M. Camus Engineering also sought relief from the Supreme Court against the authority of Regional Director Kong.

**Issues:**

1. Does the jurisdiction to adjudicate money claims belong exclusively to Labor Arbiters of

the NLRC, or can it be concurrent with Regional Directors under the amendment to Article 128(b) of the Labor Code by EO 111?

2. Can curative statutes like EO 111 have retrospective effects to apply to cases decided under prior laws?

3. Is EO 111 valid in extending jurisdiction to Regional Directors over money claims that traditionally belonged to Labor Arbiters?

**\*\*Court's Decision:\*\***

1. **\*\*Jurisdiction Issue:\*\*** The Supreme Court held that Executive Order No. 111 amended the existing law to allow concurrent jurisdiction between the Secretary of Labor (through the Regional Directors) and Labor Arbiters over money claims, meaning they both share the power to adjudicate such claims.

2. **\*\*Curative and Retrospective Nature:\*\*** The Court decided that EO 111, being a curative statute, is applicable retrospectively to ongoing cases at the time of its effectivity. This validated the jurisdiction exercised by the Regional Directors when the disputes were initiated, confirming that EO 111 corrected the restrictive interpretation of the previous laws.

3. **\*\*Outcome for each Petition:\*\*** Both petitions by Briad Agro Development and L.M. Camus Engineering Corporation were dismissed. The Court affirmed the jurisdiction of the Regional Directors, emphasizing the statutory power intended by EO 111.

**\*\*Doctrine:\*\***

- **\*\*Concurrent Jurisdiction Doctrine:\*\*** EO 111 amended the Labor Code to establish concurrent jurisdiction for Regional Directors and Labor Arbiters regarding monetary claims when the employer-employee relationship still exists.

- **\*\*Curative Effect and Retroactivity:\*\*** Curative statutes can have retrospective application to legal proceedings that were still pending when the statutes were enacted, provided they do not impair vested rights or contravene the Constitution.

**\*\*Class Notes:\*\***

- **\*\*Exclusive vs. Concurrent Jurisdiction:\*\*** Understand the distinction between Labor

Arbiters' original exclusive jurisdiction (pre-EO 111) and shared jurisdiction (post-EO 111).

- **Article 128(b) Power:** After EO 111, even if a case involves money claims, Regional Directors can adjudicate provided the employment relationship exists and the claims are not contested beyond normal inspection capacity.

- **Curative Legislation:** Retrospective effect implies a legislative intent to correct or clarify previous legal uncertainties, often related to procedural elements.

**Historical Background:**

The decisions arose during a period when the Philippines was under a transition to democracy under President Corazon Aquino. The issuance of EO 111 was part of broader legal and economic reforms following the Marcos regime, whereby executive orders were used to address deficiencies in labor rights and improve administrative efficacy. This case reflects the judiciary's alignment with executive efforts to enhance labor protections while balancing them with procedural fairness in a rapidly evolving legal landscape.