SUPREME COURT
EN BANC

TEOTIMO BILLONES, CELSO VALLECER, ET AL.,
***Petitioners*,**

-versus-

G.R. No. L-17566
July 30, 1965

COURT OF INDUSTRIAL RELATIONS, and LUZON STEVEDORING CORPORATION and/or BYRON S. HULE, as Vice-president and General Manager,
***Respondent*.**
x----------x

SALVADOR VILLARDO, EULOGIO V. MATA, ET AL.,
***Petitioners*,**

-versus-

G.R. No. L-17567
July 30, 1965

THE COURT OF INDUSTRIAL RELATIONS, and LUZON STEVEDORING CORPORATION and/or BYRON S. HULE, as Vice-President and General Manager,

Respondents.

x----------x

D E C I S I O N

PAREDES, *J.*:

Petitioners herein were allegedly employees of the respondent Luzon Stevedoring Corporation, which required them to work 18 hours a day, without giving them additional compensation. In June 1954, petitioners together with the crew members of respondent's Luzon Stevedoring tugboats and barges, formed a Union, known as the Universal Marine Labor Union. As a Union, they presented with the Wage Administration Service (WAS), Department of Labor, a claim for accrued overtime compensation, covering the period from 1948 to 1954. The claim was, however, dropped by the WAS, it appearing that before the hearing could be terminated, the Union, thru its officers, entered into an amicable settlement with respondent Luzon Stevedoring and presented with the WAS on November 26, 1954, a petition, the pertinent portions of which recite:

> "2. That the petitioners and the respondent have come to an amicable settlement for the satisfaction of the petitioners' claim by the respondent by way of Collective Bargaining Contract, which will give financial benefits and economic security to the members of the petitioners so much so that this Collective Bargaining Contract a copy of which is herewith attached, has been unanimously accepted by the claimants and the members of the Universal Marine Labor Union and that they consider that this Collective Bargaining Contract is a full, complete and final satisfaction of their claim;

> "3. That through this Collective Bargaining Contract the petitioners agreed that the same is a full, and complete satisfaction of all and any claims that they may have against the respondents and releases the respondent for any obligations whatsoever."

Disclaiming any knowledge of the petition to dismiss the claim; that if there was any, they did not authorize the filing of the same in their behalf, or consented thereto, petitioners, thru their incumbent Union President, Bonifacio Reyes, presented before the Regional Office No. 3, Department of Labor, in January, 1958 and March 27, 1958, complaints for overtime compensations, docketed as RO3 L.S. 1047 and RO3 L.S. 1247, respectively, covering the period of 1948 to December 31, 1956. On April 8 and May 3, 1958, these cases were again dismissed with prejudice, at the individual instance of herein petitioners, except Celso Vallecer, Alfredo Manalansan, Gregorio Medina, Victoriano Eugenio, Deogracias Santos, Pedro Suante, Esmeraldo Bantique, Orlando Ortilles, Roberto Talabocon, Macario Junsay and Agustin Balsamo. Their motion to dismiss contained, among others, the following:

> "That after mature study and deliberation as to his cause of action, he has arrived at the firm conclusion that his claim for back overtime compensation during the period of his employment with defendant Luzon Stevedoring Co. Inc., is without basis and foundation, that the truth of the matter is that he has no claim of whatsoever nature against the defendant company, specifically in regard to back overtime compensation."

The Orders of dismissal became final, no appeal having been made.

Under date of April 11, 1960 and February 26, 1959, petitioners herein filed with the Court of Industrial Relations cases Nos. 1328-V (L-17566), and 1183-V (L-17567), respectively, both for overtime compensation, money value of their vacation leaves and Christmas bonuses, covering the period from 1948 to 1956, the same as those they had presented and asked to be dismissed, before the WAS.

In both cases, respondent Luzon Stevedoring presented Motions to Dismiss, to wit:

Case No. 1328-V (L-17566).

1. The CIR has no jurisdiction to hear and decide cases involving money claims;

2. The petitioners' cause of action, if any, is barred by prior judgment. In any event, the petitioners are estopped in asserting their alleged right to the various amounts being claimed;

3. The petitioners' cause of action, if any, has been lost by prescription.

Case No. 1183-V (L-17567).

1. The claim or demand set forth in petitioners' petition has been released;

2. The cause of action is barred by prior judgment;

3. The cause of action is barred by statute of limitation; and

4. The petitioners have no cause of action against the respondents.

Respondent Luzon Stevedoring points to the cases presented with the WAS, which were dismissed, upon the very instance of the herein petitioners, except a few. Regarding prescription, respondents invoke the provisions of Section 7-A of Commonwealth Act No. 444, as amended, by Republic Act No. 1993, which states:

> "Section 7-A — Any action to enforce any cause of action under this act shall be commenced within three years after such cause of action accrued, otherwise, such action shall be forever barred; Provided, however, That actions already commenced before the effective date of this Act, shall not be affected by the period herein prescribed."

Republic Act 1993 took effect on June 22, 1957, the date of its approval. Since the claim was embraced within the period from 1948 to 1956, and the cases at bar were filed on February 26, 1959 (L-17567) and April 11, 1960 (L-17566), the same were alleged not to have been presented within the reglementary period of three (3) years from accrual of the causes of action. Respondent also claimed that being a public utility, it is exempt from the operation of the Eight Hour Labor Law and from paying its employees additional compensation for work performed on Sundays and legal holidays (Gregorio, et al. vs. Luzon Stevedoring Co., Inc., 53 Off Gaz., No. 4, pp. 1145-46).

Petitioners opposed the Motions to Dismiss. They claimed that their causes of action were neither released nor barred by prior judgment, since the dismissal of their complaint with the Regional Office, were without their knowledge and consent; and that if they ever presented their individual motions to dismiss, it was because they were intimidated and coerced into signing them. Regarding prescription of action, petitioners alleged that the amendatory provision of Republic Act No. 1993, cannot be made retroactive, so as to affect their claim. To make a retroactive application of the law would render the same unconstitutional, for being against the doctrine of prospective application of laws, more so when a retroactive application affects vested rights.

On June 12, 1959, a Supplemental Motion to Dismiss was presented by respondent in L-17567, adding to the grounds already stated that of lack of jurisdiction of the CIR over the case.

In case G.R. No. L-17566, on June 15, 1960, Associate Judge Baltazar M. Villanueva, handed down an Order, the pertinent portions of which recite:

> "As to the second ground (re bar by prior judgment and estoppel), the Court believes, that the same may not be decided yet unless evidence to that effect is presented.
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> "Concerning the third ground, respondents contend that under the amendatory provision of Republic Act 1993, which provides:

> ‘Any action to enforce any cause of action under this Act shall be commenced within three years after the cause of action accrued, otherwise, such action shall be forever barred; Provided, however, that actions already commenced before the effective date of this Act shall not be affected by the period herein prescribed.’

the cause of action in the present petition, which covers the period from 1946 to 1956, has been forever barred. Petitioners, on the other hand, claim that such provision of the law, which took effect only on June 22, 1957, could not be given retroactive effect.

“On this point, we believe respondents’ contention is right. The last proviso which states ‘that actions already commenced before the effective date of this act shall not be affected by the period herein prescribed’ gives us the clue that the intention of Congress in passing said Act is to give the same a retroactive effect. Only those actions which had been filed prior to June 22, 1957, can be exempted from the three year period of prescription. Actions filed after that date must necessarily be bound by such law.

x x x

Petitioners in L-17566 moved for a reconsideration of the above judgment, which was denied by a unanimous vote on September 8, 1960.

Meanwhile, in G.R. No. L-17567 (1183-V), Presiding Judge Jose S. Bautista, deferred resolution of the motion to dismiss, stating that the grounds relied upon by respondents, were not indubitable. He ordered Luzon Stevedoring to Answer the petition, in five (5) days after receipt.

Respondent Luzon Stevedoring reiterated its Motion to Dismiss. On August 13, 1960, Presiding Judge Bautista resolved the Motion to Dismiss in case No. 1183-V (L-17567), including other cases having

similar issues (L-1184-V to 1189-V, inclusive), holding —

> "With respect to the ground of prescription respondents alleged that the period covered by the claim for non-payment of overtime compensation is from July, 1948 to December, 1956. It is contended that these causes having been filed only on February 19, 1959, the said claim of the petitioners had already elapsed by virtue of the mandatory provisions of R.A. No. 1993."
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> x x x
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> "In this connection, respondents drew the attention of this Court to an Order dated June 15, 1960 in Case No. 1328-V of an Associate Judge of this Court dismissing the case, which also involves overtime claim on ground of prescription. Nonetheless, while it may seem there is merit in respondent's contention, this Court, however, believes that the cause of action in the above-entitled cases has not fully prescribed. It must be noted that the overtime claim covers a period up to December, 1956. These cases were filed with this Court on February 19, 1959, so that if we were to apply or deduct the 3-year prescriptive period from February 19, 1959 — the date petitioners commenced to enforce their cause of action against the respondent — it would clearly appear that their right to overtime claim from February 19, 1956 to December, 1956 had not yet expired. In other words, this Court believes that only those claims prior to February 19, 1956 are barred or have already prescribed in accordance with the provision of R.A. No. 1993.
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> "the amendatory law providing "that actions already commenced before the effective date of this Act shall not be affected by the period herein prescribed" is a clear indication of the Congressional intent of giving the said Act a retroactive effect. Moreover, such intent, although not stated in express terms, may be gleaned from the explanatory note of House Bill No. 6718."

The Order dated June 15, 1960 (L-17566) and that of August 13, 1960 (1-17567) are now before Us on Petitions for Certiorari (Review),

petitioners submitting four identical issues, all of which pose the singular issue of whether Republic Act No. 1993 is a valid exercise of legislative power and should be given a retroactive effect.

Basically, the stand of petitioners is divided into the following propositions:

(1) Sec. 7-A of Republic Act 1993, would impair the right of obligations and contracts, for the original period of six (6) years within which to present actions on oral contracts, will be shortened;

(2) Republic Act 1993 cannot be given a retroactive effect for it will prejudice vested rights; contrary to law and jurisprudence; and it is not so provided in the statute itself;

(3) Even if Republic Act 1993 is given retroactive effect, the period of prescription had been interrupted with the presentation of the claims with the Regional Office of the Department of Labor.

Respondents, on their part, entertained the contrary view.

At the outset, We would like to mention the fact that it is within the power and authority of the Legislature to pass Limitation Statutes. (34 Am. Jur. 26) Manifestly, Republic Act 1993 is a Limitation State, and a special law, at that. We also agree with the CIR that the very wording of the amendment clearly indicates that the same should be given a retroactive effect. When the legislature said: "that actions already commenced before the effective date of this Act shall not be affected by the period herein prescribed," — it had already conceded the retroactive application of the said section 7-A (supra).

But petitioners contend that to give the amendment a retroactive effect will be a violation of the constitutional mandate regarding abridging the right of obligations and contracts and that it will prejudice their rights to their accrued overtime compensations and to bring actions for collection originally provided to be within six (6) years. We are not ready to admit the tenability of the above argument. Whether there really existed the obligation or contract which might

have been impaired, has not been positively shown by petitioners. There were documents to show that they already settled the matter of overtime compensation with the respondent Luzon Stevedoring, so much so that they had caused the presentation of a collective, and then later, individual, motions to dismiss this particular claim for overtime pay. The amendment being procedural in character, no vested rights could attach. It should be recalled that this Court had already, applied the provisions of section 7-A in the case of Manuel Tiberio vs. Manila Pilots Assn. 113 Phil. 735; and PRISCO vs. CIR, et al., L-14613, Nov. 30, 1962.

It has not been denied that similar claims had been presented with the Department of Labor, obviously before the effectivity of Republic Act No. 1993 by herein petitioners-appellants. Said presentation, however, did not serve to suspend the period of prescription, since the claims were dismissed upon their instance. Dismissal, or voluntary abandonment by the plaintiffs (here petitioners), leaves the parties in exactly the same position as though no action had been commenced at all. The commencement of the action, by reason of its dismissal or abandonment, takes no time out of the period of prescription (Conspecto vs. Fruto, 36 Phil., 144; Peralta, et al. vs. Alipio, et al., 97 Phil., 719; Ongsiaco, et al. vs. Ongsiaco, et al., 97 L-7510, March 30, 1957).

Upon the enactment of Republic Act No. 1993, on June 22, 1957, and because of its retroactive effect, the claims covering 1954 to 1956, could still be validly instituted. Because Act No. 1993 shortened the period within which to bring such actions, and in order not to violate the constitutional mandate about due process, the claimants should have a reasonable time from the enactment of said law, or one year from 1957, within which to sue on said claims. Unfortunately, however, petitioners lodged their claims in 1959 and 1960 only, beyond said period of time. *Lex reprobat romam*, the law disapproves of delay; *lex dilationes semper exhorret*, the law always abhors delay.

IN VIEW OF ALL THE FOREGOING, (1) the order of June 15, 1960 in case L-17566, should be as it is hereby affirmed, in all respects; (2) in case L-17567, the order of August 13, 1960, is modified, in the sense that the claims for overtime pay which has

prescribed are those from 1948 to February 25, 1956, not from 1948 to February 18, 1956, as stated by the Court. For the resolution of their claims from February 26, 1956, to December 31, 1956, and other claims which petitioner therein may have against the respondent Luzon Stevedoring; the case is hereby remanded and let the respondent Court proceed with the hearing thereof, for the purpose of receiving evidence on the matters treated in the complaint, and to render judgment accordingly. No pronouncement as to costs.

Bengzon, *C.J.*, Bautista Angelo, Concepcion, Reyes, Dizon, Regala, Makalintal, Bengzon, *JJ.*, and Zaldivar, *JJ.*, concur. Barrera, *J.*, is on leave.