

CHANROBLES PUBLISHING COMPANY

**SUPREME COURT
THIRD DIVISION**

**JOSEMARIA G. ESTRADA,
*Petitioner,***

-versus-

**G.R. No. 106722
October 4, 1996**

**THE HONORABLE NATIONAL LABOR
RELATIONS COMMISSION and
PHILIPPINE AIRLINES, INC.,
*Respondents.***

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RESOLUTION

FRANCISCO, J.:

Prior to the instant controversy, petitioner Josemaria Estrada^[1] was the Senior Vice-President — Marketing Group of private respondent Philippine Airlines Inc., (PAL for brevity), responsible “for the development of corporate marketing plans and strategies of PAL and for providing direction on all passenger and cargo sales and services activities at international and domestic airports.”^[2]

In June of 1990, petitioner was implicated by then Solicitor General Francisco Chavez in the much-publicized P2 billion anomaly in PAL. Accordingly, he was administratively charged^[3] and thereafter preventively suspended. Investigation ensued with the investigating committee recommending petitioner's dismissal from service. On 27 December 1990, petitioner received a resolution passed by the PAL's Board of Directors (Board for brevity) declaring him resigned from service effective immediately for "loss of confidence and acts inimical to the interest of the company".^[4] Aggrieved, petitioner sued PAL for illegal dismissal with prayer for backwages, damages and other benefits before the Labor Arbiter. Finding that petitioner was illegally dismissed, the Labor Arbiter ordered PAL to reinstate petitioner to his previous position and to pay him backwages and other benefits.^[5] On appeal by PAL, the National Labor Relations Commission (NLRC) ordered the dismissal of the petitioner's complaint holding that jurisdiction over the case lies with the Securities and Exchange Commission (SEC)^[6] Petitioner's motion for reconsideration was denied; hence, this petition for certiorari with the following threshold issues: (1) whether or not the NLRC has jurisdiction over the case for illegal termination filed by petitioner; and (2) whether or not private respondent PAL is estopped from questioning the jurisdiction of the NLRC.

The petition is devoid of merit. We note that the issues raised herein have already been passed upon in *Lozon vs. National Labor Relations Commission, et. al.*^[7] and *Espino vs. National Labor Relations Commission, et. al.*^[8] In fact, in those cases *Lozon* and *Espino*, together with herein petitioner *Estrada*, were among the several Executive Vice-Presidents of PAL who were dismissed by the Board for their involvement in the same P2 billion PAL anomaly. *Lozon* and *Espino*, just like herein petitioner, sued PAL for illegal dismissal.^[9] The Labor Arbiter's decision in their favor was reversed and ordered dismissed by the NLRC on appeal for lack of jurisdiction. On certiorari, the Court ruled as follows:

"In *Fortune Cement Corporation vs. NLRC*, the Court has quoted with approval the Solicitor General's contention that 'a corporate officer's dismissal is always a corporate act and/or intra-corporate controversy and that nature is not altered by the reason or wisdom which the Board of Directors may have in

taking such action.’ Not the least insignificant in the case at bench is that petitioner’s dismissal is intertwined with still another intra-corporate affair, earlier so ascribed as the ‘two-billion-peso PAL scam,’ that inevitably places the case under the specialized competence of the SEC and well beyond the ambit of a labor arbiter’s normal jurisdiction under the general provisions of Article 217 of the Labor Code.”^[10]

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“The fact that petitioner sought payment of his backwages, other benefits, as well as moral and exemplary damages and attorney’s fees in his complaint for illegal dismissal will not operate to prevent the SEC from exercising its jurisdiction under PD 902-A. While the affirmative reliefs and monetary claims sought by petitioner in his complaint may, at first glance, mislead one into placing the case under the jurisdiction of the Labor Arbiter, a closer examination reveals that they are actually part of the perquisites of his elective position; hence, intimately linked with his relations with the corporation.”^[11]

We fail to see any cogent reason, and none was persuasively presented, why the above ruling should not be applied to the case at bench.

Anent the issue on estoppel, suffice it to state that there is nothing on record to show that PAL was guilty of the same. In fact, we note that initially at the arbitration level, PAL already questioned the jurisdiction of the Labor Arbiter on the ground that petitioner’s “recourse should have been with the Office of the President.”^[12] While the reason therein proffered by PAL may be incorrect, it did not alter the fact that PAL indeed questioned the jurisdiction of the Labor Arbiter. At any rate, our settled rule is that jurisdiction over the subject matter is conferred by law, and may be questioned at anytime even on appeal.^[13]

ACCORDINGLY, the instant petition is hereby **DISMISSED**.

SO ORDERED.

**Narvasa, C.J., Davide, Jr. and Melo, J.J., concur.
Panganiban, J., took no part.**

[1] In the past, petitioner held the following positions: (1) Assistant to the Director, Fare and Rates (1969); (2) Manager, Staff Service, Marketing and Sales-International (1973-1979); (3) Manager, Tariffs-IATA (1974-1977); (4) Director, Tariffs and Regulatory Matters (1977-1980); (5) Director, International Passenger Sales (1980); (6) Assistant Vice-President, Int'l. Passenger Sales; (7) Assistant Vice-President, External Affairs; (8) Officer-in-charge, Sales and Services Int'l. (1987); (9) Vice-President, Sales and Services Int'l. (1987-1988).

[2] Rollo, p. 58.

[3] Petitioner was charged by Romeo S. David, PAL's Senior Vice President — Corporate Services and Logistics Group, for his purported involvement in the following cases: (1) "Philwood Travel Service Account"; (2) "PR/KL Bilateral Cargo Private Agreement"; (3) "Middle East-United Express Case"; (4) "Block Space Agreement case"; (5) "Middle East-Abed Chamli case"; (6) "Kabash/Primavera Case; (7) "James Oliver case"; and (8) "Volume Travel Incentive case".

[4] Rollo, p. 45.

[5] The dispositive portion of which reads:

"WHEREFORE, judgment is hereby rendered ordering the respondent to reinstate the complainant to his former position without loss of seniority rights. Respondent is likewise ordered to pay:

- 1) backwages in the amount of P1,647,000.00 up to year 1991 (without qualification);
- 2) P83,000.00 for medical and dental benefits up to 1991;
- 3) P1,580,732.00 for lost of travel benefits up to 1991;
- 4) Sick leave benefits amounting to P890,668.00;
- 5) Vacation leave credits amounting to P842,499.00;
- 6) Transportation benefits amounting to P144,172.00 up.

Respondent is likewise ordered to pay any and all accrued salaries and benefits starting from January 1992 until reinstatement including but not limited to backwages, travel benefits, sick leave and vacation leave benefits and transportation benefits.

With respect to the insurance coverage, respondent is hereby ordered to reinstate such coverage to the complainant or in the alternative pay him the fact value thereof amounting to P3,000,000.00.

Moral damages is hereby awarded to the complainant in the amount of P15,000,000.00. Exemplary damages in the amount of P5,000,000.00 and attorney's fees equivalent to 10% of the total monetary claims.

SO ORDERED.”

- [6] P.D. 902-A, Section 5, provides: “In addition to the regulatory and adjudicative functions of the Securities and Exchange Commission over corporations, partnerships and other forms of associations registered with it as expressly granted under existing laws and decrees, it shall have original and exclusive jurisdiction to hear and decide cases involving.

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(c) Controversies in the election or appointment of directors, trustees, officers or managers of such corporations, partnerships or associations.” (Emphasis supplied.)

- [7] G.R. No. 107660, January 2, 1995.
[8] G.R. No. 109642-43, January 5, 1995.
[9] Petitioner's counsel, the law firm of Tanjuatco, Corpus, Tanjuatco, Tagle-Chua, Cruz and Aquino, was also the counsel of Lozon and Espino.
[10] Lozon vs. NLRC, et. al., 310 Phil. 1, 10, citing Macapalan vs. Katalbas-Moscardon, 227 SCRA 49 (1993); Viray vs. Court of Appeals, 191 SCRA 308 (1990) and Union Glass and Container Corporation vs. Securities and Exchange Commission, 126 SCRA 31 (1983).
[11] Espino vs. NLRC, 310 Phil. 61, 74; See Andaya vs. Abadia, 228 SCRA 705 [1993].
[12] Position Paper for PAL, p. 3; Rollo, p. 111.
[13] La Naval Drug Corporation vs. Court of Appeals, 236 SCRA 78, 90 [1994], citing Roxas vs. Rafferty, 37 Phil. 957; Corona vs. Court of Appeals, 214 SCRA 378 [1992]; Javier vs. Court of Appeals, 214 SCRA 572 [1992]; Southeast Asian Fisheries Development Center-Aquaculture Department vs. National Labor Relations Commission, 206 SCRA 283 [1992]; People vs. Eduarte, 182 SCRA 750 [1990].