

CHANROBLES PUBLISHING COMPANY

**SUPREME COURT
SECOND DIVISION**

**INDUSTRIAL
INTERNATIONAL
CORP. (INIMACO),**

**MANAGEMENT
DEVELOPMENT**

Petitioner,

-versus-

**G.R. No. 101723
May 11, 2000**

**NATIONAL LABOR RELATIONS
COMMISSION, (*Fourth Division*) Cebu
City, and ENRIQUE SULIT, SOCORRO
MAHINAY, ESMERALDO PEGARIDO,
TITA BACUSMO, GINO NIERE,
VIRGINIA BACUS, ROBERTO
NEMENZO, DARIO GO, and ROBERTO
ALEGARBES,**

Respondents.

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DECISION

BUENA, J.:

This is a Petition for Certiorari assailing the Resolution dated September 4, 1991 issued by the National Labor Relations Commission in RAB-VII-0711-84 on the alleged ground that it committed a grave abuse of discretion amounting to lack of

jurisdiction in upholding the Alias Writ of Execution issued by the Labor Arbiter which deviated from the dispositive portion of the Decision dated March 10, 1987, thereby holding that the liability of the six respondents in the case below is solidary despite the absence of the word “solidary” in the dispositive portion of the Decision, when their liability should merely be joint.

The factual antecedents are undisputed:

In September 1984, private respondent Enrique Sulit, Socorro Mahinay, Esmeraldo Pegarido, Tita Bacusmo, Gino Niere, Virginia Bacus, Roberto Nemenzo, Dariogo, and Roberto Alegarbes filed a complaint with the Department of Labor and Employment, Regional Arbitration Branch No. VII in Cebu City against Filipinas Carbon Mining Corporation, Gerardo Sicat, Antonio Gonzales, Chiu Chin Gin, Lo Kuan Chin, and petitioner Industrial Management Development Corporation (INIMACO), for payment of separation pay and unpaid wages.

In a Decision dated March 10, 1987, Labor Arbiter Bonifacio B. Tumamak held that:

“RESPONSIVE, to all the foregoing, judgment is hereby entered, ordering respondents Filipinas Carbon and Mining Corp. Gerardo Sicat, Antonio Gonzales/Industrial Management Development Corp. (INIMACO), Chiu Chin Gin and Lo Kuan Chin, to pay complainants Enrique Sulit, the total award of P82,800.00; ESMERALDO PEGARIDO the full award of P19,565.00; Roberto Nemenzo the total sum of P29,623.60 and DARIO GO the total award of P6,599.71, or the total aggregate award of ONE HUNDRED THIRTY-EIGHT THOUSAND FIVE HUNDRED EIGHTY-EIGHT PESOS AND 31/100 (P138,588.31) to be deposited with this Commission within ten (10) days from receipt of this Decision for appropriate disposition. All other claims are hereby Dismiss (sic) for lack of merit.

“SO ORDERED.

“Cebu City, Philippines.

“10 March 1987.”^[1]

No appeal was filed within the reglementary period thus, the above Decision became final and executory. On June 16, 1987, the Labor Arbiter issued a writ of execution but it was returned unsatisfied. On August 26, 1987, the Labor Arbiter issued an Alias Writ of Execution which ordered thus:

“NOW THEREFORE, by virtue of the powers vested in me by law, you are hereby commanded to proceed to the premises of respondents Antonio Gonzales/Industrial Management Development Corporation (INIMACO) situated at Barangay Lahug, Cebu City, in front of La Curacha Restaurant, and/or to Filipinas Carbon and Mining corporation and Gerardo Sicat at 4th Floor Universal RE-Bldg. 106 Paseo de Roxas, Legaspi Village, Makati Metro Manila and at Philippine National Bank, Escolta, Manila respectively, and collect the aggregate award of ONE HUNDRED THIRTY-EIGHT THOUSAND FIVE HUNDRED EIGHTY-EIGHT PESOS AND THIRTY ONE CENTAVOS (P138,588.31) and thereafter turn over said amount to complainants ENRIQUE SULIT, ESMERALDO PEGARIDO, ROBERTO NEMENZO AND DARIO GO or to this Office for appropriate disposition. Should you fail to collect the said sum in cash, you are hereby authorized to cause the satisfaction of the same on the movable or immovable property(s) of respondents not exempt from execution. You are to return this writ sixty (6) (sic) days from your receipt hereof, together with your corresponding report.

“You may collect your legal expenses from the respondents as provided for by law.

“SO ORDERED.”^[2]

On September 3, 1987, petitioner filed a “Motion to Quash Alias Writ of Execution and Set Aside Decision,”^[3] alleging among others that the alias writ of execution altered and changed the tenor of the decision by changing the liability of therein respondents from joint to solidary, by the insertion of the words “AND/OR” between “Antonio

Gonzales/Industrial Management Development Corporation and Filipinas Carbon and Mining Corporation, et al.” However, in an order dated September 14, 1987, the Labor Arbiter denied the motion.

On October 2, 1987, petitioner appealed^[4] the Labor Arbiter’s Order dated September 14, 1987 to the respondent NLRC.

The respondent NLRC dismissed the appeal in a Decision^[5] dated August 31, 1988, the pertinent portions of which read:

“In matters affecting labor rights and labor justice, we have always adopted the liberal approach which favors the exercise of labor rights and which is beneficial to labor as a means to give full meaning and import to the constitutional mandate to afford protection to labor. Considering the factual circumstances in this case, there is no doubt in our mind that the respondents herein are called upon to pay, jointly and severally, the claims of the complainants as was the latter’s prayers. Inasmuch as respondents herein never controverted the claims of the complainants below, there is no reason why complainants’ prayer should not be granted. Further, in line with the powers granted to the Commission under Article 218 (c) of the Labor code, ‘to waive any error, defect or irregularity whether in substance or in form’ in a proceeding before Us, We hold that the Writ of Execution be given due course in all respects.”

On July 31, 1989, petitioner filed a “Motion To Compel Sheriff To Accept Payment Of P23,198.05 Representing One Sixth Pro Rata Share of Respondent INIMACO As Full and Final Satisfaction of Judgment As to Said Respondent.”^[6] The private respondents opposed the motion. In an Order^[7] dated August 15, 1989, the Labor Arbiter denied the motion ruling thus:

“WHEREFORE, responsive to the foregoing respondent INIMACO’s Motions are hereby DENIED. The Sheriff of this Office is order (sic) to accept INIMACO’s tender payment (sic) of the sum of P23,198.05, as partial satisfaction of the judgment and to proceed with the enforcement of the Alias Writ of Execution of the levied properties, now issued by this Office, for

the full and final satisfaction of the monetary award granted in the instant case.

“SO ORDERED.”

Petitioner appealed the above Order of the Labor Arbiter but this was again dismissed by the respondent NLRC in its Resolution^[8] dated September 4, 1991 which held that:

“The arguments of respondent on the finality of the dispositive portion of the decision in this case is beside the point. What is important is that the Commission has ruled that the Writ of Execution issued by the Labor Arbiter in this case is proper. It is not really correct to say that said Writ of Execution varied the terms of the judgment. At most, considering the nature of labor proceedings there was, an ambiguity in said dispositive portion which was subsequently clarified by the Labor Arbiter and the Commission in the incidents which were initiated by INIMACO itself. By sheer technicality and unfounded assertions, INIMACO would now reopen the issue which was already resolved against it. It is not in keeping with the established rules of practice and procedure to allow this attempt of INIMACO to delay the final disposition of this case.

“WHEREFORE, in view of all the foregoing, this appeal is DISMISSED and the Order appealed from is hereby AFFIRMED.

“With double costs against appellant.”

Dissatisfied with the foregoing, petitioner filed the instant case, alleging that the respondent NLRC committed grave abuse of discretion in affirming the Order of the Labor Arbiter dated August 15, 1989, which declared the liability of petitioner to be solidary.

The only issue in this petition is whether petitioner’s liability pursuant to the Decision of the Labor Arbiter dated March 10, 1987, is solidary or not.

Upon careful examination of the pleadings filed by the parties, the Court finds that petitioner INIMACO's liability is not solidary but merely joint and that the respondent NLRC acted with grave abuse of discretion in upholding the Labor Arbiter's Alias Writ of Execution and subsequent Orders to the effect that petitioner's liability is solidary.

A solidary or joint and several obligation is one in which each debtor is liable for the entire obligation, and each creditor is entitled to demand the whole obligation.^[9] In a joint obligation each obligor answers only for a part of the whole liability and to each obligee belongs only a part of the correlative rights.^[10]

Well-entrenched is the rule that solidary obligation cannot lightly be inferred.^[11] There is a solidary liability only when the obligation expressly so states, when the law so provides or when the nature of the obligation so requires.^[12]

In the dispositive portion of the Labor Arbiter, the word "solidary" does not appear. The said fallo expressly states the following respondents therein as liable, namely: Filipinas Carbon and Mining Corporation, Gerardo Sicat, Antonio Gonzales, Industrial Management Development Corporation (petitioner INIMACO), Chiu Chin Gin, and Lo Kuan Chin. Nor can it be inferred therefrom that the liability of the six (6) respondents in the case below is solidary, thus their liability should merely be joint.

Moreover, it is already a well-settled doctrine in this jurisdiction that, when it is not provided in a judgment that the defendants are liable to pay jointly and severally a certain sum of money, none of them may be compelled to satisfy in full said judgment. In *Oriental Commercial Co. vs. Abeto and Mabanag*^[13] this Court held:

"It is of no consequence that, under the contract of suretyship executed by the parties, the obligation contracted by the sureties was joint and several in character. The final judgment, which superseded the action for the enforcement of said contract, declared the obligation to be merely joint, and the same cannot be executed otherwise."^[14]

Granting that the Labor Arbiter has committed a mistake in failing to indicate in the dispositive portion that the liability of respondents therein is solidary, the correction — which is substantial — can no longer be allowed in this case because the judgment has already become final and executory.

It is an elementary principle of procedure that the resolution of the court in a given issue as embodied in the dispositive part of a decision or order is the controlling factor as to settlement of rights of the parties.^[15] Once a decision or order becomes final and executory, it is removed from the power or jurisdiction of the court which rendered it to further alter or amend it.^[16] It thereby becomes immutable and unalterable and any amendment or alteration which substantially affects a final and executory judgment is null and void for lack of jurisdiction, including the entire proceedings held for that purpose.^[17] An order of execution which varies the tenor of the judgment or exceeds the terms thereof is a nullity.^[18]

None of the parties in the case before the Labor Arbiter appealed the Decision dated March 10, 1987, hence the same became final and executory. It was, therefore, removed from the jurisdiction of the Labor Arbiter or the NLRC to further alter or amend it. Thus, the proceedings held for the purpose of amending or altering the dispositive portion of the said decision are null and void for lack of jurisdiction. Also, the Alias Writ of Execution is null and void because it varied the tenor of the judgment in that it sought to enforce the final judgment against “Antonio Gonzales/Industrial Management Development Corp. (INIMACO) and/or Filipinas Carbon and Mining Corp. and Gerardo Sicat,” which makes the liability solidary.

WHEREFORE, the petition is hereby **GRANTED**. The Resolution dated September 4, 1991 of the respondent National Labor Relations is hereby declared **NULL** and **VOID**. The liability of the respondents in RAB-VII-0711-84 pursuant to the Decision of the Labor Arbiter dated March 10, 1987 should be, as it is hereby, considered joint and petitioner’s payment which has been accepted considered as full satisfaction of its liability, without prejudice to the enforcement of the award, against the other five (5) respondents in the said case.

SO ORDERED.

**Bellosillo, Mendoza and Quisumbing, JJ., concur.
De Leon, Jr., J., is on leave.**

- [1] Decision, Rollo, pp. 17-26.
- [2] Alias Writ of Execution, Rollo, pp. 27-28.
- [3] Motion to Quash Alias Writ of Execution and Set Aside Decision, Rollo, pp. 29-32.
- [4] Appeal, Rollo, pp. 33-37.
- [5] Decision of the NLRC, Rollo, pp. 38-42; Order, Rollo, p. 48; Manifestation In Lieu of Comment, Rollo, p. 92.
- [6] Motion to Compel Sheriff to Accept, Rollo, pp. 43-46.
- [7] Order, Rollo, pp. 47-50.
- [8] Resolution dated Sept. 4, 1991 of the NLRC, Rollo, pp. 62-66.
- [9] Inciong, Jr. vs. Court of Appeals, 257 SCRA 578 [1996].
- [10] See Art. 1207, Civil Code of the Philippines.
- [11] Smith, Bill & Co., Inc. vs. Court of Appeals, 267 SCRA 530 [1997].
- [12] Inciong, Jr. vs. Court of Appeals, 257 SCRA 578 [1996].
- [13] 60 Phil. 723 [1934].
- [14] citing De Leon vs. Nepomuceno and De Jesus, 37 Phil. 180; Sharruf vs. Tayabas Land Co. and Ginainati, 37 Phil. 655.
- [15] Suntay vs. Conjuangco-Suntay, 300 SCRA 760 [1998].
- [16] Schering Employees' Labor Union vs. NLRC, 296 SCRA 237 [1998]; Nacuray vs. NLRC, 270 SCRA 9 [1997].
- [17] Arcenas vs. Court of Appeals, 299 SCRA 733 [1998].
- [18] Philippine Bank of Communications vs. Court of Appeals, 279 SCRA 364 [1997].