CHANROBLES PUBLISHING COMPANY

SUPREME COURT
SECOND DIVISION

JACQUELINE INDUSTRIES, DUNHILL BAGS INDUSTRIES, POL YAP, CANDIDO DYONCO and HENRY YAP,
***Petitioner*,**

-versus-

G.R. No. L-37034
August 29, 1975

NATIONAL LABOR RELATIONS COMMISSION and GAUDENCIA DE QUIROZ,
***Respondents*.**
x----------x

D E C I S I O N

FERNANDO, *J.*:

To free themselves from the adverse effects of an award for a money claim in favor of private respondent Gaudencia de Quiroz, petitioners filed this certiorari and prohibition proceeding against the National Labor Relations Commission. They would predicate a hoped-for reversal of its decision, appealed to and affirmed by the Secretary of Labor, now sought to be annulled by a rather restrictive interpretation of Presidential Decree No. 21, issued during the first month of martial law. This is to ignore its prime objectives: "To promote industrial peace, maximize productivity and secure social

justice for all the people."[1] In the comment submitted by the Solicitor General,[2] which was made the basis of a formal answer, there was a clear demonstration of the competence of respondent body to act on the matter as well as a persuasive refutation of the assertion of lack of compliance with the requirement of due process. Under the circumstances, there is no justification for granting the petition. We affirm.

The facts are set forth in the decision of National Labor Relations Commission under date of March 22, 1973. Thus: "The facts of this case are as stated in Mediator-Factfinder L. C. Piezas' report to this Commission dated 12 March 1973, as supplemented by his additional Mediation Report dated 17 March 1973. As found by the said mediator-factfinder, the complainant is entitled to wage differentials in the amount of P2,609.00 and overtime pay in the amount of P5,265.00 corresponding to the unprescribed period of the claims. It also appears that the complainant was unjustly dismissed, for which reason he is entitled to separation pay in the amount of P1,200.00. In view thereof, the respondents Jacqueline Industries and Dunhill Bags Industries [or] their proprietors are hereby ordered to pay the said amounts to the complainant, or a total amount of P9,074.00, within five (5) days from the date this decision becomes final."[3] After an appeal was taken to Secretary of Labor Blas Ople, a much more extended decision was handed down on May 18, 1973, worded in this wise: "This is an appeal taken by the respondents from the decision of the National Labor Relations Commission ordering the respondents to pay the complainant wage differentials in the amount of P2,609.00, overtime pay in the amount of P5,265.00, and separation pay in the amount of P1,200.00, or the total amount of P9,074.00. The respondents made five assignments of errors which may be narrowed down to the following issues: 1. That the industrial enterprises of the respondents which are registered under Republic Act No. 3470, known as the NACIDA Law, are exempted from the coverage of the Minimum Wage Law; 2. That the complainant is not entitled to the award; and 3. That the National Labor Relations Commission erred in assuming jurisdiction over the case, and that it is not empowered to pass upon money claims. With reference to the first issue, Section 3(d) of the Minimum Wage Law, as amended, provides that: 'This Act shall not apply to farm tenancy, household service, and persons working in their respective houses in needlework

or in any cottage industry registered under the provisions of Republic Act Numbered Three Thousand Four Hundred Seventy.' Under the above-quoted provision of the law, it is not the cottage industry establishment which is exempted from the coverage of the said law but the 'persons working in their respective houses in any cottage industry registered under the provision of Republic Act No. 3470. In other words, if the cottage industry workers do not work 'in their respective houses' but in the establishment itself which is not their house, the law applies both to the employee and their employer, even if the establishment is registered under the provision of Republic Act 3470. It follows, therefore, that industries registered under the law are not exempted from the coverage of the Minimum Wage Law. Since the complainant was a cottage industry worker working in the respondent establishment, which is not her house, she is not excluded from the coverage of the Minimum Wage Law. Consequently, she is entitled to minimum wage rates provided under the Minimum Wage Law. In so far as the second issue is concerned, the respondents contend that the claimant is not entitled to: 1) the wage differential for underpayment, which contention has already been resolved by virtue of the ruling made on the first issue above; 2) for overtime pay; and 3) for separation pay. In denying their liability for overtime pay, the respondents claim that the complainant was hired on a piece-rate basis. We have gone over the records in search of evidence to support this contention, but we have found none. Not a single production record on the daily output of the complainant was presented by the respondents; on the contrary, the records show that the complainant had a regular work schedule, with a fixed monthly salary. Furthermore, the respondents allege that inasmuch as the complainant abandoned her work and was not dismissed as alleged by her, she is not entitled to separation pay. We find no merit in this contention. The records show that the complainant went on sick leave to undergo medical treatment for urinary tract infection, and that on August 7, 1972, upon her return to duty, she was dismissed by the respondents. Such action by the respondents is not countenanced in this jurisdiction: 'The employer cannot rightfully dismiss the employee who is sick even if he complies with the requirement of the Act as to the service of the required notice or payment of the corresponding separation pay, because sickness is not willful or voluntary on the part of the employee.' (Eugenio Nadura vs. Benguet Consolidated, Inc., G.R. No. L-17780, Aug. 24, 1962). With regard to

the last issue, the respondents' first attempt [was] to show that the Commission erred in assuming jurisdiction over the case on the ground that the parties failed to exhaust all the steps in the grievance procedure provided for under Section 3 of Presidential Decree No. 21. It should be noted, however, that the 'steps' in the grievance procedure mentioned in the aforesaid section refer to the procedure 'provided for in the applicable collective bargaining agreement,' and not to the procedure in the National Labor Relations Commission where proceedings at all levels are non-litigatious and summary in nature (See Section 28, NLRC Rules and Regulations). Incidentally, there is no applicable collective bargaining agreement in this case. Finally, the respondents contend that the National Labor Relations Commission has no jurisdiction over money claims which belongs exclusively to the courts of general jurisdiction. This contention merits scant consideration. Where an employee seeks reinstatement because of a wrongful dismissal, as in the instant case, all money claims arising out of or in connection with the employment fall within the ambit of the Commission's jurisdiction. The following jurisprudence is in point: 'When the employer-employee relationship is still existing or is sought to be reinstated because of a wrongful severance (or when the employee seeks reinstatement) the Court of Industrial Relations has jurisdiction over all claims arising out of or in connection with the employment such as those relative to the Minimum Wage Law and the Eight-Hour Labor Law.' (PRISCO vs. CIR, et al., G.R. No. L-13806, May 23, 1960). [Wherefore], the decision dated March 22, 1973 of the National Labor Relations Commission is hereby affirmed and the respondents are ordered to pay the award within ten (10) days from their receipt hereof."[4]

It is thus apparent that the matter involved, a labor dispute arising from an employer-employee relationship, was within the competence of the National Labor Relations Commission, now replaced under the new Labor Code by a more permanent body of the same name. Nor was procedural due process disregarded.

> 1. The jurisdictional question raised occasions no difficulty. It is rather easy to dispose of. Its lack of merit is quite apparent. That the authority was then vested in respondent body is not opened to doubt. The wording of Presidential Decree No. 21 yields no other conclusion. It reads thus: "The Commission

shall have original and exclusive jurisdiction over the following: 1) All matters involving employee-employer relations including all disputes and grievances which may otherwise lead to strikes and lockouts under Republic Act No. 875; 2) All strikes overtaken by Proclamation No. 1081; and 3) All pending cases in the Bureau of Labor Relations."[5] Its coverage is comprehensive. Even if it were less so, it is not to be construed restrictively. To do so would be to frustrate its basic purpose. It was a response to the prevalent state of unrest and dissatisfaction in the ranks of labor so manifested during those days of activism that contributed to the institution of martial rule. It was one of the earliest moves of the administration, having been issued on October 14, 1972. Clearly, there was a need for it as the situation would not brook further delay. The Court of Industrial Relations had by then ceased to be effective. It was quite evident that the disenchantment with its performance was widespread. As a matter of fact, it was abolished under the new Labor Code. It would be contrary to reason then, let alone common sense, if by a process of force and strained interpretation, respondent would be prevented from taking cognizance of controversies for the solution of which it was precisely created. The decree, or any law for that matter, should not be susceptible to that reproach. To paraphrase the thought expressed in Philippine Association of Free Labor Unions vs. Salvador,[6] the competence of a labor tribunal is to be viewed in the light of the language used, which is not to be whittled down and emasculated. The recognition of its authority should then be full and sympathetic, never grudging. So it has been from the leading case of Goseco vs. Court of Industrial Relations,[7] decided in 1939, with Justice Laurel as ponente. To be more specific, that approach has been followed in all National Labor Relations cases from Confederation of Citizens Labor Unions vs. NLRC[8] to Antipolo Highway Lines, Inc. vs. Inciong.[9] There is even less need to consider the contention of petitioners that the civil courts should take over. It is surprising how such an argument could be made at this late date. It amounts, to borrow from Justice Street, to "rattling the bones of an antiquated skeleton from which all semblance of animate life has long since departed."[10]

2. The assertion that there was a denial of procedural due process is not borne out by the records. As set forth in the Comment of respondent Commission: "(a) Upon the filing of private respondent's complaint, the same was referred to a Mediator/Fact-Finder, Atty. Luna C. Piezas who, after conducting preliminary fact-finding hearings on January 31, 1973 and February 6, 1973, submitted his Preliminary Fact-Finding Report dated February 7, 1973 to respondent Commission pursuant to Sec. 9, NLRC Rules & Regulations implementing Presidential Decree No. 21 (b) On February 16 and 22, 1973 hearings at the mediation level were conducted by said Mediator/Fact-Finder who thereafter, but upon prior receipt by him of the respective memoranda of the parties, submitted to respondent Commission his Mediation Report and his Additional Mediation Report recommending that on the basis thereof, as well as his Preliminary Fact-Finding Report and the memoranda of the parties, the case be resolved by respondent Commission. (c) In all the foregoing hearings with prior notice to the parties, evidence both testimonial and documentary were adduced not only by private respondent but by petitioners as well. If any of the said hearings were held ex-parte, it was due to the fault of petitioners [or] their counsel for their unexplained non-appearance (d) On the basis of the Mediation Report and the Additional Mediation Report, respondent Commission rendered its decision adopting by reference the findings of facts and the laws on which it is based as reflected in the aforesaid mediation reports."[11] It would thus appear that in view of the matter being within the cognizance of an administrative body, as was the Court of Industrial Relations, the insistence of petitioners on strict adherence to the Rules of Court lacks doctrinal support. What cannot be denied is that whatever defenses were available to them could have been raised and argued at three levels, that of the Mediator/Fact-Finder, that of the Commission itself, and lastly that of the Secretary of Labor. Maglasang vs. Ople[12] and Nation Multi Service Labor Union vs. Agcaoili,[13] both recent decisions dealing with the actuation of the respondent Commission, show the futility of reliance on the alleged lack of due process under the circumstances. This expert from Justice Aquino's opinion in Antipolo Highway Lines, Inc. vs. Inciong[14] is relevant: "A

dispassionate scrutiny of the proceedings in the NLRC does not sustain petitioners view that they were denied due process and that the NLRC committed a grave abuse of discretion. We found no justification for setting aside the factual findings of the NLRC, which like those of any other administrative agency, are generally binding on the courts."[15]

3. That is about all. In a petition of this character, only questions that give rise to a jurisdictional infirmity need to be passed upon. As is clear from the foregoing, petitioners were none-too-successful in their effort to demonstrate that such failings could be attributed to respondent Commission. As to the peripheral matters concerning the failure to exhaust the grievance procedure as well as the submission to voluntary arbitration, it suffices to answer, as noted by the Solicitor General, that there is misapprehension on their part, it being a prerequisite in such cases that there be in existence a collective bargaining contract. Admittedly, there is none. Moreover, to rely on an alleged disregard of the Nacida Act[16] and the Minimum Wage Law,[17] is in vain in view of the scope and coverage of Presidential Decree No. 21, which, in accordance with Constitution, is now part of the law of the land and therefore can certainly affect the operation of any statutory provision that speaks to the contrary.[18]

WHEREFORE, this petition for certiorari and prohibition is dismissed for lack of merit. No costs.

Makalintal, *C.J.*, Muñoz Palma and Martin, *JJ.*, concur.
Antonio and Concepcion Jr., *JJ.*, are on official leave.
Barredo, *J.*, did not take part.
Aquino, *J.*, in the result.

---

[1] Presidential Decree No. 21 (1972).
[2] Solicitor General Estelito Mendoza was assisted by Assistant Solicitor General Eulogio Raquel-Santos and Solicitor Salvador C. Jacob.
[3] Petition, Annex D.
[4] Ibid, Annex F.
[5] Section 2, Presidential Decree No. 21 (1972).

[6] L-29471, September 28, 1968, 25 SCRA 393.
[7] 68 Phil. 444.
[8] L-38955, October 31, 1974, 60 SCRA 450.
[9] L-38532, June 27, 1975.
[10] Bachrach Motor Co. vs. Summers, 42 Phil. 3, 9 (1921).
[11] Comment, 6-7.
[12] L-38813, April 29, 1975, 63 SCRA 508.
[13] L-39741, May 30, 1975.
[14] L-38532, June 27, 1975.
[15] Ibid.
[16] Republic Act No. 3470 (1962).
[17] Republic Act No. 602 (1951).
[18] Article XVII, Section 3, par. 2 of the Constitution reads: "All proclamations, orders, decrees, instructions, and acts promulgated, Issued, or done by the incumbent President shall be part of the law of the land, and shall remain valid, legal, binding, and effective even after lifting of martial law or the ratification of this Constitution unless modified, revoked, or superseded by subsequent proclamations orders, decrees, instructions, or other acts of the incumbent President, or unless expressly and explicitly modified or repealed by the regular National Assembly."

Philippine Copyright © 2005
ChanRobles Publishing Company
www.chanrobles.com