SUPREME COURT
SECOND DIVISION

ISIDORO LIMQUIACO, JR.,
***Petitioner*,**

-versus-

G.R. No. L-45268
December 3, 1987

HON. JOSE R. RAMOLETE, in his capacity as Presiding Judge, Branch III, CFI, Cebu; and PEPSI COLA BOTTLING CO., INC., (Cagayan de Oro Plant), FRANK PECK and LUIS DABAO, JR.,
***Respondents*.**
x----------x

D E C I S I O N

PADILLA, *J.*:

For Consideration is a Petition for Review on Certiorari of the Decision of the Court of First Instance of Cebu which dismissed the petitioner's complaint in Civil Case No. R-13938, entitled "Isidoro Limquiaco, Jr., plaintiff, versus Pepsi Cola Bottling Co., Inc., et al., defendants."

The undisputed facts of the case are as follows:

The petitioner, Isidoro Limquiaco, Jr., was employed as a regular route salesman of the respondent Pepsi Cola Bottling Co., Inc., (PEPSI COLA, for short) with a salary of P325.00 a month, including commissions. On 27 April 1972, he was dismissed for union activities so that he filed a complaint for illegal dismissal, discrimination, and unfair labor practice with the Regional Office of the National Labor Relations Commission at Cebu City against PEPSI COLA, Frank Peck, president of PEPSI COLA, and Luis Dabao, Jr., Plant Branch Manager of PEPSI COLA in Cagayan de Oro City. The case was docketed therein as NLRC Case No. 006. After hearing, judgment was rendered in favor of the herein petitioner and PEPSI COLA was ordered to reinstate him to his former position without loss of seniority, and to pay him back wages and attorney's fees. PEPSI COLA appealed therefrom but its appeal was dismissed by the NLRC sitting en banc. Thereafter, the NLRC office in Cebu City issued a writ of execution.

To satisfy the judgment, the Sheriff of Cagayan de Oro levied upon a Ford Truck belonging to PEPSI COLA and offered it for sale at public auction. PEPSI COLA, however, filed an action for Prohibition with Preliminary Injunction before the Court of First Instance of Misamis Oriental, docketed therein as Civil Case No. 4411, and the sale at public auction was stopped. On the date set for the hearing of the prayer of PEPSI COLA for the issuance of a writ of preliminary injunction, or on 2 April 1974, the parties presented to the court, for approval, a Compromise Agreement, wherein they agreed: (1) that PEPSI COLA shall pay the petitioner Limquiaco the amount of P8,805.21, pursuant to the decision in NLRC Case No. 006, and the sum of P2,817.56 for Termination Pay, unenjoyed Vacation Leave and accumulated Sick Leave and Christmas Bonus; (2) that the total amount of P11,622.77 constitutes the full satisfaction of all claims that the petitioner Limquiaco has filed against the company as well as of any other claim that he may have against PEPSI COLA arising out of his employment with the company; and (3) that both parties mutually waive any and all other claims arising out of the present case and/or of NLRC Case No. 006 and any claims whatsoever in relation to petitioner Limquiaco's employment with PEPSI COLA. The Compromise Agreement was approved by the trial court on that same day and the petitioner Limquiaco was paid the amount of P11,622.77.

The petitioner, however, was not satisfied. On 30 April 1974, he filed an action before the Court of First Instance of Cebu, docketed therein as Civil Case No. R-13938, against PEPSI COLA, Frank Peck, and Luis Davao, Jr., for the recovery of damages which he allegedly sustained by reason of the illegal, criminal, malicious, and harassing acts of PEPSI COLA, Frank Peck, and Luis Davao, Jr. in dismissing him from his employment as route salesman of PEPSI COLA in 1972.[1]

In its answer, PEPSI COLA and its co-defendants denied the allegations in the complaint, except as to their personal circumstances, and interposed the affirmative defenses that the complaint states no cause of action; that the cause of action, if any, has been waived, paid, or otherwise extinguished and/or that it is barred by prior judgments rendered in NLRC Case No. 006 and Civil Case No. 4411 of the Court of First Instance of Misamis Oriental where a compromise agreement was approved and judgment rendered in accordance therewith; and that the petitioner has split his cause of action, if any.[2]

After trial, the complaint was dismissed.[3] Whereupon, the petitioner filed the instant petition for certiorari, praying that the decision of the respondent court be reversed and set aside and another one entered ordering the private respondents to pay him damages asked for in his complaint.

There is no merit in the petition. It is the view of the Court that the question of damages which arose out of, or were connected with a labor dispute should be determined by the labor court to the exclusion of the regular courts of justice. To hold that the demand for damages is to be passed upon by the regular courts independently or separately from the labor dispute would be to sanction split jurisdiction which is prejudicial to an orderly administration of justice.

Besides, under the facts of this case, it should be noted that the labor case was filed before the ad hoc National Labor Relations Commission which was created, soon after the declaration of martial law, to replace the Court of Industrial Relations. Under Presidential Decree No. 21, which created the ad hoc NLRC, the Commission had 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."[4]

In the case of Ruby Industrial Corporation vs. Court of First Instance of Manila,[5] the Court ruled that "the only claims arising from employer-employee relationships which are beyond the jurisdiction of the National Labor Relations Commission are those already pending in courts on or before September 21, 1972," and, in the case of Garcia vs. Martinez,[6] the Court stated that if the Court of Industrial Relations had the prerogative to award damages, there is no justification for denying that power to its successor, the National Labor Relations Commission.

It was only after the issuance of Pres. Decree No. 1367 on 1 May 1978, that the Labor Arbiters were deprived of their authority to entertain claims for moral or other forms of damages. But, this was nullified by Pres. Decree No. 1691. "Evidently, the lawmaking authority had second thoughts about depriving the Labor Arbiters and the NLRC of the jurisdiction to award damages in labor cases because that set-up would mean duplicity of suits, splitting the cause of action and possible conflicting findings and conclusions by two tribunals on one and the same claim."[7]

Since the National Labor Relations Commission did not award damages in NLRC Case No. 006, the action instituted by the petitioner in the Court of First Instance of Cebu for the recovery of such damages was not in order. It is barred by the prior judgment rendered in NLRC Case No. 006.

The case of Quisaba vs. Sta Ines-Malale Veneer & Plywood, Inc.,[8] cited by the petitioner, cannot be invoked since the issue raised therein is not whether an action for damages should be filed separately from the unfair labor practice suit. In said case, the Court recognized the right of an employee who had been illegally dismissed

from his employment to file an action against his employer before the regular courts of justice, instead of the labor court, since the complaint is grounded, not on the employee's dismissal per se, but on the manner of said dismissal and the consequent effects thereof. The Court therein said:

> "Although the acts complained of seemingly appear to constitute 'matters involving employee-employer relations' as Quisaba's dismissal was the severance of a pre-existing employee-employer relation, his complaint is grounded not on his dismissal per se as in fact he does not ask for reinstatement or backwages, but on the manner of his dismissal and the consequent effects of such dismissal.
>
> xxx xxx xxx
>
> "The 'right' of the respondents to dismiss Quisaba should not be confused with the manner in which the right was exercised and the effects flowing therefrom. If the dismissal was done anti-socially or oppressively, as the complaint alleges, then the respondents violated article 1701 of the Civil Code which prohibits acts of oppression by either capital or labor against the other, and article 21, which makes a person liable for damages if he wilfully causes loss or injury to another in a manner that is contrary to morals good customs or public policy, the sanction for which, by way of moral damages, is provided in article 2219, No. 10.
>
> xxx xxx xxx
>
> "The case at bar is intrinsically concerned with a civil (not a labor) dispute, it has to do with an alleged violation of Quisaba's rights as a member of society, and does not involve an existing employee-employer relation within the meaning of section 2(1) of Presidential Decree No. 21. The complaint is thus properly and exclusively cognizable by the regular courts of justice, not by the National Labor Relations Commission."

The doctrine enunciated appears to be an adaptation of the rule now obtaining in workmen's compensation cases to the effect that an

employee or his heirs, in case of death, are given the option to claim compensation from the employer under the Labor Code, or proceed against him as a tortfeasor in an ordinary action for damages before the regular courts of justice; but, once an election has been exercised, the employee or his heirs are no longer free to opt for the other remedy, and that the employee cannot also pursue both actions simultaneously.[9] The reason for the rule was explained in Floresca vs. Philex Mining Company,[10] as follows:

> "The rationale in awarding compensation under the Workmen's Compensation Act differs from that in giving damages under the Civil Code. The compensation acts are based on a theory of compensation distinct from the existing theories of damages, payments under the acts being made as a compensation and not as damages (99 C.J.S. 53). Compensation is given to mitigate harshness and insecurity of industrial life for the workman and his family. Hence, an employer is liable whether negligence exists or not since liability is created by law. Recovery under the Act is not based on any theory of actionable wrong on the part of the employer (99 D.J.S. 36)
>
> "In other words, under compensation acts, the employer is liable to pay compensation benefits for loss of income, as long as the death, sickness or injury is work-connected or work-aggravated, even if the death or injury is not due to the fault of the employer (Murillo vs. Mendoza, 66 Phil. 689). On the other hand, damages are awarded to one as a vindication of the wrongful invasion of his rights. It is the indemnity recoverable by a person who has sustained injury either in his person, property or relative rights, through the act or default of another (25 C.J.S. 452)."

In view of the foregoing considerations, we no longer find it necessary to discuss the issue of whether or not the petitioner's claim for damages had been waived, paid and/or extinguished, or is barred by the judgment rendered in Civil Case No. 4411 of the Court of First Instance of Misamis Oriental.

WHEREFORE, the petition is denied. Without pronouncement as to costs in this instance.

SO ORDERED.

Yap, Paras and Sarmiento, *JJ.*, concur.
Melencio-Herrera *J.*, concur in the result.

---

[1] Rollo, at 57.
[2] Id., at 62.
[3] Id., at 36.
[4] Sec. 2, PD 21.
[5] G.R. No. L-38893, Aug. 31, 1977, 78 SCRA 499.
[6] G.R. No. L-47629, Aug. 3, 1978, 84 SCRA 577.
[7] Ebon vs. De Guzman, G.R. No. 58265, March 15, 1982, 113 SCRA 52.
[8] G.R. No. L-38088, Aug. 30, 1974, 58 SCRA 771.
[9] Floresca vs. Philex Mining Co., L-30642, April 30, 1985, 136 SCRA 141; Ysmael Maritime Corporation vs. Avelino, L-43674, June 30, 1987.
[10] Supra.
