SUPREME COURT
EN BANC

NATIONAL FEDERATION OF LABOR and ZAMBOWOOD MONTHLY EMPLOYEES UNION, ITS OFFICERS AND MEMBERS,
***Petitioners*,**

-versus-

G.R. No. L-61236
January 31, 1984

THE HONORABLE CARLITO A. EISMA, LT. COL. JACOB CARUNCHO, COMMANDING OFFICER, ZAMBOANGA DISTRICT COMMAND, PC, AFP, and ZAMBOANGA WOOD PRODUCTS,
***Respondents*.**
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D E C I S I O N

FERNANDO, *J.*:

This Court is confronted once again with the question of whether or not it is a court or a labor arbiter that can pass on a suit for damages filed by the employer, here private respondent Zamboanga Wood Products. Respondent Judge Carlito A. Eisma[1] then of the Court of First Instance, now of the Regional Trial Court of Zamboanga City,

was of the view that it is a court and denied a motion to dismiss filed by petitioners National Federation of Labor and Zambowood Monthly Employees Union, its officers and members. It was such an order dated July 20, 1982 that led to the filing of this certiorari and prohibition proceeding. In the order assailed, it was required that the officers and members of petitioner union appear before the court to show cause why a writ of preliminary injunction should not be issued against them and in the meanwhile such persons as well as any other persons acting under their command and on their behalf were "temporarily restrained and ordered to desist and refrain from further obstructing, impeding and impairing plaintiff's use of its property and free ingress to or egress from plaintiff's Manufacturing Division facilities at Lumbayao, Zamboanga City and on its road right-of-way leading to and from said plaintiff's facilities, pending the determination of the litigation, and unless a contrary order is issued by this Court."[2]

The record discloses that petitioner National Federation of Labor, on March 5, 1982, filed with the Ministry of Labor and Employment, Labor Relations Division, Zamboanga City, a petition for direct certification as the sole exclusive collective bargaining representative of the monthly paid employees of the respondent Zamboanga Wood Products, Inc. at its manufacturing plant in Lumbayao, Zamboanga City.[3] Such employees, on April 17, 1982 charged respondent firm before the same office of the Ministry of Labor for underpayment of monthly living allowances.[4] Then came, on May 3, 1982, from petitioner union, a notice of strike against private respondent, alleging illegal termination of Dionisio Estioca, president of the said local union; unfair labor practice; nonpayment of living allowances; and "employment of oppressive alien management personnel without proper permit.[5] It was followed by the union submitting the minutes of the declaration of strike, "including the ninety (90) ballots, of which 79 voted for yes and three voted for no."[6] The strike began on May 23, 1982.[7] On July 9, 1982, private respondent Zambowood filed a complaint with respondent Judge against the officers and members of petitioners union, for "damages for obstruction of private property with prayer for preliminary injunction and/or restraining order."[8] It was alleged that defendants, now petitioners, blockaded the road leading to its manufacturing division, thus preventing customers and suppliers free ingress to or egress from such

premises.[9] Six days later, there was a motion for the dismissal and for the dissolution of the restraining order and opposition to the issuance of the writ of preliminary injunction filed by petitioners. It was contended that the acts complained of were incidents of picketing by defendants then on strike against private respondent, and that therefore the exclusive jurisdiction belongs to the Labor Arbiter pursuant to Batas Pambansa Blg. 227, not to a court of first instance.[10] There was, as noted earlier, a motion to dismiss, which was denied. Hence this petition for certiorari.

Four days after such petition was filed, on August 3, 1982, this Court required respondents to answer and set the plea for a preliminary injunction to be heard on Thursday, August 5, 1982.[11] After such hearing, a temporary restraining order was issued, "directing respondent Judge and the commanding officer in Zamboanga and his agents from enforcing the ex-parte order of injunction dated July 20, 1982; and to restrain the respondent Judge from proceeding with the hearing of the case effective as of [that] date and continuing until otherwise ordered by [the] Court. In the exercise of the right to peaceful picketing, petitioner unions must abide strictly with Batas Pambansa Blg. 227, specifically Section 6 thereof, amending Article 265 of the Labor Code, which now reads: '(e) No person engaged in picketing shall commit any act of violence, coercion or intimidation or obstruct the free ingress to or egress from the employer's premises for lawful purposes, or obstruct public thoroughfares.'"[12]

On August 13, 1982, the answer of private respondent was filed sustaining the original jurisdiction of respondent Judge and maintaining that the order complained of was not in excess of such jurisdiction, or issued with grave abuse of discretion. Solicitor General Estelito P. Mendoza,[13] on the other hand, instead of filing an answer, submitted a Manifestation in lieu thereof. He met squarely the issue of whether or not respondent Judge had jurisdiction, and answered in the negative. He concluded that "the instant petition has merit and should be given due course."

He traced the changes undergone by the Labor Code, citing at the same time the decisions issued by this Court after each of such changes. As pointed out, the original wording of Article 217 vested the labor arbiters with jurisdiction.[14] So it was applied by this Court in

Garcia vs. Martinez[15] and in Bengzon vs. Inciong.[16] On May 1, 1978, however, Presidential Decree No. 1367 was issued, amending Article 217, and provided "that the Regional Directors shall not indorse and Labor Arbiters shall not entertain claims for moral and other forms of damages."[17] The ordinary courts were thus vested with jurisdiction to award actual and moral damages in the case of illegal dismissal of employees.[18] That is not, as pointed out by the Solicitor General, the end of the story, for on May 1, 1980, Presidential Decree No. 1691 was issued, further amending Article 217, returning the original jurisdiction to the labor arbiters, thus enabling them to decide "3. All money claims of workers, including those based on nonpayment or underpayment of wages, overtime compensation, separation pay and other benefits provided by law or appropriate agreement, except claims for employees compensation, social security, medicare and maternity benefits; [and] (5) All other claims arising from employer-employee relations unless expressly excluded by this Code."[19] An equally conclusive manifestation of the lack of jurisdiction of a court of first instance then, a regional trial court now, is Batas Pambansa Blg. 130, amending Article 217 of the Labor Code. It took effect on August 21, 1981. Subparagraph 2, paragraph (a) is now worded thus: "(2) those that involve wages, hours of work and other terms and conditions of employment."[20] This is to be compared with the former phraseology: "(2) unresolved issue in collective bargaining, including those that involve wages, hours of work and other terms and conditions of employment."[21] It is to be noted that Batas Pambansa Blg. 130 made no change with respect to the original and exclusive jurisdiction of Labor Arbiters with respect to money claims of workers or claims for damages arising from employer-employee relations.

Nothing becomes clearer, therefore, than the meritorious character of this petition. Certiorari and prohibition lie, respondent Judge being devoid of jurisdiction to act on the matter.

1. Article 217 is to be applied the way it is worded. The exclusive original jurisdiction of a labor arbiter is therein provided for explicitly. It means, it can only mean, that a court of first instance judge then, a regional trial court judge now, certainly acts beyond the scope of the authority conferred on him by law when he entertained the suit for damages, arising from picketing that accompanied a strike.

That was squarely within the express terms of the law. Any deviation cannot therefore be tolerated. So it has been the constant ruling of this Court even prior to Lizarraga Hermanos vs. Yap Tico,[22] a 1913 decision. The ringing words of the ponencia of Justice Moreland still call for obedience. Thus, "The first and fundamental duty of courts, in our judgment, is to apply the law. Construction and interpretation come only after it has been demonstrated that application is impossible or inadequate without them."[23] It is so even after the lapse of sixty years.[24]

2. On the precise question at issue under the law as it now stands, this Court has spoken in three decisions. They all reflect the utmost fidelity to the plain command of the law that it is a labor arbiter, not a court, that possesses original and exclusive jurisdiction to decide a claim for damages arising from picketing or a strike. In Pepsi-Cola Bottling Co. vs. Martinez,[25] the issue was set forth in the opening paragraph, in the ponencia of Justice Escolin: "This petition for certiorari, prohibition and mandamus raises anew the legal question often brought to this Court: Which tribunal has exclusive jurisdiction over an action filed by an employee against his employer for recovery of unpaid salaries, separation benefits and damages — the court of general jurisdiction or the labor Arbiter of the National Labor Relations Commission [NLRC]?"[26] It was categorically held: "We rule that the Labor Arbiter has exclusive jurisdiction over the case."[27] Then came this portion of the opinion: "Jurisdiction over the subject matter in a judicial proceeding is conferred by the sovereign authority which organizes the court; and it is given only by law. Jurisdiction is never presumed; it must be conferred by law in words that do not admit of doubt. Since the jurisdiction of courts and judicial tribunals is derived exclusively from the statutes of the forum, the issue before Us should be resolved on the basis of the law or statute now in force. We find that law in Presidential Decree 1691 which took effect on May 1, 1980, Section 3 of which reads as follows: Article 217. Jurisdiction of Labor Arbiters and the Commission. — (a) The Labor Arbiters shall have the original and exclusive jurisdiction to

hear and decide the following cases involving all workers whether agricultural or non-agricultural: 3. All money claims of workers, including those based on nonpayment or underpayment of wages, overtime compensation, separation pay and other benefits provided by law or appropriate agreement, except claims for employees' compensation, social security, medicare and maternity benefits; 4. Cases involving household services; and 5. All other claims arising from employer-employee relations, unless expressly excluded by this Code."[28] That same month, two other cases were similarly decided, Ebon vs. De Guzman[29] and Aguda vs. Vallejos.[30]

3. It is regrettable that the ruling in the above three decisions, decided in March of 1982, was not followed by private respondent when it filed the complaint for damages on July 9, 1982, more than four months later.[31] On this point, reference may be made to our decision in National Federation of Labor, et al. vs. The Honorable Minister of Labor and Employment,[32] promulgated on September 15, 1983. In that case, the question involved was the failure of the same private respondent, Zamboanga Wood Products, Inc., to admit the striking petitioners, eighty-one in number, back to work after an order of Minister Blas F. Ople certifying to the National Labor Relations Commission the labor dispute for compulsory arbitration pursuant to Article 264 (g) of the Labor Code of the Philippines. It was noted in the first paragraph of our opinion in that case: "On the face of it, it seems difficult to explain why private respondent would not comply with such order considering that the request for compulsory arbitration came from it. It ignored this notification by the presidents of the labor unions involved to its resident manager that the striking employees would lift their picket line and start returning to work on August 20, 1982. Then, too, Minister Ople denied a partial motion for reconsideration insofar as the return-to-work aspect is concerned which reads: 'We find no merit in the said Motion for Reconsideration. The Labor Code, as amended, specifically Article 264 (g), mandates that whenever a labor dispute is certified by the Minister of Labor

and Employment to the National Labor Relations Commission for compulsory arbitration and a strike has already taken place at the time of certification, "all striking employees shall immediately return to work and the employees shall immediately resume operations and readmit all workers under the same terms and conditions prevailing before the strike."[33] No valid distinction can be made between the exercise of compulsory arbitration vested in the Ministry of Labor and the jurisdiction of a labor arbiter to pass over claims for damages in the light of the express provision of the Labor Code as set forth in Article 217. In both cases, it is the Ministry, not a court of justice, that is vested by law with competence to act on the matter.

4. The issuance of Presidential Decree No. 1691 and the enactment of Batas Pambansa Blg. 130, made clear that the exclusive and original jurisdiction for damages would once again be vested in labor arbiters. It can be affirmed that even if they were not that explicit, history has vindicated the view that in the appraisal of what was referred to by Philippine American Management & Financing Co., Inc. vs. Management & Supervisors Association of the Philippine-American Management & Financing Co., Inc. [34] as "the rather thorny question as to where in labor matters the dividing line is to be drawn"[35] between the power lodged in an administrative body and a court, the unmistakable trend has been to refer it to the former. Thus: "Increasingly, this Court has been committed to the view that unless the law speaks clearly and unequivocally, the choice should fall on [an administrative agency]."[36] Certainly, the present Labor Code is even more committed to the view that on policy grounds, and equally so in the interest of greater promptness in the disposition of labor matters, a court is spared the often onerous task of determining what essentially is a factual matter, namely, the damages that may be incurred by either labor or management as a result of disputes or controversies arising from employer-employee relations.

WHEREFORE, the writ of certiorari is granted and the order of July 20, 1982, issued by respondent Judge, is nullified and set aside. The

writ of prohibition is likewise granted and respondent Judge, or whoever acts in his behalf in the Regional Trial Court to which this case is assigned, is enjoined from taking any further action on Civil Case No. 716 (2751), except for the purpose of dismissing it. The temporary restraining order of August 5, 1982 is hereby made permanent.

Teehankee, Makasiar, Aquino, Guerrero, Melencio-Herrera, Plana, Escolin, Relova and Gutierrez, Jr., *JJ.*, concur.
Concepcion, Jr., *J.*, took no part.
Abad Santos, *J.*, I concur and express the hope that Art. 217 should not undergo repeated amendments.
De Castro, *J.*, is on leave.

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[1] The other respondents are Lt. Col. Jacob Caruncho, Commanding Officer, Zamboanga District Command, PC, AFP and Zamboanga Wood Products.
[2] Annex K to Petition 2.
[3] Manifestation of Solicitor General in Lieu of Answer, par. 1.
[4] Ibid, par. 2.
[5] Ibid, par. 3.
[6] Ibid, par. 4.
[7] Ibid, par. 5.
[8] Ibid, par. 8.
[9] Ibid.
[10] Ibid, par. 10.
[11] Resolution of this Court dated August 3, 1982.
[12] Resolution of this Court dated August 5, 1982.
[13] He was assisted by then Assistant Solicitor General Reynato S. Puno; Assistant Solicitor General Ruben E. Agpalo and Solicitor Amado D. Aquino.
[14] Manifestation, in Lieu of Answer, 5-6, citing pars. (3) and (5) of Article 217.
[15] L-47629, August 3, 1978, 84 SCRA 577.
[16] L-48706-07, June 29, 1979, 91 SCRA 248.
[17] Manifestation, 8.
[18] Cf. Garcia vs. Martinez, L-47629, May 28, 1979, 90 SCRA 331; Calderon Sr. vs. Court of Appeals, L-52235, October 28, 1980, 100 SCRA 459; Abad vs. Phil. American General Insurance Co., L-50563, October 30, 1981, 108 SCRA 717. In all three cases, it was made clear that money claims arising from employer-employee relations by virtue of Presidential Decree No. 1367 were cognizable by the ordinary courts, labor arbiters being excluded from passing upon "claims for moral and other forms of damages."
[19] Manifestation, 14.

[20] Batas Pambansa Blg. 130, amending Article 217 of subparagraph 2 of paragraph (a) of the Labor Code (1981).
[21] Article 217 of the Labor Code, par. (2).
[22] 24 Phil. 504.
[23] Ibid, 513.
[24] In Asuncion, Jr. vs. Segundo, G.R. No. 59593, promulgated on September 24, 1983, reference was made to Kapisanan ng mga Manggagawa vs. Manila Railroad Co., L-25316, February 28, 1979, 88 SCRA 616. The opinion cited 13 cases starting from People vs. Mapa, L-22301, August 30, 1967, 20 SCRA 1164 to Gonzaga vs. Court of Appeals, L-27455, June 28, 1973, 51 SCRA 381. After the Manggagawa decision came two later cases of the same tenor: Banawa vs. Mirano, L-24750, May 16, 1980, 97 SCRA 517; Insular Lumber Co. vs. Court of Tax Appeals, L-31057, May 29, 1981, 104 SCRA 710. All in all, since the 1967 decision in Mapa, seventeen cases have applied the ruling in Lizarraga Hermanos.
[25] L-58877, May 15, 1982; 112 SCRA 578.
[26] Ibid, 580.
[27] Ibid, 581.
[28] Ibid, 581-582.
[29] L-58265, March 25, 1982; 113 SCRA 52.
[30] L-58133, March 26, 1982, 113 SCRA 69.
[31] The complaint in the lower court was signed by Alberto de la Rosa, resident manager of private respondent. He was assisted by two members of the bar, Demosthenes S. Baban and Monico E. Luna, Annex J to Petition.
[32] G.R. No. 64183.
[33] Ibid, 2.
[34] L-27953, November 29, 1972, 48 SCRA 187.
[35] Ibid, 91.
[36] Ibid. Cf. Allied Free Workers Union vs. Apostol, 102 Phil. 292 (1957); Bay View Hotel, Inc. vs. Manila Hotel Workers Union, L-21803, Dec. 17, 1966, 18 SCRA 946; Republic Savings Bank vs. Court of Industrial Relations, L-20303, Sept. 27, 1967, 21 SCRA 226; Seno vs. Mendoza, L-20565, Nov. 29, 1967, 21 SCRA 1124; Security Bank Employees Union vs. Security Bank and Trust Company, L-28536, April 30, 1968, 23 SCRA 503; Manila Hotel Co. vs. Pines Hotel Employees Association, L-24314, Sept. 28, 1970, 35 SCRA 96; Alhambra Industries, Inc. vs. Court of Industrial Relations, L-25984, Oct. 30, 1970, 35 SCRA 550; Espanilla vs. La Carlota Sugar Central, L-23722, March 31, 1971; 38 SCRA 186; Mindanao Rapid Co., Inc. vs. Omandam, L-23058, Nov. 27, 1971, 42 SCRA 250.