

CHANROBLES PUBLISHING COMPANY

**SUPREME COURT  
FIRST DIVISION**

**TAG FIBERS, INC. and RAFAEL  
ZULUAGA, JR.,**

*Petitioners,*

*-versus-*

**G.R. No. 120931  
October 20, 2000**

**NATIONAL LABOR RELATIONS  
COMMISSION, LABOR ARBITER  
REYNOSO A. BELARMINO, ICARDO  
ABANES, GUILLERMO ABELLANA,  
ANGELO ANDO, FERNANDO  
CABALUNA, FELIX CABELLON,  
ANDRES CABELLON, MARTIN  
CARITAN, DIOSDADO CAMPANER,  
ELPIDIO DEIPARINE, RUPERTO  
GAVIOLA, JESUS HERNAN, CATALINO  
OCAMPO, TOMAS OCAMPO,  
LEONARDO NAVARRO, ROMAN  
PACUBAS, HERMOGENES RABAGO,  
JOAQUIN RABAYA, CARLITO  
RAGANAS, VENERANDO RAGANAS,  
PABLITO RAGANAS and REMEGIO YU,  
*Respondents.***

X-----X

**DECISION**

**PARDO, J.:**

The case is a Petition for *Certiorari*<sup>[1]</sup> to set aside (1) the resolution of the National Labor Relations Commission, Regional Arbitration Branch No. VII, Cebu City,<sup>[2]</sup> the dispositive portion of which reads as follows:

“WHEREFORE, premises considered, we hereby resolve that respondents herein jointly severally grant each of the 21 petitioners the sum of TWENTY SEVEN THOUSAND THREE HUNDRED (P27,300.00) Pesos or the total sum of FIVE HUNDRED SEVENTY THREE THOUSAND THREE HUNDRED (P573,300.00) Pesos in concept of separation pay of TWO THOUSAND SEVEN HUNDRED THIRTY (P2,730.00) Pesos each per year of service from February 1983 to June, 1993.

SO ORDERED.”

(2) The Resolution<sup>[3]</sup> disposing as follows:

“WHEREFORE, respondents are hereby ordered to pay jointly and severally, to each of the twenty-one (21) complainants a reinstatement salary and separation pay, computed as heretofore indicated:

“I. Salary (April 16, – May 4, 1993) P90.73 x 19 days	P1,723.87
“II. Separation Pay P90.73 x 26 days x 10 yr.	<u>23,589.80</u> 25,313.67
“Multiplied by no. of complainants “TOTAL LIABILITY OF RESPONDENTS:	_____ x 21  P531,587.07 =====

“SO ORDERED.”

And (3) the resolution that denied petitioner’s motion for reconsideration.<sup>[4]</sup>

The facts are as follows:

In August 1979, petitioner Tag Fibers, Inc. absorbed respondents from its predecessors, Smith Bell and Company, Conrad and Company and Columbian Rope and Company as regular and permanent employees until the second week of February 1983, when they were all terminated because of company losses.<sup>[5]</sup> On February 11, 1983, petitioner Tag Fibers, Inc. re-hired respondents Ricardo Abanes and twenty (20) others effective on the day after the termination of their employment as piece-rate workers.<sup>[6]</sup>

On July 25, 1983, when petitioners learned that respondents filed a complaint with the Regional Director, Region VII, Ministry of Labor & Employment for violation of the Minimum Wage Law and the granting of cost of living allowances, petitioners prohibited them from working.<sup>[7]</sup>

On August 22, 1983, respondents filed with the Labor Arbiter a complaint for illegal dismissal with reinstatement and payment of backwages, cost of living allowances and other benefits.<sup>[8]</sup>

On January 11, 1985, Labor Arbiter Felipe T. Garduque III rendered a decision disposing as follows:

“WHEREFORE, responsive to all the foregoing, respondent TAG FIBER INC., and/or RAFAEL ZULUAGA, Jr., is hereby ordered to reinstate complainants to their respective former positions without loss of seniority rights and privileges and to pay jointly and severally the total sum of TEN THOUSAND EIGHT HUNDRED FIFTY EIGHT PESOS AND 68/100 (P10,858.68) to be deposited with this office within ten (10) days from receipt of this Decision for appropriate disposition.

“SO ORDERED.

“Cebu City, Philippines, 11 January 1985.

“FELIPE T. GARDUQUE II  
“Labor Arbiter”<sup>[9]</sup>

On February 1, 1985, petitioners appealed to the National Labor Relations Commission (NLRC).<sup>[10]</sup>

On February 17, 1986, the NLRC dismissed the appeal for lack of merit and affirmed the decision of the Labor Arbiter.<sup>[11]</sup>

On May 2, 1986, petitioners filed a motion for reconsideration.<sup>[12]</sup> However, the NLRC denied the motion in a resolution dated July 30, 1986.<sup>[13]</sup>

On September 5, 1986, respondents filed with the Labor Arbiter a motion for the issuance of a writ of execution.<sup>[14]</sup>

On October 15, 1986, petitioners filed with the Supreme Court a petition for certiorari for the nullification of the NLRC decision.<sup>[15]</sup>

On October 5, 1987, the Court dismissed the petition for failure to sufficiently show that the respondent Commission had committed a grave abuse of discretion in rendering the questioned judgment.<sup>[16]</sup>

Meantime, on January 22, 1987, Labor Arbiter Alhambra Llenos Alfafara issued the corresponding writ of execution.<sup>[17]</sup>

On February- 15, 1993, Labor Arbiter Reynoso A. Belarmino issued another writ of execution of the January 15, 1985 decision of Labor Arbiter Felipe T. Garduque,<sup>[18]</sup> in execution of which petitioners paid respondents the full amount of the monetary award of P10,858.68, but refused to reinstate the respondents.<sup>[19]</sup> During the execution proceedings, respondents pressed for more backwages that was not provided in the Garduque decision. Consequently, the issue of reinstatement was set for a conference between the parties.<sup>[20]</sup>

On March 23, 1993, the Labor Arbiter set the conference between the parties.<sup>[21]</sup> However, on May 3, 1993, respondents filed a motion to

direct petitioners to pay them backwages in view of petitioners' refusal to reinstate them.<sup>[22]</sup>

On July 12, 1993, Labor Arbiter Reynoso A. Belarmino issued a resolution finding that strained relationship existed between the employer and employees and resolved to grant respondents the sum of P27,300.00 each or a total of P573,300, in the concept of separation pay of P2,730.00 each per year of service from February 1983 to June 1993.<sup>[23]</sup>

On April 19, 1995, the NLRC modified the above-mentioned resolution of the Labor Arbiter.<sup>[24]</sup> On May 11, 1995, petitioners filed with the NLRC a motion for reconsideration of the April 19, 1995 resolution assailing the grant of separation pay in lieu of reinstatement.<sup>[25]</sup> On May 26, 1995, the NLRC denied petitioner's motion for reconsideration.<sup>[26]</sup>

Hence, this petition.<sup>[27]</sup>

Petitioners contend that the monetary aspect of the judgment dated January 11, 1985 has been satisfied and the Labor Arbiter's authority to enforce judgment is merely ministerial; hence, the Labor Arbiter cannot modify or vary the final and executory decision of the NLRC.

We find the petition is meritorious.

Under Rule 39, Section 6, 1964 Revised Rules of Court, a judgment may be executed on motion within five (5) years from the date of its entry or from the date it becomes final and executory.

After the lapse of such time, and before it is barred by the statute of limitations, a judgment may be enforced by action.<sup>[28]</sup> This rule applies to the case as the Rules of Court are applicable to labor cases in a suppletory capacity.<sup>[29]</sup>

In this particular case, the January 11, 1985 decision of Labor Arbiter Felipe T. Garduque II became final after the NLRC denied petitioner's motion for reconsideration on July 30, 1986. Hence, the Labor Arbiter had no jurisdiction when he set a conference on March 23, 1993. The conference could no longer be lawfully convoked.

When the NLRC issued the resolution ordering the petitioner to pay separation pay from February 1983 to June 1993, it modified its own final judgment, and worse, acted without jurisdiction. The finality of a decision is a jurisdictional event that cannot be made to depend on the convenience of a party.<sup>[30]</sup>

**WHEREFORE**, the Court **GRANTS** the petition and **SETS ASIDE** the NLRC resolution in NLRC Case No. 701-82 dated July 12, 1993, the resolution in NLRC Case No. V-0392-93, promulgated on April 19, 1995, and the resolution in the same case promulgated on May 26, 1995, which are hereby declared **VOID**.

**No costs.**

**SO ORDERED.**

**Davide, Jr., C.J., Puno, Kapunan and Ynares-Santiago, concur.**

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- [1] Under Rule 65, 1964 Revised Rules of Court.  
[2] In NLRC Case No. 701-83, promulgated on July 12, 1993, Rollo, pp. 20-24. Reynoso A. Belarmino, Labor Arbiter.  
[3] In NLRC Case No. V-0392-93, promulgated on April 19, 1995, Rollo, pp. 26-31. Cañete, Comm., ponente, Ceniza, Pres. Comm. and Batuhan, Comm., concurring.  
[4] In NLRC Case No. V-0392-93, promulgated on May 26, 1995, Rollo, pp. 34-36.  
[5] Joint Affidavit, par. 3, Original Record, pp. 39-41.  
[6] Ibid.  
[7] Joint Affidavit, pars. 4-5, supra, Note 5.  
[8] Complaint, Original Record, pp. 1-3.  
[9] Original Record, pp. 149-153.  
[10] Ibid., pp. 74-85.  
[11] Ibid., pp. 92-95.  
[12] Ibid., pp. 96-99.  
[13] Ibid., p. 111.  
[14] Ibid., pp. 115-118.  
[15] G.R No. 75982.  
[16] Original Record, p. 201.  
[17] Ibid., pp. 186-187.  
[18] Ibid., p. 204.

- [19] Ibid., p. 210.
- [20] Ibid., p. 211.
- [21] Ibid.
- [22] Ibid, pp. 222-230.
- [23] Ibid., p. 239; supra, Note 2.
- [24] Ibid., p. 332; supra, Note 3.
- [25] Ibid., pp. 355-360.
- [26] Ibid., p. 363; supra, Note 4.
- [27] Filed on July 21, 1995, Rollo, pp. 2-17. On March 25, 1996, we gave due course to the petition and required the parties to file their respective memoranda (Rollo, pp. 94-95).  
On June 17, 1996, petitioners filed their memorandum (Rollo, pp. 106-117). On January 27, 1997, respondents filed their memorandum (Rollo, pp. 122-138). The petition involves pure questions of law; thus, we except this case from the ruling in *St. Martin Funeral Homes vs. NLRC*, 295 SCRA 494 [1998].
- [28] *Camacho vs. Court of Appeals*, 287 SCRA 611 [1998].
- [29] *Associated Anglo-American Tobacco Corporation vs. NLRC*, 306 SCRA 380, 385 [1999].
- [30] *Philippine Rabbit Bus Lines, Inc. vs. NLRC*, 306 SCRA 151 [1999].