SUPREME COURT
SECOND DIVISION

FOSTER PARENTS PLAN INTERNATIONAL/BICOL, DIRECTOR MEREDITH J. RICHARDSON, ATTORNEY ROMULO A. BADILLA and NELIE WONG,
***Petitioners*,**

-versus-

G.R. No. 74077
July 7, 1986

HON. HARRIET DEMETRIOU, in her capacity as Presiding Judge of Branch XXXVII, 5th Judicial Regional, Iriga City, and FRANCIA ZENAIDA SANAO,
***Respondents*.**
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D E C I S I O N

NARVASA, *J.*:

At issue in this case is the propriety of respondent Regional Trial Court's assumption of jurisdiction over a disciplinary proceeding being conducted by a private juridical entity against an employee charged with serious misconduct on several counts.

The relevant events not being in dispute and the parties having, by their respective pleadings, clearly delineated their basic contentions and the facts and arguments supportive thereof, this Court has resolved to give due course to the petition and decide the case without further proceedings.

Private respondent Francia Zenaida Sanao was first employed by petitioner Foster Parents International Plan (FPPI) in July 1982 as Donor Service Coordinator. She was subsequently promoted to Social Work Supervisor.

On July 26, 1985, FPPI directed Sanao to answer disciplinary charges filed against her for (a) dishonesty; (b) gross and habitual neglect in the performance of duty; (c) lack of respect for authority; (d) violation of the code of behavior; (e) violation on punctuality; (f) violation of the code of discipline regarding the preservation of the good image of the Plan; (g) lack of credibility as supervisor; and (h) lack of professionalism on the rights of subordinates. On August 16, 1985, Sanao filed her Answer.

Pending investigation of the charges before Atty. Romulo Badilla, FPPI-designated Hearing Officer, which had been scheduled on various dates, Sanao filed a complaint (Civil Case No. 1705) for injunction with preliminary injunction and restraining order with the respondent Regional Trial Court of Camarines Sur, alleging among others, that she was an employee of FPPI; that the charges presented against her were designed only to provide a color of legality to an otherwise illegal dismissal, and that in any case, the prosecutor, investigator and judge in the aforesaid hearing in the person of Atty. Badilla (FPPI Legal consultant) was one and the same person, in violation of her right to an impartial judge under the due process clause. The respondent Court issued a restraining order on October 1, 1985, "valid for ** twenty (20) days" requiring FPPI, and certain of its officials impleaded as co-defendants, to maintain the status quo and refrain from proceeding with the administrative investigation.

On October 15, 1985, FPPI moved for the dismissal of the aforesaid civil case alleging among others lack of jurisdiction of the Court over the nature of the suit. By Order dated January 26, 1986, respondent Court held in abeyance resolution of the motion to dismiss until after

trial on the merits stating that the grounds relied thereon did not appear to be indubitable. Its Motion for Reconsideration of this order having been denied on February 26, 1986, FPPI filed the present petition for certiorari alleging that (a) the case before the lower Court is one involving a labor dispute which is within the exclusive jurisdiction of the Labor Arbiters and the National Labor Relations Commission (NLRC); and (b) corollarily, the respondent Court has no authority to issue a restraining order in the case.

Private respondent, on the other hand, contends (a) that this case does not fall under either Article 217 (Re: Jurisdiction of Labor Arbiters and the Commission) or Article 255 (Re: Injunction Prohibited) of the Labor Code; and (b) that in any case, the decisive issue here is not whether or not an employer has the right to discipline its employees, but whether it is just for an employer to set up sham and orchestrated charges against an employee, and to establish a system of administrative investigation thereon where the judge, prosecutor, and the investigator are one and the same person in disregard of employee' s right to due process.

What private respondent is saying, at bottom, is that for one reason or another, her employer wishes to discharge her and to this end, has conjured up false charges against her and directed the investigation of those "orchestrated charges" by the employer's own designated official; and that unless the investigation is restrained and perpetually inhibited, it will eventuate in her dismissal from employment, without due process, and on sham charges. She would in effect preclude by judicial action the administrative determination by her employer of the existence of specified grounds for her dismissal from employment, or the imposition of appropriate sanction, upon the theory that the ostensible grounds are "orchestrated," and the investigator is biased.

The fact is that if private respondent is indeed ultimately dismissed from employment, as she fears, her recourse cannot but be to the Labor Arbiters and the National Labor Relations Commission. For cases of illegal dismissal are within the exclusive original jurisdiction of said arbiters and Commission, not the regular courts of justice.[1]

Now, if regular courts of justice have no jurisdiction over cases of illegal dismissal, it follows that they have no jurisdiction over the preliminary or antecedent acts or proceedings which by design or not, may end up in illegal dismissals.

The respondent Court's restraining order of October 1, 1985[2] was therefore issued without jurisdiction, and will not be sustained by this Court.

Neither will this Court sustain the theory that courts, or labor arbiters, may perpetually inhibit administrative investigation by an employer of charges against an employee which if duly established may justify disciplinary sanctions, inclusive of dismissal from the service, upon the employee's plea that the charges are concocted or the investigator is prejudiced. This would result in a transfer from employers to courts or labor arbiters of the authority to determine in the first instance the existence or non-existence of grounds for administrative penalties against employees, since it may reasonably be anticipated that every employee will, justifiably or otherwise, deny the actuality of disciplinary grounds against him, or impugn the authority of the employer's appointed investigator and/or the bona fides of the investigator's actuations, and will therefore, not hesitate to file suit to enjoin the administrative investigation. This is a situation not contemplated by law.

The right to dismiss or otherwise impose disciplinary sanctions upon an employee for just and valid cause, pertains in the first place to the employer, as well as the authority to determine the existence of said cause in accordance with the norms of due process.[3] In the very nature of things, any investigation by the employer of any alleged cause for disciplinary punishment of an employee will have to be conducted by the employer himself or his duly designated representative; and the investigation cannot be thwarted or nullified by arguing that it is the employer who is accuser, prosecutor and judge at the same time. Otherwise the absurd would ensue: by entertaining some suspicion of wrongdoing by an employee and on that account requiring the employee to explain why no disciplinary sanction should be imposed on him, the employer would thereby incapacitate himself from conducting or directing another employee to conduct an investigation precisely to establish the existence or

non-existence of the alleged wrong doings the employer would then have to entrust this function to a person or persons not employed by or otherwise connected with or related to him at all. Of course, the decision of the employer meting out sanctions against an employee and the evidentiary and procedural bases thereof may subsequently be passed upon by the corresponding Labor arbiter (and the NLRC on appeal) upon the filing by the aggrieved employee of the appropriate complaint.[4]

One last word, In opting[5] "to defer or hold in abeyance the resolution or determination of the defendants' motion to dismiss" — which inter alia alleged that respondent Court has no jurisdiction over the nature of the action or suit[6] — said respondent Court acted with grave abuse of discretion, it being this Court's uniform holding that —

> "While the court has discretion to deter the hearing if the ground in the motion to dismiss is not indubitable, yet a deferment is in excess of jurisdiction if the ground for the motion to dismiss were lack of jurisdiction, or lack of cause of action, for in these events, the allegations in the complaint are deemed admitted for purposes of the motion to dismiss so that it can be resolved without waiting for the trial on the merits."[7]

WHEREFORE, the petition is granted; the Orders of respondent Court dated October 1, 1985, January 23, 1986 and February 26, 1986 are declared void and set aside, and said Court is directed to dismiss Civil Case No. 1705, with costs against private respondent.

SO ORDERED.

Abad Santos, Yap, Melencio-Herrera and Cruz, *JJ*., concur.

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[1] Art. 217, Labor Code, as amended by B.P. 130 and B.P. 227; SEC. 7, Rule IV, Book V, Omnibus Rule Implementing the Labor Code; Filipinas Life Assurance Co. Inc., et al., vs. Bleza, et al., 139 SCRA 565; Ramos vs. Our Lady of Peace School, 133 SCRA 741.

[2] P. 28, rollo.

[3] Engineering Equipment, Inc. vs. NLRC, 133 SCRA 752, 761, Reynolds Phil. Corporation vs. Eslava, 137 SCRA 259, 265-266; University of the East vs. NLRC, 140 SCRA 296, 301.

[4] See Footnote 1.
[5] Order, Jan. 23, 1986; p. 44, rollo.
[6] Motion to Dismiss, Oct. 14, 1985; pp. 29-35, rollo.
[7] Philippine Columbia Enterprises Co., et al vs. Lantin etc., et al., 39 SCRA 376, 383; see also TIME, Inc. vs. Reyes, et al., 39 SCRA 303, 316; Edward J. Nell Co. vs. Cubacub, 14 SCRA 419, 421; Administrator of Hacienda Luisita Estate vs. Alberto, October 21, 1958 (unrep.); Ruperto vs. Fernando, 83 Phil. 493, 945-946; Torres vs. Ocampo, 80 Phil. 36, 40-41.