SUPREME COURT
SECOND DIVISION

MARICALUM MINING CORP.,
***Petitioner*,**

-versus-

G.R. No. 124711
November 3, 1998

NATIONAL LABOR RELATIONS COMMISSION (NLRC), SIPALAY MINE FREE LABOR UNION and CECILIO T. SALUDAR,
***Respondents*.**
x----------x

D E C I S I O N

PUNO, *J.*:

Before us is a Special Civil Action on *Certiorari* under Rule 65 of the Rules of Court to Set Aside the Decision of the National Labor Relations Commission (NLRC) Ordering Maricalum Mining Corporation[1] to Reinstate Cecilio Saludar to his former job or

substantially equivalent position with three (3) years backwages without qualification and deduction, or to pay the sum of P52,010.55.

The records show that on August 17, 1984 a decision was rendered by Labor Arbiter Ethelwoldo Ovejera in RAB Case No. 06-0610-83 entitled Sipalay Mine Free Labor Union and Cecilio T . Saludar vs. Marinduque Mining and Industrial Corporation which ordered the reinstatement of illegally dismissed equipment operator Cecilio Saludar. The decision was not executed as all the assets of Marinduque had been foreclosed by the Philippine National Bank (PNB) and the Development Bank of the Philippines (DBP). These assets were subsequently acquired by petitioner Maricalum while Marinduque had ceased its operations.

Eight years later, Saludar moved for the issuance of a writ of execution against Maricalum. On April 14, 1993, Executive Labor Arbiter Oscar Uy granted the motion. Maricalum appealed to the NLRC contending that it is a different entity from Marinduque which was the only party to the original action. In its May 19, 1994 decision, the NLRC ruled:

> "(T)he records will show that Maricalum not only voluntarily recognized and absorbed the services rendered by the workers under the previous management of Marinduque Mining and Industrial Corporation, but it also assumed the obligation of Marinduque to its employees.
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> "Besides, this issue was already settled in the earlier and similar case of Maricalum Mining and Industrial Corporation vs. Xerxes Mission, NLRC Case No. V-0233-91, where we stated:
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> > "Likewise, we note from the records that in the Deed of transfer from the PNB and DBP of the assets of Marinduque, Maricalum shall assume liabilities due or owing to any other person.
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> "Section 3, subsection 3.01 of the said deed states:

> "1. From and after the effectivity date, Maricalum shall be solely liable (I) . . .; (II) for any other liability due or owing to any other person (natural or corporate).
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> "The Deed of Transfer was made retroactive to October 1984, when Maricalum was duly incorporated. Therefore, under the above general stipulation there can be no doubt that the awards adjudicated in favor of Leonardo Munion and Julian Montilla in the NLRC decision of January 29, 1987 come within the purview of the liabilities contemplated in the aforecited provision and is enforceable against Maricalum. We find no merit in its contention that it assumed only the assets, and not the liabilities of Marinduque specially in the light of its having voluntarily recognized and absorbed the services of the workers under the previous management of Marinduque Mining and Industrial Corporation. It undertook to rehire the workers of Marinduque or to pay those who cannot be rehired their corresponding benefits pursuant to the applicable law or CBA. It is clearly pointless for Maricalum to insist that it is not a successor-in-interest of Marinduque Mining and Industrial Corporation, at least in relation to the tenural rights of the latter's employees and the satisfaction of the judgment under execution."

Nonetheless, the NLRC held that since more than five (5) years have elapsed the judgment could be enforced against Maricalum, not by mere motion but by an action for revival of judgment.

On September 2, 1994, Saludar filed an Action for Revival of Judgment before the NLRC Regional Arbitration Branch (Bacolod City).[2] Maricalum again moved to dismiss alleging that: (1) the complaint was not accompanied by a certificate on non-forum shopping; (2) that the action was cognizable only by regular courts; and (3) that it was not a party to the original case.

On December 14, 1994, Saludar filed an Opposition to the Motion to Dismiss, attaching therewith an Affidavit of Compliance with Supreme Court Circular 04-94 on non-forum shopping. On December 21, 1994, Labor Arbiter Oscar Uy denied Maricalum's Motion to Dismiss and directed the parties to submit their position papers. On

April 18, 1995, Labor Arbiter Oscar Uy ruled[3] in favor of Saludar. He held that the certification of non-forum shopping does not apply to cases falling within the original and exclusive jurisdiction of the NLRC and labor arbiters because the NLRC is not a court but an agency performing quasi-judicial functions. He also sustained the jurisdiction of the labor arbiter over action to revive judgment involving illegal dismissal. The dispositive portion of the Decision states:

> "Wherefore, premises considered, judgment is hereby rendered ordering MARICALUM MINING CORPORATION to reinstate complainant CECILIO T. SALUDAR to his former job or substantially equivalent position with three (3) years backwages without qualification and deduction, or the sum of FIFTY TWO THOUSAND TEN and 55/100 PESOS (P52,010.55)." (Emphasis supplied.)

On May 25, 1995, Maricalum appealed the decision of Labor Arbiter UY.[4] On October 27, 1995 the NLRC affirmed this decision. It held:
"Aside from the fact that its liability as a successor entity has already been settled in our decision on May 19, 1994, which is already final and executory, the necessity of a hearing to implead Maricalum Mining Corporation in order to enforce and satisfy an award decreed by the NLRC had already been ruled by High Court in this wise:[5]

> "Being an incident in the execution of the final judgment award, NLRC retained jurisdiction and control over the case and could issue such order, as were necessary for the implementation of that award. It is true that DBP was not an original party and that it was ordered impleaded only after the Writs of Execution were not satisfied because the properties levied upon on execution had been foreclosed extrajudicially by it, DBP had to be impleaded, however, for the proper satisfaction of a final judgment. Being an incident in the execution of the final judgment award, NLRC retained jurisdiction and control over the case and could issue such orders as were necessary for the implementation of the award. Its inclusion as a party could not have been accomplished at the earlier stages of the proceedings because at the time of the filing of the complaint, private respondent's cause of action was only against Lirag.'

> In the light of the foregoing, the assertion of respondent Maricalum Mining Corporation that impleading it at this stage of the proceedings infringes upon its constitutional right to due process loses its worth. Especially where as ruled earlier by this Commission, Maricalum Mining Corporation "not only voluntarily recognized and absorbed the service rendered by the workers under the previous management of Marinduque Mining and Industrial Corporation, but it also assumed the obligations of Marinduque to its employees, Maricalum Mining Corporation did not even ask for a reconsideration of the above ruling.
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> "Lastly, we are not persuaded by respondent's version that the present action had already prescribed. It is undisputed that the original decision dated August 17, 1984 became final and executory on September 14, 1984 and when the complaint subject hereof was instituted on September 2, 1994, it has not yet prescribed.[6]

Hence, this petition with the following issues for resolution:

> "1. Whether or not Supreme Court Circular No. 04-94 is mandatory and should apply to NLRC.
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> "2. Whether or not Saludar's complaint for revival of judgment is fatally defective and null and void, hence did not stop the running of the prescriptive period.
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> "3. Whether or not complainant Saludar has cause of action against petitioner in an action for revival of judgment directed against another entity, Marinduque Mining and Industrial Corporation (MMIC).
>
> "4. Whether or not the NLRC-Bacolod has jurisdiction over an action for revival of judgment. [7]

We now consider the issues.

I

The certificate of non-forum shopping as provided by this Court Circular 04-94 is mandatory and should accompany pleadings filed before the NLRC. Court Circular No. 04-94 is clear and needs no further interpretation, viz:

> "The following requirements, in addition to those in pertinent provisions of the Rules of Court and other existing circulars, shall be strictly complied with in the filling of complaints, petitions, applications or other initiatory pleadings in all courts and agencies other than the Supreme Court and the Court of Appeals, and shall be subject to the sanctions provided hereunder:
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> "1. The plaintiff, petitioner, applicant or principal party seeking relief in the complaint, petition, application or other initiatory pleading shall certify under oath in such original pleading, or in a sworn certificate annexed thereto and simultaneously therewith, to the truth of the following facts and undertakings: (a) he has not heretofore commenced any other action or proceeding involving the same issues in the Supreme Court, the Court of Appeals, or any other tribunal or agency; (b) to the best of his knowledge, no such action or proceeding is pending in the Supreme Court, the Court of Appeals, or any other tribunal or agency; (c) if there is any such action or proceeding which is either pending or may have been terminated, he must state the status thereof; and (d) if he should thereafter learn that a similar action or proceeding has been filed or is pending before the Supreme Court, the Court is Appeals, or any other tribunal or agency, he undertakes to report the fact within five (5) days therefrom to the court or agency wherein the original pleading and sworn certification contemplated herein have been filed.
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> "x x x.
>
> "2. Any violation of this Circular shall be a cause for dismissal of the complaint, petition, application or other initiatory

> pleading, upon motion and after hearing." (Emphasis supplied.)

The NLRC is a quasi-judicial agency, hence, initiatory pleadings filed before it should be accompanied by a certificate of non-forum-shopping.

Nevertheless, in Loyola vs. Court of Appeals,[8] we held that substantial compliance with the requirement of the certificate of non-forum shopping is sufficient. We explained:

> "(s)ubstantial compliance with the Circular is sufficient. This Circular expanded or broadened the applicability of Circular No. 28-91 of this Court. In Gabionza vs. Court of Appeals [G.R. No. 112547, Resolution of July 1994, 234 SCRA 192] this Court held that substantial compliance therewith is sufficient for:
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> > "It is scarcely necessary to add that Circular No. 28-91 must be so interpreted and applied to achieve the purposes projected by the Supreme Court when it promulgated that Circular. Circular No. 28-91 was designed to serve as an instrument to promote and facilitate an orderly administration of justice and should not be interpreted with absolute literalness as to subvert its ultimate and legitimate objective or the goal of all rules of procedure-which is to achieve substantial justice as expeditiously as possible.'
> >
> > "x x x.
>
> "The fact that the Circular requires that it be strictly complied with merely underscores its mandatory nature in that it cannot be dispensed with or its requirements altogether disregarded, but it does not thereby interdict substantial compliance with its provisions under justifiable circumstances."

In the case at bar, it is undisputed that respondent Saludar filed an affidavit of compliance with SC Circular 04-94 on non-forum shopping albeit a little delayed. This little delay should not defeat the action for revival of judgment which undeniably was filed within the

ten (10) year prescriptive period. Also, the circumstance that respondent had painstakingly tried to enforce the favorable judgment he obtained against petitioner for almost ten (10) years but to no avail, should deter us from strictly construing the provisions of the Circular. A liberal interpretation of the Circular would be more in keeping with the objectives of procedural rules which is to "secure a just, speedy and inexpensive disposition of every action and proceeding."[9]

II

We do not agree with petitioner Maricalum's contention that Saludar has no cause of action against it since the judgment sought to be revived was obtained against Marinduque. The records show that Maricalum voluntarily absorbed Marinduque's obligations to its employees. The NLRC found that when the Philippine National Bank (PNB) and Development Bank of the Philippines (DBP) transferred Marinduque's assets to Maricalum, the Deed of Transfer contained the proviso that "(f)rom and after the effectivity date, Maricalum shall be solely liable for any liability due or owing to any other person (natural or corporate)."[10] Marinduque's liability to respondent Saludar for unpaid backwages adjudicated in RAB Case No. 06-0610-83 way back in 1984 became final when no appeal was interposed by it. This final judgment then formed part of the liabilities of Marinduque which Maricalum assumed in the Deed of Transfer. Thus, it is futile for Maricalum to deny liability it had voluntarily assumed.

III

Finally, we reject the contention of Maricalum that NLRC-Bacolod has no jurisdiction over an action for revival of judgment. In Aldeguer vs. Gemelo,[11] we held:

> "The action on the present case is an original action, and not a mere incident of the primitive suit or a mere auxiliary and supplementary remedy. It is a new and independent action for the recovery of a debt evidence by the original judgment. In other words, it is an action based on a judgment, or what is called in English an action upon a judgment. The American

> doctrine is uniform in the sense that whereas the remedy of scire facias, which is a mere incident of the original suit, must be instituted in the court where said suit was brought (34 C.J. 664-615; 23 Cyc., 1444-1445; 2 Freeman on Judgments, 2272-2273; 1 Black on Judgments, 578), an action upon a judgment must be brought either in the same court where said judgment was rendered or in the place where the plaintiff or defendant resides, or in any other place designated by the statutes which treat of the venue of actions in general.
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> "x x x.
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> "The owner of a judgment may use his judgment as a cause of action, and bring suit thereon in the same court or any court of competent jurisdiction, and prosecute such suit to final judgment. (Gould vs. Hayden, 63 Ind., 443; Palmer vs. Glover, 73 Ind., 529; Campbell vs. Martin, 87 Ind., 577.' (Becknell et al. vs. Becknell, 110 Ind., 47)."
>
> "x x x.
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> "An action on a judgment may be brought in the court which rendered it, or in any other court having jurisdiction. Thus the action may be brought in an inferior court on a judgment obtained in a superior one; and conversely, an action lies in a superior court upon a judgment rendered in an inferior one. It was formerly thought that such an action was a local one, and must be brought in the county where the records remained; but it is now held that the action may be brought in any county in which jurisdiction of defendant's person can be obtained." (Emphasis supplied)

Prescinding from the above decision, private respondent Saludar properly instituted his action for revival in the NLRC which rendered the judgment sought to be revived. It is well established that regular courts are bereft of jurisdiction to entertain disputes involving employer-employee relationship.

IN VIEW WHEREOF, the decision of the NLRC and RAB Case No. 06-08-10512-94 is **AFFIRMED**. No costs.

SO ORDERED.

Melo, Mendoza and Martinez, *JJ.*, concur.

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[1] RAB Case No. 06-08-10512-94. The Decision was rendered, on October 27, 1995 by the Fourth Division of the NLRC, presided by Commissioner Irenea E. Ceniza. Com. Amorito V. Canete, concurred in the decision while Com. Bernabe S. Batuhan dissented.
[2] RAB VI Case No. 08-10512-94, NLRC-Bacolod.
[3] Annex "K", Rollo, pp. 70-79.
[4] Annex "L", Rollo, pp. 80-89.
[5] Citing Development Bank of the Philippines vs. National Labor Relations Commission, 183 SCRA 328 (1990).
[6] Decision, pp. 1-7; Rollo, p. 31-37.
[7] Petition, p. 8; Rollo, p. 10.
[8] 245 SCRA 477, 483 (1995), see also Kavinta vs. Castillo, Jr., 249 SCRA 604, 608 (1995), Bernardo vs. National Labor Relations Commission, 255 SCRA 108, 177 (1996).
[9] Section 6, Rule 1, 1997 Rules of Civil Procedure, as amended.
[10] Section 3, subsection 3.01 of the Deed of Transfer.
[11] 68 Phils. 421, 423-427 (1939).
